

Barrie

# Building Tomorrow

*together*

OMERS

## Table of Contents

We Are OMERS	2
2024 Highlights	3
Introduction	4
Our Portfolio and Performance	6
Plan Funding	7
SC Plan Design Decisions	9
Bold Aspirations and a Clear Path Forward: OMERS 2030 Strategy	11
Proudly Canadian	15
Delivering a Sustainable Future	20
In Service of Our Members	26
Employees Empowered to Make an Impact	29

# We Are OMERS

A jointly sponsored, defined benefit pension plan, with over 1,000 participating employers ranging from large cities to local agencies and almost 640,000 active, deferred and retired members. Our members include union and non-union employees of municipalities, school boards, local boards, transit systems, electrical utilities, emergency services and children's aid societies across Ontario. OMERS teams work in Toronto, London, New York, Amsterdam, Luxembourg, Singapore, Sydney and other major cities across North America and Europe – serving members and employers and originating and managing a diversified portfolio of high-quality investments in government bonds, public and private credit, public and private equity, infrastructure and real estate. The benefits OMERS provides are funded equally from active members' and their employers' contributions, combined with investment income. We expect that the majority of future benefit payments for today's active members will be funded by investment returns. OMERS actively seeks out opportunities to engage with decision-makers to advocate for the advantages of the jointly sponsored, defined benefit pension model.

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## The Benefits of Being an OMERS Member

As a defined benefit pension plan, OMERS provides retirement income for life, based on earnings and years of service. Valuable features of the Plan include:

- Security of regular monthly income
- A professionally invested portfolio
- Additional benefits that include inflation protection, a bridge benefit, survivor and disability benefits

For more information on the benefits of being an OMERS member, please visit the Members section of the OMERS website.

The OMERS Pension Plans comprise the OMERS Primary Pension Plan; the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA); and the Supplemental Pension Plan for Police, Firefighters and Paramedics, which has no assets, liabilities or members. When we refer to the "OMERS Plan" or the "Plan" in our communications, it is the OMERS Primary Pension Plan that we are typically referring to, unless otherwise specified. For information on the RCA, refer to Management's Discussion & Analysis. When we refer to the "OMERS Act," it is to the OMERS Act, 2006, as amended.

This report contains forward-looking information, which is based on certain factors and assumptions and subject to certain risks. It also includes statements and other disclosures related to OMERS Sustainability Objectives (as defined on page 192). Please refer to "Legal Notices" on page 192 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures.

# 2024 Highlights

**8.3%**

Net return

**\$10.6B**

Net investment income

**3.70%**

Real discount rate

**98%**

Funded ratio

**\$6.5B**

Total pension benefits paid

**\$30,943**

Average annual overall pension in pay

**\$33,769**

Average annual pension in pay for members retiring in 2024

**639,765**

Total number of members as at December 31, 2024

**96%**

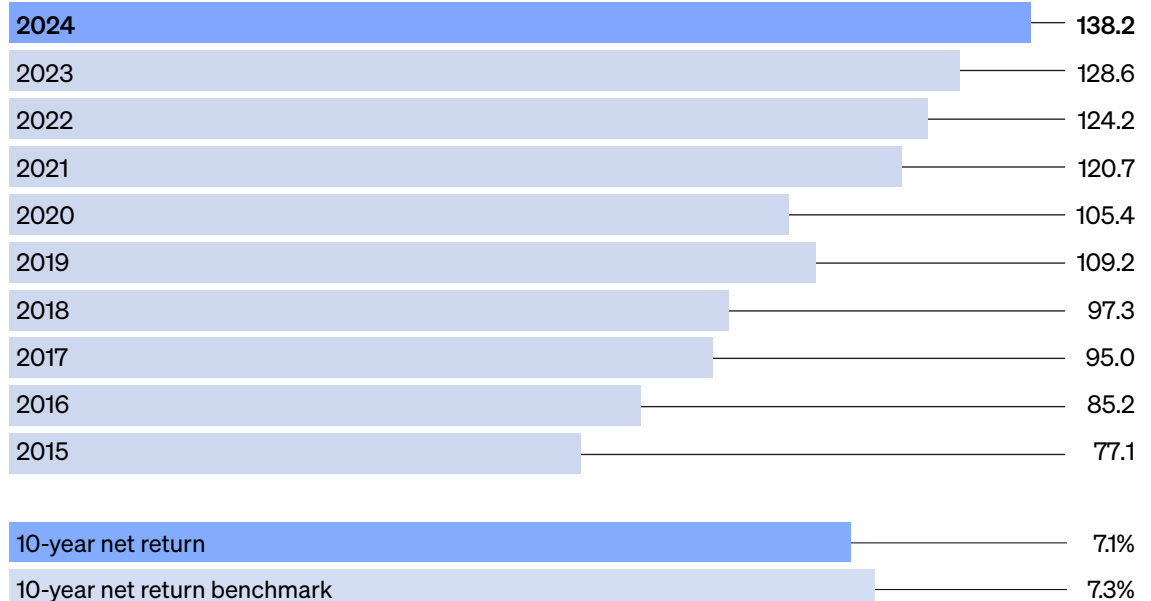
Member service satisfaction

**82%**

Employee engagement



Net assets (10-year view)  
(\$ billions)



# Introduction

This Annual Report is addressed to our members, employers, sponsors, unions, associations, employees and the many others who are interested in OMERS 2024 performance and in our progress in making OMERS a sustainable, affordable and meaningful defined benefit pension plan.

OMERS members dedicate their careers to serving and improving our communities, and we honour their commitment through our promise to provide them with a secure, lifetime defined benefit pension. This has been our promise for more than 60 years, and one we will proudly keep for generations to come.

In 2024, our teams continued to navigate a dynamic geopolitical and economic environment, leveraging our expertise to seize promising opportunities in a changing world.

Our net return for 2024 was 8.3%, surpassing our benchmark of 7.5%. Our portfolio is designed to serve our liabilities and this return equates to an additional \$10.6 billion added to the Plan on behalf of our members. Net assets at December 31, 2024, grew to \$138.2 billion from \$128.6 billion at the end of 2023. Given that we pay pensions over decades, we are pleased to report that our 10-year average return of 7.1% has generated more than \$70 billion for the Plan.

Our strong investment returns for the year contributed to a further improvement in our funded status, enabling us to take a prudent reduction of five basis points to the discount rate, bringing it down to 3.70%. Our smoothed funded ratio reached 98% at the end of the year, which is 12% higher than its low point of 86% in 2012.

Our well-diversified portfolio of high-quality assets positions us well to achieve long-term returns that will sustain the OMERS Plan for generations.

As outlined in this report, in 2024 the Administration Corporation Board and the Sponsors Corporation Board approved a strategic plan that will guide the organization for the next five years. The 2030 Strategy was formulated after careful consideration of global developments and trends, setting out a clear path for us to achieve ambitious and realistic goals, enabling us to fulfil our purpose of providing a sustainable, affordable and meaningful plan for our members.



This report also provides updates on key areas of activity during 2024, including:

- Work undertaken to serve our growing and diverse membership with care and excellence as we plan for their evolving needs.
- Actions to attract, empower and retain a global team of highly qualified and dedicated employees, anchored in our values and united by our shared purpose – delivering for our members.
- Actions taken during the year to continue advancing our Net Zero 2050 goals outlined in the OMERS Climate Action Plan released in 2023.
- A summary of changes to the Plan, announced by the Sponsors Corporation during the year, to update key funding policies as well as amendments made to the allocation of contributions.

Each day, we work for our members, to deliver for their future. We invest to secure the long-term outcomes they expect, with an emphasis on future-focused solutions, operations and businesses that also support the prosperity of their communities. While we secure those investment opportunities around the world, we remain deeply proud of our Canadian roots. Our work provides significant economic and social benefits that serve individuals and strengthen the places our members call home.

To the members, employers, unions, sponsors and stakeholders who are the OMERS community, we thank you for the trust that you have placed in us to provide a secure source of retirement income. We are committed to earning that trust every day.

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**We are pleased with the progress made in 2024, mindful that at OMERS, a quarter is 25 years, not three months. As we look to the future, we are well positioned to excel on behalf of our members and their families.”**

— Blake Hutcheson  
President & CEO, OMERS Administration Corporation

# Our Portfolio and Performance

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## 8.3%

1-year net return

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## \$10.6B

1-year net investment income

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It is rare to get to do something that you love while also having the opportunity to make a meaningful impact. It is a privilege for our teams to invest on behalf of our members, who are honourably serving their communities on a daily basis.”

— George Barsness  
Director, Private Equity,  
New York

In 2024, OMERS achieved a return of 8.3%, net of expenses, or \$10.6 billion in net investment income. This return surpassed the 7.5% benchmark and brings our cumulative 10-year net investment income to more than \$70 billion.

Our diversified investment portfolio positioned the Plan well in 2024. Our active strategy to maintain currency exposure to the U.S. dollar and other major currencies improved our net investment results across the portfolio. OMERS public equity investments delivered double-digit performance in another remarkable year for global equity markets, which reached multiple new all-time highs. Private credit and infrastructure assets also helped to drive results. Our real estate assets continued to generate strong operating income but returns were held back due to lower valuations.

Our asset mix continued to shift toward a higher exposure to fixed income, where return opportunities remain attractive. We expanded our overall use of leverage, as we continue to use debt prudently to enhance our investment returns.

Further discussion on Plan performance can be found in the Management’s Discussion & Analysis (MD&A) section of this Annual Report.

We are focused on generating long-term returns that will grow the Plan’s assets. The strength and diversification of our portfolio and our ample capital allow us to selectively assess each opportunity for its growth potential. We are steadfast in our view that quality will see us through an unpredictable global landscape and the cycles ahead.

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## Celebrating a Decade of Investment Success in Australia

In 2024, OMERS celebrated 10 years of successful investment operations in Australia. Since opening an office in Sydney in 2014, OMERS has significantly increased its investments in the country. This year, OMERS Finance Trust (OFT) also closed its inaugural Australian dollar offering: a \$750 million, 5-year note. Australia is now OMERS fifth-largest investment market.



# Plan Funding

At December 31, 2024, the OMERS Plan was 98% funded. In estimating this funded ratio, we used a real discount rate of 3.70%, the known increase to pensions in pay at January 1, 2025, of 2.61%, and expectations of inflation of 2.5% for 2026 and 2% thereafter. We smooth our returns over five years to reflect investment performance over the long term. For further information, please refer to the MD&A.

The OMERS Plan is the collective responsibility of the Sponsors Corporation (SC) and the Administration Corporation (AC). Our joint and overriding objective is to ensure the Plan is sustainable, affordable and meaningful over the long term.

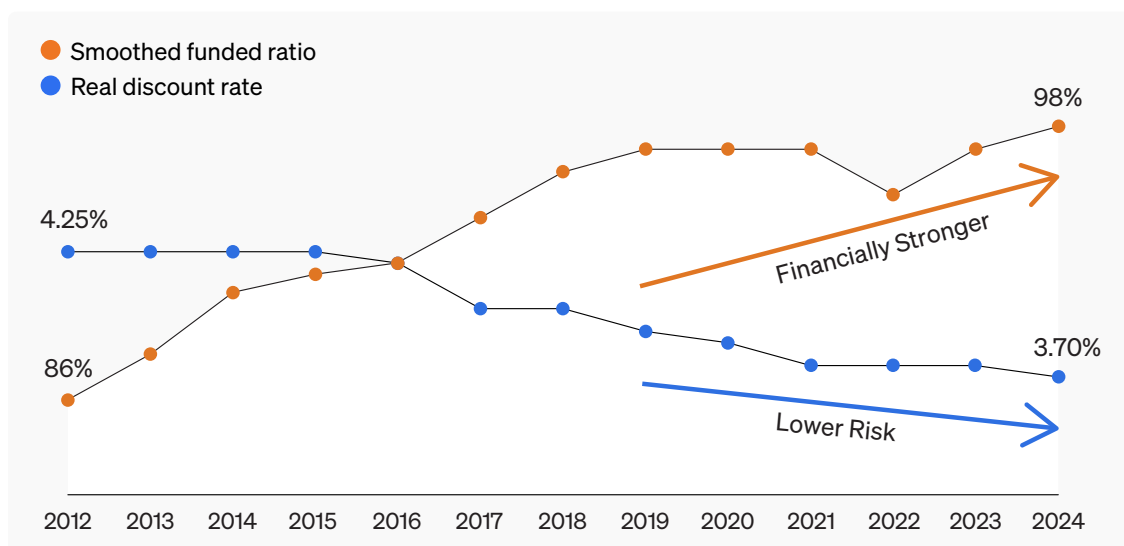
The Plan's funded position has improved significantly from a low point of 86% in 2012. In 2024, the Plan's smoothed funded ratio improved by 1% to 98% using a real discount rate of 3.70%, down from 3.75%.

The 2024 improvement in the financial health of the Plan was primarily due to investment returns and contributions, offset by the reduction in the discount rate.

The fair value funded ratio improved to 97%, compared to 94% last year, as our assets grew at a higher rate than our liabilities.

The reduction in the discount rate was approved by the AC Board and the resulting rate remains within our approved target real discount rate range of 3.50% to 4.00%. The decision to lower it in 2024 aligns with the strategy adopted in 2015 to gradually lower the discount rate as funding improves and the Plan becomes more mature, in order to withstand future headwinds and risks. Since 2015, the real discount rate has been lowered from 4.25% to 3.70%.

## Plan Funded Ratio and Discount Rate Over Time



In 2024, the SC Board amended two policies – the Funding Management Statement and the RCA Funding Mechanism Policy – both of which focus on Plan maturity and long-term funding sustainability.

## Amending SC Policies for Long-Term Plan Sustainability

Both the SC Board and AC Board believe that it is important to continue building reserves to increase our resilience as the Plan matures. This belief is reflected in the 2030 Strategy approved by both Boards in 2024, the details of which are provided later in this report. To achieve this resilience, we need to, over time, reach and maintain a funded ratio well above 100% – in other words, be fully funded with sufficient reserves. The Plan is well positioned to continue to build the reserves it needs if we achieve our expected future level of investment returns above inflation.

Consistent with our shared commitment to long-term Plan sustainability, the SC Board updated its Funding Management Statement (FMS) in 2024 to increase the focus on building reserves as the Plan matures and provide greater flexibility regarding the composition of Plan changes it may decide to make in the future.

The FMS provides non-binding policy guidance for making decisions about contribution rates and benefits relative to a long-term sustainability funding target. The SC Board considers the Plan's current funded status relative to this target when making any decisions about contribution rates and benefits, while at the same time, exercising judgment to respond to circumstances as they arise.

The FMS recognizes the need for sufficient reserves before considering improvements to contribution rates and benefits. The long-term sustainability funding target in the FMS is currently set at a funded status of 110%. Consistent with the shared belief of both Boards that the discount rate should be prudently lowered to build buffers for adverse events as funding improves and the Plan matures, thereby lowering funding risk, the SC Board decided to use a more conservative real discount rate of 3.50%, which aligns with the lower end of the AC's target discount rate range, for purposes of measuring the long-term sustainability funding target.

The changes made to the FMS did not result in changes to current benefits or contributions.

In 2024, the SC Board reaffirmed the seamless delivery of benefits from the two OMERS Plans – the Primary Plan and the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA). The SC Board subsequently adjusted the methodology for allocating contributions between the Primary Plan and RCA to enhance the sustainability of the RCA over the long term. The methodology for allocating contributions is described in the RCA Funding Mechanism Policy and is summarized in the MD&A section of this Annual Report.

Current versions of the FMS and the RCA Funding Mechanism Policy are in the SC's Governance Manual, which is available on the OMERS website.

For more information on management of the Plan's financial health and associated risks, please refer to the Managing Funding Risks section in the MD&A.

# SC Plan Design Decisions

The SC conducts periodic reviews to determine if benefit or contribution changes are required or appropriate due to an assessment of the long-term health of the Plan, changes in the pension environment, or a desire to evolve the Plan to better meet the needs of OMERS members and employers.

In doing these reviews, the SC considers a wide range of potential outcomes with the intent of balancing the needs of OMERS diverse membership across generations and the views of the Sponsors and other stakeholders.

In 2024, the SC Board approved changes to its Contribution Rate Policy (CRP). This policy provides guidance to the SC Board in setting contribution rates. As part of its review, the SC Board assessed its overall philosophy for setting contribution rates, including consideration of two Plan change proposals received by the SC Board.

The SC’s intention in amending the CRP is to strike an appropriate balance among the principles of pooling, fairness across our diverse membership, transparency, value for money and limiting complexity. The current version of the CRP is available in the SC’s Governance Manual on the OMERS website.

One of the SC’s key responsibilities is to conduct contribution rate studies to ensure that rates are aligned with Board principles and appropriate across OMERS diverse and evolving membership. As a result of its most recent review in 2024, and in consideration of the updated CRP and changes to the membership profile and actuarial assumptions, the SC Board approved a reallocation of contribution rates. The revised contribution rates that will take effect on January 1, 2027, are as follows:

	Current contribution rates (in effect since January 1, 2015)		Approved contribution rates (effective January 1, 2027)	
	Below YMPE*	Above YMPE	Below YMPE	Above YMPE
	Portion of contributory earnings		Portion of contributory earnings	
	Below YMPE*	Above YMPE	Below YMPE	Above YMPE
<b>NRA 65**</b>	9.0%	14.6%	8.6%	15.7%
<b>NRA 60</b>	9.2%	15.8%	9.6%	16.7%

\* YMPE refers to the Year’s Maximum Pensionable Earnings. It is the earnings threshold used to determine the Base Canada Pension Plan benefits and contributions. The 2025 YMPE is \$71,300.

\*\* NRA refers to Normal Retirement Age.

The first change since January 1, 2015, these adjustments are intended to ensure that contribution rates remain fair and reasonable across our members. The new rates will not change the overall contributions being made to the Plan. The impact on members and employers will vary, depending on participation in the normal retirement age (NRA) 65 versus NRA 60 provisions and earnings levels. Contributions for some members and employers will decrease, while contribution rates for others will increase. Contributions will decrease for approximately 70% of members and increase for the remaining 30%.

The SC Board will continue to conduct periodic reviews of our contribution rates as part of its regular ongoing activities. The next review is scheduled to occur in 2029.

The current average contribution rate paid by members in 2024 is 10.4%. Employers match these contributions. For information on 2025 inflation protection, please refer to your member statement or [omers.com](https://www.omers.com).

Current contribution rates will remain in effect until the end of 2026. In 2022, the SC Board committed to make no changes to benefits or contributions through to the end of 2025.



# Bold Aspirations and a Clear Path Forward: OMERS 2030 Strategy



In keeping with our practice of updating our strategic plan at least every five years, the Administration Corporation (AC) and Sponsors Corporation (SC) Boards approved a new strategic plan in December 2024 that will guide OMERS to 2030. We have established a course that is both ambitious and realistic, supported by a team dedicated to the members we serve.



2024 marks the last year of delivering on our five-year OMERS enterprise strategy. Against an often-challenging backdrop that included a worldwide pandemic, geopolitical conflict and the accompanying rapid and dramatic shifts in inflation and interest rates, we are pleased with the progress we have made in the last five years and now shift our focus to delivering on the priorities set out in our 2030 Strategy.

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## Taking Stock of the Last Five Years

The strategy that guided us through the last five-year period focused on five key areas to ensure the continued delivery of a sustainable, affordable and meaningful defined benefit pension plan: Plan design, Plan funding, investments, stakeholder engagement and operations.



In the ensuing years, we made meaningful progress in these areas. Notable highlights include:

### **Evolving Plan design to ensure continued alignment with stakeholders' needs:**

The SC Board expanded Plan eligibility to all non-full-time (NFT) employees, and since then the AC welcomed more than 75,000 new NFT members to the Plan, further promoting greater fairness and equity. The SC also introduced Shared Risk Indexing as a potential funding lever and risk mitigation tool, improving the Plan's sustainability and supporting intergenerational equity by giving the SC Board the option, for service after 2022, to share responsibility for any shortfalls in funding with retired members as well as active members and employers.

Every day, I have the privilege of working on behalf of our members to find the best investment opportunities in public equity markets across the globe. The task is both complex and challenging but equally rewarding as these outcomes help drive a significant contribution in delivering on our pension promise.”

— Milan Stojev  
Principal, Global Equities,  
Toronto

**Improving the Plan’s funding profile and financial health:** The AC Board lowered our real discount rate from 3.90% at the end of 2019 to 3.70% at the end of 2024. The discount rate change enhanced the Plan’s ability to withstand future risks. The Plan absorbed \$5 billion of inflation impact that followed the COVID-19 pandemic, while improving the funded ratio to 98%.

**Maintaining a diverse and high-quality investment portfolio:** We grew the Plan’s net assets to \$138 billion from \$109 billion at the end of 2019. During the period, inflation rose sharply, causing central banks to raise interest rates significantly. Given these economic shifts, we twice refined our long-term strategic asset mix to enhance portfolio stability, targeting similar returns and reduced volatility compared to 2019.

In 2023, we launched our Climate Action Plan, outlining our approach to manage risks and realize opportunities related to climate change, including setting a Net Zero 2050 goal for our portfolio and operations. This year, we are reporting that our portfolio weighted average carbon intensity (WACI) was 58% below our 2019 baseline.

**Enhancing stakeholder engagement to improve trust and understanding:** We continue to deliver strong service to members, achieving over 90% in member service satisfaction annually, hitting a record score of 96% in both 2023 and 2024. We are focused on modernizing the Plan, implementing new solutions, opening up more avenues of communication and enhancing our systems to better meet the evolving needs of our diverse members and employers. In 2021, we introduced public mid-year reporting of our investment results to increase transparency with our members and stakeholders.

**Advancing our operational capabilities:** We maintained focus on attracting and retaining top-tier talent, resulting in above-best-in-class employee engagement and numerous external accolades and awards. We continued to scale our platform efficiently, having demonstrated a strong commitment to balancing effective cost management with the growth needed to excel in a competitive market.

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### Looking Ahead: OMERS 2030 Strategy

Our 2030 Strategy will guide us as we continue to fulfil the pension promise of a sustainable, affordable and meaningful defined benefit pension to our almost 640,000 members. This plan sets out clear objectives and initiatives designed to leverage our strengths, seize emerging opportunities and navigate the complexities ahead.

Our refreshed strategy builds on our accomplishments, placing even greater emphasis on people and risk management as well as growing the important relationships with our stakeholders. Our strategy for the future reinforces the importance of continuing to build buffers and designing our portfolio to serve our liabilities, with further focus on real returns, diversification and cash generation.

# OMERS 2030 Strategy

The goals against which we will measure our success are:

**100%+**

Funded ratio

**\$200B+**

Net asset value

**3**

Geographies of focus

**\$400B+**

Assets under management

**5%+**

Real long-term return  
(7%+ nominal)

As we focus on these goals, we will target the following additional measures:

Emissions reduction:  
**50%+**

Employee engagement:  
**80%+**  
(best-in-class)

Members:  
**700K+**

Service satisfaction:  
For members  
**95%+**

For employers  
**90%+**



In support of our five goals, we have established a Strategic Framework based on the solid foundational layers of Risk, People and Governance. Four pillars – Plan Design and Funding, Pension Services, Investments and Enabling Functions – are the supports for Our Purpose.

This Framework highlights the central importance of building strong stakeholder relationships and reinforcing our core brand.

This Strategy will guide us as we fulfil our purpose of delivering a sustainable, affordable and meaningful defined benefit pension for members today, and for generations to come.

## Our Strategic Framework

### Our Purpose

To deliver a **Sustainable, Affordable and Meaningful** defined benefit pension plan for our members

### Stakeholder Engagement

**Uphold** strong relationships with **all stakeholders** by embodying core brand narratives



#### Plan Design and Funding

Evolve design and funding to ensure value and sustainability



#### Pension Services

Support and empower members through their pension journey



#### Investments

Optimize the portfolio to serve our liabilities



#### Enabling Functions

Advance our strategic and operational capabilities



### Risk Management

**Proactively manage risks** and champion a **risk-conscious culture** across OMERS



### People

Cultivate a **high-performing, diverse and engaged team**, grounded in our values-driven culture

### Governance

Ensure **effective decision-making** through world-class governance

# Proudly Canadian

Research conducted in 2023 highlighted that OMERS activities – our investments, operations and the spending of pension benefits in communities across the province – help to generate \$13.7 billion of GDP annually in Ontario. This activity supports more than 143,000 jobs, almost one-quarter of which are held by people under the age of 30.

Over our 60-plus-year history, OMERS has served generations of members, many of whom continue to call Canada home. We reach across the globe to lock in opportunities to responsibly and effectively invest our members' retirement savings, and we are anchored by and celebrate our Canadian roots.

Approximately 20% of our portfolio, more than \$28 billion, is invested in Canadian assets. We are proud to invest in vital infrastructure assets, iconic hotels, shopping malls, and sports and entertainment franchises that Canadians recognize and rely on. In addition to the direct impact on Canadian consumers and investors, many of these assets have far-reaching positive impacts on their communities. Here are a few highlights from our portfolio:

## **A vital Ontario infrastructure asset that is also an important connector in providing healthcare**

**Bruce Power** produces approximately 30% of the province's energy and has held a prominent place in OMERS Canadian portfolio since 2003. In addition to keeping our lights on, Bruce Power has been a global leader in the production of medical isotopes for more than 35 years and we are proud of the role they continue to play in powering medical innovation. Bruce Power's isotopes are used every day: in the global fight against cancer, to keep hospitals clean and safe, combat disease and sterilize food against pathogens.



Providing support to our public services is one of the more honourable things we can do as Canadians. Working at Oxford allows me to be involved in something that benefits the greater good.”

— Michael Renaud  
Director and General Manager,  
Yorkdale Shopping Centre,  
Toronto

### Dynamic shopping destinations serving as integrated community hubs

While shopping centres have always served as community hubs, the work we are doing with the Greater Toronto Area’s **Yorkdale**, **Square One** and **Scarborough Town Centre (STC)** is taking this a step further. Yorkdale is Canada’s leading retail destination and offers the most first-in-Canada brands and flagship stores in the country. STC is located in the heart of life in Scarborough and as the surrounding area is poised for growth, we’re advancing our master plan – including the first residential development on the west side of the mall – to reimagine this core centre and its role as a dynamic mixed-use community. Square One is soon to be the centre of Square One District, envisioned as a 15-minute city comprising 18 million square feet, over 18,000 residential units and more than 10 acres of park, transit and community infrastructure. Surrounded by business districts, municipal buildings, campuses, performing arts venues and neighbourhoods, these three destinations bring communities together to dine at diverse locations, shop for essentials or their favourite brands, or enjoy a movie with friends and family.



### A Canadian start-up that brings innovation and business needs together

**Jobber** is an award-winning software for small home service businesses. Jobber automates day-to-day operations, so small businesses can run smoothly and provide five-star service at scale. Jobber is used by more than 250,000 home service professionals to serve over 27 million properties in more than 60 countries. The company continually ranks as one of Canada’s fastest-growing and most innovative companies.

## Connecting Canadians through sport and entertainment

**Maple Leaf Sports & Entertainment (MLSE)** is one of the world's premier sports and entertainment companies. It is the parent company of sports teams including the National Hockey League's Toronto Maple Leafs, the National Basketball Association's Toronto Raptors, Major League Soccer's Toronto FC, the Canadian Football League's Toronto Argonauts and a number of development teams. Its charitable arm, MLSE Foundation, focuses on funding initiatives to support youth through sport and recreational programs. This includes MLSE LaunchPad, a 42,000-square foot space dedicated to programming that support its four Pillars: Healthy Body, Healthy Mind, Ready For School and Ready For Work. MLSE also owns and operates Scotiabank Arena, Canada's premier sports and entertainment venue, hosting more than 200 events each year.

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# 1,650+

Pounds of food donated

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# 1,700+

Hours volunteered

## Supporting the communities around us

With OMERS and Oxford Properties offices in Toronto, additional Oxford offices in Vancouver, Edmonton and Calgary, and real estate teams on site at many of our properties, employees across these communities work every day to deliver on the pension promise. While we work hard in support of our members, in 2024 individuals and teams raised hundreds of thousands of dollars in employee donations and volunteered their time in support of important local community initiatives. Among these activities, we were pleased to help out at a local food bank in Edmonton, clean up beaches and conservation areas and work at furniture banks in the GTA, and pack meals at a centre that supports people in Vancouver living with HIV. We are proud to continue our tradition of supporting the people and communities around us.



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## A Testament to Resilience

In July 2024, wildfires swept through the community of Jasper, Alberta. This peaceful community and expansive national park is also the location of Oxford Properties' investment, the Jasper Park Lodge.

In a note to employees at the time, Daniel Fournier, Oxford Executive Chair, and Tyler MacDonald, SVP, North American Asset Management, wrote, "The most important thing is that all guests and Fairmont staff have been evacuated and are safe. For this we are extremely grateful.... Words fail to describe the dedication of our first responders and those who have helped to protect Jasper, its residents and visitors. We also want to thank our operating partners at Fairmont for the incredible job they have done to manage this devastating crisis to ensure all guests and staff have been taken care of. They have our admiration and appreciation in abundance."

While the community continues to recover in the wake of this catastrophic fire, in October 2024 Jasper Park Lodge once again welcomed guests to this beautiful and resilient area.



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## Leaders Contributing to Our Communities

### **OMERS President & CEO Blake Hutcheson invested into Order of Ontario**

Named as one of the 25 appointees in 2024 to the Order of Ontario, the province's highest honour, Mr. Hutcheson was officially invested into the Order by the Honourable Edith Dumont, Lieutenant Governor of Ontario, during an October ceremony. Mr. Hutcheson was recognized for his "large role in the creation of thousands of jobs across Ontario through the many investments that OMERS and its real estate arm, Oxford Properties, have made" and his "passion for giving back to many community groups and raising millions for those less fortunate."



## **Dr. Nancy Nazer and Celine Chiovitti part of Canada's Most Powerful Women: Top 100 Awards**

In 2024, two of OMERS Executive Leadership Team members, Dr. Nancy Nazer and Celine Chiovitti, achieved one of the country's most prestigious recognitions: the Women's Executive Network (WXN)'s Canada's Most Powerful Women: Top 100 Awards. These awards recognize individuals for their leadership within and beyond their respective organizations.

Dr. Nazer, OMERS Chief Human Resources Officer, was recognized in the C-Suite Executives category, which celebrates women who play a significant strategic role at the organization. For more than 20 years, she has been shaping the employee experience, ensuring people have the resources and opportunities to be their best. She leads OMERS People Strategy and champions its people-first, purpose-driven culture, empowering OMERS 3,000+ global team.

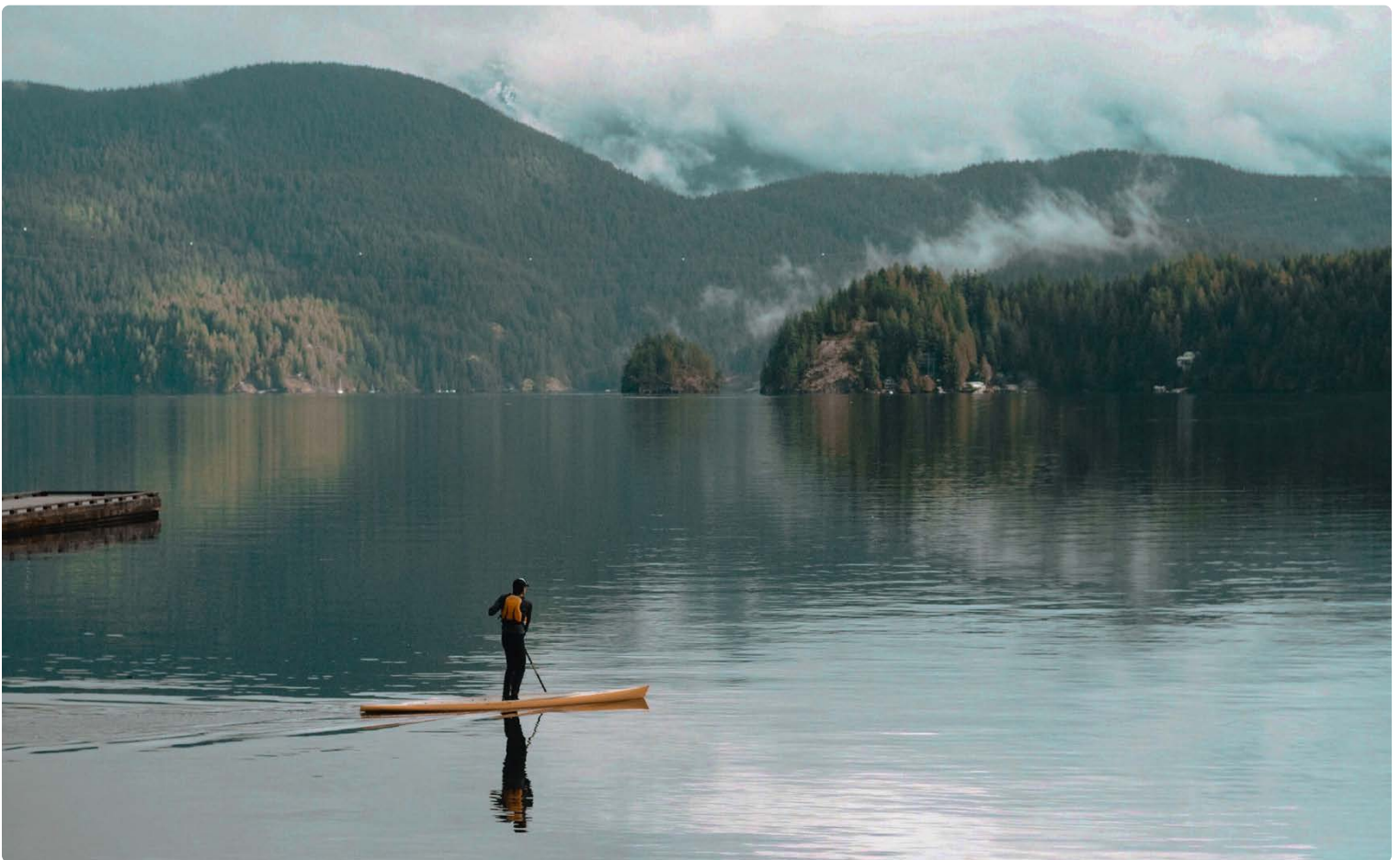
Celine Chiovitti, OMERS Chief Pension Officer, was honoured in the Executive Leaders category, recognizing women who exemplify great leadership, build confidence and champion others. Ms. Chiovitti is responsible for leading a team of 400 employees in the delivery of exceptional services, innovative tools and prudential pension administration on behalf of OMERS members and their families. Under her leadership, the team is committed to delivering a world-class pension platform in a complex stakeholder environment, with more than 1,000 employers and 30 unions and associations. She joined OMERS in 2013.



# Delivering a Sustainable Future

Put simply, our promise to members is to work for them each day and deliver for their future. In keeping this promise, we commit to advancing our Net Zero 2050 goal, and to investing in a way that delivers the long-term investment outcomes members expect from us. We also look to invest in future-focused solutions, operations and businesses that help communities thrive.

As a pension plan that pays more than \$6 billion in annual pension payments to our members, we know that when they retire well, they join others in building vibrant communities throughout Ontario.



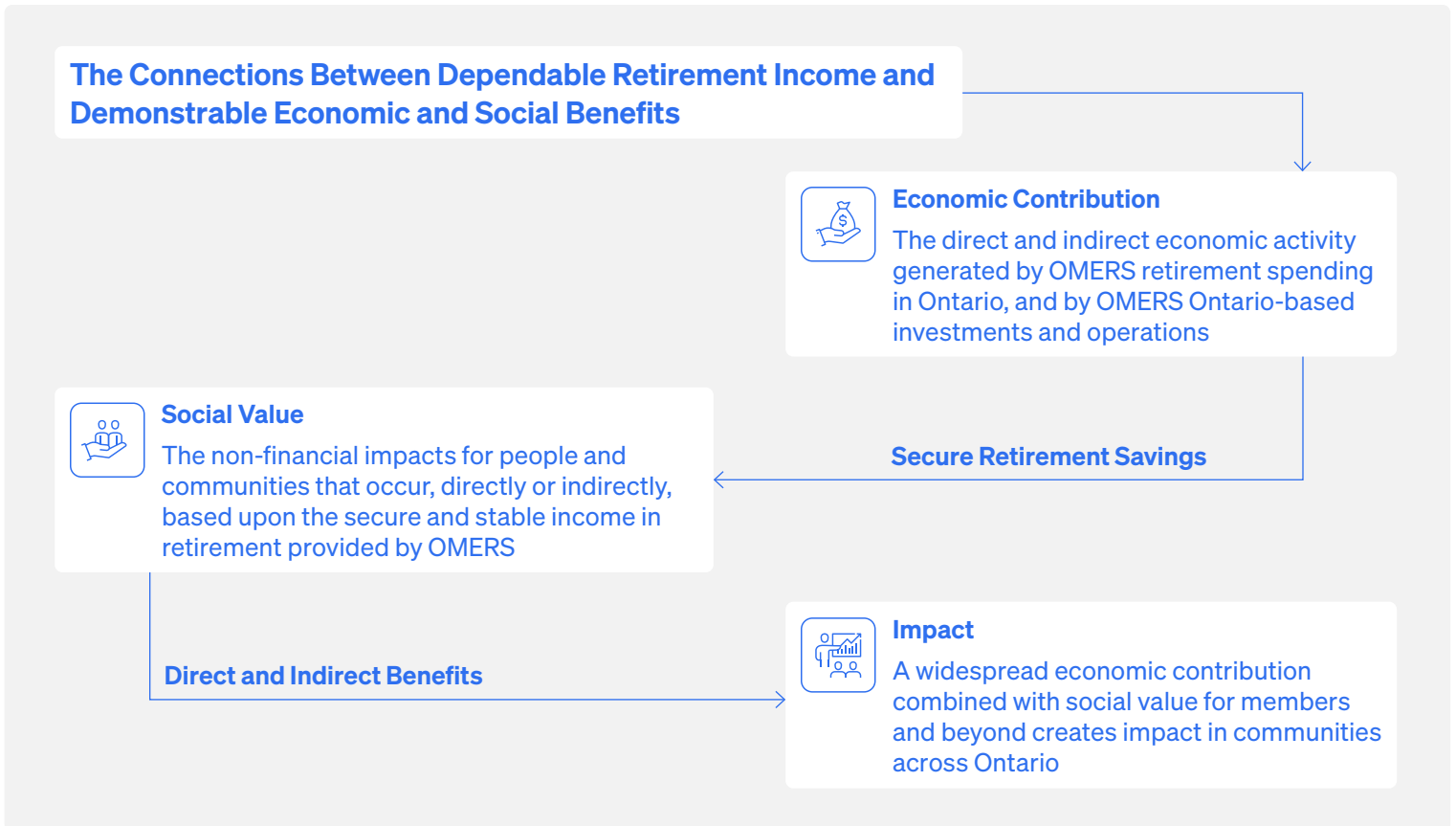
**Building Tomorrow for Our Members and Communities**

The work we do creating a secure retirement income stream for generations of Ontarians contributes significant economic and social benefit and well-being that serves individuals and strengthens communities.

Research conducted in 2023 highlighted the combined economic impact of OMERS investments, operations and pension payments. This research revealed the following:

- OMERS positively impacted one in every 11 households across Ontario.
- OMERS contributed \$13.7 billion to Ontario’s economy in that year. This contribution is generated by retirees spending their pension payments and from OMERS investments and operations in the province.
- OMERS generated \$3.8 billion in provincial and federal tax revenue.
- OMERS activities supported 143,000 jobs province-wide, with reach across all demographics and geographic regions.

In addition to this economic contribution, we know from other independent research on social value that both active members and retirees report higher life satisfaction, with retired members attributing that satisfaction to increased financial security, lower stress and better health. These benefits extend further into communities, as OMERS retirees are 38% more likely to volunteer than retirees who do not participate in a pension plan, with 94% of respondents indicating that they donate to charities and not-for-profit organizations. Information on this research is available on the OMERS website.



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## Sustainable Investing and Climate Commitments

Through our investments and operations, we work to create and safeguard long-term value by incorporating factors including climate into our business decisions. We invest for generations and look far down the field to determine how best to create value and manage risks as new sustainability challenges and solutions emerge.

In 2024, we advocated for better policy by regulators and other industry bodies, and for standardized sustainability-related disclosure to help support the investment decisions we are making every day on behalf of our members.

We created two customized learning modules for OMERS employees, one on sustainable investing and another on climate change for those who invest or work closely with our investment teams. These modules reflect global standards and perspectives on sustainability best practices, to enhance our skills and capabilities.



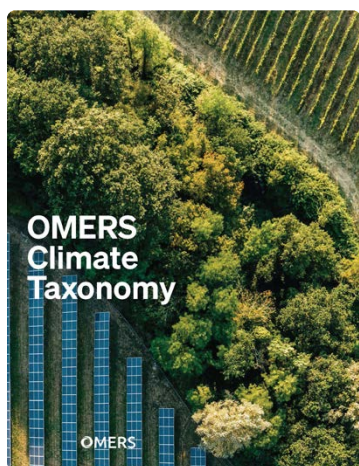
We define green investments as investments that derive revenues from business activities that are in alignment with green taxonomies such as the ICMA Green Bond Principles. Examples include renewable energy companies and green buildings.

## Climate Action Plan (CAP) – One Year In

In 2023, we launched our own Climate Action Plan (CAP), which outlines our overall approach and the actions we are taking to manage risk and realize opportunities toward achieving net zero carbon emissions in our portfolio and operations by 2050. We continue to make progress on our commitments and execution, including:

- Reducing our portfolio weighted average carbon intensity (WACI). This year, we are reporting that our portfolio WACI was 58% below our 2019 baseline.
- Increasing our green investments to \$23 billion.
- Publishing our Climate Taxonomy paper introducing OMERS framework for assessing business activities of our investments through the climate lens. The paper was made available on the OMERS website.
- Developing our Portfolio Alignment framework, including defining the criteria used to evaluate a company's transition plan and evaluating top emitters against these criteria.
- Strengthening controls and management of our portfolio carbon footprint process in partnership with our Internal Audit and Finance teams.
- Evolving and implementing risk management processes, metrics and tools by which we evaluate climate-related risks across the portfolio.

The CAP can be found on the OMERS website, and further information can be found in the Sustainable Investing section of the MD&A.



OMERS Climate Taxonomy helps us to understand industries and sectors across our portfolio using a broader lens, beyond emission data, by leveraging the characteristics of underlying business activities of our investments. The five categories in our Taxonomy provide a comprehensive view of the businesses we invest in and where they fall on the climate spectrum. You can read OMERS Climate Taxonomy in full on the OMERS website.

We are pleased to share select highlights from our portfolio of initiatives either taken or underway that are contributing to progress on environmental sustainability.

**Port of Melbourne:** Port of Melbourne’s ongoing sustainability efforts were once again recognized by GRESB (Global Real Estate Sustainability Benchmark), having achieved a 5-Star rating for the second year running in the GRESB Infrastructure Asset Assessment and scoring the maximum possible 100 points, placing first among Australian and global ports.



**32 Rue Blanche:** The refurbishment of this Class-A office building in central Paris has positioned it into a unique sustainable and connected workspace. The comprehensive undertaking to enhance the building’s environmental performance resulted in an improved rating in an internationally recognized building certification system, upgraded from “Good” to “Excellent.” 32 Rue Blanche is part of Oxford Properties’ real estate portfolio. Oxford is recognized as a leader in sustainability as illustrated by its inclusion in *Fast Company*’s World’s Most Innovative Companies for sustainability efforts for five consecutive years and selection as the winner of the UK PropTech Award for Business Transformation for the successful integration of property technology to enhance business sustainability. For more information on Oxford’s portfolio, please refer to [www.oxfordproperties.com](http://www.oxfordproperties.com).

**Puget Sound Energy:** An energy utility company that serves 1.2 million energy customers and over 900,000 natural gas customers, the company has a detailed plan to reach net zero emissions by 2045. This includes phasing out coal by 2025, adding renewable energy to its portfolio and implementing a number of energy efficiency programs.



As an investor in the OMERS Infrastructure team, I am proud to work on behalf of municipal employees and find purpose knowing that the long-term savings entrusted to us by pensioners contribute to solving critical challenges for the coming generations, like the energy transition.”

— Severine Billy  
Director, Infrastructure,  
London, U.K.

### Joining Forces for Greater Impact

We play a role as a member of various pension organizations to advance our practices and work together to address challenges in our industry, including those related to sustainability. These organizations include:

- Association of Canadian Pension Management (ACPM)
- Pension Investment Association of Canada (PIAC)
- International Centre for Pension Management (ICPM)

We collaborate with like-minded organizations, with a view to improving the foundations for sustainable investment.

Our approach has received external recognition. This year, we were ranked in the top 10 for governance, sustainability and resilience practices among global asset owners in the 2024 SWF (Global Sovereign Wealth Funds) Report.

We have established policies that reflect our mindset and guide our activities. More information on these policies, including the Modern Slavery Report, Code of Conduct and Ethics Policy, Workplace Investigations Policy, and Accessibility Policy, is available on the OMERS website.



# In Service of Our Members

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## 358,050

Total active members

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## 46,100

Total new enrolments

---

## 26,400

New NFT enrolments

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## 77,000

Total deferred members

---

## 204,730

Total retired members

---

Our members are at the heart of everything we do. In 2024, member service satisfaction remained exceptionally high at 96%. We are dedicated to providing outstanding assistance to them, while continuing to improve the work we do on their behalf.

In 2024, we welcomed over 46,000 new members to the Plan. More than half were non-full-time (NFT) members who made the choice to join OMERS, reflecting their confidence in the value that the Plan provides.

OMERS members are diverse and span multiple generations and, as a result, service across Pensions has evolved to include multiple support channels, including our contact centre, in-person meetings through seminars across the province, and digital interaction through our myOMERS portal. Five years ago, we embarked on a modernization initiative to update our digital platform, offering members greater choice in their interactions with us. Since that time, the percentage of automated transactions has risen from 60% to 75%, with members able to complete many processes online, including retiring from or otherwise leaving their employer, modifying their spousal and beneficiary information, running pension estimates and communicating with our team, including secure communication, live chat support and file exchange.

We expanded our ability to serve OMERS members in French, hiring a group of new bilingual agents, who, along with our existing bilingual team members, allow us to better serve our French-speaking members and employers.



We were thoughtful and thorough with our outreach to municipal NFT employees when the Plan expanded to enable their eligibility in 2023, and were gratified to be recognized at the 2024 World Pension Summit Excellence & Innovation Awards, receiving the Judges' Choice Award for our innovative approach to communicating and implementing pension coverage to these members.

### Adapting for the modern retiree

Throughout the year, we led conversations on the need to redefine retirement, particularly in the context of people living longer and spending more time in retirement.



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# 195,408

**Kilometres our training team travelled throughout Ontario last year to deliver education sessions for members and employers**

With our growing membership and as members transition through their retirement journey, we are experiencing increasing volumes, including a 9% year-over-year rise in inbound calls, an 83% increase in secure digital communications and a 22% increase in transactions involving members retiring or otherwise leaving their employers. Throughout all of this, we have been able to consistently achieve our service level timelines, processing transactions on time while continuing our modernization journey.

---

# 50,000

**Number of plays of *The Pension Blueprint* podcast since inception**

Once again this year, OMERS President and CEO Blake Hutcheson and OMERS Chief Pension Officer Celine Chiovitti travelled across Ontario, meeting members, employers, sponsors and stakeholders in their communities, fielding questions and hearing personal stories of the impact the OMERS pension has on the lives of members and their families.

We modernized our communications to members, including launching season two of *The Pension Blueprint*, OMERS podcast that shares insights and information about the Plan and related topics. Our conversations included everything from reimagining retirement now that Canadians are living longer, addressing the gender pension gap, caring for your mental health, and how different generations can take steps to plan for their retirement journey. We have had nearly 50,000 plays of our podcast since inception.

To improve our members' understanding of their pensions, we redesigned our annual member statements, making them significantly shorter and enabling members to view all important information at a glance.

Knowing I've helped someone makes me feel grateful and inspired to do more. Having the opportunity to assist our members in their pension journey and listening to their positive feedback has always been my driving force, and this role has given me the opportunity to serve and assist our members day in, day out."

— Anu Nirula  
Member Experience Analyst,  
Toronto

All of these initiatives have significantly improved the level of service and support we provide to OMERS members.

We also continued to focus on our employers – they are a key partner for us in administering the OMERS Plan. In 2024, we implemented a new employer support model to help employers with their OMERS administration, created a new online booking tool to schedule meetings with our Employer Experience team, launched quarterly virtual employer town halls and feedback sessions, expanded our Employer Education Week conference to two cities for the first time, and launched a new employer toolkit to help employers better convey the value of the OMERS Plan to their employees and support them throughout their pension journey.

OMERS employees are exceedingly proud to work on behalf of our members and employers, who keep our communities safe, clean and healthy for those who call them home.

With research showing that secure and stable retirement income is key to living a healthy and fulfilling life in our older years, OMERS has evolved how we support members through the changing nature of retirement and is helping them explore a holistic view of retirement as a “next chapter” that reaches across financial elements to include health and social well-being. To support members through their transition into retirement, we launched new retirement planning tools, including a new retirement seminar on “preparing for your 100-year life,” an online planner, and a new retirement income sources hub on the member website to help members better understand how their OMERS pension fits into the broader Canadian retirement picture.

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# 4,695

Live chats

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# 51,836

Secure digital  
communication  
messages

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# 141,496

Member phone calls

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# 25,782

Members attending  
webinars/education  
sessions





# Employees Empowered to Make an Impact

With members at the heart of everything we do, serving them well means that we thoughtfully prioritize our ability to attract, empower and retain a highly engaged and professional workforce.

## A Highly Engaged Team and an Employer of Choice

Across the globe, OMERS employees are deeply committed and proud to work for a purpose-driven organization. Our 2024 employee experience survey showed that the pride and engagement of OMERS employees continues to exceed industry “best-in-class” ratings, reinforcing the commitment that our team brings to their work each and every day. Employees indicated that they feel comfortable expressing their ideas and opinions, bringing forward perspectives that will produce the best outcomes. We will continue to foster a culture that encourages that openness.

Externally, we continue to receive notable awards and recognition as a great place to work with a strong and compelling culture.

We are repeat winners of almost all of the prestigious awards listed at left. Of particular note, we rose to 17<sup>th</sup> position out of 50 employers recognized by Best Workplaces in Canada and this is also the fourth year we have been recognized as one of Greater Toronto’s Top Employers. We are very pleased to have been recognized for the first time as one of the Best Workplaces for Young Talent.



I'm proud to work at Oxford and OMERS because of its people-first mindset and supportive culture. It's a place where I can be myself and truly grow. Innovation and collaboration are at the heart of everything we do. Best of all, our efforts fulfil the pension promise, making it more than just a job – it's a community with a purpose."

— Asal Davari  
Associate Director,  
Legal Operations,  
Toronto

## Helping Employees Thrive So We Can Build Tomorrow Together

Fulfilling the pension promise starts with ensuring employees have the resources and tools to be – and deliver – their best.

In our annual survey, employees ranked inclusion, growth and development, and wellness all above best-in-class at 89%, 83% and 85%, respectively. We are working hard to maintain this momentum and sustain our strong culture.



## Empower *your* impact

Three simple words that reflect our promise to employees – why passionate and talented professionals from around the world should choose OMERS as their employer.

We continue to listen, act on feedback and empower employees to make an impact on their careers, on their colleagues and communities and, most importantly, on our pension promise for the members who count on us.

**Women comprise over half of our global workforce,** representing approximately 30% of the Executive Leadership Team and broader leadership community (Vice President or higher). Nearly 30% of our investment roles are held by women.



### **Guided by Inclusion, Integrity, Humility and Excellence**

Our values guide everything we do and come to life through the daily actions of our team, supported by leaders and with guidance from our Inclusion and Diversity and Purpose@Work councils. Seven employee resource groups (voluntary, employee-led groups dedicated to fostering a diverse and inclusive environment) work with businesses across the enterprise to influence and advise on workplace issues, opportunities and solutions by driving employee inclusion, engagement and belonging.

A measurable and adaptable people strategy underpins our ability to support our global priorities. We provide an environment and opportunities that enable success in meeting individual and collective goals. Our approach enables employees to personalize their career path in ways that meet their abilities, aspirations and needs. We rely on people and team leaders to identify and leverage the strengths within and across their teams in order to accomplish the ambitious objectives that we set every year.



OMERS members, employers, sponsors and stakeholders are integral to our community. We are deeply committed to engaging with you regularly to share information and partner on areas of mutual interest. We invite you to join us at **OMERS Annual Meeting**, a hybrid event taking place on **Wednesday, April 9, 2025**, in person at the Metro Toronto Convention Centre, with simultaneous webcast. The meeting will begin at 9:00 AM EDT. For more information and to register for the Annual Meeting, please click [here](#).

02



# Governance

# Governance

In 2024, the Ontario government announced a governance review of OMERS and has appointed a special advisor to conduct the review. The last review occurred in 2012. The SC and AC Boards will cooperate fully with the special advisor and the Ontario government as they conduct the review.

OMERS is governed by two corporations: OMERS Sponsors Corporation (SC) and OMERS Administration Corporation (AC). The OMERS bicameral governance model is set out in the OMERS Act, 2006. The SC and AC have distinct mandates; collaboration and effective joint governance are fundamental to achieving these mandates.

The Boards have each approved the OMERS 2030 Strategy to ensure strategic and operational alignment. Our risk management approach promotes a common understanding of, and approach to, managing relevant risks. Both Boards receive quarterly risk updates that inform this approach. We regularly review OMERS governance model and practices.

More information on the governance model can be found in the Governance section of the OMERS website.

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## Joint Board Activities Update

OMERS two Boards met jointly on several occasions in 2024. The focus of these sessions included education on critical areas impacting OMERS and discussion of key strategic topics, including the 2030 Strategy and risk appetite.

The Joint Council, which comprises representatives from each Board, provides a forum to discuss governance and oversight matters of mutual importance to both Boards. Joint Council met seven times during 2024, enabling a critical communication link.

In addition to Board activities and in conjunction with ongoing engagement efforts, SC and AC management met with sponsors and stakeholders throughout 2024. These engagements provided an opportunity to solicit feedback and build relationships while discussing areas of interest.

SC-led discussions involved changes to policies that affect Plan benefit and contribution decisions, and changes to Plan contribution rates.

AC-led discussions involved OMERS investment results, climate commitments and Plan administration matters.

We look forward to continued engagement and dialogue with sponsors and stakeholders in 2025.

# OMERS Sponsors Corporation Update

OMERS Sponsors Corporation (SC) makes decisions in respect of plan design (benefits, contributions, participation) and is responsible for determining the composition, compensation and appointment protocols for both the SC and AC Boards.

The SC Board comprises 14 members, half of whom are appointed by employers and employer groups and half of whom are appointed by unions and associations. Biographies and photographs of each SC Board member can be found in the Governance section of the OMERS website.

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## Board and Committee Activities

The SC Board regularly monitors various aspects of the benefits, contributions and funding health of the Plan and makes changes to benefits and contributions when appropriate.

As discussed in the Plan Funding and Plan Design sections of this Annual Report, the SC Board completed its review of three policies that guide it when making decisions related to contributions and benefits. The same previous sections also outline decisions made to reallocate contribution rates within the Plan effective January 1, 2027.

These updates are long term in nature and reflect the SC Board's commitment to continue building reserves as the Plan matures, while maintaining the fairness and reasonableness of contribution rates across our diverse membership and employers over time.

The SC Board also made decisions to approve a number of administrative improvements for Board appointments. In addition to enhancing internal processes, the term end date for AC and SC Board members is being moved from December 31 to April 14 to allow approvals and reporting in respect of the previous calendar year to be completed by the incumbent directors.

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## Board Membership Changes

The terms of four long-serving Board members ended during 2024.

- Mr. Barry Brown was appointed to the SC Board effective January 1, 2015, and served as Board Co-Chair and Vice Chair before serving a two-year term as Board Chair to December 31, 2024.
- Mr. Dan Axford was appointed to the SC Board effective October 1, 2015, and served as Chair of the former Human Resources & Compensation Committee and Corporate Governance Committee before serving as Board Vice Chair from January 1, 2013, to July 9, 2024.
- Ms. Mary McConville was appointed to the SC Board effective January 1, 2013, and served as Chair of the former Human Resources & Compensation Committee during her tenure.
- Mr. Joe Pennachetti was appointed to the SC Board effective January 1, 2016, and served as Chair of the former Audit Committee during his tenure.

These Board members made significant contributions to OMERS and the SC Board extends its thanks for their commitment and leadership.

Mr. Rick Robson was appointed as the replacement for Mr. Axford effective August 20, 2024. Ms. Elizabeth Brown, Ms. Giuliana Carbone and Mr. Tim D'Souza were appointed effective January 1, 2025, and replace Mr. Brown, Mr. Pennachetti and Ms. McConville, respectively. The onboarding of new Board members is supported by a thorough orientation program.

In accordance with SC by-laws and processes, effective January 1, 2025, Mr. Max Cananzi became Board Chair and Mr. Scott Marks became Vice Chair for the term ending April 14, 2027.

# OMERS Administration Corporation Update

OMERS Administration Corporation (AC) is responsible for investing the assets of the Plan and preparing Plan valuations, collecting contributions from members and employers and administering benefits for members.

The AC Board comprises 14 members nominated by sponsor organizations and appointed by the SC Board, plus an independent Board Chair. Biographies and photographs of each AC Board member can be found in the Governance section of the OMERS website.

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## Board and Committee Activities

The AC Board and its Committees met at least quarterly to review management activities and to provide oversight in many areas, including investments, actuarial assumptions, discount rate strategy, risk management, governance, pension services and human resources matters. It continued to monitor foreign currency strategy and liquidity management, investment management and portfolio construction, inflation, interest rates and economic projections. The AC Board updated the 2024 standing committee membership to reflect the appointment of one new AC Director effective January 1, 2024.

The AC Board continued its regular education sessions with external speakers, including presentations on the current state of global economies, the geopolitical landscape and their impact on OMERS, as well as in-house education sessions on OMERS climate and sustainability reporting, longevity and reframing retirement, artificial intelligence and cybersecurity, CPP enhancement and RCA funding risk.

The AC Board continued its oversight of OMERS approach to sustainable investing and OMERS Climate Action Plan, which outlines OMERS specific approach to achieving net zero carbon emissions in our portfolio and operations by 2050.

More information on the ongoing role and composition of the **Administration Corporation and Board** is available in the Governance section of the OMERS website.

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### **Board Membership Changes**

Ms. Anik Lanthier was appointed to the AC Board effective January 1, 2025. Ms. Lanthier replaced Michael Fenn whose term ended on December 31, 2024, and who was not eligible for reappointment, having reached the term limit for AC Directors.

The AC Board would like to thank Mr. Fenn for his contributions during his tenure.

## Remuneration for the OMERS Boards

The SC determines the compensation for the SC and the AC Boards. Set out in the tables below is the remuneration for 2024, as approved by the SC.

### SC board

	2024 annual retainer
Chair	\$110,000
Vice Chair	\$75,000
Committee Chair	\$55,000
All Other Directors	\$47,000

### AC board

	2024 annual retainer
Chair	\$195,000
Committee Chair	\$102,500
All Other Directors	\$85,000

No other remuneration is provided to Directors. Retainers are paid directly to AC Directors. For SC Directors appointed after January 1, 2020, compensation is paid directly to the Director; for Directors appointed prior to this date, compensation may be paid to the Director or to the organization with which they are affiliated.

Board Directors are reimbursed for reasonable and necessary expenses incurred in connection with carrying out the business of their respective corporation. These reimbursements primarily relate to travel and accommodation expenses incurred for attending their Board, committee or other similar meetings. Travel time is not compensated.

Board members who serve as members of the AC Appeals Committee are entitled to receive additional remuneration if they are present for the full hearing while in session. There were no appeals hearings held in 2024.

All Directors also receive an annual technology allowance to compensate them for the expenses incurred related to acquisition, maintenance and licensing of technology related to their Board duties, as well as covering incidental expenses. This is a taxable benefit.

Expenses may vary by year and by Director for a variety of reasons, including the availability and location of programs, number of scheduled and ad hoc meetings attended, and the location of the Director's primary residence. Expenses in 2024 reflect an increased level of travel resulting from a return to in-person Board and committee meetings. AC expenses also rose in 2024 due to required attendance by new AC Directors at Director education programs sponsored by the Institute of Corporate Directors and the DeGroot School of Business.

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### **Attendance**

SC and AC Board member attendance at Board and Committee meetings is summarized in the Reference section of this Annual Report.


 The image shows the exterior of the Yorkdale shopping mall at dusk. The building features a large glass facade that is illuminated from within, showing the interior of the mall. The name "Yorkdale" is written in a large, white, cursive font across the top of the building. In the foreground, there is a large, abstract sculpture made of dark, angular pieces. The sky is a deep blue with some clouds.
 

Yorkdale

# Management's Discussion & Analysis

## Table of Contents

2024 Highlights	41	Investment Management and Pension Administration Expenses	70
Overview of OMERS	43	Asset Class Performance	71
Primary Plan Funding	47	Sustainable Investing	82
Managing Funding Risks	52	Climate-Related Risks and Actions	91
Risk Governance	55	Reconciliation of Non-GAAP Measures	106
RCA Funding	57	Glossary of Financial Terms	108
Investment Results: Primary Plan	59		

# 2024 Highlights

Funded ratio

**98%**

1-year return

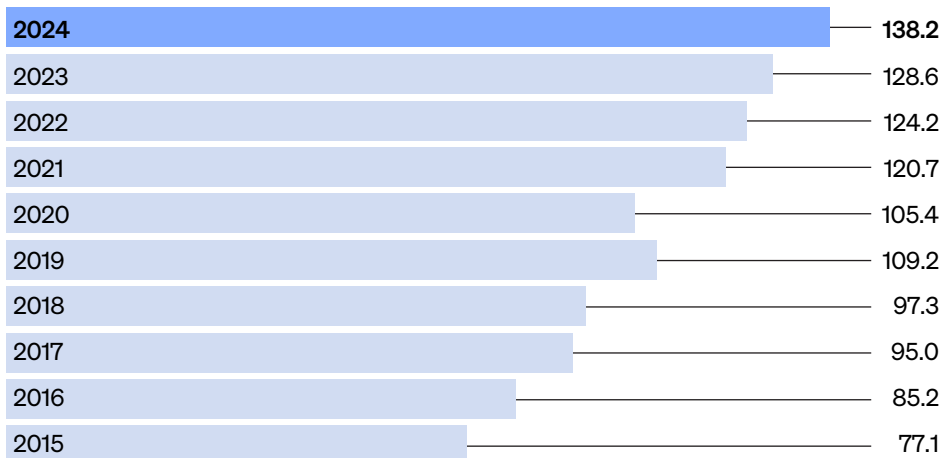
**8.3%**

10-year return

**7.1%**

## Net Assets

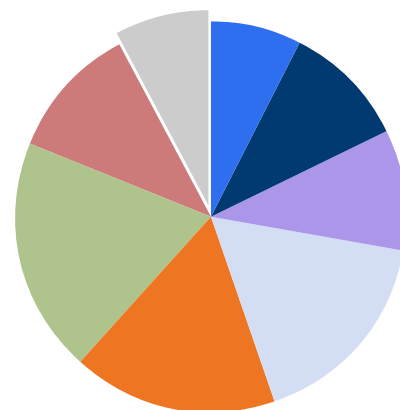
As at December 31, 2024



## Asset Mix

As at December 31, 2024

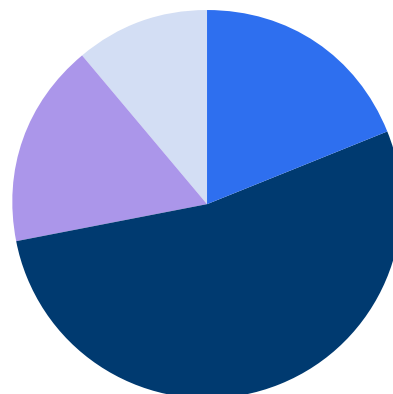
Government Bonds	9%
Public Credit	12%
Private Credit	12%
Public Equities	20%
Private Equities	20%
Infrastructure	23%
Real Estate	13%
Cash and Funding	(9%)



## Asset by Geography

As at December 31, 2024

Canada	19%
U.S.	53%
Europe	17%
Asia-Pacific and Rest of the World	11%





**This Management’s Discussion & Analysis (MD&A) is the responsibility of the Management of OMERS Administration Corporation (AC) and OMERS Sponsors Corporation (SC). It contains Management’s analysis of the OMERS Pension Plans’ financial condition, investment results, risk management, approach to sustainable investing and the environment in which the Plans operate, and should be read in conjunction with AC’s Consolidated Financial Statements. The OMERS Pension Plans comprise the OMERS Primary Pension Plan (Primary Plan or Plan), the Retirement Compensation Arrangement (RCA) for the OMERS Primary Pension Plan, and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics (Supplemental Plan).**

The AC Board of Directors has reviewed and approved the contents of this MD&A, as at February 24, 2025. The SC Board of Directors has reviewed and approved those sections that are relevant to SC’s mandate, as at February 19, 2025.

In addition to historical information, this MD&A contains forward-looking statements with regard to Management’s strategy, objectives, outlook and expectations. Forward-looking statements made in this MD&A represent Management’s views at the date of this report and Management does not undertake to update or revise any forward-looking statements as a result of new information, future events or otherwise. Many factors affect the Plans’ performance, such as changes in market conditions, interest rates, inflation, demographics, technological factors, environmental and climate factors, and the ongoing geopolitical tensions. Investment returns and values will fluctuate. Past performance is not a guide to or indicative of future results. Please refer to the Legal Notices on page 192 of this report for a further discussion of the factors, assumptions and risks relating to such forward-looking statements.

This MD&A also contains statements and other disclosures concerning OMERS related sustainability matters. In making these statements and disclosures, OMERS has made various assumptions, including about technological, economic, scientific, and legal trends and developments, in light of an evolving policy and regulatory environment. Please refer to the Legal Notices on page 192 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures

We use certain financial measures that are not based on Generally Accepted Accounting Principles (GAAP) as key metrics in our financial reporting to enable our readers to better understand our condition and results. Non-GAAP financial terms are listed and defined in the Glossary section of this MD&A.

# Overview of OMERS



Founded in 1962, OMERS is a jointly sponsored, defined benefit pension plan, with approximately 1,000 participating employers ranging from large cities to local agencies, and almost 640,000 active, deferred and retired members. Our members include union and non-union employees of municipalities, school boards, local boards, transit systems, electrical utilities, emergency services and children’s aid societies across Ontario. Contributions to the OMERS Pension Plans are funded equally by members and employers.

OMERS teams work in Toronto, London, New York, Amsterdam, Luxembourg, Singapore, Sydney and other major cities across North America and Europe – serving members and employers, and originating and managing a diversified portfolio of high-quality investments in bonds, public and private credit, public and private equity, infrastructure and real estate.



## Overview of the OMERS Pension Plans

The OMERS Pension Plans comprise the OMERS Primary Pension Plan (Primary Plan or Plan), the Retirement Compensation Arrangement (RCA) for the OMERS Primary Pension Plan, and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics (Supplemental Plan). Since inception, the Supplemental Plan has had no members, assets or liabilities. The Primary Plan and the RCA are designed to be one seamless defined benefit plan offering to members, where contributions are collected and benefits are determined using the same formulas across all contributory earnings levels of members with the same normal retirement age. At the same time, the Primary Plan and the RCA are individually managed to satisfy the different tax laws and regulations applicable to each. Contributions to the Primary Plan must satisfy minimum and maximum funding requirements. The Primary Plan pays benefits up to the maximum permitted by the Income Tax Act (Canada) (ITA) and the RCA pays the balance. Contributions from members and employers are allocated across the plans per the OMERS Sponsors Corporation RCA Funding Mechanism Policy to achieve a target funding level which supports the seamless plan offering. Pension payments from the Primary Plan and the RCA are determined independently from the allocation of contributions, so as to deliver defined benefits seamlessly to members.

### OMERS Primary Pension Plan

The Primary Plan is a multi-employer, jointly sponsored pension plan, created in 1962 by an Act of the Ontario Legislature – whose members are mainly employees of Ontario municipalities, local boards, public utilities and non-teaching school board staff. The Primary Plan is governed by the OMERS Act, the Pension Benefits Act (Ontario) (PBA), the Income Tax Act (Canada) (ITA) and other applicable legislation. The benefit provisions and other terms of the Primary Plan are set out in the Primary Plan text. The Primary Plan consists of both the defined benefit component and the Additional Voluntary Contribution (AVC) component. The Primary Plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA) and with the Canada Revenue Agency (CRA) under Registration #0345983.

**1. Funding** The defined benefit component of the Primary Plan is funded by equal contributions from participating employers and from active members, and by the net investment earnings of the Primary Plan assets. AC determines the regulatory minimum and maximum funding requirements in accordance with the PBA and the ITA. SC sets actual contribution rates and benefits.

**2. Pensions** The defined benefit component of the Primary Plan is designed to provide lifetime defined benefit pensions, and its funding requirements are determined on a long-term basis. These pensions are calculated as a percentage of the member's annual earnings averaged over the highest 60 consecutive months, multiplied by years of credited service.

**3. Normal Retirement Age** The normal retirement age (NRA) is 65 years for all Primary Plan members, except for police officers and firefighters, who generally have a normal retirement age of 60 years. An OMERS employer can also elect to provide NRA 60 benefits to all or a class of paramedics. For unionized employees, access to NRA 60 benefits is subject to negotiation between employers and unions.

**4. Death Benefits** are payable upon the death of a member to a surviving spouse, eligible dependent children, a designated beneficiary, or to the member's estate. Depending on eligibility requirements, the benefits may be paid in the form of a survivor pension, lump sum payment or both.

**5. Escalation of Pensions** inflation protection increases pensions each year, based on the increase in the average of the Canadian Consumer Price Index (CPI) for the preceding 12-month period ending in October compared to the average CPI for the same period of the previous year, as follows:

- Benefits earned on or before December 31, 2022 receive full inflation protection, up to a maximum annual increase of 6%. Any excess is carried forward so it can be used in later years if and when CPI increases by less than 6%, provided the pension is still in pay.
- Benefits earned on or after January 1, 2023 are subject to shared risk indexing, meaning that the level of inflation protection will depend on SC's annual assessment of the financial health of the Primary Plan, and may be less than the full inflation protection.

**6. Disability Pensions** A disability pension is available at any age to an active member who becomes totally and permanently disabled as defined by the Primary Plan. The pension is calculated using a member's years of credited service and the average annual earnings during the member's highest 60 consecutive months of earnings consistent with a normal retirement pension and is subject to a cap set out in the Primary Plan. Generally, disability pensions continue until normal retirement.

**7. Income Taxes** The Primary Plan is a Registered Pension Plan as defined in the ITA and is not subject to income taxes on contributions received or investment income earned. The earnings of certain entities holding private credit, private equity, infrastructure, or real estate investments may be taxable.

## AVC Component

The AVC component of the Primary Plan is a retirement savings and investment opportunity that permits members to make additional voluntary contributions on which the member earns the annual net investment return of the Primary Plan. While AVCs are part of the Primary Plan, they are separate from a member's defined benefit pension. The liability of the Primary Plan, with respect to the AVC component, is equal to members' AVC contributions, plus (if positive) or minus (if negative) the prorated, full-year net investment rate of return earned by the defined benefit component of the Primary Plan over the period that the AVC contributions had been invested. Funds invested in AVCs earned the Primary Plan's return of 8.3% in 2024. In 2023, funds invested in AVCs earned the Primary Plan's return of 4.6%.

## Retirement Compensation Arrangement (RCA) for the OMERS Primary Pension Plan

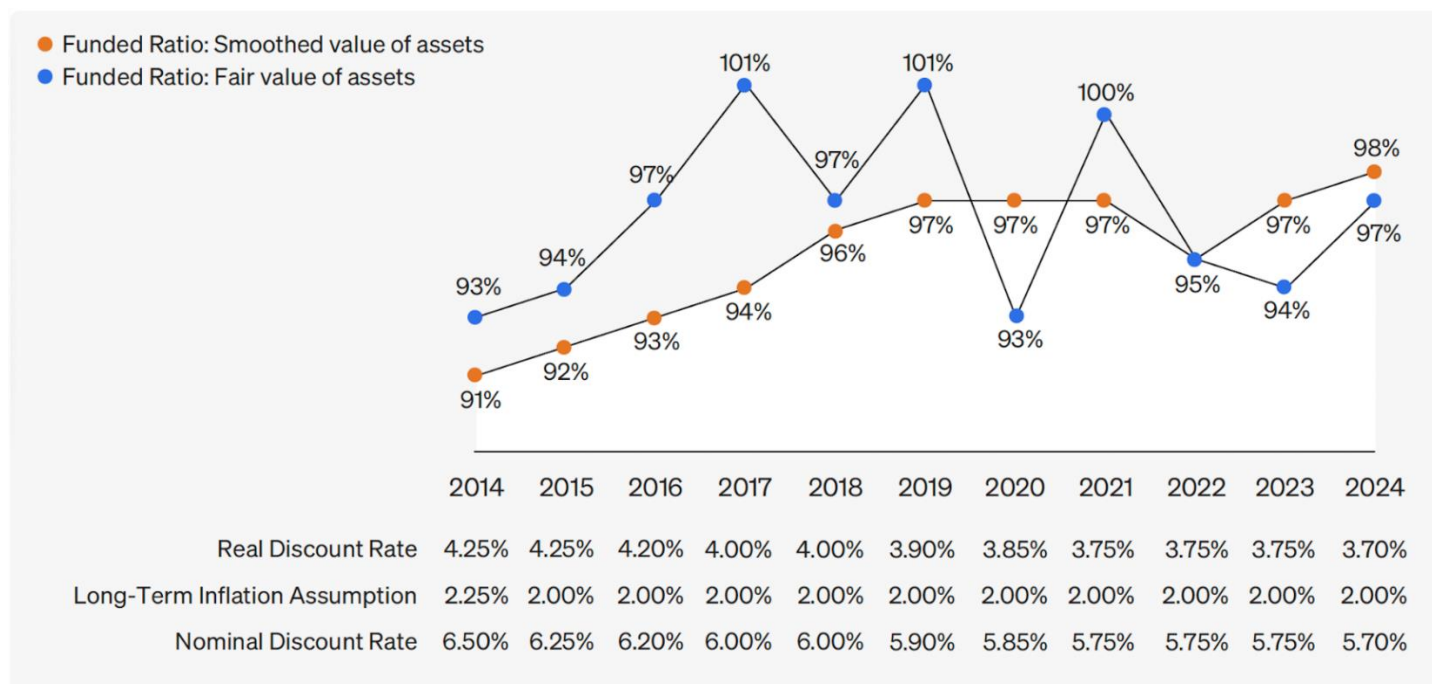
The Retirement Compensation Arrangement (RCA) provides pension benefits for Primary Plan members with contributory earnings exceeding the amount that generates the maximum pension allowed by the ITA for service after 1991. This determination is made when a benefit becomes payable (e.g. a member terminates employment, retires, or passes away). The RCA is a trust arrangement separate from the Primary Plan and is not governed by the Pension Benefits Act (PBA) and is also not a Registered Pension Plan under the ITA. The RCA is governed by the OMERS Act, the ITA and other applicable legislation. It is partially funded on a modified pay-as-you-go basis by equal contributions from participating employers and active members and by the investment earnings of the RCA fund. OMERS annually determines contributions to target sufficient funding as further discussed in the RCA Funding section of this Annual Report.

## OMERS Supplemental Pension Plan for Police Firefighters and Paramedics

The Supplemental Plan offers optional benefits for members of the police sector, firefighters and paramedics. It became effective on July 1, 2008, pursuant to the requirements of the OMERS Act. The benefit provisions and other terms of the Supplemental Plan are set out in the Supplemental Plan text. The Supplemental Plan is registered with FSRA and with the CRA under Registration #1175892. Participation in the Supplemental Plan is effective only upon agreement between employee groups and their employer. As at December 31, 2024 and December 31, 2023, no such agreement existed and hence the Supplemental Plan had no assets, no liabilities and no members

# Primary Plan Funding

The Plan's funded status is an indicator of its long-term financial health. For a definition of the funded ratio, using either the smoothed or fair value of assets, or for other non-GAAP financial terms, please see the Glossary section of this MD&A.



The following table summarizes metrics relevant to understanding the Plan's funded status on a smoothed basis at December 31, 2024 and 2023:

\$ billions unless otherwise indicated	December 31, 2024	December 31, 2023
Funded ratio	<b>98%</b>	97%
Funding surplus/(deficit)	<b>(2.9)</b>	(4.2)
Real discount rate	<b>3.70%</b>	3.75%
Nominal discount rate	<b>5.70%</b>	5.75%
Net assets on a smoothed basis	<b>137.9</b>	130.4
Net assets on a fair value basis	<b>136.5</b>	127.0
Accrued pension obligation	<b>140.8</b>	134.6
Unrecognized net investment gains or (losses)	<b>(1.4)</b>	(3.4)

The following table presents the changes in the smoothed funded ratio and funding deficit during the year:

Funding Surplus / (Deficit) (\$ billions)			Smoothed Funded Ratio (%)	
2024	2023		2024	2023
<b>(4.2)</b>	(6.7)	<b>As at January 1,</b>	<b>97</b>	95
<b>(0.2)</b>	(0.4)	Interest on surplus/(deficit)	n/a	n/a
<b>0.8</b>	0.5	Contributions from members and employers to improve the financial position	<b>1</b>	–
<b>1.0</b>	2.5	Smoothed investment return above the discount rate	<b>1</b>	2
<b>(1.0)</b>	–	Reduction of the discount rate	<b>(1)</b>	–
<b>0.3</b>	0.4	Experienced price inflation	–	–
–	(0.4)	Change to the short-term price inflation assumption	–	–
–	(0.5)	Changes in actuarial assumptions (other than inflation)	–	–
<b>0.4</b>	0.4	Other factors	–	–
<b>(2.9)</b>	<b>(4.2)</b>	<b>As at December 31,</b>	<b>98</b>	<b>97</b>

The Plan's funded ratio on a smoothed basis increased from 97% at December 31, 2023 to 98% at December 31, 2024, and its funding deficit decreased from \$4.2 billion to \$2.9 billion. The improvements were generated by the smoothed investment return from prior years and the current year exceeding the discount rate, contributions from members and employers to improve the Plan's financial position, and experience gains on the accrued pension obligation. These were partly offset by a reduction of the discount rate.

## Discount Rate

The real discount rate used to value the Plan's pension obligations as at December 31, 2024 was 3.70%; this rate is just below the mid-point of our target range of 3.5% to 4.0%. We prudently lowered the rate by 5 basis points versus the rate used for December 31, 2023 as discussed in the Plan Funding section of this annual report.

The funding deficit and funded ratio are calculated by comparing the smoothed value of net assets to the value of pension obligations. We apply an asset smoothing approach where investment returns above or below a 'smoothing rate' are recognized into the smoothed value of assets over a five-year period. The 'smoothing rate' is described in Note 2 to the Consolidated Financial Statements. In applying smoothing, contribution rates can be set, and benefits designed, without undue emphasis on short-term volatility. The difference between the fair value and the smoothed value of net assets is known as unrecognized net investment gains or losses. This amount will be recognized in the smoothed value of net assets, the funded ratio and the funding surplus / (deficit) over the next four years.

## Inflation

Price inflation in Canada spiked in the aftermath of the COVID-19 pandemic and reached a peak of 8.1% in June 2022. Since then, price inflation has been on a downward trend and there is general agreement among economic forecasters, including the Bank of Canada, that the deceleration in CPI will continue, and inflation will return to the Bank of Canada's long-term inflation target of 2%.

The valuation of the Plan's pension obligations at December 31, 2024 reflects a known increase to pensions in pay of 2.61% effective January 1, 2025 and an assumed increase to pensions in pay of 2.5% effective January 1, 2026. The Plan's valuation of pension obligations maintains a long-term inflation assumption at 2%.

## Funded Ratio using Fair Value of Assets

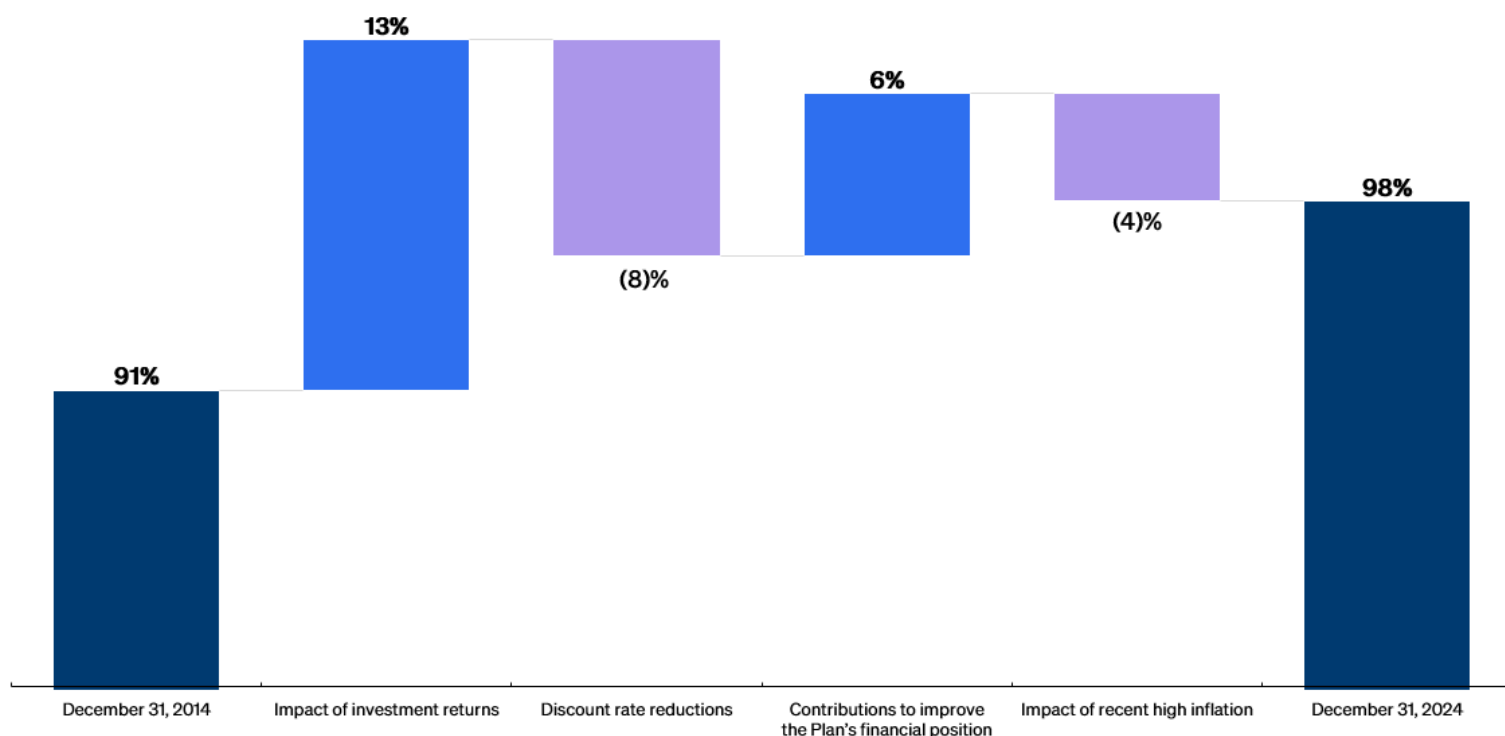
On a fair value basis, the funded ratio improved from 94% as at December 31, 2023 to 97% as at December 31, 2024, and the deficit on a fair value basis decreased from \$7.6 billion to \$4.3 billion. These improvements, in large part, occurred because the 2024 return exceeded the 2023 nominal discount rate of 5.75%.

The differences in the funded ratio and the deficit between the smoothed and fair value bases are presented below.

	December 31, 2024		December 31, 2023	
	Funded Ratio %	Surplus / (Deficit) \$ millions	Funded Ratio %	Surplus / (Deficit) \$ millions
Smoothed basis	<b>98</b>	<b>(2,913)</b>	97	(4,202)
Unrecognized investment (losses) or gains	<b>(1)</b>	<b>(1,406)</b>	(3)	(3,369)
Fair value basis	<b>97</b>	<b>(4,319)</b>	94	(7,571)

Unrecognized investment losses or gains – which is the difference between the smoothed value of net assets and the fair value of net assets – changed from a negative position of \$3.4 billion to a negative position of \$1.4 billion due to recognition of past losses and deferral of some of the gains resulting from the 2024 return exceeding the smoothing rate. These unrecognized net losses will be recognized in the smoothed value of net assets, the funded ratio and the funding surplus / (deficit) over the next four years.

## Funded Ratio: Ten-year Review



The Plan's funded ratio on a smoothed basis increased from 91% at December 31, 2014 to 98% at December 31, 2024. We consider this a meaningful improvement. The same factors that generated net funded ratio improvements in 2024 also generated longer-term net improvements; specifically (presented in order of absolute magnitude):

- › The Plan's net average annual **10-year investment return of 7.1%**, after considering the effect of smoothing, **generated an improvement in the Plan's funded ratio of 13% or \$14.2 billion**
- › **Prudently lowering the discount rate by 55 bps** has made the Plan **more resilient to adverse events**, while increasing the value of the Plan's pension obligations, and lowering the funded ratio by 8%.
- › **contributions to improve the Plan's financial position**, totalling \$6.7 billion above the actuarial cost of benefits, increased the funded ratio by 6%;
- › **recent high inflation** increased the Plan's pension obligations and **decreased the funded ratio by 4%**.

Over the long-term, we reasonably expect that the Plan's net investment earnings, and contributions from members and employers, will continue to positively impact the funded ratio, while updates to assumptions and from actual experience could be either positive or negative.

## Plan Design

In 2024, the SC Board approved revisions to the Contribution Rate Policy, and the Funding Management Statement and a new RCA Funding Mechanism Policy.

Also in 2024, the SC Board approved one Plan amendment which revises the Plan's contribution rates effective January 1, 2027 to reflect the updated Contribution Rate Policy.

These policy and plan design changes are discussed in the Plan Funding section of this Annual Report; there were no other changes to benefits or contributions in 2024.

The Plan's blended contribution rate for 2025 is estimated to be 20.8% of contributory earnings (2024 – 20.8%). This blended contribution rate exceeds the minimum funding contribution rate required in the December 31, 2024 valuation report (which was approved for filing with the regulators by the SC Board on February 19, 2025).



# Managing Funding Risks

We manage the financial health of the Plan with a long-term focus and with consideration for a range of possible outcomes that could alter funding requirements or plan design. Our objective is to deliver the pension promise over the long term and strong funding helps us achieve this goal. While we have seen a significant improvement in the Plan's financial position over the past decade, the Plan continues to mature.

Funding risks include increasing Plan maturity and could include higher-than-expected inflation, more volatile and uncertain investment returns and potential adverse demographic experience, as described below.

We regularly model risk factors to assess options for improving the Plan's long-term financial health and for strengthening the Plan's funding. After thorough analysis, we make adjustments to our investment strategies or plan design when appropriate, in order to deliver a balance of stability, affordability and meaningfulness today and in the future.

## Plan Maturity

The Plan has been maturing for some time; this means that the population of our retired members is increasing relative to our active member population. Plan maturity could be accelerated if we experience a slowing growth rate of active membership, for example, due to shifting workforce trends and the changing nature of work; if active members retire earlier than we expect; and as member longevity continues to increase. Increasing maturity can reduce resilience to unexpected economic and demographic outcomes.

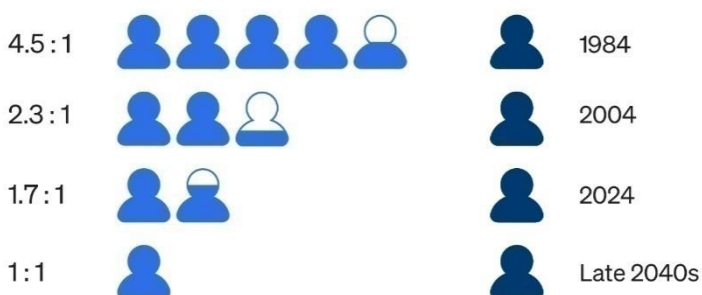
We are focused on building reserves to mitigate impacts of Plan maturity on funding, while also monitoring other trends that could impact the pace of Plan maturity. These trends include those relating to immigration levels or government policies, which impact demand for municipal workers. These factors contributed to higher-than-expected numbers of new members in recent years, but it is unclear how they will affect membership growth in the future.

In 2023 and 2024, approximately 75,000 employees who work non-full time for OMERS employers enrolled in the Plan. We expect the influx of non-full-time members to slightly reduce the pace of maturity.

Over the long-term, as the ratio of active to retired members declines, pension payments we make out of the Plan will increasingly exceed contributions we take into the Plan; in 2024, these totaled \$6.5 billion and \$5.6 billion, respectively. This trend increases the Plan's reliance on investment income to pay monthly pension costs. While the difference between the contributions received and benefits paid is forecasted to widen, we anticipate that this difference will remain well within our liquidity tolerance for at least the next decade.

### Plan Maturity

- Active Members
- Retired Members



The ratio of active members to retired members is a common measure of Plan maturity. Our ratio today is less than 2:1. We expect it to decline to 1:1 in the 2040s.

## Inflation

Both price inflation and wage inflation can impact Plan funding. Because price inflation affects the cost-of-living adjustment (COLA) applied to pension benefits in pay, actual price inflation that exceeds our assumptions results in higher-than-expected benefit payments and future pension obligations.

Similarly, growth in members' wages above our assumptions also results in higher pension obligations since pension benefits are based on member earnings.

The impact of higher-than-expected inflation on the Plan's future investment returns differs across assets: some will benefit, while others will be negatively affected.

We believe that our significant allocation to real assets should help to mitigate inflation risk over time, and we will continue to work to build reserves over the long term to improve the Plan's resilience to adverse impacts from inflation and other experience.

## Uncertain and Volatile Investment Environment

The investing environment and path of future returns remains uncertain. 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.

The impacts of climate change present both risks and opportunities to our returns. There are risks arising from potential losses on stranded assets and costs of adverse weather events and mitigation. There are also investment opportunities in the transition to a low-carbon economy. We continue to execute on our Climate Action Plan to manage these risks, and to capture opportunities as we invest in the transition.

Escalations of geopolitical tensions, including the threat or imposition of tariffs, could also affect long-term returns, and global growth could be erratic as a result. We monitor and evaluate both risks and opportunities in evolving geopolitical trends, and manage our exposures through prudent implementation of our strategic asset mix across geographies.

Fluctuations in currency exchange rates can also impact returns, as we hedge only a portion of our investment exposures denominated in currencies other than the Canadian dollar and could experience losses if the value of one or more currencies decline materially and for the long-term. We manage our currency exposures through a holistic currency management framework to ensure our portfolio is adequately diversified, and positioned to capture risk-adjusted returns and optimize liquidity as well.

The path of interest rates and public equity valuations, as well as fierce competition for private assets, could impact future long-term investment returns. To manage these risks and capture investment opportunities, OMERS regularly monitors the suitability of our investment strategies and periodically conducts studies to inform the selection of our asset mix. OMERS most recently completed an Asset-Liability Study in 2023.

## Adverse Demographic Experience

We describe demographic experience as “adverse” when it leads to an increase in pension obligations. Examples include faster-than-expected improvements in longevity and higher-than-expected salary increases (from wage inflation or otherwise).

If demographic experience differs adversely from our actuarial expectations, we may be required to adjust the expectations, increasing the value of the pension obligations and, therefore, funding requirements.

Life expectancy has steadily increased over time. We assume that longevity will continue to increase; however, if longevity improves faster than our assumption, our pension obligations will increase. Pension obligations may also increase as a result of retroactive compensation adjustments resulting from collective bargaining and similar arrangements between unions, employers and/or the Province of Ontario.

To manage these risks, we monitor our actuarial assumptions against demographic experience at least annually and may adjust them for significant developments prompted by changes in membership behaviour and/or the external environment. We conduct a detailed experience study at least once every five years, with the most recent study completed in 2023.

# Risk Governance

OMERS activities expose us to a broad range of risks, and our ability to manage these risks is an important capability. Our ability to deliver sustainable, affordable and meaningful pension plans over the long-term is affected not only by the direct funding risks above, but also by risks that could adversely impact our investments, our operations, our decision-making (i.e. governance), our people and our strategy implementation. Our approach to managing these risks is set out below. Also included is an update on our risk management activities for the year.

OMERS governance and policy structures play a fundamental role in supporting risk management and in supporting the processes and culture necessary for high-quality decision-making. We believe that fostering a culture that encourages candor and debate is critical to ensure prudent decision-making. Policies and frameworks, including our Code of Conduct and Ethics, articulate our expectations and behaviors for risk-conscious decision-making.

The AC and SC Boards have approved OMERS risk frameworks. The risk frameworks describe overall risk management governance and detail the structure for categorizing risks to which the two organizations are exposed.

Our Boards of Directors also approve OMERS risk appetite, which provides a framework for assessing the desired amount of risk required in pursuit of OMERS objectives.

The risk appetite statements:

- help define the desired risk appetite with respect to relevant risk categories;
- determine the nature, types and degree of risk that OMERS is willing to assume through the articulation of qualitative statements and risk tolerances;
- provide the Boards and their Committees with the necessary information and transparency required to effectively discharge their risk oversight responsibilities and serve as an input, alongside other considerations, to support strategic decisions.

## Risk Accountabilities

The Boards delegate the day-to-day management of risk to Management. The Chief Risk Officer is responsible for the Risk Management function, which provides independent and objective analysis and risk reporting to both the Executive Leadership Team and to the OMERS Boards of Directors.

We manage our various risks following the “three lines of accountability” approach to ensure clear roles and accountabilities.

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**1ST LINE OF ACCOUNTABILITY**  
“Risk Owner”

These groups own OMERS primary business activities and are responsible for identifying and managing risk as part of their accountability.

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**2ND LINE OF ACCOUNTABILITY**  
“Risk Partner”

These groups (including Compliance and Risk Management) provide risk oversight of the first line.

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**3RD LINE OF ACCOUNTABILITY**  
“Independent Assurance Provider”

Internal Audit is an independent, objective assurance and consulting function whose responsibility is to assess the strength and efficacy of OMERS internal controls.

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## 2024 Risk Management Highlights

We continue to enhance our risk management practices and in 2024 our key initiatives included:

- Refreshing our risk appetite statements; and reviewing our risk reporting to continue to provide relevant, comprehensive and focused information to Management and Boards;
- Enhancing liquidity management capabilities through revising liquidity monitoring methodology and implementing additional metrics that facilitate monitoring of liquidity across multiple time horizons. A scenario-based liquidity-crisis simulation was also completed in 2024 to assess our liquidity governance framework;
- Maturing our climate risk capabilities by completing our inaugural climate transition risk assessment and initiating a portfolio-level assessment of physical climate risk;
- Enhancing our model risk framework and controls to manage AI and machine learning models in business processes;
- Conducting in-depth fraud risk assessments with a focus on emerging fraud scenarios and preventative mitigation strategies;
- Enhancing the business continuity and health and safety program across our global corporate offices; and
- Bringing together the Crisis Management Team to practice incident response through numerous tabletop exercises which included cyber scenarios and incident management.

Note 3E of the Consolidated Financial Statements includes additional details on investment risk and how we address these risks.

# RCA Funding

As described in the Overview of OMERS section above, the RCA provides the pension benefits that are set out in the Primary Plan but exceed the maximum pension amount set by the ITA. The RCA operates on a modified pay-as-you-go basis and is funded by an allocation of equal member and employer contributions and by the investment earnings of the RCA fund. The RCA is managed on a partially funded basis due to the adverse tax treatment implications of funding non-registered pension plans.

Prior to 2025 we targeted a level of funding such that the value of the RCA fund, plus projected contributions and projected investment earnings were, in aggregate, sufficient to pay for benefits and expenses for a period of 20 years.

The SC Board revised the funding target starting from 2025 to enhance the long-term sustainability of the RCA. Under the new funding methodology, the target level of funding is such that the projected assets in the RCA fund for each of the next 20 years are no less than four times the projected benefits and expenses to be paid in the subsequent year.

All OMERS members are a part of both the Primary Plan and the RCA. To achieve the funding target, member and employer contributions are allocated to the RCA based on an earnings threshold for members which is determined annually based on the SC Board's approved funding methodology. Contributions on each member's earnings above this earnings threshold are directed to the RCA fund (for 2024, this earnings threshold was \$179,795 (2023 – \$181,591)). Contributions are collected equally from members and employers and are collected at the rates applicable to earnings above the YMPE (Year's Maximum Pensionable Earnings, as set by the federal government).

All contributions on earnings below the earnings threshold are directed to the Primary Plan fund. The changes to the RCA funding target, as revised by the SC Board and effective 2025, reduced the threshold and thereby increased the portion of total member and employer contributions that are directed to the RCA.

The earnings threshold is communicated each year to employers so that each employer can administer their payrolls to collect total Primary Plan and RCA contributions and remit them separately to OMERS. Accordingly, member pension statements reflect the Primary Plan and RCA contributions separately where applicable.

More details on the determination of the threshold are available on our website in AC's Funding Policy – RCA and SC's RCA Funding Mechanism Policy.

Benefits paid from the RCA are not directly related to the RCA contributions made by a member and their employer over their working years. As a defined benefit pension, annual pension benefits are determined by a member's best 60 consecutive months of contributory earnings and length of service at the time the member's benefit is calculated. As described above, the benefits are partially paid from the RCA if they exceed the applicable ITA limit. This reflects the plan design principle that the Primary Plan and RCA provide benefits to members on a seamless basis. Such an approach provides the SC Board with the flexibility to maintain a common contribution rate for members and employers in respect of contributory earnings above the YMPE.

The RCA's primary funding risk is a prolonged decline in RCA contributions should there be a significant reduction in OMERS contribution rates or a significant decline in active members contributing to the RCA. The RCA is resilient to lower-than-expected investment returns and other adverse experience, since the funding mechanism described above can generally allocate a higher level of contributions from total employer and member contributions to the RCA if needed to achieve the specified funding target.

The actuarial assumptions used for the RCA are disclosed in Note 7 of the Consolidated Financial Statements.

The RCA fund consists of a refundable tax account, which is a non-interest-bearing account administered by the CRA, and a portfolio of passively managed Canadian and foreign equity funds (the RCA Investment Fund).

In 2024, the RCA Investment Fund generated a net return of 26.0% (2023 – 18.6%), compared to the public equity benchmark's return of 26.4% (2023 – 19.0%).

This represents a net investment return of \$30 million (2023 – \$19 million). During the year, the RCA received contributions of \$54 million (2023 – \$41 million), paid out benefits of \$40 million (2023 – \$36 million) and administrative expenses of less than \$1 million (2021 – less than \$1 million). These activities resulted in a net increase in the net assets available for benefits of \$44 million (2023 – \$24 million).

At December 31, 2024, the RCA's net assets totalled \$244 million (2023 – \$200 million) and its accrued pension obligations were \$1,397 million (2023 – \$1,314 million).

# Investment Results: Primary Plan

## Economic Environment

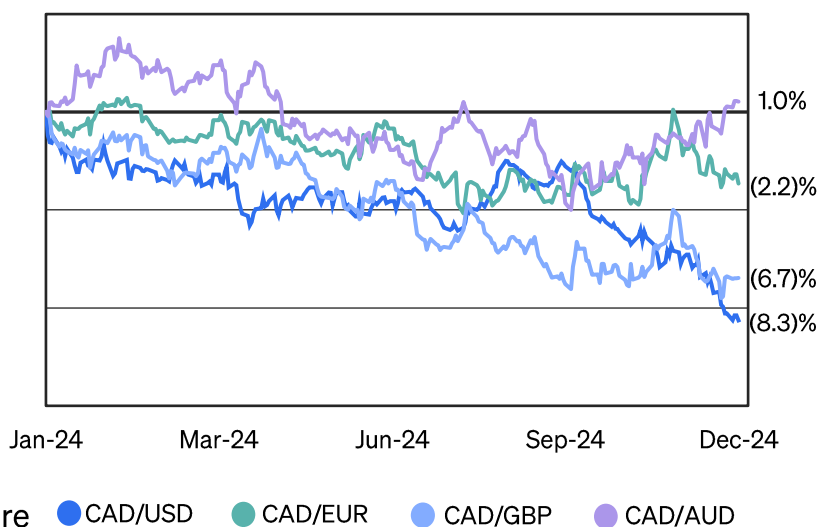
In 2024, growth in many advanced economies, including Canada's, was sluggish, while the American economy vastly outperformed its G7 peers. As many countries grappled with economic challenges stemming from tight central bank monetary policies, excessive debt levels, overregulation or other political factors, the U.S. experienced robust growth fueled by resilient consumers and elevated investor confidence. Equity markets surged immediately after the U.S. election to all-time highs before falling back, by year-end, to mid-November levels.

With many economies slowing, inflation moderated as demand weakened, prompting central banks to ease monetary policy. The Bank of Canada lowered interest rates by 175 basis points, reducing the rate from 5% to 3.25%. Similarly, the U.S. Federal Reserve cut its rates by 100 basis points, bringing them down to 4.5%.

The Bank of England and the European Central Bank also reduced their rates.

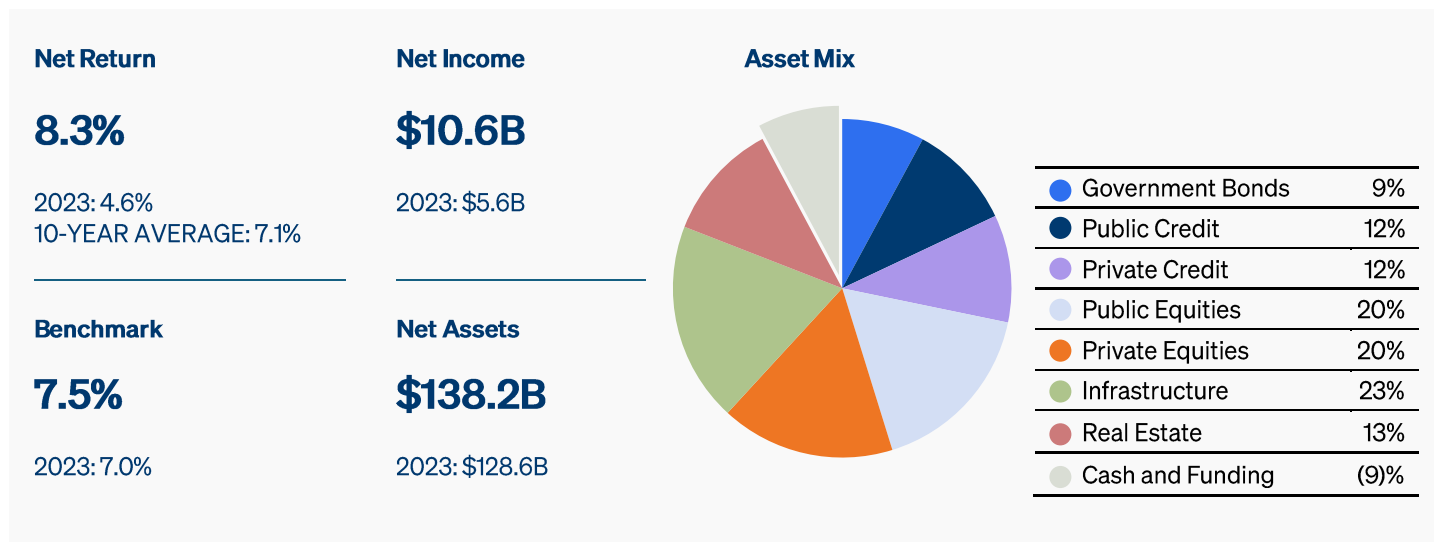
Geopolitically, global conflicts in the Middle East and Russia-Ukraine drove uncertainty and contributed to strengthening of safe-haven assets, like gold and the U.S. dollar, which strengthened against most currencies. The Canadian dollar weakened broadly, underperforming against major developed market currencies, driven by softer domestic growth, expectations for more aggressive rate cuts by the Bank of Canada, weaker oil prices, and external risks like potential U.S. tariffs.

Canadian Dollar Performance



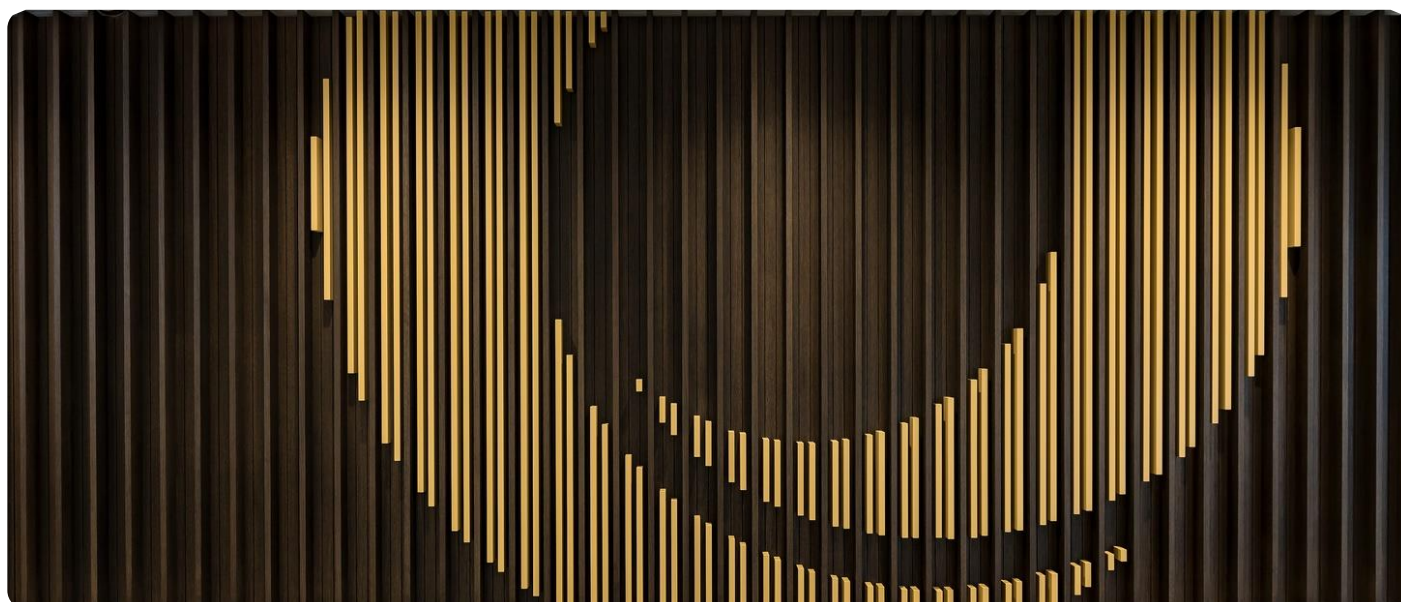
In this context, the Primary Plan earned a positive investment return for the year, net of expenses, of 8.3%, or \$10.6 billion. This compares to a one-year absolute benchmark, approved by the AC Board in December 2023, of 7.5%, and to a net return of 4.6%, or \$5.6 billion, in the prior year.

# Results



Our investment strategy is driven by our pension liabilities, with a focus on managing risk, achieving requisite returns and cash flows, and protecting and increasing our funded status. We maintain a focus on the long term and a disciplined approach to asset allocation and portfolio construction, and we employ diversification, direct investment strategies and financial and economic leverage to achieve our objectives.

As a result of this strategy, the Plan has earned 7.1% over the past decade. The Plan's one-year net investment return of 8.3% was earned as our active strategy to maintain currency exposure to the US dollar and other major currencies improved our net investment results across the portfolio by approximately 4.0%. OMERS public equity investments added 2.5% to our return in another remarkable year for global equity markets, which reached multiple new all-time highs. Private credit and infrastructure assets also helped to drive results. Our real estate assets continued to generate strong operating income but returns were held back due to lower valuations.



Asset class investment returns for the Primary Plan and RCA for 2024 and 2023 are presented in the table below. The primary factors explaining the Plan's performance are presented in the Introduction section of this annual report.

For the years ended December 31,	2024			2023		
	Net Investment Income \$ millions	Net Rate of Return %	Benchmark %	Net Investment Income \$ millions	Net Rate of Return %	Benchmark %
Government Bonds	264	1.0	3.7	536	5.8	
Public Credit	820	6.0	5.6	725	6.2	5.8 <sup>1</sup>
Private Credit	1,856	12.6	10.0	1,227	10.0	
Public Equities	4,595	18.8	6.7	2,701	10.4	
Private Equities	2,323	9.5	8.7	922	3.9	9.6
Infrastructure	2,499	8.8	8.2	1,468	5.5	7.7
Real Estate	(936)	(4.9)	5.2	(1,512)	(7.2)	6.3
Cash and Funding	(693)	n/a		(400)	n/a	
<b>Total</b>	<b>10,728</b>	<b>8.3</b>	<b>7.5</b>	<b>5,667</b>	<b>4.6</b>	<b>7.0</b>
Less: Income Attributed to Administered Funds	151	8.3		80	4.6	7.0
<b>Total Primary Plan</b>	<b>10,577</b>	<b>8.3</b>	<b>7.5</b>	<b>5,587</b>	<b>4.6</b>	<b>7.0</b>
RCA Investment Fund <sup>2</sup>	30	26.0	26.4	19	18.6	19.0

<sup>1</sup> Reflects an aggregate benchmark of 5.8% for Public Investments, which included government bonds, public and private credit, public equities and cash and funding.

<sup>2</sup> Excludes the RCA refundable tax account with the Canada Revenue Agency. The RCA net rate of return including the refundable tax account in 2024 is 14.4%, compared to 10.1% in 2023.

A review of each asset class is presented in the following pages under Asset Class Performance, and our approach to managing Cash & Funding is described under Liquidity and Capital Resources.

## The Plan's Benchmarks and Investment Return History

We measure our investment performance annually. Each year, we aim to earn returns that meet or exceed one-year benchmarks approved by the AC Board, generally in December of the prior year. We set return and income benchmarks for asset classes and for the Plan overall.

OMERS benchmarks are for absolute rather than relative returns. We set absolute return benchmarks because we believe that it is important to annually grow our assets, irrespective of market volatility and economic conditions,

We establish our public asset benchmarks by considering long-term return assumptions for our public equities and fixed income investments, and by incorporating forecasted short-term market conditions and portfolio allocations. We establish our private asset benchmarks through a bottom-up, investment-by-investment approach, using budgeted cash flows from our investee companies and real estate assets. We also calibrate our benchmarks to long-term return expectations for various asset classes to reputable external sources.

Our benchmarks exclude the effect of potential foreign currency changes and are net of budgeted expenses. Short- and long-term variable incentive compensation is tied to actual Canadian dollar performance against these benchmarks.

We also measure our investment performance over multi-year periods: we maintain a long-term investment horizon, since pensions are paid over decades. To that end, we aim to earn average multi-year returns that exceed the geometric average of the one-year benchmarks set for the same periods and the AC Board's long term nominal target return of 7.0% set out in our past Board-approved Statement of Investment Policies and Procedures (SIP&P).

The table below sets out OMERS 2024 net return and our historical 10-year return:

	1-Year	10-Year
Net Return	8.3%	7.1%
Benchmark	7.5%	7.3%

Please see the Reference section of this year's annual report for details on financial results over the past 10 years.

## Asset Allocation and Exposure

Our Board-approved target asset mix is designed to mitigate long-term risk and deliver long-term returns to meet pension obligations. Our current long-term target asset mix in place since January 1, 2024 as approved in the 2023 Asset-Liability study is summarized below.

Long-term Target Asset Mix	
<b>Fixed Income</b>	<b>43.0%</b>
Government Bonds	17.0%
Public Credit	14.0%
Private Credit	12.0%
<b>Equities</b>	<b>37.0%</b>
Public Equities	19.0%
Private Equities	18.0%
<b>Real Assets</b>	<b>40.0%</b>
Infrastructure	22.0%
Real Estate	18.0%
<b>Cash and Funding</b>	<b>(20.0%)</b>
(includes cash and financing & derivative offsets)	

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Our net exposure at December 31, 2024 totalled \$140.1 billion (2023– \$130.5 billion), as set out in the table below. Net exposure at the end of 2024 includes balances related to administered funds of \$2.0 billion (2023 – \$1.9 billion), and \$(0.1) billion in other balances (2023 – nil).

Our asset mix includes physical exposures and derivative exposures. We include our net economic derivative exposure within each relevant asset class, and present a corresponding offset (equal to the sum of all of our net economic derivative exposures across all asset classes) in the “Cash and Funding” category.

As at December 31,	2024		2023	
	Net Exposure \$ millions	Asset Mix %	Net Exposure \$ millions	Asset Mix %
<b>Fixed Income</b>				
Government Bonds	<b>12,989</b>	<b>9.3</b>	10,466	8.0
Public Credit	<b>16,717</b>	<b>11.9</b>	11,761	9.0
Private Credit	<b>16,925</b>	<b>12.1</b>	15,234	11.7
	<b>46,631</b>		37,461	
<b>Equities</b>				
Public Equities	<b>28,661</b>	<b>20.5</b>	26,437	20.3
Private Equities	<b>27,513</b>	<b>19.6</b>	25,052	19.2
	<b>56,174</b>		51,489	
<b>Real Assets</b>				
Infrastructure	<b>31,542</b>	<b>22.5</b>	27,959	21.4
Real Estate	<b>18,656</b>	<b>13.3</b>	19,374	14.8
	<b>50,198</b>		47,333	
<b>Cash and Funding</b>	<b>(12,884)</b>	<b>(9.2)</b>	(5,778)	(4.4)
<b>Total</b>	<b>140,119</b>	<b>100.0</b>	130,505	100.0
<b>Less; Administered Funds &amp; Other Balances</b>	<b>1,949</b>		1,891	
<b>Total Primary Plan</b>	<b>138,170</b>		128,614	

Our asset mix at December 31, 2024 was within the approved asset mix operating range set out in our SIP&P.

## Geographic Exposure

OMERS portfolio is diversified across primarily developed markets and geographies. Canada continues to offer attractive long-term investment opportunities and roughly one-fifth of our portfolio is invested in our home country – including a significant proportion of our physical assets in infrastructure and real estate. The relative proportion of our investments in Canada decreased in 2024 relative to 2023 as the Canadian dollar depreciated against the U.S. dollar; we believe that prudence, our pursuit of diversification, and related risk-management practices make it appropriate to invest across global markets with different growth profiles.

As at December 31, 2024	Canada	U.S.	Europe	Asia-Pacific and Rest of the World
Government Bonds	6%	3%	-	-
Public Credit	2%	6%	3%	1%
Private Credit	-	10%	1%	1%
Public Equities	1%	12%	2%	5%
Private Equities	1%	15%	3%	1%
Infrastructure	5%	7%	8%	3%
Real Estate	6%	4%	2%	1%
	<b>21%</b>	<b>57%</b>	<b>19%</b>	<b>12%</b>
Cash and Funding	(2)%	(4)%	(2)%	(1)%
<b>Total</b>	<b>19%</b>	<b>53%</b>	<b>17%</b>	<b>11%</b>

As at December 31, 2023	Canada	U.S.	Europe	Asia-Pacific and Rest of the World
Government Bonds	6%	2%	-	-
Public Credit	2%	5%	1%	1%
Private Credit	-	9%	2%	1%
Public Equities	1%	11%	2%	6%
Private Equities	1%	14%	3%	1%
Infrastructure	5%	6%	8%	2%
Real Estate	6%	5%	3%	1%
	<b>21%</b>	<b>52%</b>	<b>19%</b>	<b>12%</b>
Cash and Funding	4%	(6)%	(1)%	(1)%
<b>Total</b>	<b>25%</b>	<b>46%</b>	<b>18%</b>	<b>11%</b>

## Currency Exposure

We manage our foreign currency exposures dynamically through a holistic currency management framework. At December 31, 2024, 54% of our net exposure was exposed to foreign currencies, compared to 56% at the end of 2023.

Our exposures to currencies, net of any hedging effects, are summarized in the table below:

At December 31,	2024		2023	
	\$ millions	% of portfolio	\$ millions	% of portfolio
Canadian Dollar	<b>64,980</b>	<b>46</b>	57,501	44
United States Dollar	<b>45,915</b>	<b>33</b>	48,042	37
Euro	<b>10,618</b>	<b>8</b>	7,659	6
British Pound Sterling	<b>6,230</b>	<b>4</b>	7,210	5
Australian Dollar	<b>4,286</b>	<b>3</b>	3,653	3
Other	<b>8,089</b>	<b>6</b>	6,440	5
<b>Total</b>	<b>140,119</b>	<b>100</b>	130,505	100

The unhedged exposure to foreign currencies contributed \$5.0 billion or 4.0% of unrealized foreign currency gains to our net investment income and net investment return for the year, primarily due to the impact of a stronger U.S. dollar. This was compared to \$1.5 billion or 1.2% of unrealized foreign currency loss in 2023.

## Industry Exposure

OMERS portfolio is diversified across industries. The table below presents OMERS net exposure by industry based on Global Investment Industry Classification Standards (GICS) at December 31, 2024 and 2023. Refer to Glossary of Financial Terms section for definition of Assets by Industry.

As at December 31,	2024	2023
Financials	<b>16%</b>	12%
Real Estate	<b>16%</b>	17%
Industrials	<b>15%</b>	15%
Utilities	<b>15%</b>	14%
Healthcare	<b>10%</b>	11%
Government Bonds	<b>9%</b>	8%
Information Technology	<b>9%</b>	8%
Consumer Discretionary	<b>7%</b>	7%
Communication Services	<b>5%</b>	5%
Energy	<b>3%</b>	3%
Consumer Staples	<b>2%</b>	2%
Materials	<b>2%</b>	2%
Cash & Funding	<b>(9)%</b>	(4)%
<b>Total</b>	<b>100%</b>	100%

## Liquidity and Capital Resources

Our principal liquidity needs include meeting our pension obligations, funding investment acquisitions, meeting collateral demands related to our use of derivatives, and funding investment management and pension administration expenses.

We use a diverse set of funding sources to meet these liquidity needs. The liquidity immediately available at December 31, 2024 is presented in the table below.

As at December 31,	2024 \$ billions	2023 \$ billions
Liquid Assets	18.2	23.4
Marketable Securities	29.0	21.6
Undrawn OFT Credit Line Capacity	4.6	4.1

We hold a portfolio of liquid assets that include cash and short-term deposits, inflation-linked bonds, and Canadian and US government securities, all net of pledged collateral.

In addition, we maintain a portfolio of highly marketable securities comprised of Canadian and non-Canadian public equities, cash and derivative contracts traded on a public exchange.

Lastly, we include in immediately available sources of liquidity the undrawn capacity of the revolving credit facility held by OMERS Finance Trust (OFT), which issues debt unconditionally and irrevocably guaranteed by AC. This comprises a \$4.6 billion three-year revolving credit facility maturing in 2027, which backstops our commercial paper program and is available for general corporate purposes.

In addition to these immediately available sources, we can generate additional liquidity through:

- financing certain public investments using derivatives and repurchase agreements. During the year, we decreased our use of repurchase agreements, which totalled \$2.2 billion at December 31, 2024 (December 31, 2023 – \$4.1 billion) in favour of other liquidity sources; and
- raising funds by OFT's issuing commercial paper and term notes.

We also receive ongoing liquidity from inflows of contributions from Plan members and employers, and from investment income.

We evaluate our 30-day liquidity requirements daily by monitoring a Board-approved liquidity coverage ratio, as well as other liquidity coverage ratios monitored by the Financial Services Regulatory Authority of Ontario. Our monitoring includes stress testing that simulates major market events such as the Great Financial Crisis, the March 2020 COVID Crisis and the historically large decline in bond values in 2022-2023.

As supported by this liquidity monitoring, we have planned our cash reserves to meet liquidity obligations even in the event of a significant market disruption.

Our management of liquidity risk, derivative financial instrument balances, and margin and collateral requirements are further discussed in Note 3 of the Consolidated Financial Statements.

## OMERS Finance Trust (OFT)

OFT is a separate legal entity that issues debt unconditionally and irrevocably guaranteed by AC, and then extends loans to AC or entities in which AC has a majority economic interest. OFT's debt-raising activities are subject to leverage limits and Board approval.

The table summarizes OFT's debt outstanding at December 31, 2024.

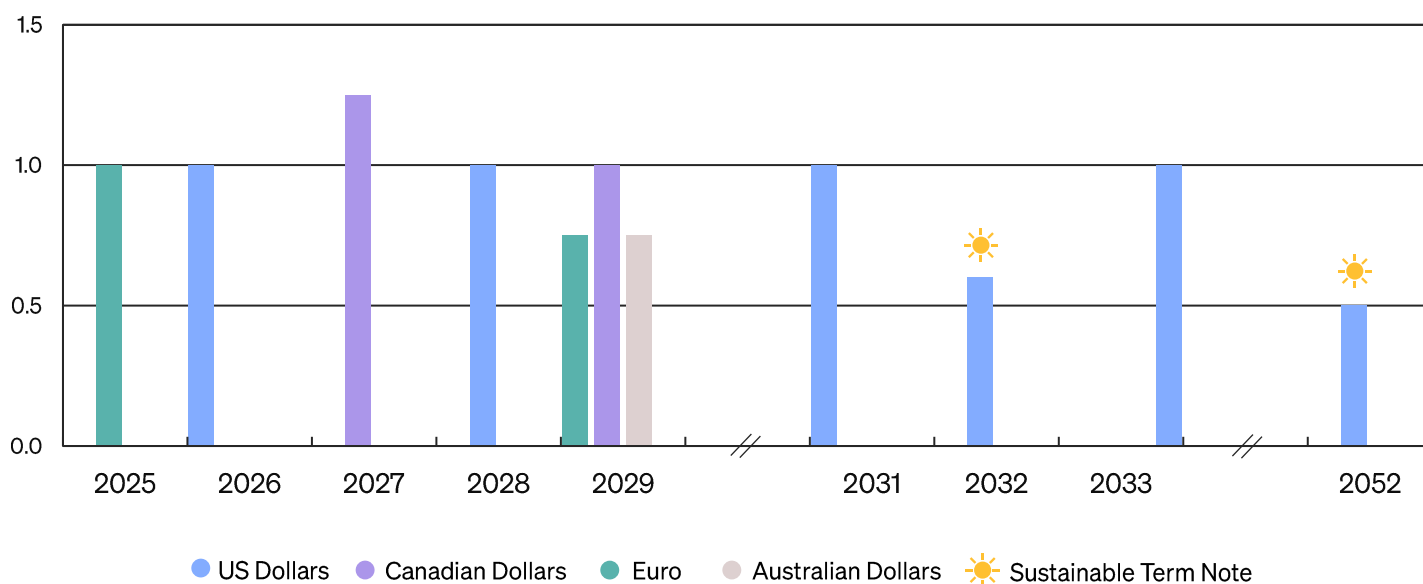
As at December 31,	2024 \$ billions	2023 \$ billions
OFT Credit Line	-	0.2
Commercial Paper	1.2	1.8
Term Notes	12.4	10.8

As introduced above, OFT has arranged with a syndicate of well-capitalized international banks a revolving credit facility of \$4.6 billion (2023 – \$4.3 billion). The credit facility is available for general corporate purposes. It can be drawn in a variety of currencies.

OFT also issues commercial paper and term notes to institutional investors; OFT's credit facility also serves as a backstop for this commercial paper program.

In 2024, OFT issued a €750 million 5-year note bearing a coupon of 3.125% maturing in 2029, a USD \$1.0 billion 7-year note bearing a coupon of 4.75% maturing in 2031, and an inaugural AUD \$750 million 5-year note bearing a coupon of 4.50% maturing in 2029.

The maturity profile of OFT's term notes at December 31, 2024 is outlined below:



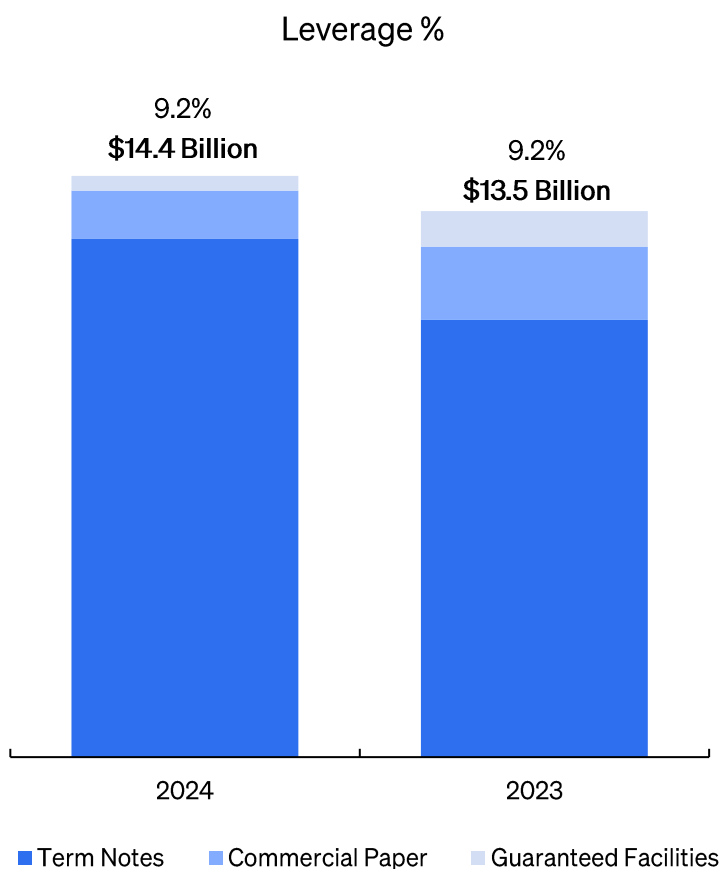
At December 31, 2024, the weighted average interest rate on outstanding OFT term notes was 3.10% (2023 – 2.70%).

In addition to OFT’s guaranteed debt, AC also unconditionally and irrevocably guarantees \$0.2 billion (2023 – \$0.4 billion) of debt, which finances assets in our credit, infrastructure and real estate asset classes. Of the outstanding debt, 79% is fixed rate with more than 12 months to maturity.

AC and OFT are rated by four credit rating agencies. These agencies, and the long-term issuer rating each assigns, are presented in the table below:

Agency	Rating
S&P Global	AAA
Moody’s	Aa1
Fitch Ratings	AAA
DBRS	AAA

### Recourse Debt



# Investment Management and Pension Administration Expenses

Investment management expenses were \$683 million in 2024, compared to \$612 million in 2023.

The increase was primarily driven by the normalization of incentive pay: OMERS pays for performance, and our above-benchmark one-year return of 8.3% in 2024 resulted in a more typical level of incentive compensation, relative to 2023's lower-than-average compensation awards.

In addition to investment management expenses, we incurred expenses for external manager performance and pooled fund fees of \$92 million in 2024 compared to \$83 million in 2023. We invest, in certain circumstances, with external managers, and the fees associated with these arrangements often vary with the manager's investment performance. In 2024, several of our external managers outperformed, and we therefore incurred incremental performance fees. Further, we increased our level of investments in external funds, particularly in the credit asset class, to increase our exposure in line with our target asset mix. These factors result in higher external manager performance and pooled fund fees in 2024.

The combination of our investment management expenses and external manager performance and pooled fund fees resulted in a management expense ratio of 57 basis points in 2024 (2023 – 54 basis points).

Pension administration expenses totalled \$130 million in 2024 (2023 - \$123 million). During the year we welcomed 27,000 new members into OMERS, many of whom are non-full-time. Our member services team handled a 9% year-over-year rise in inbound calls, an 83% increase in secure communication volumes, and a 22% increase in termination-related transactions. We continued to invest in our people, our technology, and processes as we work towards providing a great experience for our members and employers.

Annually our Board approves a one-year budget for investment management and pension administration expenses. Quarterly the Board reviews the level of expenses incurred and forecasted relative to that approved budget.

# Asset Class Performance

The following provides a review of our investment approach, performance and capital allocation activities for each asset class.

Further detail on our approach to Cash & Funding is described under Liquidity and Capital Resources.



# Fixed Income

## Government Bonds

### Net Return

**1.0%**

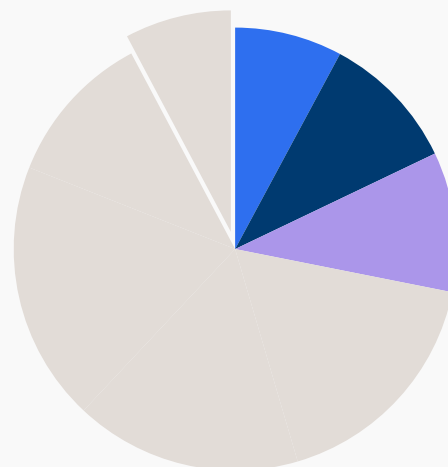
2023: 5.8%  
10-YEAR AVERAGE: 1.2%

### Benchmark

**3.7%**

2023: 5.8%  
(Public Investments)

### Asset Mix



### Net Local Return

**1.2%**

2023: 6.0%

## Public Credit

### Net Return

**6.0%**

2023: 6.2%  
10-YEAR AVERAGE: 5.5%

### Benchmark

**5.6%**

2023: 5.8%  
(Public Investments)

### Net Local Return

**5.7%**

2023: 6.4%

## Private Credit

### Net Return

**12.6%**

2023: 10.0%  
10-YEAR AVERAGE: 7.5%

### Benchmark

**10.0%**

2023: 5.8%  
(Public Investments)

### Net Local Return

**7.6%**

2023: 12.6%

## Investment Approach

We seek to deliver long-term and consistent returns by investing in government bonds and across public and private credit strategies, including liquid securities and structured investments, both directly and through co-investments alongside best-in-class asset managers and direct lenders. We also implement a portion of our bonds exposure through derivative instruments, which incur funding costs.

## 2024 Performance

- Government Bond investments generated a net return of 1.0% in 2024 compared to a gain of 5.8% in 2023. The gain was primarily from interest income, offset by derivative financing costs and valuation declines from rising yields. Currency effects decreased the 2024 return by 0.2%. Government Bonds comprised 9.3% of OMERS portfolio at December 31, 2024 (2023 – 8.0%).
- Public Credit had a net return of 6.0% in 2024 compared to a gain of 6.2% in 2023, primarily from interest income. With an average duration of less than two years, the portfolio benefited from higher short-term rates while having limited sensitivity to changes in long-term yields. Currency effects increased the 2024 return by 0.3%. Public Credit comprised 11.9% of OMERS portfolio at December 31, 2024 (2023 – 9.0%).
- Private Credit investments produced a net return of 12.6% in 2024 compared to a gain of 10.0% in 2023. The gain was driven by strong returns from both externally managed funds and internally managed private debt. Currency effects increased the 2024 return by 5.0%. The private credit asset class comprised 12.1% of OMERS portfolio at December 31, 2024 (2023 – 11.7%).

## Capital Allocation

Government bonds increased to \$13.0 billion at the end of 2024, up from \$10.5 billion in 2023. Public Credit increased from \$11.8 billion to \$16.7 billion, and Private Credit increased from \$15.2 billion to \$16.9 billion. The increase in fixed income assets was a combination of growth in the value of existing assets and active decisions to increase our allocation to bonds and credit investments, in line with our target asset mix.



# Public Equities

## Net Return

**18.8%**

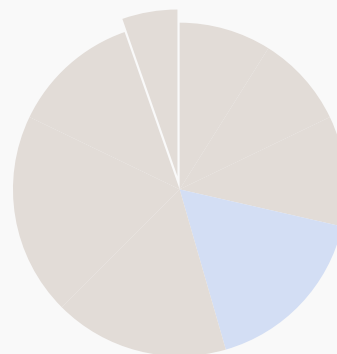
2023: 10.4%  
10-YEAR AVERAGE: 6.3%

## Benchmark

**6.7%**

2023: 5.8%  
(Public Investments)

## Asset Mix



Public Equities 20% (\$28.7B)

## Net Local Return

**12.8%**

2023: 12.0%

## Investment Approach

We strive to deliver consistent returns over the long term by investing in global equities across diversifying strategies managed by specialist teams.

Through bottoms-up fundamental research, our approach hand-picks listed stocks in a concentrated portfolio of high conviction investments. We manage risks through strategic diversification across regions and sectors.

To develop our long-term, fundamentally driven investment ideas, we rely on proprietary deep-dive research to build bottom-up insights on companies, industries, and themes, which are further enhanced by top-down market and macro insights. We complement our views with inputs gained from external research and insights and from meetings with senior corporate management.

In addition to our fundamental strategy, we also apply a quantitative approach to actively pick a highly diversified portfolio of global equities. This strategy uses advanced techniques to identify quality companies that are cheaply priced as a means to add value over the long term.

Lastly, we complete our allocation to equities using derivative instruments, which provide broad market exposure to equity indices in both a cost and capital efficient manner. Our disciplined approach to portfolio management and long-term investment horizon provides the flexibility to capitalize on opportunities in volatile market conditions.

## 2024 Performance

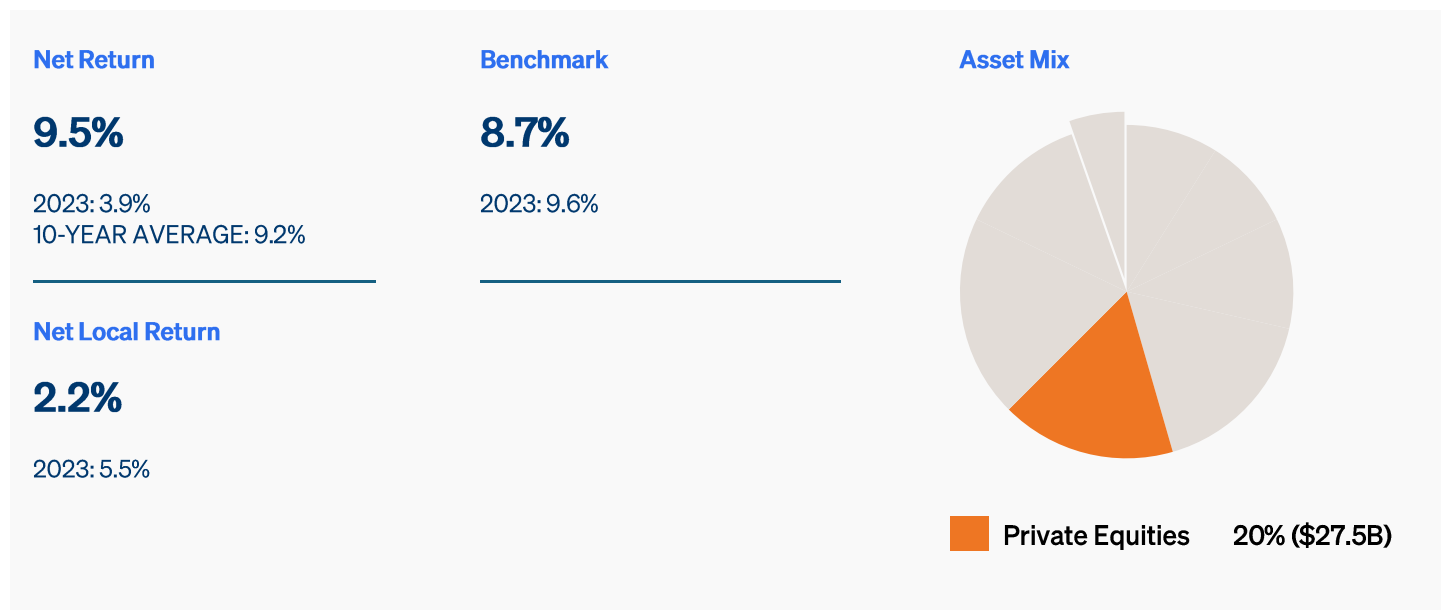
Public equities generated a net return of 18.8% in 2024 compared to a 10.4% gain in 2023. Our public equities delivered strong returns from our core holdings in large-cap stocks in the information technology, financials, communication services, and consumer discretionary sectors. Currency effects increased the 2024 return by 6.0%. Public equities comprised 20.5% of OMERS portfolio at December 31, 2024 (2023 – 20.3%).

## Capital Allocation

Public Equities increased to \$28.7 billion at the end of 2024, up from \$26.4 billion in 2023. This increase was primarily due to gains in public equities, partially offset by active decisions to further decrease our allocation to public equities, in line with our target asset mix.



# Private Equity



## Investment Approach

We acquire and actively manage interests in private companies through various phases of the investment lifecycle, including later stage buyout and earlier stage growth and venture investing. We aim to generate strong capital returns while appropriately managing risk.

We invest in companies with solid business fundamentals, strong management teams, and opportunities to grow both organically and through acquisitions. We also selectively invest in high-quality, third-party funds and at times invest alongside those funds in co-investments. The companies we have invested in are primarily headquartered in North America and Europe. In 2024, we conducted a strategic review of our Private Equity portfolio and ceased our program of making new direct investments in Europe. Over time, we intend to rotate capital from our direct private equity portfolio in Europe toward growing our portfolio of third-party funds. We anticipate that the benefits to risks and returns of this approach will outweigh any incremental fund management costs.

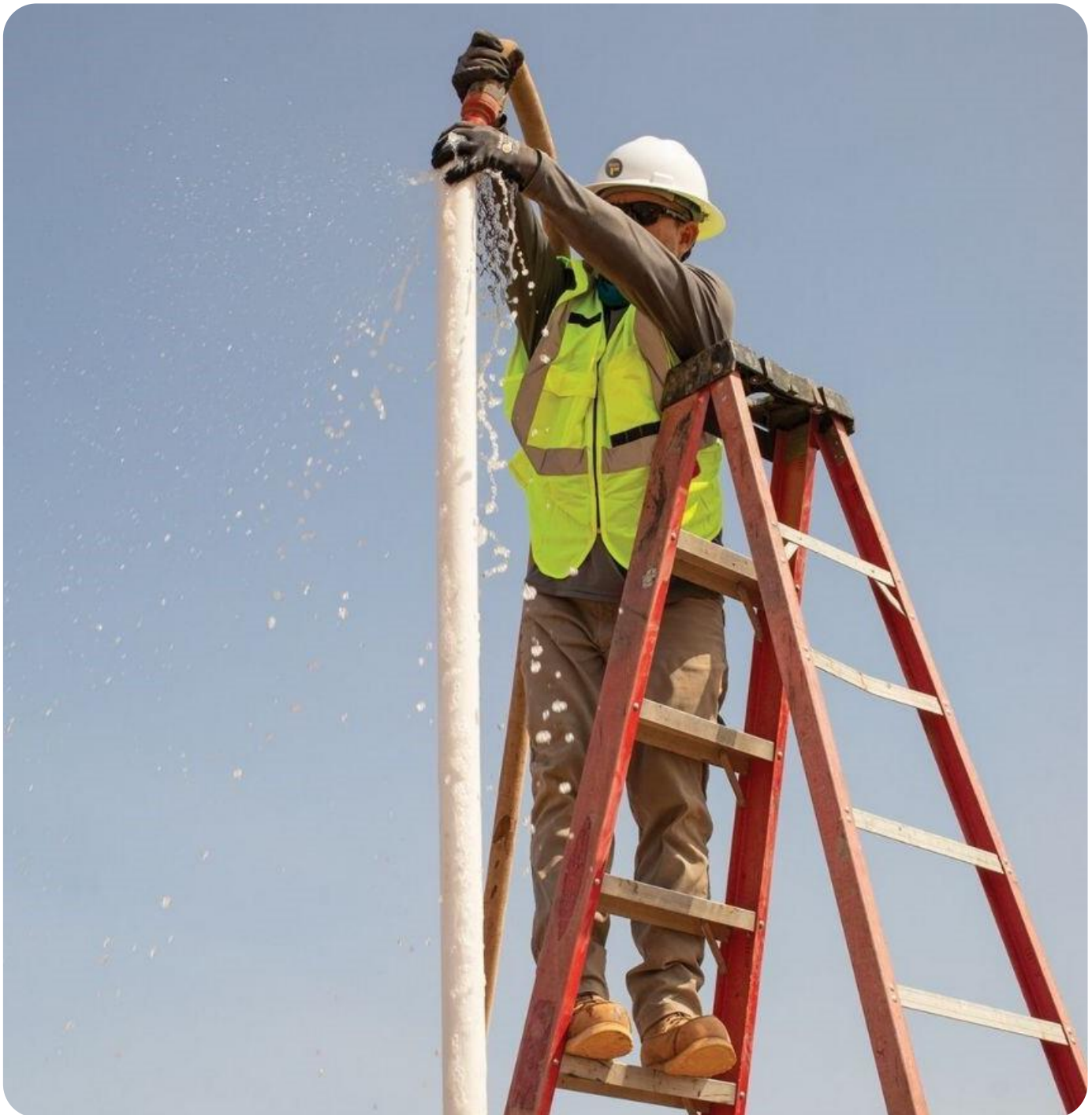
## 2024 Performance

Private equity assets generated a net return of 9.5% in 2024, compared to our 2024 absolute return benchmark of 8.7% (2023 – net return of 3.9%). This equates to net investment income of \$2.3 billion in 2024 (2023 – net investment income of \$0.9 billion). Currency effects increased the 2024 return by 7.3%.

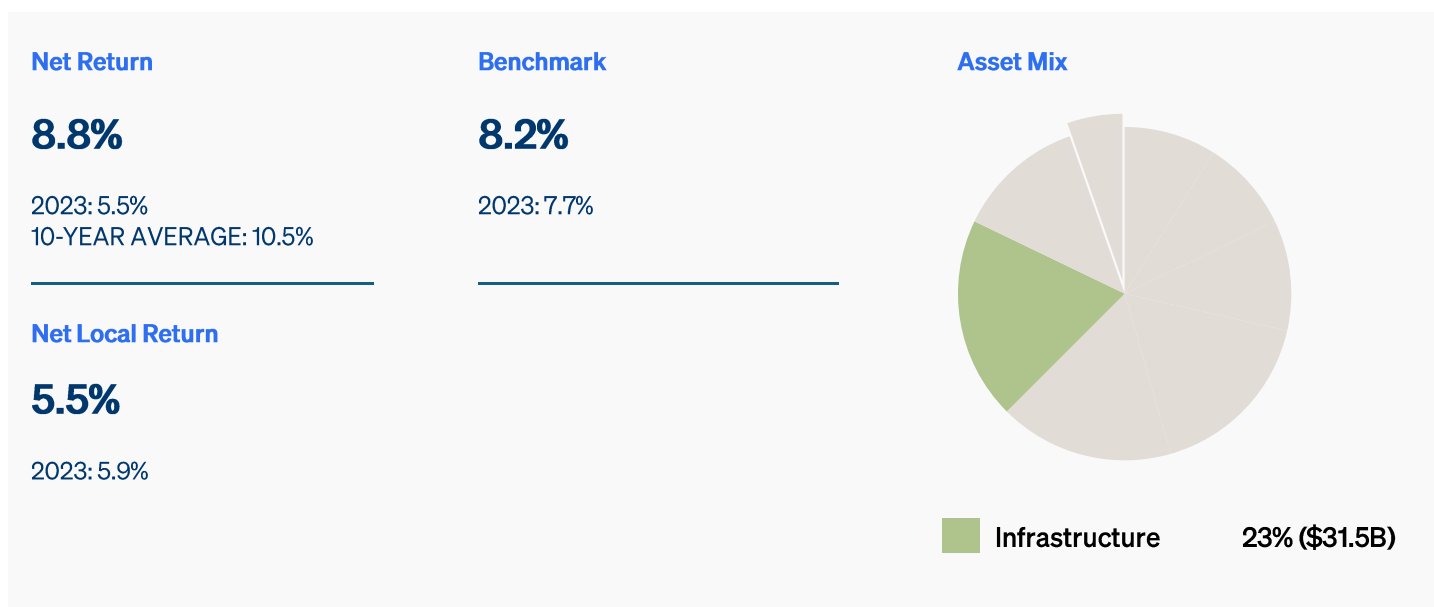
Our private equity returns were driven primarily by organic EBITDA growth and the benefits of acquisition activities across our portfolio companies, particularly in our healthcare and business services verticals. High-quality, recession-resilient assets with accretive acquisition platforms were generally better performers across our portfolio in 2024. However, returns were partially offset by a drift downwards in valuation multiples across the portfolio as well as headwinds across some of our software and technology assets.

## Capital Allocation

Total investments in private equity increased to \$27.5 billion at the end of 2024, up from \$25.1 billion in 2023. This increase was primarily driven by net investment income and net transaction activity in the buyout segment. Key transactions included the acquisition of Integris (a leading provider of outsourced IT services in the U.S.) and various follow-on investments across our existing portfolio.



# Infrastructure



## Investment Approach

We invest in large-scale infrastructure services or businesses primarily operating within the energy and utilities, transportation, and digital sectors across North America, Europe, Australia and India. Our approach to infrastructure investing is patient and disciplined, with emphasis on diversifying our portfolio across sub-sectors and geographies. We focus on investments that have high barriers to entry or that are supported by public regulation or by substantially contracted revenue streams.

## 2024 Performance

Infrastructure assets generated a net return of 8.8%, compared to our 2024 benchmark of 8.2% (2023 – net return of 5.5%). This equates to net investment income of \$2.5 billion in 2024 (2023 – \$1.5 billion) and an operating cash yield of 4.0% in 2024, compared to 3.5% in 2023. Currency effects increased the 2024 return by 3.3%.

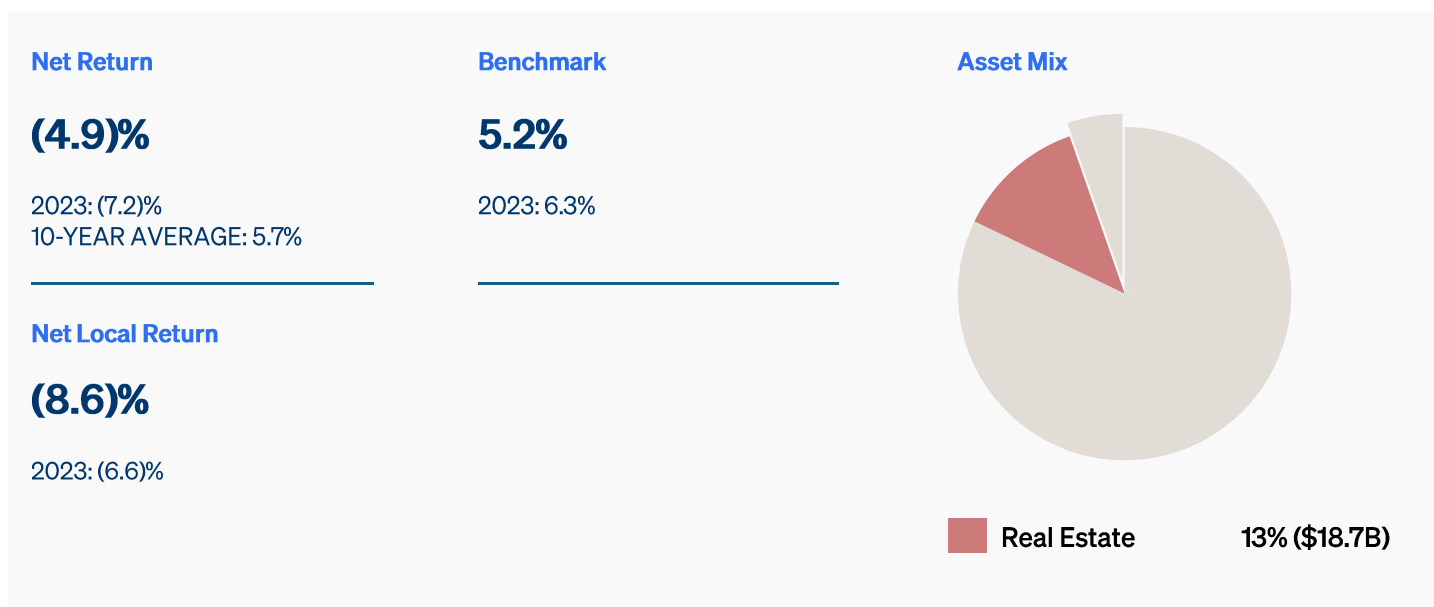
Our returns were supported by steady income generation and valuation gains from operational performance across several assets, particularly in the energy sector, which benefitted from continued growth in rate base and inflationary tailwinds. Additionally, our 2024 return also reflects gains from asset dispositions. Overall performance was adversely impacted by unrealized losses from operational underperformance across a few specific assets.

## Capital Allocation

Infrastructure investments increased to \$31.5 billion in 2024, up from \$28.0 billion in 2023. This increase was a combination of capital deployment and growth in the value of existing assets. Key transactions included the acquisitions of Kenter (an energy infrastructure solutions business providing medium-voltage infrastructure and meters to commercial and industrial customers in the Netherlands and Belgium) and Grandi Stazioni Retail (a manager of the entirety of commercial and advertising spaces in 14 of Italy's major railway stations and hubs), and the sale of LifeLabs (an operator of patient service centers and testing facilities primarily in British Columbia and Ontario).



# Real Estate



## Investment Approach

We invest in real estate through Oxford Properties Group (Oxford), a leading global real estate investor, manager and developer.

Along with its platform companies, Oxford buys, builds and manages nearly \$79 billion of high-quality real estate assets in a globally diversified portfolio that spans North America, Europe and Asia-Pacific and all major commercial real estate sub classes. Its end-to-end real estate expertise integrates investment, development and management experience. Oxford combines its capital with its capabilities to create real estate that strengthens economies and communities.

## 2024 Performance

Real estate assets generated a net loss of 4.9%, compared to our 2024 benchmark of 5.2% (2023– net loss of 7.2%). This equates to net investment loss of \$0.9 billion in 2024 (2023 – net investment loss of \$1.5 billion). Currency effects increased the 2024 return by 3.7%.

Despite strong levels of operating income, our performance in 2024 was impacted by valuation declines as a result of adverse metric movements, primarily in the life science and office sectors. In the life science sector, headwinds from muted tenant demand and record supply resulted in weaker than expected leasing fundamentals and losses on development land holdings. In the office sector, despite write-downs in 2024, positive leasing momentum is being observed across most office markets for high-quality assets leading to a more balanced investor sentiment. Oxford's largest weighting to office is held in Canada across Toronto, Vancouver and Calgary, where it continues to substantially outperform the market in terms of occupancy. While pricing declines were also experienced in other sectors, these were partially offset by valuation increases from growth in leasing rates mainly in our retail and hotel sectors.

## Capital Allocation

Real estate investments decreased to \$18.7 billion at December 31, 2024, down from \$19.4 billion in 2023, as net investment activities were outweighed by valuation declines.

In 2024, Oxford continued to dispose of assets as part of our capital rotation program. Disposition activity was highlighted by the sale of Oxford's 100% interest in 17 retail warehousing assets across the United Kingdom, crystallizing the value created through the strategic aggregation of a high quality, institutional-grade portfolio of retail warehouses. Capital deployments in 2024 included investment into active developments and using proceeds from dispositions to repay debt to strengthen its balance sheet and reduce interest expense.

Oxford is an active global developer with over 30 active development projects representing \$1.8 billion in committed equity deployment (with \$0.9 billion remaining). Highlights this year include two major milestones in the Sydney central business district: the opening of Indi Sydney, the first purpose-built Build to Rent (BTR) building in Sydney's Central Business District, and the completion of Parkline Place, a 39-story net zero office tower which will start occupancy in 2025.



# Sustainable Investing

As an active investor with a long-term horizon, it is important to identify and assess how changes in the world around us may affect or be affected by our investments and the way we invest going forward. This includes continuous review and analysis of rapidly evolving sustainability<sup>1</sup>-related topics, which can impact our investments, our ability to do business, and the broader environment in which we operate. Our goal is to understand and evaluate the interconnected dynamics between sustainability factors and long-term investing to assess how they may influence value, risk and opportunity in our investments, and our ability to deliver on the pension promise. We believe that well-run organizations with sound sustainable business practices will perform better, particularly over the long term. This is why we incorporate these factors into our investment due diligence and asset management activities where they are relevant and material. Our approach is reflected in our key investment policies, including our Statement of Investment Beliefs, Statement of Investment Policies and Procedures, and Sustainable Investing Policy, each of which is approved by the AC Board and available at [omers.com](https://www.omers.com).

We continue to closely monitor the evolving global landscape of sustainability reporting. As part of our pursuit of transparency and accountability, we are incrementally progressing our sustainability reporting practices, with a focus on aligning our disclosures with the IFRS Sustainability Disclosure Standards, including IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). This includes refining our processes and governance structures to keep pace with emerging standards and stakeholder expectations. Our ongoing efforts aim to provide comprehensive and accurate disclosures that reflect our sustainability performance and progress.

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<sup>1</sup> Sustainability is defined as the ability for a company to sustainably maintain resources and relationships with and manage its dependencies and impacts within its whole business ecosystem over the short, medium and long term. (Source: ISSB)

## Key highlights for 2024:

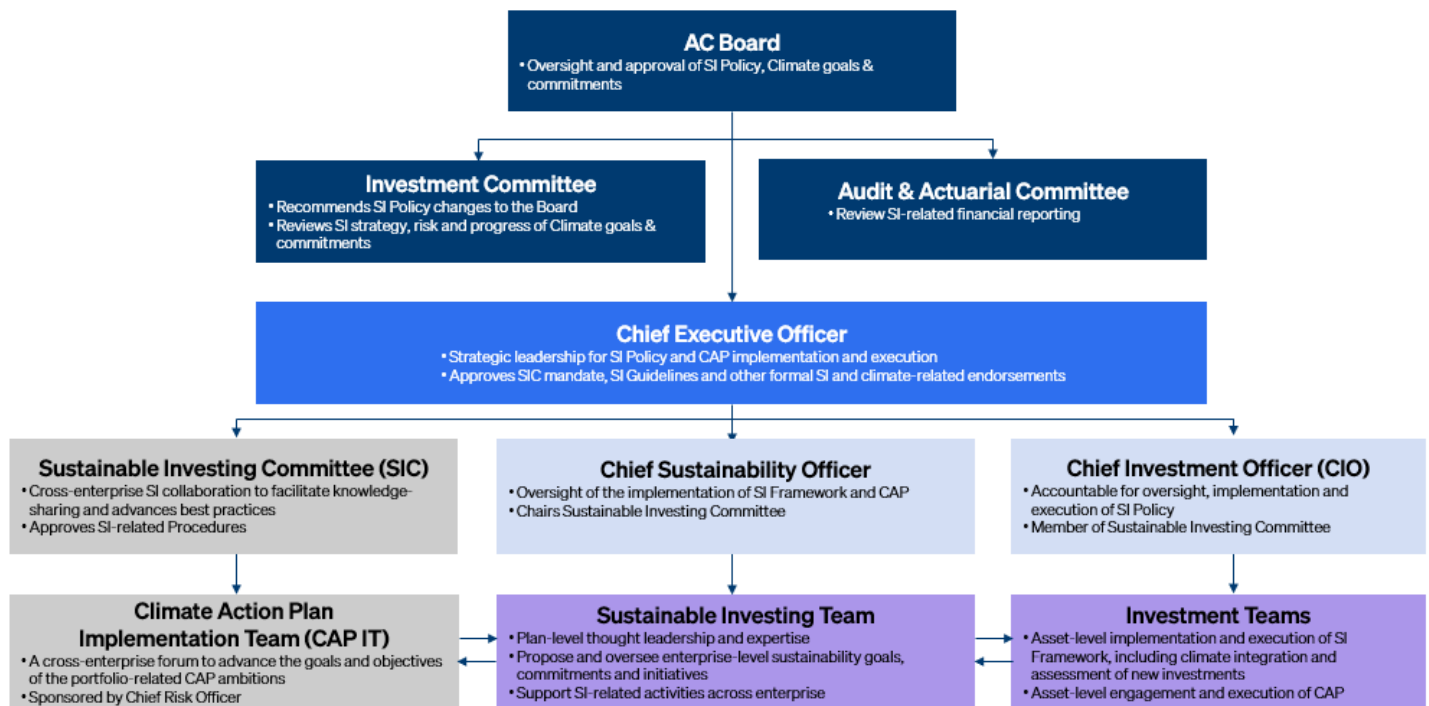
- Regarding our Climate Action Plan (CAP), we:
  - published our Climate Taxonomy paper, which introduced the OMERS framework for assessing business activities of our investments through the climate lens;
  - developed our Portfolio Alignment framework, including defining the criteria used to evaluate a company's transition plan and evaluating top emitters against these criteria; and
  - strengthened controls and management of analytics relating to the portfolio carbon footprint with the Internal Audit and Finance teams.
- Regarding our sustainable investing integration and capacity building, we:
  - developed an internal sustainable investing eLearn program, made accessible online to all OMERS employees and required learning for employees that are directly involved in the investment life cycle;
  - evolved and implemented risk management processes, metrics and tools by which we evaluate climate-related risks across the portfolio;
  - broadened our understanding of biodiversity considerations in our investing activities through examples of OMERS portfolio companies taking action;
  - hosted education sessions on topical social issues including human rights, inequality and diversity.
- Regarding our governance practices, we:
  - enhanced AC Board and Committee mandates to incorporate oversight of sustainability-related matters;
  - broadened the scope of our Financial Disclosure policy to include sustainability-related disclosures; and
  - established the Sustainability Reporting Forum, a management-level forum tasked with reviewing new and emerging sustainability reporting standards for relevance and applicability to OMERS. This forum is overseen by the Chief Financial and Strategy Officer and the Chief Legal & Sustainability Officer.
- We supported the development and issuance of Canadian Sustainability Disclosure Standards issued by the Canadian Sustainability Standards Board (CSSB) through contributing to response letters during the consultation period.



## Governance

Our governance structure is critical to ensuring the long-term execution and success of our sustainable investing strategy. On an annual basis, the AC Board approves the Sustainable Investing Policy (SI Policy), which describes our approach to sustainable investing. The AC Board mandate, along with those of several other Board committees, has been updated to include provisions for sustainability-related matters. Additionally, all new Board members participate in an education and orientation session which includes Sustainable Investing. In addition to regular reporting, Board members receive periodic education sessions on sustainability-related matters, provided by internal and external experts. The Board approves enterprise-level sustainability goals, including those in the CAP. Our senior management is responsible for the execution of our strategy.

The graphic below outlines how our Sustainable Investing Framework (SI Framework), which includes the Sustainable Investing Policy and related guidelines and procedures and the CAP, is governed and implemented across the OMERS enterprise.



Our Sustainable Investing Committee (SIC) is chaired by our Chief Legal & Sustainability Officer and includes the Chief Investment Officer and representatives from each investment business unit, as well as Total Portfolio Management, Risk, Finance, Legal, Human Resources and Communications. The SIC provides a forum to discuss sustainable investing issues, share best practices and advance OMERS knowledge and expertise in these areas. The SIC is established by the CEO and is responsible for internal management documents including the Sustainable Investing Guidelines and the annual review and approval of OMERS Business Unit (BU) ESG Assessment Procedures.

The CAP Implementation Team (CAP IT) was established in 2023 to implement and advance the goals and objectives of our portfolio-related climate ambitions outlined in the CAP. Sponsored by the Chief Risk Officer, it is comprised of a team of cross-functional representatives from BUs and key functional areas such as Risk, Finance, Total Portfolio Management, and Economic Research. Progress on the CAP is reported annually through the SIC and the Financial Disclosure Committee chaired by the Chief Financial and Strategy Officer. Internal controls relating to this reporting have been implemented and are tested annually by our Internal Audit team.

The BUs are responsible for the day-to-day implementation and execution of the SI Framework. This includes assessing sustainability factors in their investment due diligence processes, engaging with portfolio companies on sustainability-related matters, and managing investments in alignment with any goals or commitments adopted by OMERS. The sustainable investing Leads embedded across the BUs partner closely with the Sustainable Investing Team who is focused on plan-level strategy and supporting SI-related activities across the enterprise.

## Our Sustainable Investing Strategy

Our approach to sustainable investing is grounded in three pillars: **Integration, Collaboration and Engagement (ICE)**. We continue to advance our practices in each of these areas and highlight examples across business units below:

### Integration

We integrate material sustainability considerations throughout our investment and asset management practices. Our investment and asset management teams assess these factors through processes tailored to the applicable asset class, investment strategy, level of control, and influence. OMERS is primarily a direct investor, and our investment approval processes require specific consideration of material sustainability risks and opportunities, which are reviewed by the investment approval bodies. Each investment team has developed and continues to evolve based on prudent industry practices, their sustainable investing assessment framework and asset management practices tailored to their unique asset class characteristics. When we invest through external investment and asset managers, we assess their alignment with OMERS approach to sustainable investing. This assessment includes the periodic review of the managers' sustainable investing policies, reports and procedures, or equivalents.

## Collaboration

We collaborate with like-minded institutions to advocate for stronger sustainability practices and build partnerships that support sustainable investment.

Examples of the organizations we collaborate with include:



As a member of the Investor Leadership Network (ILN) our work included the development of tools to enhance asset owners and managers' real world decarbonization efforts and the application of transition finance frameworks and taxonomies to support decarbonization goals. We also participated in various initiatives related to diversity equity and inclusion and blended finance in support of the energy transition.

As a member of the Canadian Chapter of the Accounting for Sustainability (A4S) CFO Leadership Network, we participated in initiatives aimed at developing a deeper understanding of challenges and opportunities in deploying and scaling transition finance for high-emitting assets and sectors of the economy. Jonathan Simmons, Chief Financial and Strategy Officer, completed his term as Co-Chair of the Canadian Chapter of the A4S CFO Leadership Network in Fall 2024.

After three years of significant work to help advance the Canadian financial sector's sustainable finance practices, Canada's Sustainable Finance Action Council (SFAC) concluded its mandate in March 2024. Michael Kelly, Chief Legal and Sustainability Officer, completed his role as a member of SFAC as well as its Disclosure Technical Expert Group. SFAC's groundwork led to Canada's subsequent release of a proposed taxonomy framework to establish standardized definitions of green and transition financing in Canada.

## Advocacy

We continue to support the advancement of sustainable business and investment practices around the world, with the goal of improving the overall sustainable finance system. Through engagement with the partnership organizations described above, we participated in a number of discussions regarding climate-related business and investment activities.

We also provided a formal response to the Canadian Sustainability Standards Board's (CSSB) consultation on the Canadian Sustainability Disclosure Standards (CSDS) launched in the spring. We encouraged strong alignment to IFRS S1 and S2, to advance a clear global baseline in sustainability reporting and enhance reporting consistency across companies and jurisdictions. OMERS responses to consultations can be found on our website.

## Engagement

We actively engage with many of our investee companies and other industry stakeholders to advocate for sustainable business practices and a long-term mindset. Engagement is a hallmark of our stewardship of the OMERS Plan assets.

For asset-level engagement, our approach to engagement is informed by our specific investment strategy and our level of control and influence. Through our engagement activities, including our proxy voting program, we seek to encourage actions by company boards and management teams that will enhance long-term shareholder value. In our private markets investments where we hold direct ownership, OMERS engages with investee companies in various ways. For example, where we have a significant ownership stake, we typically have negotiated governance rights, which may include board participation of our own employees or external director nominees. We also maintain regular interactions with board members and management teams, and we seek to ensure effective communication of material sustainability risks and opportunities.

To amplify our voice, we engage with other investors through collaborative platforms. As a founding member of Climate Engagement Canada (CEC), OMERS contributes to the dialogue between the financial community and Canadian corporations to support the transition to a net zero economy. CEC's second annual benchmark assessing 41 companies on their net zero transition was released in late 2024 and can be found on CEC's website

We are also part of CA100+, an investor-led global initiative focused on engaging with 170 of the world's largest corporate GHG emitters on their approach to climate change. Details regarding the results of CA100+'s engagement with these businesses can be found on its website.

Through these organizations, we have engaged with more than 200 companies on their climate transition plans.

## Proxy Voting

Consistent with our fiduciary obligations, OMERS exercises its ownership rights in listed companies by voting proxies in a manner intended to optimize the long-term value of its investments.

In 2024, we:

- Voted on 11,400 items at 1,287 shareholder meetings across 46 countries
- Of the 191 votes on sustainability-related proposals, 38 votes related to climate, 25 votes related to other environmental issues and 128 votes related to social issues
- 314 votes were cast against directors at companies with board gender diversity below 30%

We have seen a range of issues around responsible artificial intelligence and automation elevated to the fore in 2024. We are monitoring these developments closely and supported the following related shareholder proposals:

- Meta, Alphabet – disclosure around regenerative AI misinformation and disinformation risks, and child safety and harm reduction
- Amazon – customer due diligence and privacy and human rights risks associated with the use of Rekognition, a facial-recognition technology that has been linked to governmental surveillance
- Apple – report on the use of AI in operations and its associated risks to workers

Our Proxy Voting Guidelines address OMERS approach to voting on climate change and GHG emissions-related proposals. There are instances where we vote against such proposals, for example (i) where there is already meaningful ongoing dialogue with management, or (ii) the structure of the proposal is unrealistic or does not provide sufficient detail on the climate-related item being voted on.

OMERS governance approach is aligned with the Canadian Coalition for Good Governance (CCGG) Stewardship Principles, which we formally endorsed in 2020. The principles reinforce our responsibilities in areas such as proxy voting, portfolio monitoring and engaging with companies on material sustainability matters.

See our website for our proxy voting record and guidelines.

## Sustainability in Action



**32 Rue Blanche:** The refurbishment of this Class-A office building in Central Paris has positioned it into a unique sustainable and connected workspace. The undertaking to enhance the building's environment performance culminated in a €182.5 million green refinancing with Aareal Bank, underscoring the building's enhanced sustainability standards, aligning with modern occupier demands. This work resulted in an improved BREEAM In Use rating, upgraded from "Good" to "Excellent".



**Fairmont Jasper Park Lodge (the Lodge):** This Fairmont-managed 700-acre luxury resort in the Rocky Mountains within Jasper National Park demonstrated prudent environmental risk management practices when faced with wildfires that enveloped the region this past summer, threatening ecosystems, communities and public health. The Lodge had been proactive in addressing the rising threat of longer and more intense fire seasons via active participation in community safety programs and investments made to reduce fire hazards around the property. This commitment to proactive management along with collaboration with local authorities helped ensure the safe evacuation of all guests and staff, during the summer 2024 wildfire. This preventative approach also enabled the retention of most of the properties' structures, including the main lodge.

The Lodge's swift response to the wildfire and its ongoing commitment to sustainability underscore the importance of preparedness and community support



**Port of Melbourne (the Port):** This is one of the largest ports for containerized and general cargo in Australia. Its ongoing efforts were once again recognized by GRESB (Global Real Estate Sustainability Benchmark), having achieved a 5-Star rating for the second year running in the GRESB Infrastructure Asset Assessment and scoring the maximum possible 100 points, placing first among Australian and global ports. The Port participated in a national pilot project helping to identify material impacts on biodiversity and its role in preventing invasive species arriving in Australia, GHG emissions, and noise, water, and air pollution. This work to align with the Taskforce for Nature-related Financial Disclosures (TNFD) framework also provided a better understanding of the data, systems and technical skills needed for effective implementation of the framework.



**Premise Health:** For 60 years, Premise has delivered advanced primary care and occupational health for organizations and their people. Premise partners with its clients to increase access to high-quality clinical care and positive experiences for their populations through onsite and nearsite wellness centers and digital care. A recent study highlighted that access to Premise's onsite and nearsite wellness centers consistently led to increased engagement in preventive care, resulting in a 39% increase in routine and preventive office visits, 27% reduction in emergency room visits, and 36% reduction in in-patient hospital admissions.

## Investment Exclusions

We are conscious that restricting investments in entire industries or sectors limits the range of available investment opportunities and portfolio diversification and accordingly, the criteria for any such exclusion for a fiduciary investor like OMERS must be stringent. Generally, our preferred approach is engagement rather than divestment. However, we may assess specific industries or sectors against sustainability-related factors to determine whether to exclude them from our investment portfolios. We have developed a risk-based, principled framework to determine these exceptional circumstances including international conventions and treaties where relevant.

Currently we exclude investments in entities engaged in the manufacturing of civilian firearms, anti-personnel landmines, cluster munitions, tobacco and those with more than 25% of aggregate revenue from thermal coal.

# Climate-Related Risks and Actions

In 2023 we launched our Climate Action Plan (CAP) which outlines our approach to achieving our target of net zero carbon emissions in our portfolio and operations by 2050<sup>1</sup>. We recognize the urgent, global challenge that climate change poses, the risk and opportunities to our investments and the role we can play at OMERS. Our target is consistent with the global goal of limiting the increase in the Earth's temperature to 1.5°C. We acknowledge that we have a role to play in collaboration with governments, business, and civil society as the global community works towards this goal. Our climate-related disclosures are informed by the recommendations of ISSB's Climate-related Disclosures standard (IFRS S2).

This year, we are reporting our portfolio weighted average carbon intensity (WACI) was 58% below our 2019 baseline. Although we are encouraged by the portfolio's transition over the past five years, it is important to note that WACI is a snapshot in time measurement that can vary year-to-year, influenced by factors such as asset valuations and changes in business revenues. Broader societal factors that are beyond our direct control, such as shifts in regulatory environments, consumer preferences, energy prices, or macroeconomic conditions, among others, can also impact our ability to reduce emissions. For instance, increased reliance on fossil fuels during energy supply crises or sector-wide shifts in emissions intensity can influence this measure, even if portfolio companies are progressing on their individual transition plans.

Overall, the decrease in our portfolio's carbon intensity to date reflects, at least in part, the strategic reallocation of capital from higher-emitting to lower-emitting assets and the reduction in emissions intensity across several carbon-intensive assets.

## Governance

The AC Board, senior management and our SI Committee all have active governance roles in our approach to climate change. Please see how our board and management oversight of climate change fits into our overall governance structure on page 84.

Also, as part of the execution of our CAP, OMERS established the CAP Implementation Team (CAP IT), a cross-functional forum to implement and advance the goals and objectives of our portfolio-related climate ambitions.

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<sup>1</sup> Refer to the 'Metrics & Targets' section on page 97 for detailed emissions and WACI disclosures.

## Strategy

Climate change presents both physical and transition risks to the OMERS investment portfolio. Physical risks include the risk of loss due to extreme weather events as well as those associated with longer-term shifts in climate patterns. Transition risks include changes in government policy and regulation, technology, markets, and reputation, which may increase the costs of certain assets (e.g., carbon pricing) or their marketability (e.g., stranded assets). As we invest globally across most sectors, these changes may impact the value of our investments to varying degrees over varying time frames.

Our approach to climate change is aligned with the three pillars of our SI Framework: Integration, Collaboration and Engagement (ICE), and the recommendations of the TCFD (now part of ISSB). More detail on our approach can be found in the CAP posted on our website.

### Integration: Decarbonization through Investment

OMERS evaluates how we support real-world emissions reductions in the context of the global energy transition. This includes working with portfolio companies on their decarbonization plans and making investments in green, low climate impact and/or transition-enabling companies<sup>2</sup>. In 2023 we announced our \$3B transition sleeve for new investments in high-emitting assets that are on a decarbonization pathway creating “real world” decarbonization but whose emissions trajectory may not align with our interim goals. OMERS developed a methodology for defining the transition sleeve criteria by integrating key frameworks from international organizations such as the Climate Bond Initiative (CBI), Glasgow Financial Alliance on Net Zero (GFANZ) and insights from peer practices. While we currently do not hold any investments in the sleeve, we remain actively engaged in evaluating opportunities that align with the established criteria. Assets in the sleeve will be tracked separately and not included in our carbon footprint. We are also focused on originating and executing opportunities to invest in businesses active across the industrial decarbonization and climate-related technology space. We believe this approach may help us identify investment opportunities that support decarbonization efforts.

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<sup>2</sup> Refer to OMERS Climate Taxonomy for our definition of green, low climate impact and enabling companies

## Collaboration & Engagement: Decarbonization through Active Stewardship

Due to the systemic nature of climate change, public policy and regulation play a key role in making progress towards the climate goal set out in the Paris Agreement. We are active in public policy discussions regarding climate change; please refer to page 86 to learn more about these efforts.

We adopt a tailored approach to active stewardship, aligning our actions with the level of control and influence we have over each investment. Through our asset management approach and direct engagement with businesses in our private portfolio, we have worked with companies on certain decarbonization initiatives such as those highlighted below:

- All real estate assets directly managed by Oxford, as of 2023, have gone through a desktop carbon emissions forecasting process as part of advancing Oxford's decarbonization strategy from planning to execution.
- **DAS Center:** A 1.2 million square foot mixed-use real estate asset in Berlin, which achieved a 30% reduction in electricity consumption through strategic lighting upgrades, yielding annual savings of approximately €70,000 across the estate. Additional enhancements at DAS Center buildings involve the replacement of ventilation systems, pump upgrades, and comprehensive system optimizations.
- **Kenan Advantage Group (KAG):** The largest tank truck transporter and logistics provider in North America, delivering energy commodities, specialty products, merchant gases and food products across the United States and Canada. In 2024, KAG added its first hydrogen fuel cell electric Class 8 truck to its fleet.
- **Direct ChassisLink Inc. (DCLI):** One of the largest chassis lessors in the U.S. providing infrastructure to facilitate intermodal (ship to rail) container transport. DCLI has undertaken an effort to reduce GHG emissions and waste by transitioning its fleet to radial from bias-ply commercial vehicle tires, given the increased efficiency of radial tires and longer lifespan and retread capacity as compared to bias-ply commercial vehicle tires.
- **Deutsche Glasfaser (DG):** A Fiber-to-the-Home (FTTH) rollout player in rural and suburban Germany, secured sustainability-linked loans (SLLs) that included dedicated GHG reduction targets.

For publicly owned companies, we actively participate in initiatives such as Climate Engagement Canada (CEC) and Climate Action 100+ (CA100+), collaborative engagement platforms for investors. Please see pages 87 to learn more about this work.

We also exercise our ownership rights in listed companies by voting proxies in a manner intended to optimize the long-term value of investments. Please see pages 88 to learn more about our proxy voting efforts in 2024.

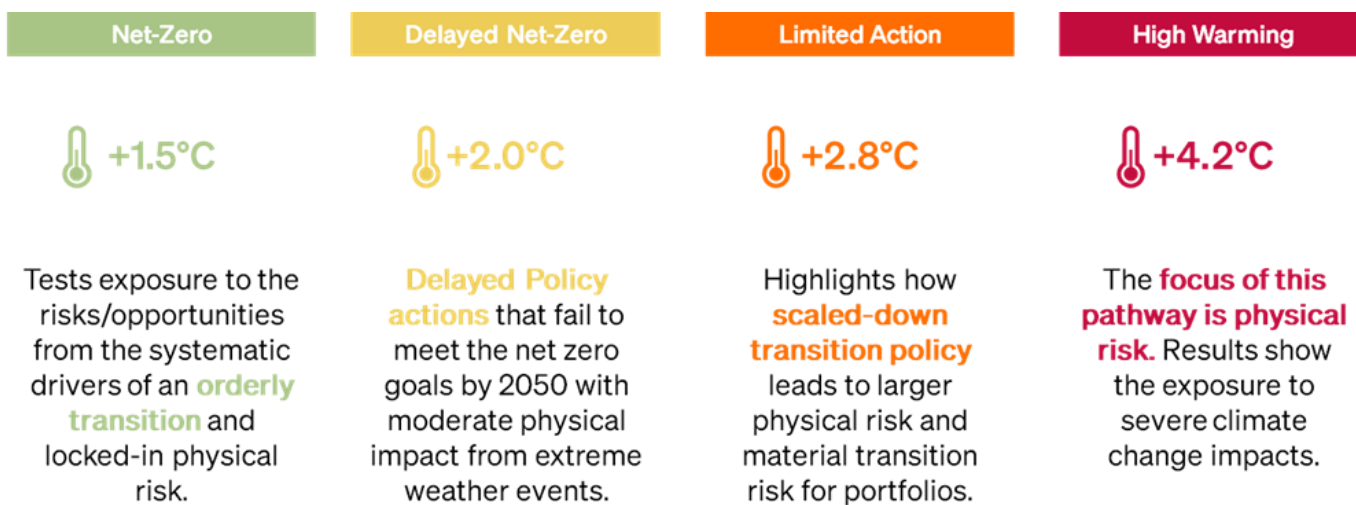
## Climate Risk and Opportunity Assessment

OMERS assesses climate risk and opportunities through both top-down and bottom-up approaches, which provides a broad evaluation of how climate factors affect our portfolio. Our top-down approach involves our risk management procedures and assessing the climate resilience of our portfolio using climate scenario analysis, described in more detail below. This analysis helps us understand systemic risks, such as sector-wide transitions and physical risks like extreme weather, and their impact on our investment strategies.

Our bottom-up approach involves our annual portfolio carbon footprinting exercise and ongoing integration of climate risk and opportunity as part of due diligence and ongoing asset management, as outlined in the CAP. This analysis allows us to identify specific risks and opportunities within our investments and to tailor engagement strategies to support companies in their transition journeys.

## Climate Scenario Analysis

As part of our Asset Liability Studies and ongoing risk monitoring, we have been conducting top-down climate scenario analysis since 2019, leveraging the capabilities of a third-party service provider. The insights from these scenarios combined with other analysis inform our strategic asset allocation. Through our analysis, we have considered the risks and opportunities of macroeconomic factors such as long-term GDP growth, inflation, and country-specific climate-related policy ambition. We have also explored four specific scenarios, aligned with Intergovernmental Panel on Climate Change (IPCC) scenarios, which consider both the transition and physical effects of climate change.



Our analysis<sup>3</sup> indicates that OMERS allocation to renewables, nuclear power and electricity transmission and distribution (T&D) assets would increase the plan's resilience in scenarios with high transition effort to net zero, due to assumed favorable policies impacting these sectors. A high warming scenario is most detrimental, particularly in the long run. Our analysis also demonstrated that the potential impacts to our portfolio are highly dependent on the actual scenario that unfolds, assumptions underpinning that scenario, and the sectors and regions in which we invest and is not limited to specific asset types. Overall, the findings highlight areas of risk and opportunity for the Plan and emphasize the importance of our integrated decision-making process, which considers climate-related scenario analysis at the total portfolio level. As the use of climate scenario analysis for investors like OMERS is relatively nascent, we anticipate continuing to refine our analyses as global learnings and expertise evolve, and new information becomes available.

In 2023, the Bank of Canada published a report titled "Understanding the Systemic Implications of Climate Transition Risk: Applying a Framework Using Canadian Financial System Data". The purpose of this pilot project was to gain insight on financial stability and climate transition risk, which highlighted OMERS<sup>4</sup> resilience in a climate transition. This analysis measured the climate transition risk under four scenarios on the Plan's Climate-Relevant Sectors: Baseline (2019 policies), Below 2°C immediate, Below 2°C delayed, and Net Zero 2050 1.5°C.

The result of this analysis shows that OMERS has a significant allocation to sectors benefitting from the transition; primarily nuclear, renewable energy and T&D assets. OMERS would benefit under the modelled energy transition scenario in the long-run due to favourable policies and growth expectations of these sectors over time.

## Risk Management

OMERS integrates climate risk into Plan-level risk management processes, policies, and approaches. Climate change is explicitly recognized as an Investment Risk in our Enterprise Risk Appetite Statement and Investment Risk Policy, and related metrics are embedded in our Investment Risk Reports presented to the Investment Committee of the Board. This supports our identification, assessment, and management of both physical and transition related risks.

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<sup>3</sup> This analysis is based on proxies reflective of our broad sector, region and asset class exposure as of December 31, 2023. A bottom-up analysis based on our actual assets could lead to a materially different result. Results from our top-down analysis will change as the portfolio evolves, scenarios evolve, and new data or measuring techniques becomes available. These scenarios are based on estimated economic impacts of climate change but do not include the impact of population migration, geopolitical events or climate tipping points. Scenarios are not forecasts (they do not mean to predict future outcomes); rather they are projections designed to build an understanding of the nature and size of changes that may occur in the future. Predicting climate change and quantifying its impacts on our portfolio is inherently complex and the practice of climate change scenario analysis has limitations that are sensitive to key assumptions and parameters, which are themselves subject to uncertainty. There is a high margin of error.

<sup>4</sup> This analysis was at performed only for Climate Relevant Sectors, as defined by the Bank of Canada, and impacts were assessed at the sector-level and not necessarily reflective of our actual assets.

OMERS defines “Climate Risk” as the risk of adverse impact on asset values or performance resulting from the systemic manifestations of climate change encompassing both physical impacts and transitioning to a low-carbon economy.

Climate change poses systemic risks which we recognize need to be undertaken as a globally diversified investor across sectors. Our focus is on understanding our climate-related exposures and embedding climate considerations throughout our existing decision-making processes, aligned with our Sustainable Investing Policy and Climate Action Plan.

We continue to advance our climate risk function within the Risk team. In 2024, we performed our inaugural transition risk assessment using a suite of metrics:

- Sector-based carbon intensity benchmarking
- Peer benchmarking
- Index benchmarking
- Scenario analysis

The results of this assessment were presented to the Sustainable Investing team, Executive Leadership Team and to the Investment Committee of the AC Board.

Together with the Physical Risk Task Force of CAP IT, we focused on our physical climate risk capabilities in 2024 by engaging a third-party service provider to build out a custom physical risk heatmap (the Heatmap<sup>5</sup>) on a subset of our infrastructure, real estate and private equity portfolios. We used location data for over 3,000 locations of these private assets and examined our exposure to six different physical hazards:

- Wildfire
- Flood
- Hurricane
- Heatwave
- Sea Level Rise
- Water Stress

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<sup>5</sup> The physical risk tool currently models only a subset of assets, meaning that assets excluded from the modelling process may exhibit significantly different risk profiles. This tool is designed to function as a high-level, top-down portfolio screening mechanism. Consequently, the actual exposure and vulnerability of specific assets to modelled hazards could diverge from the results produced. Additionally, while hazards are identified, their quantified impacts are not assessed, as these depend on an asset's inherent vulnerability and adaptive capacity. The modelling also incorporates broad scenario estimates, and future conditions may diverge materially from those modelled. Although the assessment leverages a reputable third-party vendor, the field of physical risk modelling remains dynamic and imprecise. Emerging methodologies, evolving data, and alternative modelling techniques could yield different insights on portfolio risks in the future.

As a globally diversified investor, the specific transition or physical risks and opportunities will differ depending on the sectors and regions in which we invest. Climate related opportunities are assessed at the portfolio level. Where climate change is expected to have a meaningful impact to a proposed investment, our investment and asset management teams analyze such potential impacts to value and risk, and we involve internal or external experts as necessary.

## Metrics and Targets

The climate ambitions articulated within our CAP are anchored by goals and targets across three key dimensions:

1. reducing our corporate and portfolio carbon footprint;
2. increasing investments in green investments; and
3. working with the 20 of our portfolio companies that have the highest emissions to help them have credible net zero transition plans in place by 2030.

### 1. OMERS Carbon Footprint

We measure and report our carbon footprint annually, covering our Scope 1, Scope 2, and the most significant categories within our Scope 3 emissions. OMERS emissions are classified between:

- A. Portfolio Carbon Footprint: Includes Scope 3 (Category 15) indirect emissions from the investments held by OMERS and accounts for over 99% of OMERS total absolute emissions. We have set short and medium-term portfolio emissions reduction goals and report our progress against these each year; and
- B. Corporate Carbon Footprint: Includes Scope 1 direct emissions (primarily from onsite building heating) and Scope 2 (indirect emissions associated with the purchase of electricity, steam, heat and cooling) and Scope 3 (Category 6) relating to business travel.

The table below outlines OMERS total absolute emissions (tCO<sub>2</sub>e) by scope for the years ended 2024 and 2023 (where available):

	Absolute Emissions (tCO <sub>2</sub> e)	Source	2024	2023 <sup>6</sup>
Corporate	Scope 1	Sources owned or controlled by a company such as onsite building heat	599	570
	Scope 2	Purchase of electricity, steam, heat, or cooling	882	1,021
	Scope 3	Indirect emissions from the value chain		
	Category 6	Business travel	7,290	7,108
Portfolio	Category 15	Investments	Not available <sup>7</sup>	3,132,627

In carbon accounting, Scope 3 emissions refer to indirect emissions generated from value chain activities. The GHG Protocol categorizes these emissions into 15 distinct categories, covering both upstream and downstream activities. OMERS currently reports on its most material Scope 3 emissions, specifically those from business travel (Scope 3 – Category 6) and emissions associated with its investment activities in portfolio companies (Scope 3 – Category 15).

<sup>6</sup> We have refined our operational boundary to prioritize the most material emissions. As part of this update, emissions from leased vehicles (Scope 1: 16 tCO<sub>2</sub>e) and data centers (Scope 3 – Category 1: 24 tCO<sub>2</sub>e) have been removed

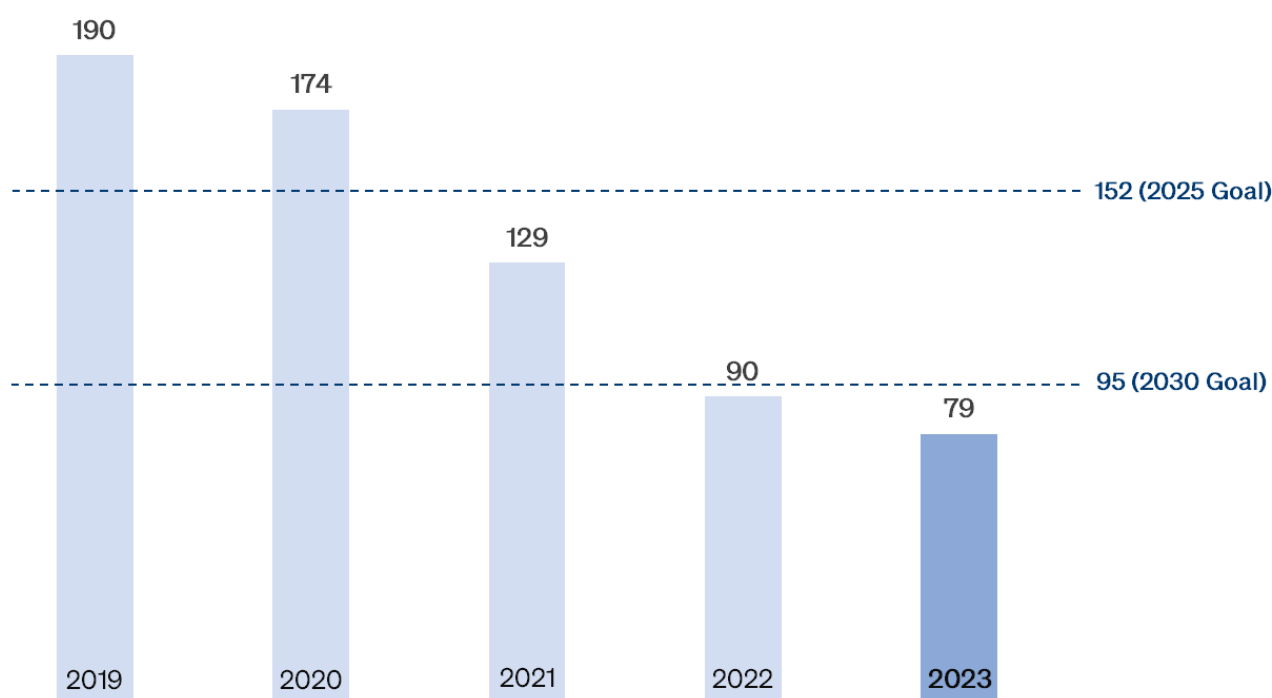
<sup>7</sup> Portfolio carbon footprint metrics are reported on a one-year lag. Due to different reporting timelines for carbon data, companies typically provide this data on a 6-month lag relative to their financial data. Many companies also do not report this data, necessitating estimation. These metrics are calculated based on investment assets held as at the prior year-end (e.g., December 31, 2023, for this 2024 Annual Report) and the latest reported company emissions data. Where company data is not available, we use estimated data to calculate relevant metrics.

## A. Portfolio Carbon Footprint

We computed our annual portfolio carbon footprint informed by the recommendations and guidance of the Task Force on Climate-Related Financial Disclosures (TCFD), (which have been incorporated into the International Sustainability Standards Board (ISSB) Standards), the Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials.

The Weighted Average Carbon Intensity (tCO<sub>2</sub>e/\$M Revenue) measure indicates the portfolio's carbon efficiency by considering each investment asset's total revenue-based emissions intensity and its portfolio weight. This is the metric we use for interim goal setting. This year, we are reporting a WACI of 79 tCO<sub>2</sub>e/\$M Revenue, reflecting a 58% reduction from our 2019 baseline. We also disclose the portfolio Carbon Footprint (tCO<sub>2</sub>e/\$M Invested) and Absolute Emissions (tCO<sub>2</sub>e).

### Year-on Year Weighted Average Carbon Intensity (tCO<sub>2</sub>e/\$M Revenue):



### Climate Metric Definitions

**WACI (tCO<sub>2</sub>e/\$M Revenue)** measures the portfolio's carbon efficiency by considering each investment asset's total emissions relative to its revenue and its weight in the portfolio

**Absolute Emissions (tCO<sub>2</sub>e)** represent the share of a portfolio company's emissions attributed to OMERS based on our ownership.

**Carbon Footprint (tCO<sub>2</sub>e/\$M Invested)** represents OMERS absolute emissions divided by the total in-scope portfolio exposure.

## Portfolio Carbon Footprint Metrics by Year

	2019 (Baseline)	2022	2023
Absolute Emissions (tCO <sub>2</sub> e)	4,586,547	3,381,652	<b>3,132,627</b>
Carbon Footprint (tCO <sub>2</sub> e/\$M Invested)	57	30	<b>28</b>
WACI (tCO <sub>2</sub> e/\$M Revenue)	190	90	<b>79</b>

Consistent with prior years, we engaged PricewaterhouseCoopers LLP, an independent third party, to conduct limited assurance engagements on the emissions metrics included in the above table. The limited assurance report for 2023 can be found in the Reference section of this annual report and prior years' limited assurance reports can be found in previous annual reports. This information is not incorporated by reference into this Management's Discussion & Analysis.

We also disclose the contribution of each asset class to the 2023 portfolio climate metrics. This provides greater transparency and details into emissions beyond total portfolio WACI.

## 2023 Portfolio Carbon Footprint Metrics by Asset Class

	Equities <sup>8</sup>	Fixed Income <sup>9</sup>	Real Assets <sup>10</sup>	Total Portfolio
Value of In-Scope Exposure Analyzed (\$M)	47,058	13,763	49,644	<b>110,465</b>
Absolute Emissions (tCO <sub>2</sub> e)	1,583,655	496,951	1,052,021	<b>3,132,627<sup>11</sup></b>
Carbon Footprint (tCO <sub>2</sub> e/\$M Invested)	34	36	21	<b>28<sup>11</sup></b>
WACI (tCO <sub>2</sub> e/\$M Revenue)	72	85	83	<b>79<sup>11</sup></b>
Company-Reported Emissions (% of Exposure)	69%	35%	83%	<b>71%</b>
Estimated Emissions (% of Exposure)	31%	65%	17%	<b>29%</b>

Company-reported emissions are emissions data directly reported by the company, versus estimates which can be less reliable. The percentage of company reported versus estimated emissions data (based on market values as of 31 December 2023) has increased relative to prior year (2022 Reported: 63% Estimated: 37%) driven by availability of reported data from our private equity portfolio companies.

<sup>8</sup> Includes public and private equity holdings

<sup>9</sup> Includes corporate bonds and credit holdings

<sup>10</sup> Includes infrastructure and real estate holdings

<sup>11</sup> These metrics are assured by PricewaterhouseCoopers LLP. See Reference section of this Annual Report for assurance report

## Measurement Approach & Methodology

OMERS portfolio footprinting covers in-scope assets with an economic exposure of \$116 billion<sup>12</sup> which includes equities, fixed income and real assets. Approximately 95% of these in scope assets are covered by our climate metrics based on available emissions and financial data.

OMERS internal methodology outlines the approach used for our carbon footprinting exercise. Our approach is refined each year, in response to evolving guidance and market practices for climate-related reporting. Key aspects of our methodology are as follows:

- Portfolio carbon footprint metrics are calculated based on investment assets held as at the prior year end (e.g., December 31, 2023 for this 2024 Annual Report). Data is reported on a one-year lag given that company emissions data is typically released after, and separately from, the corporate annual report.
- Our approach is informed by the TCFD recommendations now incorporated by the ISSB in IFRS S2 and the Greenhouse Gas (GHG) Protocol, as well as guidance from the Partnership for Carbon Accounting Financials (PCAF). For portfolio carbon footprint attribution, we use the standard enterprise value (EV) metric rather than the enterprise value including cash (EVIC) metric recommended by PCAF, across all in-scope asset classes except in our physical real estate portfolio. This enterprise value approach remains consistent with PCAF's attribution principle, which states that financial institutions should account for both the equity and debt share in a company when measuring absolute emissions. For our physical real estate portfolio, we use the property's total fair market value as the basis of our attribution calculation.
- We calculate OMERS share of an asset's absolute scope 1 and 2 emissions based on our proportionate ownership of the asset's enterprise value. For physical real estate assets, we take 100% of landlord scope 1 and 2 emissions.
- We include only Scope 1 (direct GHG emissions that occur from sources owned or controlled by a company) and Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) emissions in our portfolio carbon footprint calculations.

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<sup>12</sup>This is not equal to OMERS total net assets as not all financial instruments are in scope for portfolio carbon footprinting. This value specifically includes OMERS long only economic exposure where carbon footprinting methodologies are well established and understood and position level transparency is available. This exposure includes the notional value of equity derivatives. The following instruments and investment types are not in scope: cash, short-term notes, currency instruments, short positions, interest rate swaps, commodities, external funds and government securities.

- We separately track whether portfolio companies have reported Scope 3 emissions (indirect GHG emissions from the value chain) due to the limited disclosure of this information. Approximately 47% of the companies in our in-scope portfolio by economic exposure are disclosing at least one category of Scope 3 emissions (up from 45% last year) We continue to advocate that companies disclose material Scope 3 emissions as this is a key element to conducting climate risk assessments.
- We use company reported emissions data where it is available. Where data is not reported we use estimates. For private assets, we estimate emissions using public proxies whenever available, and in cases where they are not available, we apply GICS sub-industry average emission intensities (from MSCI) to approximate emissions. For public companies we use estimated emissions provided by MSCI.

## B. Corporate Carbon Footprint

As part of our commitment to net-zero operations by 2050, OMERS began measuring and reporting our corporate footprint in 2023. This included accounting for the GHG emissions scopes described below for all of OMERS corporate operations globally. Our corporate footprint is approximately 0.3% the size of our portfolio carbon footprint.

OMERS corporate footprint includes our direct emissions (Scope 1) from onsite building heating, our indirect emissions from electricity and steam used to heat and cool our office space (Scope 2) and indirect value chain emissions (Scope 3) from business travel. Scope 3 emissions from our investment portfolio are accounted for separately using the portfolio footprinting approach described previously. The following is a summary of our Corporate Carbon Footprinting methodology:

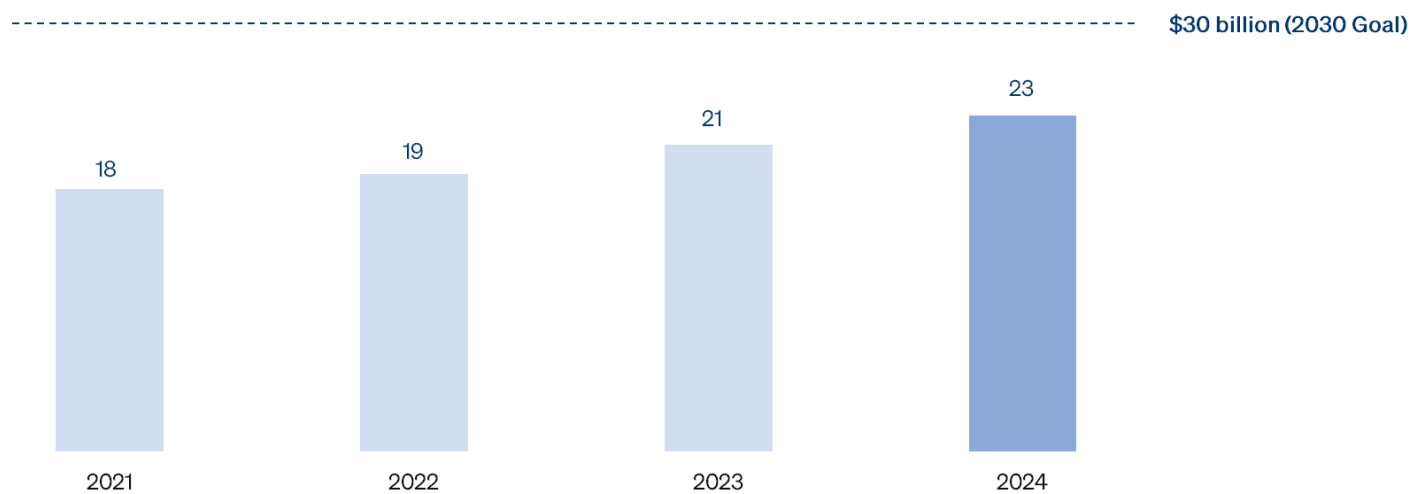
- Our organizational boundary is defined using the operational control approach under the GHG Protocol and includes all assets that are owned or leased by OMERS corporate functions. This includes corporate OMERS and Oxford employees.
- Our operational emissions inventory is aligned to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.
- Given the global nature of our operations, we source emissions factors from a variety of reputable sources, such as National Inventory Report, Energy Star etc., We also adopt estimation methodologies where data gaps or time lag exists.
- As emissions measurement methodologies become more standardized and data availability expands, we anticipate future adjustments to historical emissions data, improving its accuracy and ensuring greater comparability over time.

## 2. Green Investments and Climate Taxonomy

### Green Investments

OMERS CAP articulated a goal to grow our green investments to \$30 billion by 2030. Our approach to classifying green investments is informed by the International Capital Market Association's (ICMA) Green Bond Principles. As at December 31, 2024, green investments totaled \$23 billion and include green buildings, renewable and low-carbon energy, and energy efficiency assets.

### Green Investments



### Climate Taxonomy

When we set the goal to grow our green investments in the CAP, we noted our intention to continue to review the market's evolving definition of 'green' as sustainable finance taxonomies are defined. Taxonomies remain fragmented globally, have been slow to develop and are not entirely well suited for application to an investment portfolio. For example, most existing taxonomies are focused on certain "green" activities and not necessarily the full spectrum of sectors in the economy. This leaves a gap when it comes to assessing the majority of investments that make up our portfolio, particularly from a transition feasibility perspective.

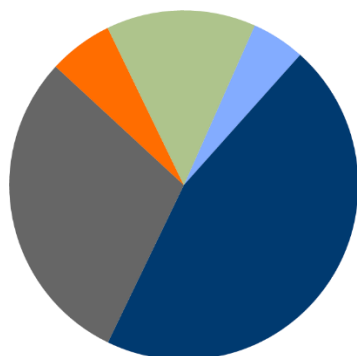
To address these challenges, OMERS has developed a purpose-built classification system, OMERS Climate Taxonomy, to assess our portfolio exposure through a climate lens, driven by sector attributes and dominant business activities of an investment. In shaping our approach, we drew on external taxonomies and standards, including the ICMA Green Bond Principles, Climate Bond Initiative Taxonomy, Independent Science Based Taxonomy (ISBT), and the Bank of Canada's Climate-Relevant Sectors. Additionally, we incorporated insights from investor-led taxonomies developed by Canadian peers, as well as country- and region-specific frameworks such as the European Union's taxonomy.

Our portfolio holdings are categorized into the following:

Category	Definition	Examples
<b>Green</b>	Investments that derive at least 90% of revenues from business activities that are in alignment with green taxonomies such as the ICMA Green Bond Principles.	Renewable Energy Green Buildings
<b>Enabling</b>	Investments whose business activities indirectly contribute to environmental objectives or can enable transition related activities.	Electricity Transmission and Distribution (T&D) Lithium and Copper Mining
<b>Low Climate Impact</b>	Investments whose business activities do not have a direct material climate impact as well as other financial instruments.	IT Consulting and Related Services Health Care Services
<b>Grey</b>	Investments whose activities have a direct material climate impact and where transition options are increasingly feasible.	Fossil Fuel Based Utilities Automobile Manufactures
<b>Hard to Abate</b>	Investments whose business activities have a material climate impact and where transition options are not currently feasible.	Steel Manufacturing Oil and Gas Exploration and Production

Please refer to OMERS Climate Taxonomy Paper on our website for more details on our approach. The chart below reflects a mapping of the OMERS portfolio<sup>13</sup> to our climate taxonomy categories.

### Portfolio Classification Using OMERS Climate Taxonomy



Green	14%
Enabling	5%
Low Climate Impact	46%
Grey	29%
Hard to Abate	6%

**65%**

of the portfolio is invested in green, enabling and low climate impact assets

<sup>13</sup> Data as of December 31, 2024

### 3. Portfolio Alignment

As part of the commitments in our CAP, we expect that our top 20 WACI contributing portfolio companies will have a credible net-zero transition plan in place by 2030. Based on our latest carbon footprint, the top 20 WACI contributors accounted for 64% of OMERS total WACI and 51% of absolute emissions. Over the past year, we engaged with companies in the top 20 in a variety of ways, based on our level of influence. We will continue to work with these companies and many more across our portfolio to advance progress towards net zero.

To assess the credibility of a company's net-zero transition plan, OMERS developed a methodology that integrates key frameworks from international organizations such as the Transition Plan Taskforce, Institutional Investors Group on Climate Change (IIGCC), GFANZ etc., Our methodology reflects our expectations of companies today and the availability of data; we expect that this methodology will continue to evolve as our expectations of and guidance regarding a credible net-zero transition plan expand over time.

# Reconciliation of Non-GAAP Measures

## Reconciliation of Net Investment Assets to Net Exposure

The classification and measurement of certain investment assets and investment liabilities in this MD&A differ from the amounts reported in our Consolidated Financial Statements in accordance with GAAP. The following table sets out the reconciliation of Net Investment Assets in Note 3 of the Consolidated Financial Statements to Net Exposure in this MD&A.

Consolidated Financial Statements	Derivative Exposures <sup>1</sup>	Reclassifications					Repurchase and Reverse Repurchase	Contractual Agreements <sup>7</sup>	RCA <sup>8</sup>	Other Items <sup>9</sup>	Management Discussion & Analysis	
		Funds <sup>2</sup>	Corporate Bonds <sup>3</sup>	Fixed Income <sup>4</sup>	Recourse Debt <sup>5</sup>							
In \$ millions as at December 31, 2024												
<b>Fixed Income</b>											<b>Fixed Income</b>	
Inflation-Linked Bonds	4,718	(131)										—
Nominal Bonds and Debentures	16,947	1,683		(9,314)						(914)		12,989
											184	16,717
Private Debt and Mortgages	10,483	(332)	152	9,314	1,481	(1,481)				486		16,925
<b>Equities</b>											<b>Equities</b>	
Public Equities	23,837	5,329	255						(141)	(619)		28,661
Private Equities	37,669	(25)	(10,155)							24		27,513
<b>Real Assets</b>											<b>Real Assets</b>	
Infrastructure	34,407	(95)				(1,634)		(1,084)		(52)		31,542
Real Estate	21,555	(19)	521			(2,861)		(472)		(68)		18,656
<b>Short-Term Instruments</b>											<b>Cash and Funding</b>	
Cash and Short-Term Deposits	10,364	(13,009)									181	(12,884)
<b>Investment-Related Assets and Liabilities</b>												
	(17,934)	1,013				14,114	1,724			1,083		—
<b>Net Investment Assets</b>											<b>Net Exposure</b>	
	142,046	—	—	—	—	—	—	(2,085)	(147)	305		140,119

1 Derivatives are measured at their fair value and classified as investment-related assets and liabilities in the Consolidated Financial Statements. Derivatives are measured at their exposure value and classified according to their underlying asset class, with an offset to cash and funding in this MD&A.

2 Credit, public equity, and real estate funds are classified as private equities in the Consolidated Financial Statements, and are classified according to their underlying asset class in this MD&A.

3 Corporate bonds are classified as nominal bonds and debentures in the Consolidated Financial Statements, and are classified as public credit in this MD&A.

4 Fixed income that has been collateralized with credit facilities is classified as private debt and mortgages in the Consolidated Financial Statements, and is classified as public credit in this MD&A.

5 Recourse debt is classified as investment liabilities in the Consolidated Financial Statements, and is classified in the respective asset classes which the debt is financing in this MD&A.

6 Repurchase agreements and reverse repurchase agreements are classified as investment-related assets and liabilities in the Consolidated Financial Statements, and are classified as cash and funding in this MD&A.

7 OMERS has entered into contractual agreements that provide eligible clients with access to the performance of its real estate and infrastructure businesses. The real estate and infrastructure assets are gross of the related liabilities in the Consolidated Financial Statements, and are net of the related liabilities in this MD&A.

8 The assets of the Retirement Compensation Arrangement (RCA) for the OMERS Primary Pension Plan are classified as public equities and short-term instruments in the Consolidated Financial Statements, and are not included in this MD&A.

9 Included in other are securities sold short that are classified as investment liabilities in the Consolidated Financial Statements, and are classified according to their underlying asset class in this MD&A.

## Reconciliation of Net Investment Income

The following table sets out the reconciliation of Net Investment Income for each asset class and in total, as reported in Note 8 in the Consolidated Financial Statements, to the Net Investment Income in this MD&A.

Consolidated Financial Statements	Derivative Exposures <sup>1</sup>	Reclassifications					Contractual Agreements <sup>6</sup>	RCA <sup>7</sup>	Investment Management Expenses <sup>8</sup>	Other Items	Management Discussion & Analysis	
		Funds <sup>2</sup>	Corporate Bonds <sup>3</sup>	Fixed Income <sup>4</sup>	Recourse Debt <sup>5</sup>							
In \$ millions as at December 31, 2024												
<b>Fixed Income</b>												<b>Fixed Income</b>
Inflation-Linked Bonds	424	(373)						(12)				—
Nominal Bonds and Debentures	1,243	63		(993)				(25)	(63)		264	Government Bonds
	—	(390)		993	231			(61)	47		820	Public Credit
Private debt and mortgages	1,377	(585)	1,564		(231)	(162)		(137)	30		1,856	Private Credit
<b>Equities</b>												<b>Equities</b>
Public Equities	3,882	824	21				(29)	(98)	(5)		4,595	Public Equities
Private Equities	4,273	(172)	(1,649)			(5)		(120)	(4)		2,323	Private Equities
<b>Real Assets</b>												<b>Real Assets</b>
Infrastructure	3,197	(218)				(106)	(128)	(197)	(49)		2,499	Infrastructure
Real Estate	(673)	(68)	64			(257)	24	(26)			(936)	Real Estate
<b>Cash and Short-Term Deposits</b>	697	(644)				(780)	(2)	(7)	44		(693)	Cash and Funding
Derivatives	(1,563)	1,563										—
<b>Investment Liabilities</b>	(1,310)					1,310						—
<b>Net Investment Income</b>	11,547						(106)	(30)	(683)		10,728	<b>Total</b>
<b>Income Credited under Contractual Agreements</b>	(257)						106	30			(121)	<b>Income Credited under Contractual Agreements and RCA Investment Fund</b>
<b>Investment Management Expenses</b>	(683)							683				—
<b>Total Changes Due to Investment Activities</b>	10,607	—	—	—	—	—	—	—	—	—	10,607	

1 Net investment loss from derivatives is classified as derivatives in the Consolidated Financial Statements, and is classified based on the asset exposure in this MD&A.

2 Net investment income from credit, public equity and real estate funds is classified as private equities in the Consolidated Financial Statements, and is classified according to their underlying asset class in this MD&A.

3 Net investment income from corporate bonds is classified as nominal bonds and debentures in the Consolidated Financial Statements, and is classified as public credit in this MD&A.

4 Net investment income from fixed income that has been collateralized with credit facilities is classified as private debt in the Consolidated Financial Statements and is classified as public credit in this MD&A.

5 Net investment loss from recourse debt is classified as investment liabilities in the Consolidated Financial Statements, and is classified under the 6 respective asset classes which the debt is financing in this MD&A.

6 OMERS has entered into contractual agreements that provide eligible clients with access to the performance of its real estate and infrastructure 7 businesses. The income credited under these contractual agreements is presented as a separate line in the Consolidated Financial Statements, and is classified under the respective asset classes in this MD&A.

7 Net investment income of the Retirement Compensation Arrangement (RCA) for the OMERS Primary Pension Plan is classified as public equities and short-term instruments in the Consolidated Financial Statements, and is not included in this MD&A.

8 Investment management expenses are presented separately in the Consolidated Financial Statements, and are classified under the respective asset classes in this MD&A.

# Glossary of Financial Terms

The following table sets out non-GAAP financial terms, supplementary measures and other key financial terms referred to in the preceding Management’s Discussion & Analysis. These measures do not have standardized meanings and may not be comparable with similar measures used by other pension plans, asset managers or investment firms. They should not be viewed as alternatives to measures of financial performance determined in accordance with GAAP. For certain non-GAAP financial measures, there are no directly comparable amounts under GAAP.

Management uses the measures presented below, in addition to GAAP-based measures, to better understand and present OMERS performance, financial health, and risk. We believe these measures provide relevant and useful information to our stakeholders.

When used in the table below, the “Plan” refers to the OMERS Primary Pension Plan, and “asset class” refers to the asset classes defined in our Statement of Investment Policies and Procedures.

Term	Definition	Comparability to Nearest GAAP Measure
<b>Net Assets (\$)</b>	Equal to the Net Assets Available for Benefits of the Plan, as set out in Note 6 to the Consolidated Financial Statements. Note that this is a GAAP measure; it is named differently in the MD&A for convenience.	
<b>Net Exposure (\$)</b> (Non-GAAP Term)	The aggregate dollar value of the Primary Plan and Administered Funds. This excludes OMERS Return Agreements as set out in Note 5 of the Consolidated Financial Statements. This comprises exposure through direct ownership and derivatives and is net of financial leverage. Exposure achieved through option contracts is measured on a delta-adjusted basis.	This measure is most similar to Net Investment Assets in Note 3 to the Consolidated Financial Statements. This MD&A presents a reconciliation between Net Exposure and Net Investment Assets.  This MD&A presents Net Exposure in aggregate and by each asset class. We present our Asset Mix (defined below) using each asset class’s Net Exposure, with an offset to “Financing & Derivatives”.
<b>Asset Mix (%)</b> (Non-GAAP Ratio)	The proportion of our total Net Exposure attributed to each asset class. This is a method of presenting investment portfolio diversification aligned with our long-term asset mix.	n/a: the Consolidated Financial Statements do not present a disclosure similar to the percentage proportion of assets by asset class.
<b>Assets by Geography (%)</b> (Non-GAAP Ratio)	The proportion of our total Net Exposure across major geographic regions.  When we have a Net Exposure to a multinational enterprise, we attribute that Net Exposure to the “country of risk” listed by MSCI, or if unavailable, to the “country of incorporation”.  This is a method of presenting investment portfolio diversification.	n/a: the Consolidated Financial Statements do not present a disclosure similar to the percentage proportion of assets by geography.

<b>Assets by Industry (%)</b> (Non-GAAP Ratio)	The proportion of our total Net Exposure across industries based on Global Investment Industry Classification Standards (GICS) first-level industries. This is a method of presenting investment portfolio diversification.	n/a: the Consolidated Financial Statements do not present a disclosure similar to the percentage proportion of assets by industry
<b>Funded Ratio - Fair Value of Assets (%)</b> (Supplementary Measure)	The ratio of Net Assets to the Plan's Accrued Pension Obligation, both excluding Additional Voluntary Contributions. These items are set out in Note 6 to the Consolidated Financial Statements. The Plan's funded ratio is an indicator of its long-term financial health, and this measure compares the value of pension obligations on a going-concern basis to the fair value of assets	n/a: the Consolidated Financial Statements present the components for the ratio's numerator and denominator, but not a comparable ratio
<b>Funded Ratio - Smoothed Value of Assets (%)</b> (Supplementary Measure)	The ratio of the Actuarial Value of Net Assets Available for Benefits to the Defined Benefit Accrued Pension Obligation, both excluding Additional Voluntary Contributions. These items are set out in Note 6 to the Consolidated Financial Statements. The Plan's funded ratio is an indicator of its long-term financial health, and this measure compares the value of pension obligations on a going-concern basis to the smoothed value of assets. Primarily used for funding and regulatory purposes, calculating a ratio on this smoothed basis evens out variations in annual net investment returns over a five-year period, and thereby incorporates a more stable, long-term view of investment performance.	n/a: the Consolidated Financial Statements present the components of the ratio's numerator and denominator, but not a comparable ratio
<b>Unrecognized Investment Gains or Losses (\$)</b>	The difference between the Plan's net assets on a fair value basis and net assets on a smoothed basis. This measure reflects the amount that will be recognized in the smoothed value of assets, the funded ratio and the funding deficit over the next four years.	This measure is equal to the Actuarial Value Adjustment as presented in Note 6 to the Consolidated Financial Statements.
<b>Management Expense Ratio (bps)</b> (Non-GAAP Term)	The ratio of "investment expenses" to the average monthly Net Exposure. "Investment expenses" comprise two components: Investment Management Expenses presented in Note 12B, and the "external manager performance and pooled fund fees" disclosed in footnote (i) of Note 8 to the Consolidated Financial Statements. This measure provides information to assess investment management expenses relative to asset	n/a: the Consolidated Financial Statements present the components for the numerator of this ratio, but do not present the denominator or a comparable ratio
<b>Net Income (Loss) (\$)</b> (Non-GAAP Term)	The income (loss) generated by Net Exposure, including balances attributable to Administered Funds, presented in aggregate and by asset class	This measure is most similar to Net Investment Income as presented in Note 8 to the Consolidated Financial Statements. This MD&A includes a reconciliation between Net Income (Loss) and Net Investment Income.
<b>Net Return (Loss) (%)</b> (Non-GAAP Term)	The investment return generated (lost), net of investment expenses, over the period of time specified. This measure is annualized, if relevant, and is presented in aggregate and by asset class. We calculate net returns in accordance with standard industry computation methods	n/a: the Consolidated Financial Statements do not present a ratio of the Plan's return to Net Exposure.
<b>Net Local Return (Loss) (%)</b> (Non-GAAP Term)	The investment return generated (lost), net of investment expenses, over the period of time specified, excluding any impact from foreign exchange. This measure is annualized, if relevant, and is presented in aggregate and by asset class. We calculate net local returns in accordance with standard industry computation methods	n/a: the Consolidated Financial Statements do not present a ratio of the Plan's local return to Net Exposure.

<b>Recourse Leverage (%)</b> (Non-GAAP Term)	This ratio uses as its numerator total debt with recourse to AC, defined as the undiscounted principal value of the Debt listed in Note 4 of the Consolidated Financial Statements, translated at period-end foreign exchange rates. Its denominator is equal to total debt with recourse to AC plus Net Investment Assets as presented in Note 3 to the Consolidated Financial Statements. This measures the extent to which recourse leverage is used, relative to assets	n/a: the Consolidated Financial Statements do not present a ratio of total debt with recourse to AC to Net Investment Assets.
<b>Operating Cash Yield (%)</b> (Non-GAAP Term)	The ratio of aggregate operating cash distributions to Net Exposure for any particular asset class, as calculated on a time-weighted basis. This measures the extent to which investment(s) generate returns in cash.	n/a: the Consolidated Financial Statements do not present a ratio of cash returned to Net Exposure of specified asset class

04

**Financial  
Statements –  
OMERS  
Administration  
Corporation**

# Management's Responsibility for Financial Reporting

The Consolidated Financial Statements of OMERS Administration Corporation (AC) have been prepared by AC Management (Management) and approved by the Board of Directors of AC (AC Board). Management is responsible for the integrity and fairness of the information presented, including amounts that are based on best estimates and judgments. The Consolidated Financial Statements have been prepared in accordance with Canadian accounting standards for pension plans. Financial information presented throughout the Annual Report is consistent with the Consolidated Financial Statements.

Systems of internal control and supporting procedures have been established and maintained to provide reasonable assurance that financial transactions are properly authorized, assets are safeguarded, and proper records are maintained. These systems include an organizational structure that provides a well-defined division of responsibilities, a corporate code of conduct, accountability for performance, and the communication of policies and guidelines throughout AC.

The AC Board is responsible for approving the Consolidated Financial Statements. The Audit & Actuarial Committee, which is comprised of directors who are not officers or employees of AC, assists the AC Board in executing this responsibility. The Audit & Actuarial Committee meets regularly with Management and the internal and independent external auditors to discuss internal controls, auditing activities and financial reporting matters. The Audit & Actuarial Committee reviews the Consolidated Financial Statements and recommends them to the AC Board for approval.

The external actuary, Towers Watson Canada Inc., is appointed by the AC Board. The external actuary is responsible for carrying out the annual valuations of the accrued pension obligations of the OMERS Pension Plans in accordance with accepted actuarial practice and for reporting the results to Management and to the AC Board. The results of the external actuary's valuation are set out in the Actuarial Opinion.

AC's independent external auditor, PricewaterhouseCoopers LLP, was appointed by the AC Board and reports to the Audit & Actuarial Committee. The independent external auditor has conducted an independent audit of the Consolidated Financial Statements in accordance with Canadian generally accepted auditing standards, performing such tests and procedures as they consider necessary to express an opinion in their Independent Auditor's Report. The independent external auditor has full and unrestricted access to Management and the Audit & Actuarial Committee to discuss their audit and findings related to the integrity of financial reporting and the adequacy of systems of internal control on which they rely for the purposes of their audit.



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**E.M. Blake Hutcheson**  
President and Chief Executive Officer

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**Jonathan Simmons, FCPA, FCA**  
Chief Financial and Strategy Officer

Toronto, Ontario  
February 24, 2025

# Actuarial Opinion

Towers Watson Canada Inc. was retained by the OMERS Administration Corporation (AC) Board of Directors to conduct actuarial valuations as at December 31, 2024, of the OMERS Primary Pension Plan (Primary Plan) and the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA). The main purpose of the valuations is to fairly present the actuarial funded position of the Primary Plan and the RCA as at December 31, 2024, for inclusion in AC's consolidated financial statements in accordance with Chartered Professional Accountants of Canada (CPA Canada) Handbook Section 4600 - Pension Plans (Section 4600).

The results of the actuarial valuation of the Primary Plan disclosed a total going concern accrued pension obligation of \$142,489 million in respect of benefits accrued for service to December 31, 2024 (comprising \$140,766 million with respect to the defined benefit component and \$1,723 million with respect to the Additional Voluntary Contribution (AVC) component). The actuarial value of net assets at that date was \$139,576 million (comprising \$137,853 million with respect to the defined benefit component and \$1,723 million with respect to the AVC component), indicating a going concern funding deficit of \$2,913 million. The RCA accrued pension obligation in respect of benefits accrued for service to December 31, 2024, net of the RCA assets, was \$1,153 million. The RCA is partially funded on a modified pay-as-you go basis and monitored to ensure a level of funding such that the value of the RCA fund, plus projected contributions and assumed investment earnings are, in aggregate, sufficient to pay for projected benefits and expenses for a period of 20 years.

The actuarial valuations of the Primary Plan and the RCA were conducted using the Projected Benefit Method Prorated on Services, and membership data as at November 2, 2024, and financial information as at December 31, 2024, supplied by AC.

We reviewed the data for reasonableness and consistency with the data provided in prior years. In our opinion,

- the membership data are sufficient and reliable for the purpose of the valuations;
- the assumptions approved by AC's Board, in consultation with us, were set with reference to the Primary Plan's and RCA's funding policies and are appropriate for the purposes of the valuations;
- the methods employed in the valuations are appropriate for the purpose of the valuations; and
- the valuations have been completed in accordance with our understanding of the requirements of the CPA Canada Handbook Section 4600.

Future experience will differ from the actuarial assumptions resulting in gains or losses in future valuations.

The valuations were prepared, and our opinions are given in accordance with accepted actuarial practice in Canada.

Towers Watson Canada Inc.



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**Philip A. Morse**

Fellow, Canadian Institute of Actuaries

Toronto, Ontario

February 24, 2025

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**Janis Cooper**

Fellow, Canadian Institute of Actuaries

# Independent auditor's report

To the Board of Directors of OMERS Administration Corporation

## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of OMERS Administration Corporation and its subsidiaries (together, AC) as at December 31, 2024 and 2023, and the changes in its net assets available for benefits and changes in its pension obligations for the years then ended in accordance with Canadian accounting standards for pension plans.

## What we have audited

AC's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of changes in net assets available for benefits for the years then ended;
- the consolidated statements of changes in pension obligations for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of AC in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing AC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate AC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AC's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on AC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within AC as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

February 24, 2025

# Consolidated Statement of Financial Position

(in millions of Canadian dollars)

As at December 31,	2024	2023
<b>Net Assets Available for Benefits</b>		
<b>Assets</b>		
Investments (note 3)	\$ 159,980	\$ 150,352
Investment-related assets (note 3)	2,110	1,463
Contributions receivable		
From employers	207	202
From members	207	202
Other assets	304	285
<b>Total Assets</b>	<b>162,808</b>	<b>152,504</b>
<b>Liabilities</b>		
Investment-related liabilities (notes 3 and 4)	20,044	19,354
Amounts payable under contractual agreements (note 5)	4,078	4,029
Other liabilities	272	307
<b>Total Liabilities</b>	<b>24,394</b>	<b>23,690</b>
<b>Net Assets Available for Benefits</b>	<b>\$ 138,414</b>	<b>\$ 128,814</b>
<b>Accrued Pension Obligation and Deficit</b>		
<b>Primary Plan (note 6)</b>		
Defined Benefit component		
Accrued pension obligation	\$ 140,766	\$ 134,574
Deficit		
Funding deficit	(2,913)	(4,202)
Actuarial value adjustment to net assets available for benefits	(1,406)	(3,369)
	(4,319)	(7,571)
Additional Voluntary Contributions component	1,723	1,611
<b>Accrued Pension Obligation and Deficit of the Primary Plan</b>	<b>138,170</b>	<b>128,614</b>
<b>Retirement Compensation Arrangement (note 7)</b>		
Accrued pension obligation	1,397	1,314
Deficit	(1,153)	(1,114)
<b>Accrued Pension Obligation and Deficit of the Retirement Compensation Arrangement</b>	<b>244</b>	<b>200</b>
<b>Accrued Pension Obligation and Deficit</b>	<b>\$ 138,414</b>	<b>\$ 128,814</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

These Consolidated Financial Statements were approved by the Board of Directors on February 24, 2025.

Signed on behalf of the Board of OMERS Administration Corporation (AC)



George Cooke  
AC Board Chair



Penny Somerville  
AC Audit & Actuarial Committee Chair

# Consolidated Statement of Changes in Net Assets Available for Benefits

(in millions of Canadian dollars)			
For the year ended December 31,		2024	2023
<b>Changes Due to Investment Activities</b>			
Net investment income (note 8)			
Investment income		\$ 5,470	\$ 4,737
Net gain on net investment assets		6,077	1,599
		11,547	6,336
Income credited under contractual agreements		(257)	(118)
Investment management expenses (note 12)		(683)	(612)
<b>Total Changes Due to Investment Activities</b>		<b>10,607</b>	<b>5,606</b>
<b>Changes Due to Pension Activities</b>			
Contributions (note 10)			
Required contributions			
From employers		2,692	2,439
From members		2,692	2,439
Other contributions		283	254
		5,667	5,132
Benefits (note 11)			
Benefit payments		(6,229)	(5,823)
Transfers		(315)	(360)
		(6,544)	(6,183)
Pension administration expenses (note 12)		(130)	(123)
<b>Total Changes Due to Pension Activities</b>		<b>(1,007)</b>	<b>(1,174)</b>
<b>Total Increase</b>		<b>9,600</b>	<b>4,432</b>
<b>Net Assets Available for Benefits, Beginning of Year</b>		<b>128,814</b>	<b>124,382</b>
<b>Net Assets Available for Benefits, End of Year</b>		<b>\$ 138,414</b>	<b>\$ 128,814</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Changes in Pension Obligations

(in millions of Canadian dollars)

For the year ended December 31,

2024

2023

## OMERS Primary Pension Plan (note 6)

### Defined Benefit Component

Accrued pension obligation, beginning of year	\$	134,574	\$	128,789
Interest accrued on benefits		7,687		7,356
Benefits accrued		4,620		4,342
Benefit payments and transfers		(6,414)		(6,081)
Net experience gains		(663)		(689)
Changes in actuarial assumptions and methods				
Decrease in discount rate		962		—
Change in assumptions resulting from experience study		—		505
Increase in short-term inflation assumption		—		352
<b>Defined Benefit Accrued Pension Obligation, End of Year</b>	<b>\$</b>	<b>140,766</b>	<b>\$</b>	<b>134,574</b>

### Additional Voluntary Contributions Component

Additional Voluntary Contributions obligation, beginning of year	\$	1,611	\$	1,517
Contributions		70		91
Withdrawals		(90)		(66)
Attributed net investment income		132		69
<b>Additional Voluntary Contributions Obligation, End of Year</b>	<b>\$</b>	<b>1,723</b>	<b>\$</b>	<b>1,611</b>

### Retirement Compensation Arrangement (note 7)

Accrued pension obligation, beginning of year	\$	1,314	\$	1,235
Interest accrued on benefits		41		38
Benefits accrued		41		40
Benefit payments and transfers		(40)		(36)
Net experience losses		41		74
Changes in actuarial assumptions and methods				
Change in assumptions resulting from experience study		—		(41)
Increase in short-term inflation assumption		—		4
<b>Retirement Compensation Arrangement Accrued Pension Obligation, End of Year</b>	<b>\$</b>	<b>1,397</b>	<b>\$</b>	<b>1,314</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

(Amounts in millions of Canadian dollars except where otherwise noted)

# Notes to the Consolidated Financial Statements

## Note 1

### Description of the Plans Administered by OMERS Administration Corporation

OMERS Administration Corporation (AC) is a corporation without share capital, continued under the Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act). AC is the administrator of the OMERS pension plans as defined in the OMERS Act and is the trustee of the pension funds. The OMERS pension plans are comprised of the OMERS Primary Pension Plan (Primary Plan), the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA) and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics (Supplemental Plan) (collectively, the OMERS Pension Plans). As trustee of the Primary Plan's fund, AC holds legal title to the pension fund assets; the trust beneficiaries are Primary Plan members, and in certain circumstances, their spouses or dependents. AC is responsible for administering the OMERS Pension Plans in accordance, as applicable, with the Pension Benefits Act (Ontario) (PBA), the Income Tax Act (Canada) (ITA) and the OMERS Act. OMERS Sponsors Corporation (SC) is the sponsor of the OMERS Pension Plans under the OMERS Act.

The assets of any of the OMERS Pension Plans cannot be used to fund the pension obligations of any of the other OMERS Pension Plans.

### OMERS Primary Pension Plan

The Primary Plan is a multi-employer, jointly sponsored pension plan, created in 1962 by an Act of the Ontario Legislature, whose members are mainly employees of Ontario municipalities, local boards, public utilities and non-teaching school board staff. The Primary Plan is governed by the OMERS Act, the PBA, the ITA and other applicable legislation.

The benefit provisions and other terms of the Primary Plan are set out in the Primary Plan text. The Primary Plan consists of both the defined benefit component and the Additional Voluntary Contribution (AVC) component. The Primary Plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA) and with the Canada Revenue Agency (CRA) under Registration #0345983.

Attributes of the defined benefit component of the Primary Plan include:

- **Funding:** The defined benefit component of the Primary Plan is funded by equal contributions from participating employers and from active members, and by the net investment earnings of the Primary Plan assets. AC determines the regulatory minimum and maximum funding requirements in accordance with the PBA and the ITA. SC sets actual contribution rates and benefits.
- **Pensions:** The defined benefit component of the Primary Plan is designed to provide lifetime defined benefit pensions, and its funding requirements are determined on a long-term basis. These pensions are calculated as a percentage of the member's annual earnings averaged over the highest 60 consecutive months, multiplied by years of credited service.
- **Normal Retirement Age:** The normal retirement age (NRA) is 65 years for all Primary Plan members, except for police officers and firefighters, who generally have a normal retirement age of 60 years. An OMERS employer can also elect to provide NRA 60 benefits to all or a class of paramedics. For unionized employees, access to NRA 60 benefits is subject to negotiation between employers and unions.

- **Death Benefits:** Benefits are payable upon the death of a member to a surviving spouse, eligible dependent children, a designated beneficiary, or to the member's estate. Depending on eligibility requirements, the benefits may be paid in the form of a survivor pension, lump sum payment or both.
- **Escalation of Pensions:** Inflation protection increases pensions each year, based on the increase in the average of the Canadian Consumer Price Index (CPI) for the preceding 12-month period ending in October compared to the average CPI for the same period of the previous year, as follows:
  - Benefits earned on or before December 31, 2022 receive full inflation protection, up to a maximum annual increase of 6%. Any excess is carried forward so it can be used in later years if and when CPI increases by less than 6%, provided the pension is still in pay.
  - Benefits earned on or after January 1, 2023 are subject to shared risk indexing, meaning that the level of inflation protection will depend on SC's annual assessment of the financial health of the Primary Plan, and may be less than the full inflation protection.
- **Disability Pensions:** A disability pension is available at any age to an active member who becomes totally and permanently disabled as defined by the Primary Plan. The pension is calculated using a member's years of credited service and the average annual earnings during the member's highest 60 consecutive months of earnings consistent with a normal retirement pension and is subject to a cap set out in the Primary Plan. Generally, disability pensions continue until normal retirement, at which time it becomes an OMERS normal retirement pension.
- **Income Taxes:** The Primary Plan is a Registered Pension Plan as defined in the ITA and is not subject to income taxes on contributions received or investment income earned. The earnings of certain entities holding private credit, private equity, infrastructure, or real estate investments may be taxable.

The AVC component of the Primary Plan is a retirement savings and investment opportunity that permits members to make additional voluntary contributions on which the member earns the annual net investment return of the Primary Plan. While AVCs are part of the Primary Plan, they are separate from a member's defined benefit pension.

## Retirement Compensation Arrangement for the OMERS Primary Pension Plan

The RCA provides pension benefits for Primary Plan members with contributory earnings exceeding the amount that generates the maximum pension allowed by the ITA for service after 1991. This determination is made when a benefit becomes payable (e.g. a member terminates employment, retires, or passes away). The RCA is a trust arrangement separate from the Primary Plan and is not governed by the PBA and is also not, a Registered Pension Plan under the ITA. The RCA is governed by the OMERS Act, the ITA and other applicable legislation. It is partially funded on a modified pay-as-you-go basis by equal contributions from participating employers and active members and by the investment earnings of the RCA fund.

Contributions are determined annually to target sufficient funding. Prior to 2025 the target aims to ensure a level of funding such that the value of the RCA fund, plus projected contributions and projected investment earnings are, in aggregate, sufficient to pay for benefits and expenses for a period of 20 years.

During 2024, the SC Board revised the funding target starting from 2025 to enhance the long-term sustainability of the RCA. Under the new funding methodology, the target level of funding is such that the projected assets in the RCA fund for each of the next 20 years are no less than four times the projected benefits and expenses to be paid in the subsequent year.

## OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics

The Supplemental Plan offers optional benefits for members of the police sector, firefighters and paramedics. It became effective on July 1, 2008, pursuant to the requirements of the OMERS Act. The benefit provisions and other terms of the Supplemental Plan are set out in the Supplemental Plan text. The Supplemental Plan is registered with FSRA and with the CRA under Registration #1175892.

Participation in the Supplemental Plan is effective only upon agreement between employee groups and their employer. As at December 31, 2024 and December 31, 2023, no such agreement existed and hence the Supplemental Plan had no assets, no liabilities and no members.

## Note 2

### Summary of Significant Accounting Policies

#### BASIS OF PRESENTATION

AC follows the requirements of the Chartered Professional Accountants of Canada (CPA Canada) Handbook Section 4600 – Pension Plans (Section 4600), which is the basis for Canadian accounting standards for pension plans. AC's recognition and measurement of assets, liabilities and pension obligations are consistent with the requirements of Section 4600. For accounting policies that do not relate to its investment portfolio or pension obligations, AC follows the requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These Consolidated Financial Statements include the financial position, changes in net assets available for benefits and changes in pension obligations of AC and of the OMERS Pension Plans. They also include other disclosures required by regulation 909 under the PBA.

The presentation for each subtotal of Net investment income, Contributions, and Benefits have been disaggregated on the Consolidated Statement of Changes in Net Assets Available for Benefits. The relevant notes and comparative figures have been revised to conform with this presentation. There is no impact to total Changes in Net Assets Available for Benefits and the respective forementioned subtotals. In addition, certain comparative figures related to collateral pledged have been revised in Note 3E - *Investment Risk*.

#### USE OF ESTIMATES AND JUDGMENTS

Preparing these Consolidated Financial Statements requires Management to make estimates, judgments and assumptions that affect the reported values of assets and liabilities, income and expenses, accrued pension obligations and related disclosures. Actual results could differ from these estimates. Significant estimates are used primarily in the valuation of certain investments and the determination of pension obligations. In all cases, Management's estimates are sensitive to key assumptions and drivers that are subject to material change, and Management continues to monitor developments in these inputs.

#### INVESTMENTS AND VALUATIONS

Investment transactions are recorded when the risks and rewards of ownership are transferred. Purchases and sales of publicly-traded investments are recorded as of the trade date.

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is best evidenced by a quoted closing market price in an active market, if one exists; where such pricing is not available, fair value is estimated using observable market inputs such as interest rates, quoted prices of comparable securities or unobservable inputs such as Management assumptions or contractual terms. The determination of fair value is based on market conditions at a specific point in time and may not reflect future fair values. Fair values are determined as follows:

- (i) Short-term deposits are recorded at amortized cost, which together with accrued interest income, approximates fair value.
- (ii) Inflation-linked bonds, nominal bonds and debentures are valued at year-end quoted market prices, where available, based on quotes from industry standard sources. Public equities are valued using quoted market exchange prices.

- (iii) Securities purchased under reverse repurchase agreements and securities sold under repurchase agreements are valued using discounted cash flows based on current market yields.
- (iv) The fair value of derivatives, including swaps, futures, options, credit default swaps and forward contracts, is determined using quoted market prices, where available, or discounted cash flows using current market yields, where quoted market prices are not available.
- (v) Investments in private equity, infrastructure, private debt and mortgages, and real estate assets, held either directly or through limited partnership arrangements, generally do not have publicly-available market prices. For such investments, the completion of a recent purchase or sale of an identical or similar investment is often the most objective determination of fair value. While not exact, valuation procedures are also able to provide estimates or identify likely ranges that a reasonable counterparty would pay for such assets. Management values private investments as follows:
  - (a) For investments in real estate and infrastructure, assets are primarily valued based on observable pricing for similar investments, where appropriate, and discounted cash flows approach by estimating the present value of projected cash flows generated by the investment using a risk-adjusted discount rate and, where appropriate, risk-adjusted capitalization rates. Discount rates, capitalization rates and projected cash flows are based on internal assumptions and external inputs.
  - (b) For private equity investments, assets are primarily valued by applying earnings multiples and in consideration of movements in market multiples and recent transactions.
  - (c) For non-operating and startup directly-held private investments, assets are measured at fair value. However, recognizing the higher uncertainty and risk associated with these investments, they may be measured at cost as the best measurement of fair value until such time as the fair value is reliably measurable or until stabilized operations are achieved.
  - (d) For private fund investments, fair value is based on the net asset values as reported by the funds' external administrators or managers. These net asset values are reviewed by Management.
  - (e) For private debt and mortgages, assets are primarily valued using discounted cash flows based on current market yields and comparable securities, as applicable.

For each significant private investment, Management engages accredited, independent external valuation experts to assess the reasonableness of the investment's valuation, at least once every three years. Where independent external valuation experts complete the valuation, Management reviews the valuation techniques applied and assumptions used to ensure that they are reasonable and supportable based on current market conditions and industry practice.

## **DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments are financial contracts, the value of which are derived from changes in prices of underlying assets or indices. Derivative transactions are conducted in over-the-counter markets directly between two counterparties or are cleared through clearinghouses, or on regulated exchange markets. AC uses derivative financial instruments to manage the Primary Plan's asset mix and to assist in managing the exposure to market risk by increasing or decreasing foreign currency, interest rates, credit or price risk, without directly purchasing or selling the underlying assets or currencies.

The fair value of derivative contracts are presented in the Consolidated Statement of Financial Position. These fair values represent the cost of replacing all outstanding contracts under current market conditions. Contracts with a positive fair value are recorded as derivative assets in Investment-Related Assets, and contracts with a negative fair value are recorded as derivative liabilities in Investment-Related Liabilities. Management nets both legs of a swap contract into one unit of measurement.

## **NET INVESTMENT INCOME**

Investment Income includes accrued interest, dividends and net real estate operating income. Net Gain on Net Investment Assets includes realized gains and losses on the disposal of investments and unrealized gains and losses in the fair value of investment assets and liabilities.

Net Investment Income is recognized as interest and net real estate operating income is earned; as dividends or distributions are declared; as investments are disposed of and as estimates of fair values change.

## **TRANSACTION AND PURSUIT COSTS**

Transaction and pursuit costs, which include broker commissions, legal and other professional fees incurred as a part of the due diligence of a potential or completed transaction, are expensed to Net Gain on Net Investment Assets as incurred.

## **EXTERNAL MANAGEMENT FEES**

The base fees payable to external managers for managing certain of AC's investment portfolios are recognized in Investment Management Expenses as incurred. Performance fees, which are contractually due to external managers for superior investment returns, and fees for pooled funds, where AC's investment return from the fund is net of fees, are expensed directly to Net Gain on Net Investment Assets as incurred.

## **INVESTMENT LIABILITIES**

Investment liabilities include commercial paper, term notes, and other debt obligations with recourse to AC. These obligations are issued by OMERS Finance Trust (OFT), an entity whose beneficiaries are subsidiaries of AC, and by entities in which AC has invested. Investment liabilities also include the obligations in respect of securities sold short and securities sold under repurchase agreements. For securities sold under repurchase agreements, AC sells securities and simultaneously agrees to buy them back at a specified price at a future date.

Investment liabilities are financial instruments and are stated at fair value. Fair values are determined as follows:

- (i) Short-term investment liabilities are recorded at cost plus accrued interest, which approximates fair value.
- (ii) Term notes are valued based on quoted pricing based on combination of observable market quotes and pricing on comparable securities.
- (iii) All other investment liabilities are valued using discounted cash flows based on current market yields.

AC's own credit risk is considered when estimating the fair value of investment liabilities.

Liabilities incurred by entities in which AC has invested are netted against investment assets, even when the investment is in an entity over which AC has effective control or can exercise significant influence, except for those liabilities which have recourse to AC.

## **PENDING TRADES**

Pending trades include accrued receivables and payables from unsettled transactions.

The fair values of amounts receivable and payable from pending trades approximate their carrying amounts due to their short-term nature.

## **FOREIGN CURRENCY TRANSLATION**

Certain investment assets and liabilities are denominated in foreign currencies. The fair values of such investment assets and liabilities are translated into Canadian dollars at the year-end foreign exchange rate.

Unrealized foreign exchange gains and losses arising from this translation are included in Net Gain on Net Investment Assets in Net Investment Income. When an investment denominated in a foreign currency is sold, the realized foreign exchange gain or loss is recognized in Net Gain on Net Investment Assets, based on the foreign exchange rate at the settlement date.

Income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions.

### **ACCRUED PENSION OBLIGATION**

The value of the accrued pension obligation of the Primary Plan's defined benefit component is based on an actuarial valuation prepared by an independent firm of actuaries. The accrued pension obligation is measured using the Projected Benefit Method Prorated on Services, in accordance with accepted actuarial practice in Canada using actuarial assumptions and methods adopted by AC for the purpose of establishing the long-term funding requirements of the Primary Plan. The actuarial valuation included in the Consolidated Financial Statements is consistent with the valuation used for funding purposes.

The AVC obligation represents the Primary Plan's liability in respect of the AVC component of the Primary Plan and equals members' AVC contributions plus (if positive) or minus (if negative) the prorated, full-year net investment rate of return earned by the defined benefit component of the Primary Plan over the period of time that the AVC contributions have been invested.

The valuation methodology used to estimate the accrued pension obligation of the RCA is developed on a basis generally consistent with the accrued pension obligation of the Primary Plan's defined benefit component, while recognizing the difference in the tax treatment of the plans' assets.

The AVC obligation and the accrued pension obligation of the RCA are separate from the accrued pension obligation of the Primary Plan's defined benefit component.

### **ACTUARIAL VALUE OF NET ASSETS AND ACTUARIAL VALUE ADJUSTMENT**

The actuarial value of net assets for the Primary Plan is used to assess the funded position of the Primary Plan, including the determination of minimum contributions required under the PBA.

The actuarial value adjustment to the fair value of net assets is the cumulative amount of unrecognized net investment returns. In each year, a new balance is added equal to the net investment return above or below the actuarial smoothing rate in effect for that year; this amount is then recognized over a five-year period, starting with the year in which the net investment return is earned. The actuarial smoothing rate applied to net investment returns recognized in years prior to 2021 is the nominal discount rate in effect at the end of the previous year. The actuarial smoothing rate applied to net investment returns recognized in years beginning 2021 is AC's estimated future long-term median market rate of return.

The fair value of net assets available for benefits is adjusted by the actuarial value adjustment to arrive at the actuarial value of net assets. The actuarial value adjustment is constrained such that the resulting actuarial value of net assets is no more than 15% different from the fair value of net assets.

### **DEFICIT**

For presentation in the financial statements, the Deficit of the Primary Plan is based on the difference between the fair value of the Primary Plan's net assets available for benefits and the Primary Plan's accrued pension obligation. For funding purposes, the Primary Plan's deficit is based on the difference between the Primary Plan's actuarial value of net assets and the Primary Plan's accrued pension obligation.

For presentation in the financial statements, the Deficit of the RCA is based on the difference between the fair value of RCA's net assets available for benefits and the RCA's accrued pension obligation.

## **CONTRIBUTIONS**

Contributions from employers and active members are recorded on an accrual basis. Service purchases including leaves of absence, conversion of normal retirement age and transfers from other pension plans are recorded, and service is credited, when the purchase amount is received. Contributions for AVCs are recorded when received.

## **BENEFITS**

Benefit payments are recorded as they become due. Commuted value payments and transfers to other pension plans are recorded in the period in which AC is notified of the request. Accrued benefits for active members are recorded as part of the accrued pension obligation.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses are incurred for pension administration, investment management and corporate services. Administrative expenses are recorded on an accrual basis. Pension administration expenses include expenses to provide direct services to OMERS Pension Plans members and employers. Investment management expenses include expenses for managing OMERS Pension Plans investments. Corporate services expenses primarily include corporate information systems, accounting, risk management, human resources, legal and other governance expenses incurred to support either the pension administration or the investment management functions. These are allocated between pension administration or investment management expenses based on an estimate of the use of resources.

## **NEW ACCOUNTING PRONOUNCEMENTS**

There were no adoptions of newly issued standards, changes in existing standards or new interpretations during the year ended December 31, 2024 that had a material impact on the Consolidated Financial Statements.

During 2024, IFRS 18 *Presentation and Disclosure in Financial Statements* was issued to replace IAS 1 *Presentation of Financial Statements*. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. AC is currently assessing the impact of adopting this standard in the context of Canadian accounting standards for pension plans.

# Note 3

## Investments

### A. Investments at Fair Value and Cost

Investments and investment-related assets and liabilities at fair value and cost by asset class are as follows:

As at December 31,	2024		2023	
	Fair Value	Cost	Fair Value	Cost
<b>Fixed Income</b>				
Inflation-linked bonds	\$ 4,718	\$ 4,459	\$ 3,332	\$ 3,187
Canadian nominal bonds and debentures	11,259	11,028	9,367	9,230
Non-Canadian nominal bonds and debentures	5,688	5,363	3,823	3,795
Private debt and mortgages <sup>(i)</sup>	10,483	10,725	11,520	11,637
<b>Total Fixed Income</b>	<b>32,148</b>	<b>31,575</b>	<b>28,042</b>	<b>27,849</b>
<b>Equities</b>				
<b>Public Equities</b>				
Canadian	1,965	1,652	1,613	1,609
Non-Canadian	21,872	18,664	16,045	15,720
	23,837	20,316	17,658	17,329
Private Equities <sup>(ii)</sup>	37,669	26,150	32,672	24,691
<b>Total Equities</b>	<b>61,506</b>	<b>46,466</b>	<b>50,330</b>	<b>42,020</b>
<b>Real Assets</b>				
Infrastructure investments	34,407	30,641	30,937	29,575
Real Estate investments	21,555	21,626	22,586	21,507
<b>Total Real Assets</b>	<b>55,962</b>	<b>52,267</b>	<b>53,523</b>	<b>51,082</b>
<b>Short-Term Instruments</b>				
Cash and short-term deposits <sup>(iii)</sup>	10,364	10,366	18,457	18,477
<b>Total Investments</b>	<b>159,980</b>	<b>140,674</b>	<b>150,352</b>	<b>139,428</b>
<b>Investment-Related Assets</b>				
Investment receivables	1,041	1,043	546	546
Securities purchased under reverse repurchase agreements	523	523	—	—
Deferred, prepaid and other assets	65	65	58	58
Derivatives	248	178	766	72
Pending trades	233	233	93	93
<b>Total Investment-Related Assets</b>	<b>2,110</b>	<b>2,042</b>	<b>1,463</b>	<b>769</b>
<b>Investment-Related Liabilities</b>				
Investment liabilities (note 4)	(18,289)	(17,889)	(18,870)	(19,069)
Derivatives	(1,266)	(20)	(241)	(14)
Pending trades	(489)	(489)	(243)	(243)
<b>Total Investment-Related Liabilities</b>	<b>(20,044)</b>	<b>(18,398)</b>	<b>(19,354)</b>	<b>(19,326)</b>
<b>Net Investment Assets</b>	<b>\$ 142,046</b>	<b>\$ 124,318</b>	<b>\$ 132,461</b>	<b>\$ 120,871</b>

(i) Includes royalty agreements at fair value of \$1,723 (December 31, 2023: \$2,473) and cost of \$1,536 (December 31, 2023: \$2,279).

(ii) Includes venture capital investments at fair value of \$1,684 (December 31, 2023: \$1,895) and cost of \$1,080 (December 31, 2023: \$1,127).

(iii) Includes restricted cash of \$588 (December 31, 2023: \$351).

## B. Investment Fair Value Hierarchy

Investment assets and liabilities are measured at fair value based on inputs from one or more levels of a fair value hierarchy as follows:

- **Level 1:** Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 primarily includes publicly-listed equity investments, cash and derivative contracts traded on a public exchange.
- **Level 2:** Fair value is based on valuation methods that make use of inputs, other than quoted prices included in Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets, or indirectly through observable market information used in valuation models. Level 2 primarily includes short-term deposits, debt securities and derivative contracts not traded on a public exchange, and investment-related liabilities, including debt, securities purchased under reverse repurchase agreements and securities sold under repurchase agreements.
- **Level 3:** Fair value is based on valuation methods whose significant inputs are based on unobservable market data. Level 3 primarily includes private market investments such as real estate, infrastructure, private equity, private debt and mortgages.

(a) Net investment assets are categorized into the fair value hierarchy as follows:

As at December 31,					2024
		Level 1	Level 2	Level 3	Total
Fixed Income	\$	—	\$ 21,665	\$ 10,483	\$ 32,148
Public Equities		23,837	—	—	23,837
Private Equities		—	—	37,669	37,669
Infrastructure		—	—	34,407	34,407
Real Estate		—	—	21,555	21,555
Short-Term Instruments		5,770	4,594	—	10,364
Investment-Related Assets		20	2,090	—	2,110
Investment-Related Liabilities		(516)	(19,528)	—	(20,044)
<b>Net Investment Assets</b>	<b>\$</b>	<b>29,111</b>	<b>\$ 8,821</b>	<b>\$ 104,114</b>	<b>\$ 142,046</b>

As at December 31,					2023
		Level 1	Level 2	Level 3	Total
Fixed Income	\$	—	\$ 16,522	\$ 11,520	\$ 28,042
Public Equities		17,286	—	372	17,658
Private Equities		—	—	32,672	32,672
Infrastructure		—	—	30,937	30,937
Real Estate		—	—	22,586	22,586
Short-Term Instruments		4,847	13,610	—	18,457
Investment-Related Assets		42	1,421	—	1,463
Investment-Related Liabilities		(373)	(18,981)	—	(19,354)
<b>Net Investment Assets</b>	<b>\$</b>	<b>21,802</b>	<b>\$ 12,572</b>	<b>\$ 98,087</b>	<b>\$ 132,461</b>

(b) The following table presents the changes in Level 3 investments for the year ended December 31, 2024:

	Fair Value Dec 31, 2023	Included in Net Investment Income	Transfers In <sup>(i)</sup>	Transfers Out <sup>(ii)</sup>	Purchases	Sales and Return of Capital	Fair Value Dec 31, 2024	Change in Unrealized Gains (Losses) from Investments Held at the End of the Year <sup>(iii)</sup>
Fixed Income	\$ 11,520	\$ 1,459	\$ 440	\$ —	\$ 3,659	\$ (6,595)	\$ 10,483	\$ 5
Public Equities	372	30	—	(387)	4	(19)	—	—
Private Equities	32,672	4,342	—	—	3,342	(2,687)	37,669	3,435
Infrastructure	30,937	3,215	420	—	3,243	(3,408)	34,407	2,872
Real Estate	22,586	(533)	—	(1,148)	3,074	(2,424)	21,555	(1,230)
<b>Total</b>	<b>\$ 98,087</b>	<b>\$ 8,513</b>	<b>\$ 860</b>	<b>\$ (1,535)</b>	<b>\$ 13,322</b>	<b>\$ (15,133)</b>	<b>\$ 104,114</b>	<b>\$ 5,082</b>

The following table presents the changes in Level 3 investments for the year ended December 31, 2023:

	Fair Value Dec 31, 2022	Included in Net Investment Income	Transfers In <sup>(iii)</sup>	Transfers Out <sup>(iii)</sup>	Purchases	Sales and Return of Capital	Fair Value Dec 31, 2023	Change in Unrealized Gains (Losses) from Investments Held at the End of the Year <sup>(iii)</sup>
Fixed Income	\$ 10,599	\$ 767	\$ —	\$ —	\$ 3,179	\$ (3,025)	\$ 11,520	\$ (224)
Public Equities	231	24	—	—	159	(42)	372	(7)
Private Equities	29,484	1,783	—	(60)	4,040	(2,575)	32,672	931
Infrastructure	29,742	1,726	—	—	2,217	(2,748)	30,937	107
Real Estate	24,633	(1,325)	60	—	1,462	(2,244)	22,586	(2,015)
<b>Total</b>	<b>\$ 94,689</b>	<b>\$ 2,975</b>	<b>\$ 60</b>	<b>\$ (60)</b>	<b>\$ 11,057</b>	<b>\$ (10,634)</b>	<b>\$ 98,087</b>	<b>\$ (1,208)</b>

(i) Transfers into Fixed Income include investments that have been collateralized with Level 3 credit facilities in the year, and are accounted for together. Transfers into Infrastructure include investments transferred out of Level 1 and Level 3 Public Equities to reflect updated valuation inputs and the risk profile. Transfers out of Real Estate include an investment where observable market inputs became available.

(ii) Separately identifies change in unrealized gains (losses) that are 'Included in Net Investment Income'.

(iii) Transfers out of Private Equities include an investment transferred into Real Estate

### (c) Fair Value Assumptions and Sensitivity

Level 3 investment assets and liabilities are valued using models whose significant inputs are based on unobservable market data. The significant valuation input for infrastructure investments and private debt, the latter which is included in fixed income, is the discount rate. Significant valuation inputs for real estate investments are the discount rate and the terminal capitalization rate. In each case, the discount rate is composed of two elements: a risk-free rate, and a risk premium. The risk-free rate is the return that would be expected from a secure, liquid, virtually risk-free investment, such as a high quality government bond. The risk premium is estimated from, where observable, implied values of similar publicly-traded investments or sales of similar investments or assets. If such information is not available, the risk premium is estimated at a level that compensates for the incremental amount of risk associated with a particular investment. The selected discount rates and terminal capitalization rates are chosen to be consistent with the risk inherent in the stream of cash flows to which they are applied.

Significant valuation inputs for private equity investments include earnings before interest, taxes, depreciation and amortization (EBITDA) multiples. All else being equal, higher multiples equate to higher fair values, and vice versa.

The following table presents the sensitivity of Level 3 investment valuations to reasonably possible alternative assumptions for asset categories where such reasonably possible alternative assumptions would change the fair value significantly. These sensitivities are hypothetical and should be used with caution. The impact to the valuation from such changes to the significant input has been calculated independently of the impact of changes in other key variables. In actual experience, a change in one significant input may result in changes to a number of underlying assumptions which could amplify or reduce the impact on the valuation.

As at December 31,			2024	2023	
Significant Inputs	Range of Inputs	Change in Significant Inputs	Change in Net Investment Assets	Change in Net Investment Assets	
Fixed Income	Discount rate	3.8% - 28.8% (2023: 3.8% - 26.1%)	+/-50 bps \$	-/+ 134 \$	-/+119
Private Equity	EBITDA multiple	7.5X - 19.5X (2023: 4.5X - 21.0X)	+/- 0.50x	+/- 1,150	+/-1,070
Infrastructure	Discount rate	7.5% - 15.8% (2023: 7.5% - 15.8%)	+/- 25 bps	-/+ 1,875	-/+1,895
Real Estate	Discount rate	5.8% - 11.5% (2023: 5.1% - 12.6%)	+/- 25 bps	-/+ 649	-/+642
Real Estate	Terminal capitalization rate	4.2% - 9.0% (2023: 3.5% - 9.4%)	+/- 25 bps	-/+ 886	-/+937

The above sensitivity analysis excludes fund investments totaling \$10,931 (December 31, 2023: \$9,181) for which AC has limited access to the underlying investment information. For those investments, fair values are equal to the values provided by the fund's general partner, unless there is a specific and objectively verifiable reason to vary from the value provided.

### C. Significant Investments

Individual investments with either a fair value or cost exceeding one per cent of the fair value or cost, respectively, of total net investment assets are as follows:

As at December 31,		2024			2023		
	Number of Investments	Fair Value	Cost	Number of Investments	Fair Value	Cost	
Public Investments	1	\$ 1,006	\$ 1,522	2	\$ 2,195	\$ 2,700	
Private Investments	22	45,129	32,672	24	41,784	33,622	
<b>Total</b>	<b>23</b>	<b>\$ 46,135</b>	<b>\$ 34,194</b>	<b>26</b>	<b>\$ 43,979</b>	<b>\$ 36,322</b>	

Public investments in the table above include an interest in an integrated logistics company.

Private investments in the table above include:

- ownership interests in Ares AO Middle Market Credit LP Fund, Apollo MCO, Associated British Ports, BridgeTex, Bruce Power, Caliber Collision Centers, Community Veterinary Partners, Deutsche Glasfaser, Ellevio, Inmar Inc., Leeward Renewable Energy, London City Airport, ONCOR, Premise Health, Puget Energy, The Kenan Advantage Group, Inc., Transgrid, TurnPoint Services, VTG AG, and XpFibre; and
- real estate ownership interests in IDI Logistics and Yorkdale Shopping Centre.

The effective date of the most recent valuations for the above listed investments was December 31, 2024.

## D. Derivative Financial Instruments

The following table summarizes AC's use of derivatives. Notional values represent economic exposure, and are the contractual amounts to which a rate or price is applied for computing the cash flows to be exchanged.

These notional values are used to determine the gains (losses) and fair values of the derivative contracts; they are not recorded as assets or liabilities in the Consolidated Statement of Financial Position. Notional values do not necessarily represent the amount of potential market risk or credit risk arising from derivatives.

As at December 31,	2024						2023	
	Notional Value	Fair Value		Notional Value	Fair Value		Assets	Liabilities
Assets		Liabilities	Assets		Liabilities			
<b>Fixed Income</b>								
Interest Rate Contracts								
Swaps	\$ 2,316	\$ —	\$ —	\$ 168	\$ 1	\$ —		
Futures	6,357	4	(8)	1,283	1	—		
Total Interest Rate Contracts		4	(8)		2	—		
Credit Contracts								
Swaps	7,358	17	(7)	5,075	3	(2)		
Swaptions								
- written	144	—	—	—	—	—		
- purchased	144	1	—	—	—	—		
Total Credit Contracts		18	(7)		3	(2)		
Total Fixed Income		22	(15)		5	(2)		
<b>Equities</b>								
Equity Contracts								
Swaps	3,835	49	(71)	3,744	96	(35)		
Futures	712	1	(1)	5,710	1	(14)		
Options								
- written	5,384	—	(17)	2,802	—	(10)		
- purchased	1,979	111	—	1,593	38	—		
Total Equity Contracts		161	(89)		135	(59)		
Commodity Contracts								
Swaps	83	—	—	49	—	(1)		
Futures	2,437	15	(9)	1,761	3	(15)		
		15	(9)		3	(16)		
Total Equities		176	(98)		138	(75)		
<b>Foreign Exchange Contracts</b>								
Forwards	39,883	43	(1,152)	27,822	622	(164)		
Options								
- written	1,070	—	(1)	123	—	—		
- purchased	631	7	—	127	1	—		
Total Foreign Exchange Contracts		50	(1,153)		623	(164)		
<b>Total</b>	<b>\$</b>	<b>248</b>	<b>\$ (1,266)</b>	<b>\$</b>	<b>766</b>	<b>\$ (241)</b>		

## E. Investment Risk

AC's primary long-term investment risk is that the value of its assets and the capacity of those assets to generate investment income is insufficient to meet pension obligations. AC's future pension obligations are the basis for establishing its long-term investment objectives, combined with an assessment of associated risks.

The AC Board of Directors (the Board), through its Investment Committee, determines the acceptable level of investment risk to be taken. This Committee or, if established by the Board, an ad hoc Asset-Liability Study Committee, reviews and recommends the long-term asset mix to the Board for approval. Primary accountability for managing risk, within the Board's authorized parameters, is delegated by the Board to the Chief Executive Officer, who further delegates the responsibility to business leaders. The Chief Risk Officer is responsible for implementing the Board-approved risk management mandate, including the development of associated policies, frameworks, and risk appetite statements, which provides independent enterprise-wide oversight of business activities. Accountability for managing investment risks remains with the business units and functions responsible for making investment decisions.

AC's investments are diversified across major asset classes. Investment teams execute specific strategies designed to achieve return objectives that reflect both the opportunity and the risk associated with those asset classes. The methods and factors used in the measurement or assessment of investment risk are reviewed on an ongoing basis.

AC manages market, credit and liquidity risk as follows:

### a) Market Risk

Market risk is the risk that the fair value of an investment is impacted by changes in market variables such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and other variables. For derivative instruments, market risk arises from potential adverse changes in the value of derivative instruments as a result of changes in any of the aforementioned variables.

Market risk is measured, managed and monitored at both business unit and total portfolio levels to ensure the risks taken are commensurate with their expected returns. AC monitors key market risk metrics such as volatility, drawdown, interest rate sensitivity, credit spread risk, and credit ratings, to assess the sensitivity to each type of market risk. AC manages the strategy for foreign currency at the total portfolio level, as well as the related risk. For investment teams who invest in public equities and certain fixed income investments, actions may be taken to adjust portfolio exposures if risk sensitivities exceed the desired level. At the security level, the investment teams develop fundamental or quantitative models to help assess the expected value of securities. When the observed price significantly deviates from a security's expected value, the portfolio manager may take action to reduce or increase position sizes.

#### *(i) Foreign Exchange Rates*

AC pays pensions in Canadian dollars and manages a highly diversified portfolio of long-term investments, many of which are denominated in foreign currencies. AC centrally manages the strategy for foreign currency and assumes certain foreign exchange risks, measuring and considering them in the context of overall portfolio objectives, alongside other investment related risks discussed elsewhere.

Net investment assets by currency exposure, after the impact of currency hedging, are as follows:

As at December 31,	2024		2023	
Currency	Fair Value By Currency		Fair Value By Currency	
	Net Exposure	% of Total	Net Exposure	% of Total
United States Dollar	\$ 46,005	33 %	\$ 48,084	36 %
Euro	10,619	7	7,628	6
British Pound Sterling	6,230	4	7,198	5
Australian Dollar	4,286	3	3,638	3
Swedish Krona	2,315	2	654	1
Indian Rupee	1,769	1	1,283	1
Hong Kong Dollar	1,599	1	1,466	1
All Other	2,406	1	3,036	2
<b>Total Foreign Currency Exposure</b>	<b>75,229</b>	<b>52</b>	<b>72,987</b>	<b>55</b>
Canadian Dollar	66,817	48	59,474	45
<b>Total</b>	<b>\$ 142,046</b>	<b>100 %</b>	<b>\$ 132,461</b>	<b>100 %</b>

### Foreign Currency Sensitivity

After giving effect to the impact of foreign currency hedges and holding constant all other variables and underlying values, a five per cent increase or decrease in the value of the Canadian dollar against all foreign currencies, to which AC is exposed, would result in an approximate \$3,761 (December 31, 2023: \$3,649) decrease or increase in AC's net investment assets as shown below:

As at December 31,	2024		2023	
Currency	Change in Unrealized Loss/Gain		Change in Unrealized Loss/Gain	
	United States Dollar	\$ -/+ 2,300		\$ -/+ 2,404
Euro	-/+ 531		-/+ 381	
British Pound Sterling	-/+ 312		-/+ 360	
Australian Dollar	-/+ 214		-/+ 182	
Swedish Krona	-/+ 116		-/+ 33	
Indian Rupee	-/+ 88		-/+ 64	
Hong Kong Dollar	-/+ 80		-/+ 73	
All Other	-/+ 120		-/+ 152	
<b>Total</b>	<b>\$ -/+ 3,761</b>		<b>\$ -/+ 3,649</b>	

### (ii) Interest Rate Risk

AC's primary exposure to interest rate changes in its investment assets relates to capital deployed in fixed income products, which include bonds and debentures, private debt and mortgages, as well as a variety of indirectly managed interest-bearing investments in private portfolios and interest rate swaps. AC's exposure to interest rate changes in its investment liabilities relates primarily to term notes. Investments with fixed rates of interest will decrease in market value while liabilities with fixed rates of interest will increase in market value as interest rates rise, and vice versa.

### Sensitivity to changes in interest rates

AC's exposure to a 50 basis point increase (decrease) in interest rates on instruments directly impacted by interest rate changes, with all other variables held constant, would result in an approximate decrease (increase) in the value of directly managed fixed income investments and interest rate swaps, net of term note liabilities, of \$495 (December 31, 2023: \$325). This would be recognized as a change in unrealized loss (gain) within Net Investment Income.

### **(iii) Price Risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting similar financial instruments traded in the market.

AC invests in publicly-traded equities to achieve capital gains, income through dividends, or both over time. These investments are exposed to price risk and volatility. Investments in publicly-traded equities are actively managed with due regard for risk and return objectives through country-, sector- and entity-specific analyses as well as through diversification.

AC's investment in publicly-traded equities is achieved through both physical holdings and derivative exposures. A ten per cent increase (decrease) in the aggregate value of these public equities would result in an approximate increase (decrease) in public equity exposures and an unrealized gain (loss) of \$2,909 (December 31, 2023: \$2,664).

AC's investments in private equity, infrastructure, real estate, private debt and mortgages are also subject to price risk. Values are impacted by a number of variables as described in Note 3B - *Investment Fair Value Hierarchy*.

AC is also subject to price risk through changes in credit spreads on certain of its fixed income investments and term note liabilities. A 50 basis point increase (decrease) in the credit spreads of those applicable interest bearing instruments would result in an approximate net decrease (increase) in the value of fixed income investments and term note liabilities, and a net unrealized loss (gain) of \$364 (December 31, 2023: \$260).

### **b) Credit Risk**

Credit risk is defined as the financial loss that results from the failure of a counterparty to honour its contractual obligations. AC is subject to credit risk primarily in connection with issuers or guarantors of securities, debtors, structured securities, derivatives, repurchase agreements and securities lending arrangements. Credit risk for uncleared over-the-counter (OTC) derivatives is mitigated through the exchange or posting of margin. Credit risk for cleared OTC derivative contracts and futures contracts is typically minimal, as the counterparty is an exchange or central clearing counterparty which is designed for reducing counterparty risk and improving financial system stability. For these trades, initial margin is posted and margin receivables and payables are settled daily.

To manage counterparty credit risk, AC:

- requires collateral from its counterparties in certain circumstances, as outlined in contractual arrangements;
- limits how much exposure it has with individual counterparties;
- regularly performs financial analysis of its counterparties, which includes reference to credit rating agencies and other relevant external sources. AC only trades OTC derivatives with high quality counterparties;
- estimates ratings using an internal rating process if no rating is available from selected reputable credit rating agencies for credit investments; and
- enters into enforceable master netting agreements.

### (i) Credit Quality

The credit ratings for fixed income and short-term instruments are set out in the table below:

As at December 31,						2024			
	Sovereign Governments		Provincial Governments		Corporate	Total	% of Total		
AAA	\$	12,347	\$	—	\$	53	\$	12,400	29 %
AA		1,898		4		8,727		10,629	25
A		—		—		1,708		1,708	4
BBB		—		—		6,322		6,322	15
Below BBB		—		—		8,732		8,732	21
Unrated		—		—		2,721		2,721	6
<b>Total</b>	<b>\$</b>	<b>14,245</b>	<b>\$</b>	<b>4</b>	<b>\$</b>	<b>28,263</b>	<b>\$</b>	<b>42,512</b>	<b>100 %</b>

As at December 31,						2023			
	Sovereign Governments		Provincial Governments		Corporate	Total	% of Total		
AAA	\$	9,832	\$	—	\$	8	\$	9,840	21 %
AA		6,581		—		11,985		18,566	40
A		—		—		1,252		1,252	3
BBB		—		—		4,341		4,341	9
Below BBB		—		—		7,835		7,835	17
Unrated		—		—		4,665		4,665	10
<b>Total</b>	<b>\$</b>	<b>16,413</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>30,086</b>	<b>\$</b>	<b>46,499</b>	<b>100 %</b>

Unrated securities in the table above relate to private real estate debt and mortgages with a weighted average loan-to-value ratio at the time of issuance of no greater than 75%, and agreements that entitle AC to receive royalties on sales of established pharmaceutical products.

### (ii) Margin and Collateral

AC is a counterparty to financial instruments that are subject to margin arrangements. AC pledges and receives collateral consisting of securities and in some cases cash, in the ordinary course of managing net investments. AC has enforceable contractual rights to realize upon collateral and to set-off against amounts owing under financial contracts following a counterparty default or other termination right. Additional collateral is exchanged if the value of the collateral falls below a predetermined level, based on the value of the underlying transaction(s) or interest, and the value of the collateral posted. Specifically:

- In the case of OTC derivatives, variation margin collateral is collected from and provided to counterparties according to the Credit Support Annex (CSA), which forms part of International Swaps and Derivatives Association (ISDA) Master Agreements. Initial margin collateral is pledged to and provided by counterparties, as required by ISDA initial margin credit support or collateral transfer documentation (IM CSA). Initial margin collateral is held by third party custodians in segregated accounts.
- In the case of prime brokerage and securities borrowing, collateral is exchanged to the full extent of the liability with the counterparty, with a borrower required to pledge marketable securities or cash of higher value than the securities borrowed as collateral. AC does not recognize any securities borrowed as its investment assets because the risks and rewards of the securities remain with the lender.

AC enters into securities repurchase and reverse repurchase transactions under Global Master Repurchase Agreements (GMRA). Securities repurchase transactions represent the sale of securities to counterparties with a simultaneous agreement to buy them back at a predetermined price in the future. AC does not derecognize such securities from its financial assets because the associated risks and rewards remain with AC. Securities reverse repurchase transactions (from AC's perspective) represent the purchase of securities from counterparties with a simultaneous agreement to sell them back at a predetermined price in the future. AC does not recognize such securities as financial assets because the associated risks and rewards remain with

the counterparties. Collateral is exchanged between the counterparties based on the current value of the securities bought (sold) under the agreements.

AC is permitted to sell or repledge collateral in the absence of default, with the exception of initial margin on OTC derivatives. The equivalent cash or securities must be returned to the counterparty should the counterparty demand a return of collateral. The fair value of collateral sold or repledged is \$nil (December 31, 2023: \$nil).

The fair value of collateral pledged and received, as well as securities purchased under reverse repurchase agreements and securities sold under repurchase agreements is as follows:

As at December 31,	2024	2023
Derivative-related		
Collateral received	\$ 25	\$ 503
Collateral pledged <sup>(i)</sup>	1,994	868
Securities borrowing		
Collateral pledged	1,586	1,246
Securities under reverse repurchase and repurchase agreements		
Gross amounts of securities purchased under reverse repurchase agreements	523	—
Collateral held	523	—
Gross amounts of securities sold under repurchase agreements	2,247	4,064
Collateral pledged	2,266	4,069

(i) The 2023 amount previously reported as \$181 was restated, along with the liquid assets disclosed in Note 3E c) *Liquidity Risk*.

### ***(iii) Right of Netting and Offset***

AC is a counterparty to financial instruments that are subject to netting and offset arrangements. AC enters into enforceable master netting agreements, such as ISDA Master Agreements, GMRA and securities lending agreements. Under these agreements, following a counterparty's event of default or other early termination event, AC is entitled to liquidate transactions under each of the above derivative, repurchase and securities lending arrangements and to net amounts payable under all transactions under that agreement, provided that in the case of bankruptcy or insolvency of the counterparty, AC's actions are subject to applicable bank recovery and resolution regulations and bankruptcy stays. Master netting agreements might include contractual rights of set-off, enforceable following the occurrence of an event of default or other termination event, that might allow, in certain circumstances, AC or its counterparty to set-off amounts owing under one agreement against amounts owed under another agreement, on a counterparty by counterparty basis. In the Consolidated Statement of Financial Position, financial instruments are not offset, as a party's rights of offset across agreements are conditional.

Certain financial transactions, such as derivative transactions, involve a legally enforceable right to offset the recognized amounts and to settle payments on a net basis, or to realize upon an asset and settle a liability simultaneously. Financial assets and liabilities that are offset are reported as a net amount in the Consolidated Financial Statements.

AC may not be permitted to net and set-off upon the default of a clearer in respect of exchange traded derivatives and cleared OTC derivatives. In the Consolidated Statement of Financial Position, financial instruments are not offset where the rights of offset are conditional.

In the following table, the Net amount presents the effect of the amounts that do not qualify for offsetting but which are subject to conditional netting arrangements or similar arrangements, including ISDA Master Agreements, GMRA, security lending agreements and any related rights to financial collateral:

As at December 31,							2024
	Gross amounts of recognized Financial Instruments	Less: Amounts offset in Consolidated Financial Statements	Net amounts presented in Consolidated Financial Statements	Related amounts not set off in the Consolidated Statement of Financial Position		Net amount	
				Amounts subject to netting arrangements	Financial collateral (received) pledged		
<b>Financial Assets</b>							
Derivative assets	\$ 248	\$ —	\$ 248	\$ (110)	\$ (1)	\$ 137	
Securities purchased under reverse repurchase agreements	523	—	523	—	(523)	—	
<b>Total Financial Assets</b>	<b>\$ 771</b>	<b>\$ —</b>	<b>\$ 771</b>	<b>\$ (110)</b>	<b>\$ (524)</b>	<b>\$ 137</b>	
<b>Financial Liabilities</b>							
Derivative liabilities	\$ (1,266)	\$ —	\$ (1,266)	\$ 110	\$ 1,120	\$ (36)	
Securities sold short	(1,078)	—	(1,078)	—	1,078	—	
Securities sold under repurchase agreements	(2,247)	—	(2,247)	—	2,247	—	
<b>Total Financial Liabilities</b>	<b>\$ (4,591)</b>	<b>\$ —</b>	<b>\$ (4,591)</b>	<b>\$ 110</b>	<b>\$ 4,445</b>	<b>\$ (36)</b>	
<b>As at December 31,</b>							<b>2023</b>
	Gross amounts of recognized Financial Instruments	Less: Amounts offset in Consolidated Financial Statements	Net amounts presented in Consolidated Financial Statements	Related amounts not set off in the Consolidated Statement of Financial Position		Net amount	
				Amounts subject to netting arrangements	Financial collateral (received) pledged		
<b>Financial Assets</b>							
Derivative assets	\$ 766	\$ —	\$ 766	\$ (185)	\$ (430)	\$ 151	
Securities purchased under reverse repurchase agreements	—	—	—	—	—	—	
<b>Total Financial Assets</b>	<b>\$ 766</b>	<b>\$ —</b>	<b>\$ 766</b>	<b>\$ (185)</b>	<b>\$ (430)</b>	<b>\$ 151</b>	
<b>Financial Liabilities</b>							
Derivative liabilities	\$ (241)	\$ —	\$ (241)	\$ 185	\$ 15	\$ (41)	
Securities sold short	(926)	—	(926)	—	926	—	
Securities sold under repurchase agreements	(4,064)	—	(4,064)	—	4,064	—	
<b>Total Financial Liabilities</b>	<b>\$ (5,231)</b>	<b>\$ —</b>	<b>\$ (5,231)</b>	<b>\$ 185</b>	<b>\$ 5,005</b>	<b>\$ (41)</b>	

### c) Liquidity Risk

Liquidity risk is the risk that AC will encounter difficulty in meeting cash flow obligations as they come due. AC may use repurchase agreements, derivative contracts, securities lending and securities borrowing arrangements to gain exposure to equities, fixed income, credit, commodities and currency. Using these instruments increases AC's collateral requirements and liquidity risk.

AC has developed forward-looking liquidity risk and cash flow models and implemented metrics that facilitate monitoring of liquidity across multiple time horizons. AC evaluates 30-day liquidity requirements daily by monitoring a Board-approved liquidity coverage ratio, as well as other liquidity coverage ratios recommended by the Financial Services Regulatory Authority of Ontario. On a monthly basis, AC evaluates OMERS ability to

fund expected cash demands over a 12-month horizon. Liquidity monitoring also includes scenario-based liquidity crisis simulation. A diverse set of funding sources are maintained to meet AC's liquidity needs, including a portfolio of highly marketable assets that could be sold or funded on a secured basis to generate liquidity, as well as undrawn capacity of the revolving credit facility held by OFT, which issues debt unconditionally and irrevocably guaranteed by AC.

As at December 31, 2024, AC maintained \$18,221 of liquid assets comprised of \$10,364 cash and short-term deposits, \$4,718 inflation-linked bonds, \$7,226 Canadian and United States government securities, all net of \$4,087 pledged collateral (December 31, 2023: \$23,373 of liquid assets comprised of \$18,457 cash and short-term deposits, \$3,332 inflation-linked bonds, \$6,500 Canadian and United States government securities, all net of \$4,916 pledged collateral).

*(i) Terms to Maturity*

The term to maturity of AC's derivative and non-derivative liabilities is as follows:

As at December 31,	2024				2023			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Debt (undiscounted principal and interest (re)payments)	\$ 3,273	\$ 8,421	\$ 5,600	\$ 17,294	\$ 4,311	\$ 6,515	\$ 4,861	\$ 15,687
Securities sold short	503	542	33	1,078	351	526	49	926
Securities sold under repurchase agreements	2,247	—	—	2,247	4,064	—	—	4,064
Payables and other liabilities	850	—	—	850	820	—	—	820
<b>Total</b>	<b>\$ 6,873</b>	<b>\$ 8,963</b>	<b>\$ 5,633</b>	<b>\$ 21,469</b>	<b>\$ 9,546</b>	<b>\$ 7,041</b>	<b>\$ 4,910</b>	<b>\$ 21,497</b>

AC's derivative liabilities with a fair value of \$1,266 (December 31, 2023: \$241) and notional value of \$46,317 (December 31, 2023: \$16,502) are all due within 1 year.

Other liabilities included in the Consolidated Statement of Financial Position of \$272 (December 31, 2023: \$307) are due within 1 year.

*(ii) Commercial paper*

OFT is authorized to issue up to an equivalent of \$5,000 (December 31, 2023: \$5,000) in commercial paper, which is unconditionally and irrevocably guaranteed by AC. As directed by the OMERS Investment Risk Policy, total debt with recourse to AC cannot exceed 10 per cent of total Net Investment Assets (gross of total Debt) at the time the new recourse debt is incurred. Commercial paper of \$1,179 was issued as at December 31, 2024 (December 31, 2023: \$1,812).

Commercial paper generally has short-term maturities, and the requirement to repay this debt at maturity increases liquidity risk. OFT manages this risk by maintaining a high credit rating and a \$4,600 (December 31, 2023: \$4,300) revolving credit facility with a syndicate of well-capitalized banks to backstop the commercial paper program and to use for other general corporate purposes.

## Note 4

### Investment Liabilities

AC's investment liabilities are as follows:

As at December 31,	2024	2023
Debt	\$ 14,114	\$ 13,060
Securities sold short	1,078	926
Securities sold under repurchase agreements	2,247	4,064
Payables and other liabilities	850	820
<b>Total</b>	<b>\$ 18,289</b>	<b>\$ 18,870</b>

Total debt with recourse to AC is comprised of the following:

As at December 31,	2024			2023		
	Fair Value	Cost	Weighted Average Interest Rate	Fair Value	Cost	Weighted Average Interest Rate
<b>Real Estate</b>						
Credit facilities	\$ 209	\$ 209	5.14 %	\$ 271	\$ 271	6.00 %
<b>Infrastructure</b>						
Secured debt	153	—	6.45	453	157	5.79
<b>OMERS Finance Trust</b>						
Commercial paper <sup>(i)</sup>	1,179	1,179	4.60	1,812	1,812	4.93
Term notes	12,573	12,350	3.10	10,366	10,845	2.70
Credit facility <sup>(ii)</sup>	—	—	—	158	155	4.44
<b>Total</b>	<b>\$ 14,114</b>	<b>\$ 13,738</b>	<b>3.29 %</b>	<b>\$ 13,060</b>	<b>\$ 13,240</b>	<b>3.21 %</b>

(i) As at December 31, 2024, commercial paper outstanding has maturities from January 6, 2025 to March 17, 2025 with interest rates ranging from 3.00% to 4.85%.

(ii) The undrawn \$4,600 revolving credit facility matures on November 13, 2027.

OFT is authorized to issue term notes, which are unconditionally and irrevocably guaranteed by AC. The details of outstanding term notes are shown in the table below:

As at December 31,	2024	2023		
Maturity	Original Term	Currency	Coupon	Principal Amount <sup>(i)</sup>
May 2, 2024	5 years	USD	2.500%	—
May 13, 2025	5 years	EUR	0.450%	1,000
March 26, 2026	5 years	USD	1.100%	1,000
April 21, 2027	7 years	CAD	1.550%	1,250
April 20, 2028	5 years	USD	4.000%	1,000
January 25, 2029	5 years	EUR	3.125%	750
May 14, 2029	10 years	CAD	2.600%	1,000
October 16, 2029	5 years	AUD	4.500%	750
March 26, 2031	7 years	USD	4.750%	1,000
April 19, 2032	10 years	USD	3.500%	600
November 15, 2033	10 years	USD	5.500%	1,000
April 19, 2052	30 years	USD	4.000%	500

(i) The principal amount is stated in its respective denominated currency.

## Note 5

### Amounts Payable Under Contractual Agreements

Amounts payable under contractual agreements are comprised of two balances:

- (i) AC invests funds on behalf of certain parties under contractual agreements (the Administered Funds) and may recover expenses for administering such funds. In accordance with the terms of the agreements, Administered Funds are adjusted for income (loss) based on their share of the Primary Plan's net investment income and would become payable upon receipt of notice to AC.
- (ii) Through its subsidiary OMERS Investment Management Inc., AC established investment arrangements (OMERS Return Agreements) that provide eligible clients with access to the performance of all or parts of the annual investment return of the Primary Plan. The amounts due under the OMERS Return Agreements are adjusted for income (loss) based on an investment return equal to part of the Primary Plan's return. The term to maturity for the amounts due is \$529 within 1 year, \$1,111 within 1 to 5 years, and \$445 beyond 5 years.

Amounts payable under contractual agreements are comprised of the following:

As at December 31,	2024	2023
Administered Funds	\$ 1,993	1,881
OMERS Return Agreements	2,085	2,148
<b>Amounts payable under contractual agreements</b>	<b>\$ 4,078</b>	<b>\$ 4,029</b>

## Note 6

### OMERS Primary Pension Plan

A summary of the financial statements of the Primary Plan is as follows:

#### STATEMENT OF FINANCIAL POSITION

As at December 31,	2024	2023
Net Assets Available for Benefits	\$ 138,170	\$ 128,614
Accrued Pension Obligation and Deficit		
Defined benefit component		
Accrued pension obligation	\$ 140,766	\$ 134,574
Deficit		
Funding deficit	(2,913)	(4,202)
Actuarial value adjustment to net assets available for benefits	(1,406)	(3,369)
	(4,319)	(7,571)
Additional Voluntary Contributions component obligation	1,723	1,611
<b>Accrued Pension Obligation and Deficit</b>	<b>\$ 138,170</b>	<b>\$ 128,614</b>

#### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31,	2024	2023
Total changes due to investment activities	\$ 10,577	\$ 5,587
Contributions	5,613	5,091
Benefits	(6,504)	(6,147)
Pension administration expenses	(130)	(123)
Total Increase	9,556	4,408
Net Assets Available for Benefits, Beginning of Year	128,614	124,206
<b>Net Assets Available for Benefits, End of Year</b>	<b>\$ 138,170</b>	<b>\$ 128,614</b>

## Accrued Pension Obligation of the Defined Benefit Component

The accrued pension obligation is the actuarial present value of pension obligations of the Primary Plan in respect of benefits accrued to date for all active and inactive members. This obligation is measured using the same actuarial assumptions and methods as are used for determining the Primary Plan's minimum funding requirements as set out under the PBA. As the experience of the Primary Plan unfolds, and as underlying conditions change over time, the actual value of accrued benefits payable in the future could be materially different from the recorded actuarial present value.

AC used the Projected Benefit Method Prorated on Services for the actuarial valuation and Towers Watson Canada Inc. performed the actuarial valuation. Under the PBA, an actuarial valuation report must be filed with FSRA at least once every three years. A Primary Plan valuation report was last filed for the December 31, 2023 year-end.

The following are the primary economic actuarial assumptions used in the actuarial valuation of the Primary Plan as at December 31:

Actuarial Assumptions	2024	2023
Assumed rate of long-term inflation	2.00	2.00
Real discount rate	3.70	3.75
Nominal discount rate	5.70 %	5.75 %

An adjustment for the assumed short-term inflation rate was introduced in the actuarial valuation as at December 31, 2022 to incorporate the expected continuation of an elevated rate of price inflation in Canada. The cost of living adjustments reflecting inflation assumptions used in the actuarial valuation as at December 31, 2023 were 3.00% for the year 2025, 2.50% for the year 2026, and 2.00% for the years 2027 and beyond. The assumed cost of living adjustments continued to be used in the actuarial valuation as at December 31, 2024: 2.50% for the year 2026, and 2.00% for years 2027 and beyond. A 0.50% increase (decrease) in the cost of living adjustments for the year 2026 (with no change in other assumptions) would result in an approximate increase (decrease) in the accrued pension obligation of \$400.

Member-specific assumptions are also used to estimate the amount and timing of future benefits to be paid to members and beneficiaries. Significant member-specific assumptions include pensionable earnings increases, mortality rates and patterns of early retirement. Each of these assumptions is updated periodically, based on a detailed review of the experience of the Primary Plan and on expectations for future trends. AC's external actuaries have provided their opinion that the assumptions adopted are appropriate for valuing the Primary Plan's accrued pension obligation.

The assumed real rates of increases of pensionable earnings (i.e., increase in excess of the assumed long-term inflation rate) were last updated in 2023 to reflect recent experience of the Primary Plan and current expectations for future years. They are:

	2024						2023	
	NRA60 <sup>(i)</sup>		NRA65 <sup>(i)</sup>		NRA60 <sup>(i)</sup>		NRA65 <sup>(i)</sup>	
	Before 2029	After 2028	Before 2029	After 2028	Before 2029	After 2028	Before 2029	After 2028
Assumed real rate of pensionable earnings increases (weighted average of a table of age related increases)	2.9%	1.9%	2.3%	1.3%	2.9%	1.9%	2.3%	1.3%
Rate of pensionable earnings increases (assumed rate of long-term inflation plus real rate of pensionable earnings increases)	4.9%	3.9%	4.3%	3.3%	4.9%	3.9%	4.3%	3.3%

(i) Members with a Normal Retirement Age of 60 and 65 years of age respectively.

The following table provides the sensitivity of the accrued pension obligation to (i) changes in the nominal discount rate, and (ii) changes in the assumed real rate of pensionable earnings increases. A 50 basis point change in the following assumptions (with no change in other assumptions) would have the following approximate effects on the accrued pension obligation:

As at December 31,	2024	2023
Nominal discount rate		
Decrease in assumption	\$ 10,300	\$ 9,800
Increase in assumption	(9,100)	(8,700)
Real rate of pensionable earnings increases		
Decrease in assumption	(1,900)	(1,800)
Increase in assumption	2,000	1,900

The accrued pension obligation as at December 31, 2024 takes into account known changes in the Primary Plan membership up to November 2, 2024, actual inflationary increases to pension payments and deferred pension payments to be implemented as at January 1, 2025, and estimated pensionable earnings and credited service accruals in 2024.

The Primary Plan's financial position is summarized as follows:

As at December 31,	2024	2023
Net assets available for benefits	\$ 138,170	\$ 128,614
Less: Additional Voluntary Contribution net assets	1,723	1,611
Defined benefit net assets available for benefits	136,447	127,003
Less: Actuarial value adjustment	(1,406)	(3,369)
Actuarial value of net assets available for benefits	137,853	130,372
Less: Defined Benefit accrued pension obligation	140,766	134,574
Funding deficit of actuarial value of net assets available for benefits over accrued pension obligation	(2,913)	(4,202)
Actuarial value adjustment to net assets available for benefits	(1,406)	(3,369)
<b>Deficit of net assets available for benefits over accrued pension obligation</b>	<b>\$ (4,319)</b>	<b>\$ (7,571)</b>

## Actuarial Value of Net Assets of the Defined Benefit Component

The change in the actuarial value adjustment is as follows:

For the year ended December 31,	2024	2023
Expected interest on beginning actuarial value adjustment <sup>(i)</sup>	\$ (263)	\$ 46
Current year returns above (below) the actuarial smoothing rate not recognized in the year <sup>(i)</sup>	431	(3,371)
Prior years' returns (above) below the actuarial smoothing rate recognized in the year	1,795	(622)
Increase (Decrease) in actuarial value adjustment	1,963	(3,947)
Actuarial value adjustment, beginning of year	(3,369)	578
<b>Actuarial value adjustment, end of year</b>	<b>\$ (1,406)</b>	<b>\$ (3,369)</b>

(i) Based on the actuarial smoothing rate in effect during the year of 7.83% (2023: 7.97%).

The unrecognized net investment returns are presented in the table below by the initial year they were earned and by the years in which they are expected to be recognized from 2025 through 2028. These amounts accrete annually at the actuarial smoothing rate which is 8.18% for 2025. In the table below it is assumed the smoothing rate is unchanged through 2028.

Initial Year Earned	Actuarial Smoothing Rate in Effect for the Year	Actuarial Value Adjustment as at December 31, 2024	Unrecognized Excess of (Shortfall in) Investment Returns to be Recognized				Actuarial Value Adjustment as at December 31, 2023
			2025	2026	2027	2028	
2020	5.90 %	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2,293)
2021	6.78 %	2,284	2,470	—	—	—	4,236
2022	6.63 %	(1,395)	(755)	(817)	—	—	(1,941)
2023	7.97 %	(2,726)	(983)	(1,063)	(1,150)	—	(3,371)
2024	7.83 %	431	117	126	136	148	—
		\$ (1,406)	\$ 849	\$ (1,754)	\$ (1,014)	\$ 148	\$ (3,369)

The actuarial value adjustment is constrained such that the resulting actuarial value of net assets is no more than 15% different from the fair value of net assets. As at December 31, 2024 and December 31, 2023 this constraint had no impact on the actuarial value adjustment.

## Note 7

### Retirement Compensation Arrangement

As the RCA is not a registered pension plan, a 50 per cent refundable tax is levied under the ITA on all contributions made to the RCA as well as on investment income received and on net realized investment gains. The refundable tax earns no investment income for the RCA; it is refunded on the basis of one dollar for every two dollars of realized losses or benefits paid out.

The RCA is partially funded on a modified pay-as-you-go basis in order to minimize the impact of the 50 per cent refundable tax. Contributions are allocated to the RCA based on an earnings threshold for members which is determined annually based on the SC Board's approved funding methodology. Contributions on each member's earnings above the earnings threshold, which was (in dollars) \$179,795 for 2024 (2023: \$181,591) are directed to the RCA fund. All contributions on earnings below the earnings threshold are directed to the Primary Plan fund.

A summary of the financial statements for the RCA is as follows:

#### STATEMENT OF FINANCIAL POSITION

As at December 31,	2024	2023
Net Assets Available for Benefits	\$ 244	\$ 200
Accrued Pension Obligation and Deficit		
Accrued pension obligation	\$ 1,397	\$ 1,314
Deficit	(1,153)	(1,114)
Accrued Pension Obligation and Deficit	\$ 244	\$ 200

#### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31,	2024	2023
Total changes due to investment activities	\$ 30	\$ 19
Contributions	54	41
Benefits	(40)	(36)
Pension administration expenses	—	—
Total Increase	44	24
Net Assets Available for Benefits, Beginning of Year	200	176
Net Assets Available for Benefits, End of Year	\$ 244	\$ 200

The accrued pension obligation of the RCA incorporates distinct actuarial assumptions for pensionable earnings increases, mortality rates and retirement rates reflecting the recent experience of its membership and future expectations. The nominal discount rate used for the RCA as at December 31, 2024 is 3.10% (December 31, 2023: 3.10%), which reflects an expected long-term return on the long-term asset mix of the RCA, including the effect of the 50 per cent refundable tax.

The assumed real rate of increases of pensionable earnings (i.e., increase in excess of the assumed long-term inflation rate) were last updated in 2023 and are as follows:

	2024		2023	
	NRA60 <sup>(i)</sup>	NRA65 <sup>(i)</sup>	NRA60 <sup>(i)</sup>	NRA65 <sup>(i)</sup>
Assumed real rate of pensionable earnings increases (weighted average of a table of age-related increases)	2.9%	2.3%	2.9%	2.3%
Rate of pensionable earnings increases (assumed rate of long-term inflation plus real rate of pensionable earnings increases)	4.9%	4.3%	4.9%	4.3%

(i) Normal Retirement Age of 60 and 65 years of age respectively.

A 50 basis point change in the following assumptions (with no change in other assumptions) would have the following approximate effect on the accrued pension obligation:

As at December 31,	2024	2023
Nominal discount rate before reflecting the 50 per cent refundable tax		
Decrease in assumption	\$ 63	59
Increase in assumption	(59)	(55)
Real rate of pensionable earnings increases		
Decrease in assumption	(81)	(74)
Increase in assumption	144	137

# Note 8

## Net Investment Income

The OMERS Pension Plans' net investment income by asset class is as follows:

For the year ended December 31,	2024						2023
	Investment Income	Net Gain on Net Investment Assets <sup>(i)</sup>	Net Investment Income	Investment Income	Net Gain on Net Investment Assets <sup>(i)</sup>	Net Investment Income	
<b>Fixed Income</b>							
Inflation-linked bonds	\$ 45	\$ 379	\$ 424	\$ 14	\$ 85	\$ 99	
Nominal bonds and debentures	644	599	1,243	386	482	868	
Private debt and mortgages <sup>(ii)</sup>	856	521	1,377	944	(140)	804	
<b>Total Fixed Income</b>	<b>1,545</b>	<b>1,499</b>	<b>3,044</b>	<b>1,344</b>	<b>427</b>	<b>1,771</b>	
<b>Equities</b>							
<b>Public Equities</b>							
Canadian	44	281	325	74	103	177	
Non-Canadian	271	3,286	3,557	285	914	1,199	
	315	3,567	3,882	359	1,017	1,376	
Private Equities	1,097	3,176	4,273	570	1,101	1,671	
<b>Total Equities</b>	<b>1,412</b>	<b>6,743</b>	<b>8,155</b>	<b>929</b>	<b>2,118</b>	<b>3,047</b>	
<b>Real Assets</b>							
Infrastructure investments	1,800	1,397	3,197	1,549	164	1,713	
Real Estate investments <sup>(iii)</sup>	597	(1,270)	(673)	737	(2,193)	(1,456)	
<b>Total Real Assets</b>	<b>2,397</b>	<b>127</b>	<b>2,524</b>	<b>2,286</b>	<b>(2,029)</b>	<b>257</b>	
<b>Short-Term Instruments</b>							
Cash and short-term deposits	583	114	697	527	(54)	473	
<b>Derivatives</b>							
	—	(1,563)	(1,563)	—	1,250	1,250	
<b>Investment liabilities</b>							
	(467)	(843)	(1,310)	(349)	(113)	(462)	
<b>Net Investment Income</b>	<b>\$ 5,470</b>	<b>\$ 6,077</b>	<b>\$ 11,547</b>	<b>\$ 4,737</b>	<b>\$ 1,599</b>	<b>\$ 6,336</b>	

(i) Includes net realized gains of \$667 (2023: \$2,029) from foreign exchange and sale of assets. Also includes transaction and pursuit costs of \$172 (2023: \$121) and external management performance and pooled fund fees of \$92 (2023: \$83).

(ii) Includes income from royalty agreements of \$337 (2023: \$136).

(iii) Net real estate investment income includes operating expenses (net of property management income) of \$137 (2023: \$130). The total audit costs were \$8 (2023: \$7).

## Note 9

### Investment Returns

AC investment returns are calculated using a time-weighted rate of return formula in accordance with industry standard methods, using the following principles:

- Returns are calculated as the percentage of applicable income to the fair value of the applicable net assets during the period.
- Fair value is determined as described in Note 2.
- Income is determined as described in Notes 2 and 8.
- The OMERS Primary Plan return includes all investments.

The percentage returns for the years ended December 31 are as follows:

For the year ended December 31,	2024	2023
OMERS Primary Plan		
Total Gross Return	8.90 %	5.09 %
Returns applicable to OMERS Return Agreements		
OMERS Infrastructure	9.47 %	5.98 %
Oxford Properties	(3.81)%	(6.87)%

The above OMERS Primary Plan return and OMERS Infrastructure return are before the impact of external manager performance and pooled fund fees and before investment management expenses. The OMERS Primary Plan net return after all investment costs for the year ended December 31, 2024 was 8.3% (December 31, 2023: 4.6%).

## Note 10

### Contributions

For the year ended December 31,	2024	2023
Required contributions <sup>(i)</sup>		
From employers	\$ 2,692	\$ 2,439
From members	2,692	2,439
	5,384	4,878
Other contributions		
Transfers from other pension plans	93	65
Past service contributions from employers	22	16
Past service contributions from members	98	82
AVC contributions received	70	91
	283	254
<b>Total contributions <sup>(ii)</sup></b>	<b>\$ 5,667</b>	<b>\$ 5,132</b>

(i) Contributions required by the OMERS Pension Plans are funded equally by employers and active members. For NRA 65 members, the 2024 contribution rate was 9.0% (2023: 9.0%) of earnings up to \$68,500 (2023: \$66,600) and 14.6% (2023: 14.6%) of earnings above that level. For NRA 60 members, the 2024 contribution rate was 9.2% (2023: 9.2%) of earnings up to \$68,500 (2023: \$66,600) and 15.8% (2023: 15.8%) of earnings above that level.

(ii) As at December 31, 2024, OMERS had 1,052 employers (December 31, 2023: 1,047). OMERS has a process which reconciles contributions for each employer on a member by member basis. This detailed process ensures that contributions are consistent with member information supplied by the employers.

# Note 11

## Benefits

For the year ended December 31,	2024	2023
Benefit payments		
Retirement benefits	\$ 5,851	\$ 5,437
Disability benefits	30	30
Death benefits	93	112
Commuted value payments	165	178
AVC withdrawals	90	66
	6,229	5,823
Transfers		
Transfers to other pension plans	113	124
Transfers to other registered plans	202	236
	315	360
<b>Total benefits</b>	<b>\$ 6,544</b>	<b>\$ 6,183</b>

# Note 12

## Administrative Expenses

### A. PENSION ADMINISTRATION EXPENSES

For the year ended December 31,	2024	2023
Salaries, incentives and benefits	\$ 83	\$ 79
Data and technology costs	27	24
Premises and equipment	6	7
Professional services <sup>(i)</sup>	9	7
Travel and communication	5	6
<b>Total Pension Administration Expenses</b>	<b>\$ 130</b>	<b>\$ 123</b>

### B. INVESTMENT MANAGEMENT EXPENSES

For the year ended December 31,	2024	2023
Salaries, incentives and benefits <sup>(ii)</sup>	\$ 493	\$ 424
Data and technology costs	57	44
Premises and equipment	38	36
Professional services <sup>(i)</sup>	37	41
Travel and communication	26	24
External management fees	45	55
Other net income	(13)	(12)
<b>Total Investment Management Expenses</b>	<b>\$ 683</b>	<b>\$ 612</b>

(i) Includes external audit costs of \$5 (2023: \$4).

(ii) Net of management fees of \$38 (2023: \$45) earned from portfolio investments.

## Note 13

### Related Party Disclosures

AC's related parties include employers whose employees are members of the Primary Plan, SC, key management personnel (defined below) and investments in which AC has a controlling interest. Transactions with related parties include the following through AC's investment in real estate:

- AC paid property taxes to municipal employers of \$147 (2023: \$146), obtained development permits from municipal employers of \$2 (2023: \$11) and paid utility payments to utility employers of \$35 (2023: \$33). The amounts of property taxes paid and services purchased were based on normal levies by the individual municipal employers and were consistent with those that would be paid by a non-related party. The utility payments made to utility employer entities were based on normal usage and rates that would be paid by a non-related party.
- AC earned rental revenue from investee entities of \$20 (2023: \$19). The amounts of rental revenue earned were based on normal levies to the individual investee entities and were consistent with those that would be paid by a non-related party.
- AC has entered into a lease arrangement with an agency of a municipal employer, whose employees are members of the Primary Plan. The terms of the lease are at fair market value and consistent with those that would be paid by a non-related party.

### KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel consist of members of AC's Board of Directors and those senior executives responsible for planning and directing the activities of AC. Compensation of key management personnel is as follows:

For the year ended December 31,	2024	2023
Salaries, short-term employee benefits and termination benefits	\$ 15	\$ 13
Post-employment benefits	1	1
Other long-term benefits	13	11
<b>Total</b>	<b>\$ 29</b>	<b>\$ 25</b>

Other than the above, AC had no other transactions with key management personnel during the year.

## Note 14

### Capital

AC defines its capital as the funded status (deficit or surplus) of each of the OMERS Pension Plans. The funded status of the OMERS Pension Plans is discussed in Note 6 and Note 7.

AC's objective is to ensure that the Primary Plan's defined benefit component is funded sufficiently to address a variety of funding risks that could reasonably arise over the long term. AC aims to achieve this level of funding through managing investments; through setting the discount rate used in the actuarial valuation; and through assisting SC in its management of the Primary Plan's contribution rates and benefits.

Investments (Note 3), the use of derivatives (Note 3D) and leverage (Note 4) are based on asset mix and risk management policies and procedures. AC has a risk framework which describes overall risk-management governance and details the structure for categorizing risks to which the organization is exposed. This risk framework is inclusive of AC's risk appetite statements which help define the desired risk appetite with respect to relevant risk categories and determine the nature, types and degree of risk that AC is willing to assume through the articulation of qualitative statements and risk tolerances. This complements policies such as the Funding Policy, Statement of Investment Beliefs, Statement of Investment Authorities and Statement of Investment Policies & Procedures (SIP&P).

As the Primary Plan's administrator, AC has adopted a SIP&P for the Primary Plan, which sets investment objectives, guidelines and benchmarks used in investing the Primary Plan's assets, permitted categories of investments, asset-mix diversification and rate of return expectations. The SIP&P also establishes long-term strategic asset mix ranges and targets by asset class. The actual asset mix at December 31, 2024 was within the long-term asset mix ranges. The SIP&P was originally established in 1989 and is reviewed and approved annually by the Board. The SIP&P effective for the year ended December 31, 2024, was amended on December 7, 2023, with an effective date of January 1, 2024.

The funding target for the RCA is discussed in Note 1. The RCA investments are based on an asset mix and SIP&P separate from those of the Primary Plan. The RCA SIP&P was originally established in 2007 and is reviewed and approved annually by the Board. The SIP&P effective for the year ended December 31, 2024 was last amended on December 7, 2023 with an effective date of January 1, 2024.

The Primary Plan's AVC component accrued pension obligation is based on AVC contributions and net investment rates of return of the defined benefit component of the Primary Plan; as such, it does not have a (deficit) surplus position.

The Supplemental Plan has no members, net assets or accrued pension obligations. The Supplemental Plan SIP&P effective for the year ended December 31, 2024, was amended on December 7, 2023, with an effective date of January 1, 2024.

## Note 15

### Segment Information

AC's reporting segments are the asset classes defined in the Primary Plan's SIP&P. Management uses the SIP&P asset classes to assess AC's investment diversification, risk management and performance.

#### A. Investments at Fair Value by Segment

As at December 31,	2024	2023
<b>Fixed Income</b>		
Government Bonds	\$ 11,313	\$ 9,418
Public Credit	10,979	8,638
Private Credit	16,925	15,234
	39,217	33,290
<b>Equities</b>		
Public Equities	23,405	17,454
Private Equities	27,513	25,052
	50,918	42,506
<b>Real Assets</b>		
Infrastructure	31,542	27,959
Real Estate	18,656	19,374
	50,198	47,333
<b>Cash and Funding</b>	(214)	7,376
<b>Total Investments</b>	\$ 140,119	\$ 130,505
Reconciliation to Investments by asset class (note 3A)		
OMERS Return Agreements	2,085	2,148
RCA <sup>(i)</sup>	147	114
Other	(305)	(306)
<b>Net Investment Assets (note 3A)</b>	\$ 142,046	\$ 132,461

(i) Excludes refundable tax account.

## B. Net Investment Income by Segment

For the year ended December 31,	2024	2023
<b>Fixed Income</b>		
Government Bonds	\$ 264	\$ 536
Public Credit	820	725
Private Credit	1,856	1,227
	2,940	2,488
<b>Equities</b>		
Public Equities	4,595	2,701
Private Equities	2,323	922
	6,918	3,623
<b>Real Assets</b>		
Infrastructure	2,499	1,468
Real Estate	(936)	(1,512)
	1,563	(44)
<b>Cash and Funding</b>	(693)	(400)
	10,728	5,667
Less: Administered Funds	151	80
<b>Total Primary Plan</b>	10,577	5,587
Add: RCA	30	19
<b>Total Changes Due to Investment Activities</b>	\$ 10,607	\$ 5,606

## Note 16

### Guarantees, Commitments and Contingencies

AC enters into guarantees, commitments and contingencies in the normal course of business.

Guarantees are provided to third parties with respect to certain investments. The maximum amount payable under guarantees, standby letters of credit and contingent amounts payable provided as part of investment transactions was \$1.7 billion as at December 31, 2024 (December 31, 2023: \$1.7 billion).

As at December 31, 2024, future financial commitments relating to the acquisition, development and refurbishment of investments include \$2.3 billion (December 31, 2023: \$3.5 billion) which is expected to be due within one year and \$9.1 billion (December 31, 2023: \$10.2 billion) which is expected to be due after one year. Future financial commitments relating to funds managed by third parties and private debt investments are \$4.3 billion (December 31, 2023: \$3.9 billion) and are payable on demand, subject to the terms and conditions of each agreement.

AC indemnifies its directors, officers, certain employees, its business units and certain others in connection with proceedings against them to the extent that these individuals are not covered under another arrangement. In addition, AC may in certain circumstances in the course of investment activities agree to indemnify a counterparty. Under the terms of such arrangements, AC may be required to compensate these parties for costs incurred as a result of various contingencies such as changes in laws and regulations or legal claims. The contingent nature of the liabilities in such agreements and the range of indemnification prevent AC from making a reasonable estimate of the maximum amount that would be required to pay such indemnifications.

As at December 31, 2024, AC was involved in certain litigation and claims. The outcome of such litigation and claims is inherently difficult to predict; however, in the opinion of Management, any liability that may arise from such contingencies would not have a material adverse effect on the Consolidated Financial Statements.

## Note 17

### Events After the Reporting Period

On January 28, 2025, OFT issued term notes of 1,000 EUR (fair value of \$1,500), which are unconditionally and irrevocably guaranteed by AC. These term notes have a coupon rate of 3.250% on a 10-year term with a maturity date of January 28, 2035.

A photograph of two women in a professional setting, likely a meeting. The woman on the right is smiling and looking towards the woman on the left. They are both wearing dark blouses. The background is a bright, out-of-focus office space with large windows.

# Report of the Human Resources Committee and Compensation Discussion & Analysis

## Members in 2024

John Armstrong (Chair)	Karen Figueiredo
Bill Butt	Kevin Skerrett
Diane Kazarian	George Cooke (ex officio)

Our Human Resources Committee (HR Committee) assists the AC Board in meeting its fiduciary oversight and related obligations with regard to: (i) attracting, engaging and retaining excellent leadership at the senior executive level who are committed to the AC Mission Statement, Core Values and Leadership Principles; (ii) overseeing a robust succession management process for the position of Chief Executive Officer (CEO) and the C-Suite executives; and (iii) overseeing CEO performance, compensation and compensation policies.

In 2024, the HR Committee's work included:

- oversight of an annual performance assessment process for the CEO;
- making recommendations to the AC Board on compensation for the CEO;
- reviewing the candidates for CEO and C-Suite executive succession as part of the succession management process, including discussion of development plans;
- reviewing compensation awards for the C-Suite executives;
- reviewing performance assessments for the C-Suite executives;
- reviewing the People Strategy, including talent management, performance frameworks, wellness, inclusion and diversity, and employee surveys;
- approving compensation plans to ensure appropriate strategic linkages and risk mitigation;
- approving compensation-related disclosure in public documents; and
- continued focus on HR governance matters, including compensation reporting.

## Independent Compensation Advisor

The HR Committee engages an independent compensation advisor to provide advice and assistance in executing its responsibilities. Since 2016, Hugessen Consulting (Hugessen) has been directly retained and instructed by, and reports directly to, the HR Committee. All work is pre-approved by the HR Committee, and Hugessen did not provide any non-Board-approved services to the organization during 2024.

During 2024, the independent advisor's scope of services included the following:

1. supporting the HR Committee in reviewing CEO pay and performance outcomes;
2. providing independent executive compensation advice pertaining to the CEO and C-Suite executives (i.e., compensation philosophy, comparator groups, competitive pay positioning and pay mix);
3. ensuring the HR Committee understood and was comfortable with the current compensation program for the CEO and C-Suite executives;
4. providing counsel to the HR Committee on any recommendations made by Management;
5. reviewing proposals for new compensation plan designs; and
6. assisting with any other items that the HR Committee requested.

While the HR Committee considers the information provided by Hugessen and the recommendations it makes, any decisions regarding compensation and incentive plan design are made by, and are the responsibility of, the AC Board on the recommendation of the HR Committee.

The HR Committee has sole authority to approve the amount of the independent compensation advisor's fees. Executive compensation-related fees paid to our advisor in 2024 affect the services as described above. The following table outlines the fees paid for services provided in 2024 and 2023:

	Executive Compensation Related Fees	
	2024	2023
Hugessen Consulting	\$75,625	\$72,250

## HR Committee Composition and Meetings

Members of the HR Committee are appointed by the AC Board from among the Board's members and are independent of Management. Collectively, HR Committee members have skills, knowledge and experience in investment management, pensions, economics and public policy, executive leadership and strategy, risk management, talent management and executive compensation. The HR Committee had five regular meetings during 2024 to review key items according to its mandate and annual work plan. At the invitation of the Chair of the HR Committee, members of Management, including the CEO and the HR Committee's independent advisor, attended the meetings. At each meeting, there was an in camera session without Management present.

## Chair of the Human Resources Committee Letter to Plan Members

### 2024 YEAR IN REVIEW

Amid organizational changes and challenging market trends, there continues to be great momentum in OMERS ability to deliver against each pillar of our People Strategy. In partnership with global business leaders, the Human Resources team provided ongoing, proactive support to the enterprise through these changes, while continuing to evolve the maturity of the function and elevate our global employer brand. They enhanced the use of data and insights to support decision making and demonstrate the ongoing impact of core programs on employee engagement, connection to our purpose, and intent to stay. The team continues to partner with the business to invest in our people and make tough but thoughtful decisions to support business needs.

### People Strategy

In 2024, the Human Resources team continued to progress the People Strategy on four main goals that directly align with the OMERS 2025 Strategy and the CEO's priorities of People, Relationships, Brand, Culture and Future. These goals remain as:

1. **Growing Our Culture:** Being fiercely competitive yet incredibly humble by sharing our common values.
2. **Becoming a Leading Employer:** Attracting diverse global talent to succeed now and in the future.
3. **Investing in Our People:** Providing opportunities for our people to develop and grow.
4. **Creating a Rewarding Employee Experience:** Providing our people with the best environment to succeed.

They supported these goals in various ways in 2024, including:

- Continued meaningful investment in the growth of leaders through a multi-pronged approach of proprietary learning programs, including launching several new programs targeted to developing leadership capabilities for individual contributors, directors and critical SVP+ talent;

- Focused the annual talent review cycle on building talent from within, driving strategic talent conversations with C-Suite, and building strong succession plans for critical roles;
- Launched a new employee referral program to make it easier for employees to refer their network to open roles, and build our talent pipeline globally;
- Continued to drive the inclusion and diversity (I&D) strategy across the enterprise, including leading the delivery of the employee speaker series with support from all the employee resource groups (ERGs), launching a new ERG to support the next generation of employees, and establishing I&D goals for all ELT and EC leaders;
- Offered unique opportunities to support the holistic well-being of employees, including expanding our health and wellness biometric screening clinics to global offices and ongoing virtual education sessions on topics of mental health, holistic wellness, and heart health; and
- Championed OMERS employer and external brand through the application of culture-focused workplace awards and the launch of a cohesive, global employer value proposition and call to action – *Empower Your Impact*.

## Compensation Governance and Risk

OMERS compensation plans are designed to align with the business strategy of attracting, engaging and retaining high-performing people who contribute to our long-term success. OMERS delivers clear, competitive compensation plans that reward performance and align with local markets. They ensure the plans also continue to reflect leading governance principles by incorporating risk considerations. This allows the HR Committee to appropriately reward behaviors consistent with the desired risk culture. The aim is to achieve a balance between risk and reward so that employees are aligned with the long-term investment strategy of OMERS.

OMERS compensation plans are aligned to the interests of Plan members and sponsors. The AC Board has the discretion to withhold or grant awards to reflect significant unexpected or unusual events. It also has the ability to claw back any variable compensation or other long-term compensation awarded in the event of a material misrepresentation of results in the prior three years. To ensure long-term sustainability and the creation of long-term value, a significant portion of total compensation is deferred and aligned with enterprise-wide performance measures over the deferral period.

## Compensation Highlights

The following factors influenced year-end compensation awards:

- Investment return performance is measured by the annual Primary Plan net absolute return against an annual return range which produces an annual multiplier; the annual multipliers are then averaged over a five-year period.
- OMERS strategies and teams delivered a Primary Plan net absolute return of 8.3%. This return exceeded the Primary Plan net absolute return target of 7.5%. As a result, the 2024 annual multiplier was above target. The primary factors that explain this year's returns are presented on page 6 of this Annual Report.
- Including the 2024 annual multiplier along with the annual multipliers for the prior four years and then averaging over the five-year period, investment return performance resulted in a five-year average annual multiplier of 88% for that portion of the CEO and the other Named Executive Officers' balanced scorecards.

The Total Rewards programs are reviewed regularly to ensure they remain effective. More details on the Total Rewards programs are disclosed in the section Elements of Executive Compensation.

## Conclusion

OMERS continues to dedicate significant attention to talent management, ensuring that they have the right people in the right roles to deliver long-term value for Plan members. They are confident that their approach to compensation attracts and engages a talented workforce through strong governance practices while achieving the appropriate balance between protecting against incenting excessive risk-taking and paying for performance.

Our HR Committee remains committed to a pay-for-performance approach, being a leader in compensation governance and providing clear and transparent disclosure to Plan members, employers, sponsors and other stakeholders.



**John Armstrong**  
2024 Chair of the Human Resources Committee

# Compensation Discussion and Analysis

This Compensation Discussion and Analysis section describes our executive compensation program and awards for the Named Executive Officers, which include the CEO, Chief Financial & Strategy Officer and the three highest paid C-Suite executives who are direct reports of the CEO.

## Approach to Compensation

OMERS is committed to a pay-for-performance approach for all employees. To achieve this, the compensation programs are designed to incent the right behavior in the delivery of our business objectives within the appropriate risk parameters.

## Compensation Principles

The executive compensation program is based on the following principles:

- **Driven.** Driven by the pension promise putting the best interests of Plan members and sponsors at the heart of everything we do; linking investment and human capital strategy to how people are rewarded.
- **Clear.** Clearly anchor performance expectations to rewards levels. Simple and transparent in our design and communication.
- **Flexible.** Be flexible to compete in our relevant talent markets and reflect the needs of our various business units; within one framework, as makes business sense.
- **Competitive.** For expected levels of performance, provide a level of total compensation (salary, incentives, and pension and benefits) competitive with our relevant talent markets.
- **Long-term.** Consider the long-term sustainability of OMERS. Emphasize retention of the best talent to deliver consistent, superior results.

## Elements of Executive Compensation

Executive compensation for 2024 consists of the following elements:

- base salary;
- variable compensation – comprising short-term incentives (STIP) and long-term incentives (LTIP);
- other long-term compensation – comprising Performance Share Units (PSU) and Fund Return Units (FRU); and
- benefit and retirement programs.

Compensation Element	Description	Compensation Type
Base Salary	Based on market benchmarking and reviewed annually.	Fixed
Short-Term Incentives (STIP)	Based on business and individual performance against pre-established objectives. Payment of STIP awards occurs annually following the end of the fiscal year.	Variable (At-Risk)
Long-Term Incentives (LTIP)	Based on business and individual performance against pre-established objectives. LTIP awards are deferred and paid out 26 months after the end of the year in which they are awarded. Payment of LTIP awards is determined by applying a performance factor adjustment based on the OMERS Primary Plan's two-year net returns following the year of the award.	Variable (At-Risk)
Performance Share Units (PSU)	Aims to align and reward high-potential investment talent for achieving long-term Business Unit investment returns. PSUs are granted as a dollar target and are deferred and paid out 26 months after the end of the year in which they are awarded. Payment related to a PSU is determined based on the participant's three-year forward-looking Business Unit net absolute returns compared against various Business Unit Performance Hurdles, resulting in a multiplier ranging from 0% to 200% of the PSU grant value. If the minimum Performance Hurdle is not met, payout is nil. If the maximum Performance Hurdle is met, payment is capped at 200% of the PSU grant value.	Variable – Selective (At-Risk)
Fund Return Units (FRU)	Aims to align and reward the OMERS CEO for achieving long-term OMERS Primary Plan returns. FRU awards are deferred and paid out 50 months after the end of the year in which they are awarded. Payment related to an FRU award is determined based on the 5-year compounded annual investment return on a notional investment in the OMERS Primary Plan (mirroring the investment return the participant would have earned had they held such a notional investment), conditional on the achievement of a pre-determined Performance Hurdle. If the Performance Hurdle is not met, payout is nil. The fair value at grant is determined using a valuation methodology that considers the time horizon, the risk-free rate of return, volatility, and the Performance Hurdles.	Variable – Selective (At-Risk)
Benefits and Retirement Programs	Includes vacation, life and disability insurance, health and dental benefits, and retirement programs.	Fixed

## Design of the Executive Compensation Plan

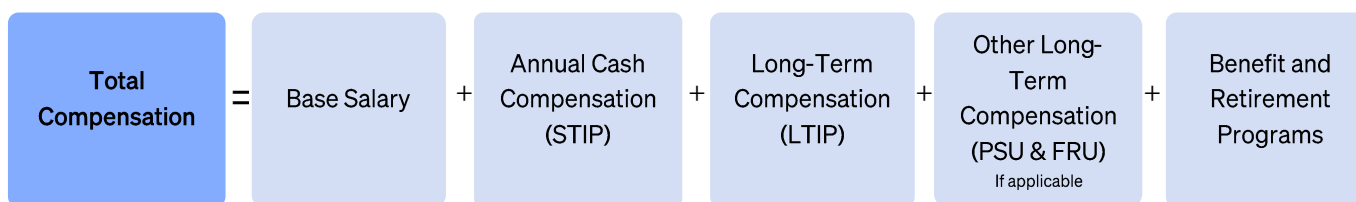
The CEO, Chief Financial & Strategy Officer and other Named Executive Officers participate in the Executive Compensation Plan. There are four key steps in determining annual variable compensation awards under the Executive Compensation Plan:

Step 1	Establish target total compensation
Step 2	Establish balanced scorecards
Step 3	Evaluate performance
Step 4	Determine variable compensation awards

The first two steps take place at the beginning of the plan year and establish the foundation through setting target compensation and performance objectives. Steps three and four occur at the end of the year when performance is measured against objectives and final awards are determined.

### Step 1 Establish target total compensation

Target total compensation is determined at the beginning of the year, upon hire, or with changes in roles or responsibilities.



For all executives, target total compensation is reviewed annually as well as at the time of any material change in roles. Our philosophy is to set target total compensation to reflect the 60th percentile of the competitive market, on average. Targets for an individual executive may be positioned above or below the 60th percentile to reflect experience, potential, performance or other factors specific to the executive or role.

The HR Committee, with the advice from its independent advisor, reviews target total compensation for C-Suite executives, while the AC Board of Directors approves the CEO's target total compensation based on the HR Committee's recommendation.

### Step 2 Establish balanced scorecards

At the beginning of the year, a balanced scorecard is established for each participant, made up of their key objectives, and is used to assess performance at the end of the year. The balanced scorecard includes performance against net absolute returns and other key priorities.

The table below outlines the rationale for the inclusion of each performance measure.

Performance Measure	Rationale	2024 Weighting			
		CEO	Chief Investment Officer	Chief Financial & Strategy Officer	Other Senior Executives
Investment Returns	Net absolute returns aligning executives with the interests of Plan members	40%	50%	35%	35%
Key Strategy Executive and Leadership Objectives	Strategic initiatives aligning executives on collaborative enterprise and divisional priorities. Leadership objectives aligning executives with their impact on talent and culture	60%	50%	65%	65%

The CEO approves the objectives for each member of the C-Suite, which are reviewed by the HR Committee. The HR Committee will recommend the annual balanced scorecard for the CEO to the AC Board of Directors for approval.

### Step 3 Evaluate performance

Following the end of the year, performance is assessed for each member of the C-Suite, which determines each individual's balanced scorecard factor within a range of 0% to 200%. The AC Board of Directors evaluates the performance of the CEO. Commentary on 2024 performance for the CEO is discussed in the section Compensation of the CEO.

### Step 4 Determine variable compensation awards

At the end of the year, individual variable compensation awards are determined as outlined below:

$$\text{Variable Compensation Award} = \frac{\text{Variable Compensation Award}}{\text{STIP + LTIP}} \times \frac{\text{Variable Compensation Award}}{0 - 200\%}$$

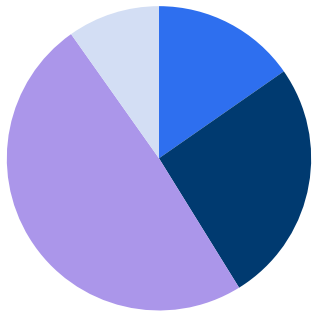
Final awards may range between 0% and 200% of target. The HR Committee, with advice from its independent advisor, reviews all variable compensation awards for the C-Suite executives, while the AC Board of Directors approves the CEO's annual awards based on the HR Committee's recommendation. Once a participant's variable compensation awards are determined, 35% is paid in cash (STIP) and 65% is deferred (LTIP). Notwithstanding the above, the AC Board has the ability to apply discretion to ensure compensation outcomes align to OMERS compensation principles.

## 2024 Target Compensation Mix

Aligned with OMERS pay-for-performance approach, total compensation for C-Suite executives primarily comprises variable compensation tied to investment and individual performance.

The majority of compensation for the CEO and the Named Executive Officer positions is variable and at-risk, as outlined in the following charts.

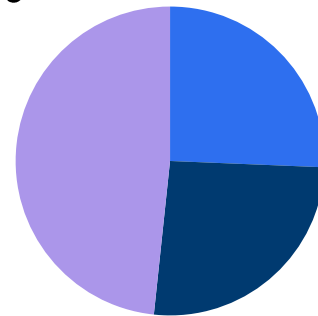
### CEO



#### Target Compensation Mix

● Base Salary	15%
● Short-term incentive	26%
● Long-term incentive	49%
● Fund Return Unit	10%

### Other Named Executive Officers (Average)



#### Target Compensation Mix

● Base Salary	26%
● Short-term incentive	26%
● Long-term incentive	48%

## Comparator Groups Used to Set Competitive Pay

OMERS has identified comparator groups for its various businesses in setting competitive compensation to closely reflect the marketplace. The comparator groups include Canadian pension peers, large financial services organizations, and global investment management firms, where applicable. The comparator groups are reviewed on a regular basis by the HR Committee.

Typical considerations include other organizations that compete for similar talent, industry-specific organizations, or organizations with similar objectives. OMERS reviews compensation levels of comparable positions and assesses relative performance, size, geographical scope and complexity.

## Compensation Governance

This section outlines key governance-related features to help ensure that compensation aligns with the short- and long-term interests of our Plan members.

OMERS Features	Description
<b>Board Discretion</b>	The AC Board may make the decision to withhold awards of any variable compensation, including the short-term and long-term incentive payments, and other long-term compensation, including PSU and FRU payments, to reflect significant unexpected or unusual events as defined by OMERS at its sole discretion
<b>Clawback</b>	All variable compensation awards and other long-term compensation awards, whether paid or unpaid, are subject to a clawback in the event of a material misrepresentation or financial restatement of results, within a 36-month look-back period. In the event of a material misrepresentation or financial restatement, the HR Committee will determine the extent of the clawback (i.e., who, on an individual or plan basis, will be impacted and to what extent) based on the specific circumstances

## Alignment to Financial Stability Board Principles for Effective Governance of Compensation

The HR Committee has taken steps to further strengthen our approach to compensation, including incorporating the Financial Stability Board (FSB) Principles for Sound Compensation Practices and the associated Implementation Standards. These principles and standards, established in 2009, are intended to ensure effective governance of compensation, alignment of compensation with prudent risk-taking, effective supervisory oversight and stakeholder engagement in compensation. OMERS continues to adhere to these FSB principles and will continue to review our adherence on an annual basis.

# Compensation of the CEO

This section examines the 2024 performance and resulting compensation for the CEO.

## 2024 Performance

A balanced scorecard was established for Mr. Hutcheson based on performance achieved against the Primary Plan net absolute return (40%) and execution against his strategic CEO priorities (60%) which include measures that are not related to financial performance. The AC Board assessed Mr. Hutcheson's 2024 performance against the following key non-financial individual objectives:

### **Leadership:**

- Lead the enterprise with integrity, drive, conviction and both realism and optimism.
- Connect our regional executives with each other to drive collaboration globally.
- Make sure our leadership team supports our agenda and setting of goals.
- Show leadership across the industry.

### **People:**

- Ensure we have the right people and the right structure leading all key areas globally.
- Continue to build trusted relationships within our teams, breaking down internal silos.
- Leverage people data to inform decisions on our employee experience.
- Support our people in their growth and development and building long-term careers.

### **Culture:**

- Foster a culture aligned with the OMERS and Oxford purpose and vision.
- Champion our values and leadership capabilities.
- Cultivate a world-class and rewarding employee experience.
- Deliver against Inclusion, Equity, and Diversity and Growth and Development goals.
- Embed wellness practices into our organization to foster a culture promoting well-being.
- Reinforce the importance of positive results with the appropriate risk management mindset.

## **Brand, Communication, Relationships:**

- Act as the brand protector and ambassador for OMERS and Oxford globally.
- Continue to drive our key messages internally and externally.
- Foster trusted relationships with key stakeholders and significant counterparties.
- Continue to grow our geopolitical footprint and relationships globally.
- Uphold our clear commitment to climate and Environment, Social and Corporate Governance (ESG) across the platform.

## **Future:**

- Make go-forward decisions that advance our strategic priorities.
- Drive investment, operational excellence and innovation.
- Engage in the execution of our balance sheet operating model.
- Communicate and openly support the need to take a long-term perspective.
- Continue to incorporate our sustainable investing principles.
- Support the Sponsors Corporation with Plan de-risking.

## **Total Compensation Awards**

When determining compensation awards, the HR Committee aims to ensure there is a strong link between compensation and performance achieved. In determining Mr. Hutcheson's annual variable compensation awards for 2024, the AC Board assessed his performance against specific objectives that were agreed upon by the AC Board at the beginning of the year and that are consistent with the market-tested CEO compensation model utilized for several years at OMERS.

The 2024 Primary Plan net absolute return of 8.3% exceeded our Primary Plan net absolute return benchmark of 7.5%. When combined with the previous four years, the five-year average multiplier for investment return performance was 88% for that portion of Mr. Hutcheson's balanced scorecard.

In respect of key strategic priorities, Mr. Hutcheson had an outstanding year driving numerous initiatives forward, notably:

- Setting a balanced tone for the organization while driving confidence in our people, strategy and future in an environment of continued market uncertainty and ongoing geopolitical volatility;
- Developing the OMERS 2030 Strategy which will drive the organization forward as we continue to fulfil our purpose of delivering a sustainable, affordable and meaningful pension to our members;

- Ensuring we have the right leadership in place for key roles across the enterprise by executing several strategic changes to leadership positions, most notably: the appointments of Chief Pension Officer, Head of Private Equity Buyout and Head of Private Capital, and new appointments to Oxford's Head of US and Head of Canada;
- Restructuring the Private Equity business to better align OMERS key portfolios and strategically strengthen our businesses for continued growth, shifting it into two distinct Business Units: Private Equity North America Buyout and Private Capital;
- Executing on key changes to support the future growth of Oxford, including establishing a consistent regional leadership approach and model to deliver upon our globally driven strategy;
- Transforming our engagement with our diverse membership base and advocating for defined benefit (DB) pensions, including launching the second OMERS podcast series, "The Pension Blueprint" and releasing the Economic Contribution Report (CANCEA), which reinforces OMERS economic contribution to Ontario, with OMERS activities helping to generate \$13.7 billion of GDP annually in the Province;
- Demonstrating leadership in sustainable investing by progressing towards the OMERS net zero 2050 strategy and the commitments within the Climate Action Plan launched in 2023;
- Executing on our balance sheet operating model which has allowed our business units to remain nimble and manage with resiliency through the turbulent times that continue to affect our investment returns, while enhancing our liquidity to position for future opportunities that will emerge as market recovery begins to take place in our key regions and sectors;
- Identifying opportunities for strategic growth with over \$20 billion transacted across private asset classes and over \$7 billion deployed into new and existing assets;
- Launching our annual employee experience survey where 95% of OMERS employees shared their feedback resulting in an engagement score of 82% (above the external best-in-class benchmark);
- Successfully launching our refreshed Employee Value Proposition, "Empower Your Impact", to strengthen our brand to attract purpose-driven talent;
- Connecting throughout the year with a variety of OMERS employees, stakeholders, member employers, global government officials, and dignitaries at a range of events and conferences, forums, speaking engagements, and internal leadership programs across Ontario and throughout our global regions;
- Sponsoring our annual recognition program, launched in 2023, where colleagues can recognize each other for demonstrating OMERS core values of Inclusion, Integrity, Humility and Excellence in the workplace;

- Embedding wellness practices into our organization by providing a range of programs with global and regional activations to support the physical, emotional, and mental well-being of our employees;
- Driving momentum and advancing our inclusion and diversity goals as co-chair of the I&D council through global activations and events that support our strategy, including establishing I&D goals for all Executive Leadership Team leaders; and
- Focusing and investing in our people and culture, resulting in several accolades, most notably in Great Place to Work awards (Best Workplaces in Canada, Best Workplaces in Financial Services and Insurance, Best Workplaces in Ontario, Best Workplaces with Most Trusted Executive Teams).

Given the outstanding strategic execution and leadership demonstrated against the CEO priorities, a performance score of 200% was awarded on that portion of Mr. Hutcheson’s balanced scorecard.

As a result, the AC Board approved a total variable compensation performance factor of 155%, which translated in the actual awards shown below.

Compensation Element	Target	Award
2024 Salary	\$625,000	\$624,519
2024 Short-Term Incentive	\$1,055,000	\$1,637,360
2024 Long-Term Incentive	\$2,000,000	\$3,104,000
2024 FRU	\$400,000	\$400,000
<b>Total</b>	<b>\$4,080,000</b>	<b>\$5,765,879</b>

## Summary Compensation Table

The table below represents disclosure of the compensation paid to or earned by each Named Executive Officer, represented in their local currency, during the three most recently completed financial years.

Non-Equity Incentive Compensation									
Name and Principal Position	Year	Currency	Salary	Short-Term Incentive Plan (STIP)	Long-Term Incentive Plan (LTIP) <sup>1</sup>	Other Long-term Compensation (PSU & FRU)	Pension Contribution <sup>2</sup>	All Other Compensation	Total
<b>Blake Hutcheson<sup>3</sup></b> CEO	2024	CAD	624,519	1,637,360	3,104,000	400,000	66,171	86,770	5,918,820
	2023	CAD	600,000	1,624,000	3,016,000	400,000	64,336	87,018	5,791,354
	2022	CAD	600,000	1,542,800	2,865,200		62,693	86,770	5,157,463
<b>Jonathan Simmons<sup>4</sup></b> Chief Financial & Strategy Officer	2024	CAD	450,000	694,750	1,290,250		64,229	1,112	2,500,341
	2023	CAD	450,000	643,125	1,194,375		62,587	1,112	2,351,199
	2022	CAD	450,000	644,228	1,196,423		62,276	1,112	2,354,039
<b>Ralph Berg<sup>5</sup></b> Chief Investment Officer	2024	GBP	500,000	1,335,600	2,480,400		8,902	19,431	4,344,333
	2023	GBP	500,000	1,391,250	2,583,750		4,205	19,941	4,499,146
	2022	GBP	450,000	1,944,000	1,944,000	1,000,000	-	23,825	5,361,825
<b>Bob Aziz<sup>4</sup></b> Chief Operating Officer	2024	CAD	450,000	626,483	1,163,468		66,022	48,890	2,354,863
	2023	CAD	450,000	569,625	1,057,875		64,154	48,890	2,190,544
	2022	CAD	450,000	542,973	1,008,378		62,645	48,890	2,112,886
<b>Michael Kelly<sup>4</sup></b> Chief Legal & Sustainability Officer	2024	CAD	449,038	527,223	979,128		71,407	20,158	2,046,954
	2023	CAD	400,000	483,525	897,975		62,588	20,035	1,864,123
	2022	CAD	400,000	471,713	876,038		58,853	20,035	1,826,639

Notes:

- 2022, 2023 and 2024 amounts shown represent the LTIP awards reflecting the Named Executive Officer's balanced scorecard performance for each calendar year.
- Reflects matching pension contributions that OMERS makes on behalf of employees. Pension contributions are based on capped pensionable earnings, as described in the Pension Plan Benefits table later in this report. Mr. Berg's pension contributions reflect matching contributions to a defined contribution pension plan in the United Kingdom based on specific plan provisions.
- Mr. Hutcheson received a 2024 FRU award of \$400,000 in 2024. Based on the valuation methodology employed, the underlying notional investment that the 2024 award represents is \$3,439,381. All FRU awards vest at the end of 5 years; the 2024 award will result in payment in the first quarter of 2029, contingent on whether the applicable Performance Hurdle is met.
- Mr. Simmons, Mr. Aziz and Mr. Kelly each received a one-time 2024 STIP of \$17,500 and a one-time 2024 LTIP of \$32,500 in 2024 to recognize their extraordinary personal contributions.
- Mr. Berg was appointed Chief Investment Officer on April 1, 2023. Mr. Berg's 2024 total compensation is the equivalent of \$7,825,012 when converted to Canadian dollars using the December 31, 2024 foreign exchange rate of 1.801. Mr. Berg's 2022 compensation is reflective of his previous role as EVP & Global Head of Capital Markets. In 2022, he received a 2022 PSU award of £1,000,000 as a high-potential investment leader and in recognition of extraordinary individual performance. This award vested at the end of 3 years on December 31, 2024, upon meeting a pre-determined Business Unit Performance Hurdle.

## Incentive Plan Awards Table

The following table presents the outstanding deferred awards and the forecasted future payouts for each Named Executive Officer, represented in their local currency.

Mr. Hutcheson's FRU awards vest at the end of 5 years, at which point the awards will be conditional on the achievement of a pre-determined Performance Hurdle. Therefore, the payout values are not yet determined.

Name	Currency	Type of Award	Year	Award Value <sup>1</sup>	Vesting Date	Payout Value <sup>2</sup>
<b>Blake Hutcheson</b> <sup>3,4</sup> CEO	CAD	LTIP	2024	3,104,000	December 31, 2026	3,600,640
		LTIP	2023	3,016,000	December 31, 2025	3,498,560
		LTIP	2022	2,865,200	December 31, 2024	3,237,676
		FRU	2024	400,000	December 31, 2028	To be determined
		FRU	2023	400,000	December 31, 2027	To be determined
<b>Jonathan Simmons</b> Chief Financial & Strategy Officer	CAD	LTIP	2024	1,290,250	December 31, 2026	1,496,690
		LTIP	2023	1,194,375	December 31, 2025	1,385,475
		LTIP	2022	1,196,423	December 31, 2024	1,351,958
<b>Ralph Berg</b> <sup>5</sup> Chief Investment Officer	GBP	LTIP	2024	2,480,400	December 31, 2026	2,877,264
		LTIP	2023	2,583,750	December 31, 2025	2,997,150
		LTIP	2022	1,944,000	December 31, 2024	2,216,160
		PSU	2022	1,000,000	December 31, 2024	1,500,000
<b>Bob Aziz</b> Chief Operating Officer	CAD	LTIP	2024	1,163,468	December 31, 2026	1,349,622
		LTIP	2023	1,057,875	December 31, 2025	1,227,135
		LTIP	2022	1,008,378	December 31, 2024	1,139,467
<b>Michael Kelly</b> Chief Legal & Sustainability Officer	CAD	LTIP	2024	979,128	December 31, 2026	1,135,788
		LTIP	2023	897,975	December 31, 2025	1,041,651
		LTIP	2022	876,038	December 31, 2024	989,923

Notes:

- <sup>1</sup> 2022, 2023 and 2024 amounts shown represent the LTIP awards reflecting the Named Executive Officer's balanced scorecard performance for each calendar year. PSU awards and FRU awards are not impacted by balanced scorecard performance for each calendar year.
- <sup>2</sup> 2022, 2023 and 2024 amounts shown represent the LTIP award value adjusted by the Primary Plan performance factor. Mr. Berg's 2022 amounts shown represent the LTIP award value adjusted by a cumulative Primary Plan and Business Unit performance factor, in connection with his previous role as EVP & Global Head of Capital Markets.
- <sup>3</sup> Mr. Hutcheson received a 2023 FRU award of \$400,000 in 2023. Based on the valuation methodology employed, the underlying notional investment that this award represents is \$2,675,585. This award vests over 5 years and will result in payment in the first quarter of 2028, contingent on whether the applicable Performance Hurdle is met.
- <sup>4</sup> Mr. Hutcheson received a 2024 FRU award of \$400,000 in 2024. Based on the valuation methodology employed, the underlying notional investment that the 2024 award represents is \$3,439,381. This award vests over 5 years and will result in payment in the first quarter of 2029, contingent on whether the applicable Performance Hurdle is met.
- <sup>5</sup> Mr. Berg's 2022 awards are reflective of his previous role as EVP & Global Head of Capital Markets. In 2022, he received a 2022 PSU award of £1,000,000 as a high-potential investment leader and in recognition of extraordinary individual performance. This award vested at the end of 3 years on December 31, 2024, upon meeting a pre-determined Business Unit Performance Hurdle.

## Pension Plan Benefits

The following section describes the OMERS Pension Plans in which some of the Named Executive Officers participate:

Pension Formula	Two percent (2%) of “best five” earnings multiplied by years of credited service (maximum of 35 years) less 0.675% of “best five” earnings capped at the five-year average YMPE (Year’s Maximum Pensionable Earnings, as set by the Canada Pension Plan)
“Best Five” Earnings	<p>The highest average of five consecutive years of contributory earnings. Contributory earnings are capped, as follows:</p> <p>Cap on incentive pay: Post-2010 earnings are capped at 150% of contributory earnings calculated before incentive pay.</p> <p>7x YMPE Cap: Total contributory earnings are limited to seven times the YMPE (applies to all earnings if the member enrolled on/after January 1, 2014, and to post-2015 earnings if the member enrolled before January 1, 2014)</p>
Normal Retirement Age	65
Early Retirement	Plan members are eligible to retire early when they reach age 55. Each member’s unreduced date is the earliest of the date the member attains their 90 Factor (age and qualifying service), attains 30 years of qualifying service or turns age 65. If a member retires before their unreduced date, there is a 5% reduction factor per year short of their unreduced date
Form of Pension	The pension is paid monthly for the life of the member, with 66 <sup>2</sup> / <sub>3</sub> % of the member’s pension amount continuing to a surviving spouse after the member’s death

## Termination Benefits

The treatment under each of the termination scenarios is governed by the terms of the 2024 Executive Compensation Plan, which are summarized in the following table:

	Short-Term Incentive Plan	Long-Term Incentive Plan	Performance Share Units	Fund Return Units
Resignation	Forfeited	Forfeited	Forfeited	Forfeited
Retirement (as defined by the Compensation Plan)	Entitled to a partial award, prorated to reflect the period of active employment	Outstanding awards will continue to mature in normal course	Outstanding awards will continue to mature in normal course	Outstanding awards will continue to mature in normal course
Termination without cause	Entitled to a partial award, prorated to reflect the period of active employment	Entitled to a partial award, prorated to reflect the period of active employment	Forfeited	Entitled to a partial award, prorated to reflect the period of active employment
Termination with Cause	Forfeited	Forfeited	Forfeited	Forfeited

06

**Financial  
Statements –  
OMERS  
Sponsors  
Corporation**

# Independent auditor's report

## To the Board of Directors of OMERS Sponsors Corporation

### Opinion

We have audited the financial statements of OMERS Sponsors Corporation (the "SC"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the SC as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the SC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other information

Management is responsible for other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the OMERS 2024 Annual Report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or other appears to be materially misstated.

The OMERS 2024 Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the SC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the SC's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SC's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SC to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
February 19, 2025

# Statement of Financial Position

(in Canadian dollars)			
As at December 31,		2024	2023
<b>Assets</b>			
Current			
Cash		\$ 7,613	\$ 5,554
OMERS Administration Corporation receivable (Note 3)		1,576,960	1,308,222
Prepaid expenses and other assets		75,458	78,358
		<b>1,660,031</b>	<b>1,392,134</b>
Non-current			
OMERS Administration Corporation receivable (Note 3)		839,846	642,410
<b>Total Assets</b>		<b>\$ 2,499,877</b>	<b>\$ 2,034,544</b>
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities		1,583,550	1,312,753
Deferred revenue		75,458	78,358
		<b>1,659,008</b>	<b>1,391,111</b>
Non-current			
Accounts payable and accrued liabilities		839,846	642,410
<b>Total Liabilities</b>		<b>2,498,854</b>	<b>2,033,521</b>
<b>Net Assets</b>			
Excess of revenues over expenses from operations			
Balance at beginning of year		1,023	1,023
Current year		—	—
Excess of revenues over expenses from operations, Balance at end of year		1,023	1,023
<b>Total Net Assets</b>		<b>\$ 2,499,877</b>	<b>\$ 2,034,544</b>

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on February 19, 2025.

Signed on behalf of the Board of OMERS Sponsors Corporation (SC)

**Max Cananzi**  
Chair, SC Board

**Peter Derochie**  
Chair, SC Audit & Human  
Resources Committee

# Statement of Operations

(in Canadian dollars)

For the year ended December 31,

2024

2023

## Revenues

OMERS Administration Corporation expense reimbursement (Note 3)	<b>\$4,773,074</b>	\$4,837,951
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## Expenses

Staff compensation	<b>3,388,668</b>	3,345,877
Legal	<b>118,681</b>	187,460
Audit	<b>24,408</b>	18,080
Professional advisors	<b>73,973</b>	95,530
Subscriptions, memberships and licenses	<b>84,827</b>	67,171
Other administrative	<b>27,736</b>	27,038
Insurance	<b>102,531</b>	104,490
Board remuneration (Note 4)	<b>863,645</b>	883,114
Board education and conferences (Note 4)	<b>21,647</b>	39,879
Board expenses (Note 4)	<b>66,958</b>	69,312
	<b>4,773,074</b>	4,837,951

## Excess of Revenues Over Expenses from Operations

\$ — \$ —

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows

(in Canadian dollars)

For the year ended December 31, 2024      2023

Cash was provided by (used in):

## Operating Activities

Changes in non-cash working capital accounts

OMERS Administration Corporation receivable	\$ (466,174)	\$ (923,185)
Prepaid expenses and other assets	2,900	1,189
Accounts payable and accrued liabilities	468,233	911,497
Deferred revenue	(2,900)	(1,189)
<b>Increase/(Decrease) in cash</b>	<b>2,059</b>	<b>(11,688)</b>

Cash - Beginning of Year	5,554	17,242
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<b>Cash - End of Year</b>	<b>\$ 7,613</b>	<b>\$ 5,554</b>
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The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

(in Canadian dollars)

## Nature of Operations

The OMERS Sponsors Corporation (SC) is a corporation without share capital under the Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006). The SC is the sponsor of the OMERS Pension Plans (OMERS Pension Plans or Plans) as defined in the OMERS Act, 2006. The OMERS Pension Plans are administered by OMERS Administration Corporation (AC) and include the OMERS Primary Pension Plan (Primary Plan), the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA), and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics (Supplemental Plan). The SC is responsible for making decisions about the design of the Primary Plan, the RCA, and the Supplemental Plan, amendments to those plans, setting contribution rates, and deciding whether to file actuarial valuations more frequently than is required under the *Pension Benefits Act (Ontario)* (PBA). In addition, the SC is responsible for determining the composition, compensation and appointment protocols for both the SC and AC Boards.

## Note 1

### Significant Accounting Policies

#### a) BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

#### b) REVENUE RECOGNITION

AC expense reimbursement is recorded as revenue as the expenses are incurred in accordance with the joint SC/AC protocol. Amounts received in advance of revenue recognition are treated as deferred revenue.

#### c) FINANCIAL INSTRUMENTS

##### Measurement of Financial Instruments

The SC initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at cost or amortized cost less impairment.

Financial assets measured at amortized cost are cash and AC receivable. Financial liabilities measured at amortized cost are accounts payable and accrued liabilities.

The SC has no financial assets measured at their fair value and has not elected to carry any financial assets or liabilities at fair value.

##### Impairment

Financial assets are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess (deficit) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

#### d) INCOME TAX STATUS

The SC is tax exempt under the Income Tax Act.

## Note 2

### Bank Operating Facility

The SC maintains an unsecured, uncommitted overdraft facility (demand Operating Overdraft Facility) with a major bank in the amount of \$1,000,000; advances would bear interest at the Prime Rate per annum. Access to the overdraft facility was not required in 2024.

## Note 3

### Related Party Transactions

During 2024, the SC received expense reimbursements of \$4,773,074 (2023: \$4,837,951) from the AC of which \$2,416,806 (December 31, 2023: \$1,950,632) was receivable at year-end.

The transactions are in the normal course of operations and are measured at the exchange amount.

The amounts due from related parties are non-interest bearing, unsecured and have no specific terms of repayment.

## Note 4

### Board Remuneration and Expenses

Board remuneration and board education and conferences, and board expenses are in accordance with SC By-law No. 6.

## Note 5

### Financial Instruments

The SC is exposed to various risks through its financial instruments. The following provides a summary of the SC's exposure to risk as at December 31, 2024:

#### a) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The SC is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The SC's main credit risk relates to its AC receivable. The AC receivable is due from an organization with a high-quality credit rating and therefore there is limited credit risk associated with this financial instrument. There have not been any changes in this risk from the prior year.

#### b) LIQUIDITY RISK

Liquidity risk is the risk that the SC will encounter difficulties in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the SC will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The SC is exposed to this risk mainly in respect to its accounts payable and accrued liabilities. The SC manages this risk by managing its working capital, ensuring that sufficient credit is available. There have not been any changes in this risk from the prior year.

07

# Reference

# OMERS SPONSORS CORPORATION BOARD REMUNERATION AND EXPENSES

	2024		2023	
	Remuneration <sup>(i) (iii)</sup>	Expenses <sup>(ii)</sup>	Remuneration	Expenses
Brown, Barry (Chair) <sup>(v)</sup>	\$ 114,000	— \$	114,000 \$	—
Axford, Dan (Vice-Chair) <sup>(v)</sup>	41,432	4,174	79,000	9,644
Cananzi, Max (Vice-Chair) <sup>(iv)</sup>	66,174	14,189	59,000	6,674
Côté, Pierre <sup>(v)</sup>	51,000	13,507	—	—
Cubitt, Garry	51,000	4,245	51,000	7,942
Derochie, Peter <sup>(iv)</sup>	59,000	12,316	59,000	27,220
Dubonofsky, Deborah <sup>(iv)(v)</sup>	53,870	3,295	—	—
Love, Marianne <sup>(v)</sup>	—	—	51,000	2,737
Marks, Scott <sup>(iv)</sup>	59,000	9,603	51,000	9,386
Maugeri, Domenic	51,000	—	51,000	872
McConville, Mary <sup>(v)</sup>	51,000	—	51,000	3,582
Pennachetti, Joe <sup>(v)</sup>	51,000	6,436	59,000	7,953
Ramagnano, Frank <sup>(v)</sup>	—	—	51,000	5,442
Robson, Rick <sup>(v)</sup>	18,571	2,026	—	—
Sahli, Sandra <sup>(v)</sup>	—	—	51,000	10,556
Varcoe, Chris <sup>(v)</sup>	51,000	5,397	—	—
Volpe, Giulia <sup>(iv)</sup>	51,000	1,690	59,000	4,319
Weatherup, John	51,000	—	51,000	—
Other Expenses <sup>(vii)</sup>	43,598	11,727	46,114	12,864
<b>Total</b>	<b>\$ 863,645 \$</b>	<b>\$ 88,605 \$</b>	<b>\$ 883,114 \$</b>	<b>\$ 109,191</b>

(i) Remuneration is in accordance with By-law No. 6.

(ii) Includes reimbursement for normal out-of-pocket business expenses including education and meeting expenses incurred in conducting SC business. Total expenses are reviewed by the Audit & Human Resources Committee.

(iii) All Directors are paid an annual technology allowance in the amount of \$4,000 to cover all equipment and line charges required to review electronic Board Materials.

(iv) Committee Chairs:

P. Derochie (Audit & Human Resources Committee); S. Marks (Plan Design Committee); M. Cananzi (Corporate Governance Committee) to August 21, 2024; and D. Dubonofsky (Corporate Governance Committee) starting August 22, 2024.

(v) Member Changes:

- M. Love retired from the Board as of December 31, 2023;
- F. Ramagnano retired from the Board as of December 31, 2023;
- S. Sahli retired from the Board as of December 31, 2023;
- P. Côté appointed to the Board effective January 1, 2024;
- D. Dubonofsky appointed to the Board effective January 1, 2024;
- C. Varcoe appointed to the Board effective January 1, 2024;
- D. Axford ceased participation on the Board as of July 9, 2024;
- R. Robson appointed to the Board effective August 20, 2024;
- B. Brown retired from the Board as of December 31, 2024;
- M. McConville retired from the Board as of December 31, 2024;
- J. Pennachetti retired from the Board as of December 31, 2024.

(vi) In accordance with By-Law No. 6, the Board Member has directed their compensation to their appointing organization.

(vii) Other expenses include Board meeting expenses not allocated by individual and benefits (Canada Pension Plan contributions and Employer Health Tax).

# 2024 OMERS SPONSORS CORPORATION BOARD/COMMITTEE MEETINGS

Director	SC Board Meetings <sup>(i)</sup> (17)		Audit & Human Resources Committee (4)		Corporate Governance Committee (4)		Plan Design Committee (4)		Joint Council (7)		Committees (Total)		All Meetings		Other Events and Meetings <sup>(vi)</sup>		All Events and Meetings		Education Days <sup>(vi)</sup>	
	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%
Brown, Barry (Chair) <sup>(ii)</sup>	16	94	3		3		4		4		6		16/19	84	32/36	89	13		45	
Axford, Dan (Vice-Chair) <sup>(ii) (iii) (iv)</sup>	8	100	2		2		2		3		3		9/9	100	17/17	100	5		22	
Cananzi, Max (Vice-Chair) <sup>(ii) (iii)</sup>	17	100	1		4		4		7		16/16	100	33/33	100	33/33	100	19		52	9
Côté, Pierre	17	100	4		4		4		4		8/8	100	25/25	100	25/25	100	4		29	
Cubitt, Garry	17	100	4		3		4		11/12	92	28/29	97	11/12	92	28/29	97	1		29	
Derochie, Peter	16	94	4		4		4		8/8	100	24/25	96	8/8	100	24/25	96	6		30	13
Dubonofsky, Deborah	17	100	3		4		4		2		13/13	100	30/30	100	30/30	100	9		39	
Marks, Scott	17	100	4		4		4		8/8	100	25/25	100	8/8	100	25/25	100	5		30	
Maugeri, Domenic	15	88	3		4		4		7/8	88	22/25	88	7/8	88	22/25	88	3		25	
McConville, Mary	17	100	4		4		4		8/8	100	25/25	100	8/8	100	25/25	100	2		27	
Pennachetti, Joe	16	94	4		4		4		12/12	100	28/29	97	12/12	100	28/29	97	2		30	
Robson, Rick <sup>(v)</sup>	7	100	1		2		2		3/3	100	10/10	100	3/3	100	10/10	100	1		11	
Varcoe, Chris	17	100	4		4		4		8/8	100	25/25	100	8/8	100	25/25	100	3		28	
Volpe, Giulia	17	100	4		4		4		12/12	100	29/29	100	12/12	100	29/29	100	12		41	1
Weatherup, John	12	71	3		3		3		6/8	75	18/25	72	6/8	75	18/25	72	2		20	
<b>Overall Attendance</b>		<b>96%</b>	<b>95%</b>		<b>92%</b>		<b>98%</b>		<b>95%</b>		<b>95%</b>		<b>95%</b>		<b>96%</b>		<b>96%</b>		<b>23</b>	

(i) These reflect SC Board meetings and strategic planning sessions which SC Board Directors were expected to attend.

(ii) The Chair and Vice-Chair are ex-officio, non-voting members of the Audit & Human Resources Committee and Corporate Governance Committee.

(iii) Dan Axford served as the Vice-Chair from January 1, 2024 through July 9, 2024. Max Cananzi served as the Vice-Chair from August 22, 2024 through December 31, 2024.

(iv) Dan Axford's attendance reflects his participation in Board and committee meetings from January 1, 2024 through July 9, 2024.

(v) Rick Robson's attendance reflects his participation in Board and committee meetings from August 20, 2024 through December 31, 2024.

(vi) Directors attended additional 'Other' events and meetings, such as the annual meeting, SC/AC Board interviews, ad hoc meetings of special committees and attendance at committee meetings of which they are not members.

(vii) Education Days refer to the actual number of days Directors spent at education programs or pension-related conferences and exclude travel time.

# OMERS ADMINISTRATION CORPORATION BOARD REMUNERATION AND EXPENSES

	2024		2023	
	Remuneration <sup>(i) (iii)</sup>	Expenses <sup>(ii)</sup>	Remuneration	Expenses
Cooke, George (Chair)	\$ 199,000	\$ 1,133	\$ 199,000	\$ 2,858
Arab, Susan <sup>(iv)</sup>	89,000	24,214	62,780	5,596
Armstrong, John	106,500	14,420	89,000	14,996
Baker, Monty <sup>(iv)</sup>	—	—	106,500	1,402
Butt, William (Bill)	106,500	28	106,500	3,245
Elliott, Paul	106,500	4,553	106,500	3,865
Fenn, Michael <sup>(iv)</sup>	89,000	557	89,000	3,918
Figueiredo, Karen	89,000	6,810	89,000	66
Harrison, Danielle <sup>(iv)</sup>	89,000	27,459	—	—
Inskip, Cliff	89,000	250	89,000	2,684
Kazarian, Diane <sup>(iv)</sup>	89,000	1,074	89,000	4,831
Mueller, Charlene <sup>(iv)</sup>	—	—	5,933	—
Silgado, Rajiv	89,000	741	89,000	305
Skerrett, Kevin	89,000	8,869	89,000	6,070
Somerville, Penny	106,500	2,541	106,500	338
Tsubouchi, David	106,500	6,690	99,865	5,951
Wu, Yung	89,000	10,833	89,000	5,985
Other Expenses <sup>(v)</sup>	—	56,353	—	45,797
<b>Total</b>	<b>\$ 1,532,500</b>	<b>\$ 166,525</b>	<b>\$ 1,505,578</b>	<b>\$ 107,907</b>

(i) Remuneration of the Directors of the AC Board is in accordance with the Director Remuneration Policy effective January 1, 2023.

(ii) Includes reimbursement for normal out-of-pocket business expenses including education and meetings expenses incurred on behalf of AC. These expenses are reported to the Audit & Actuarial Committee annually.

(iii) All Directors are paid an annual technology allowance in the amount of \$4,000 to cover all equipment and line charges required to review electronic Board materials.

(iv) Member Changes:

- D. Kazarian appointed to the Board effective January 1, 2023;

- S. Arab appointed to the Board effective April 18, 2023;

- D. Harrison appointed to the Board effective January 1, 2024;

(v) Other Expenses include AC Board meeting and AC/SC Joint Session expenses not allocated by individual.

- C. Mueller retired from the Board as of January 25, 2023;

- M. Baker retired from the Board as of December 31, 2023;

- M. Fenn retired from the Board as of December 31, 2024.

# 2024 OMERS ADMINISTRATION CORPORATION BOARD/COMMITTEE MEETINGS

Director <sup>(i)</sup>	Overall Attendance																						
	AC Board (6)		Audit & Actuarial Committee (6)		Governance & Risk Committee (7)		Human Resources Committee (5)		Investment Committee (9)		Member Services Committee (4)		Appeals Committee (1)		Joint Council (7)		Committees (Total)		All Meetings		Scheduled Meetings <sup>(h)</sup>		
	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	
Arab, Susan	6/6	100	6								4		1				11/11	100	17/17	100	16/16	100	
Armstrong, John	6/6	100		5	9												14/14	100	20/20	100	16/16	100	
Butt, William (Bill)	6/6	100		5	9												14/14	100	20/20	100	16/16	100	
Cooke, George (Chair) <sup>(iii)</sup>	6/6	100	6	7	9	7	5	9	9	4	4	1	1	7	7	39/39	100	45/45	100	30/30	100	100	
Elliott, Paul	6/6	100				7				4		1		6		18/19	95	24/25	96	15/15	100	100	
Fenn, Michael	6/6	100						9	9	4						13/13	100	19/19	100	15/15	100	100	
Figueiredo, Karen	6/6	100		5		7	5					1				13/13	100	19/19	100	16/16	100	100	
Harrison, Danielle	6/6	100	6	7												13/13	100	19/19	100	15/15	100	100	
Inskip, Cliff	5/6	83				7		9	9							16/16	100	21/22	95	14/15	93	93	
Kazarian, Diane	6/6	100	6				5									11/11	100	17/17	100	16/16	100	100	
Silgado, Rajiv	6/6	100	6		8											14/15	93	20/21	95	16/16	100	100	
Skerrett, Kevin	6/6	100	6				5									11/11	100	17/17	100	16/16	100	100	
Somerville, Penny	6/6	100	6		9									7		22/22	100	28/28	100	16/16	100	100	
Tsubouchi, David	6/6	100				7				4		1				12/12	100	18/18	100	15/15	100	100	
Wu, Yung	6/6	100						9	9	3						12/13	92	18/19	95	14/15	93	93	
<b>Overall Attendance</b>		<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>96%</b>	<b>100%</b>	<b>95%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>

(i) AC Directors also attended other discretionary meetings such as the Annual Meeting, Joint Sessions with SC, Sponsor and Stakeholder Forums, and in-house education sessions.

(ii) Regularly scheduled Board and Committee meetings which exclude special meetings called on short notice.

(iii) The Board Chair is an ex officio member of the Appeals, Audit & Actuarial, Governance & Risk, Human Resources, Investment, and Member Services Committees.

# TEN-YEAR FINANCIAL REVIEW

(millions of Canadian dollars) As at As at December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Net Assets Available for Benefits</b>										
Public equities, Fixed income, and Short-term instruments	66,349	64,157	69,530	57,452	51,806	50,757	45,272	56,870	49,572	43,631
Private equities	37,669	32,672	29,484	25,365	20,811	22,561	20,246	10,759	10,981	11,482
Infrastructure investments	34,407	30,937	29,742	29,691	28,678	25,292	20,796	18,053	17,443	16,349
Real estate investments	21,555	22,586	24,633	23,604	18,316	20,497	22,110	15,470	15,084	27,642
	<b>159,980</b>	<b>150,352</b>	<b>153,389</b>	<b>136,112</b>	<b>119,611</b>	<b>119,107</b>	<b>108,424</b>	<b>101,152</b>	<b>93,080</b>	<b>99,104</b>
Investment-related assets	2,110	1,463	1,745	1,177	2,189	1,749	2,780	3,978	5,063	1,062
Investment-related liabilities	<b>(20,044)</b>	<b>(19,354)</b>	<b>(27,095)</b>	<b>(12,850)</b>	<b>(13,185)</b>	<b>(8,616)</b>	<b>(10,923)</b>	<b>(7,175)</b>	<b>(10,254)</b>	<b>(20,534)</b>
Net investment assets	142,046	132,461	128,039	124,439	108,615	112,240	100,281	97,955	87,889	79,632
Non investment assets (liabilities)										
Amounts payable under contractual agreements	<b>(4,078)</b>	<b>(4,029)</b>	<b>(3,975)</b>	<b>(3,771)</b>	<b>(3,401)</b>	<b>(3,485)</b>	<b>(3,247)</b>	<b>(3,138)</b>	<b>(2,896)</b>	<b>(2,719)</b>
Other net assets	446	382	318	251	361	625	405	381	367	332
<b>Net Assets Available for Benefits</b>	<b>138,414</b>	<b>128,814</b>	<b>124,382</b>	<b>120,919</b>	<b>105,575</b>	<b>109,380</b>	<b>97,439</b>	<b>95,198</b>	<b>85,360</b>	<b>77,245</b>
<b>Accrued Pension Obligation and Deficit</b>										
<b>Primary Plan</b>										
Defined benefit component										
Accrued pension obligation	140,766	134,574	128,789	119,342	111,820	106,443	99,058	93,614	86,959	81,924
Deficit										
Funding deficit	<b>(2,913)</b>	<b>(4,202)</b>	<b>(6,678)</b>	<b>(3,131)</b>	<b>(3,211)</b>	<b>(3,397)</b>	<b>(4,191)</b>	<b>(5,403)</b>	<b>(5,720)</b>	<b>(6,977)</b>
Actuarial value adjustment of net assets available for benefits	<b>(1,406)</b>	<b>(3,369)</b>	<b>578</b>	<b>3,062</b>	<b>(4,444)</b>	<b>4,928</b>	<b>1,401</b>	<b>6,008</b>	<b>3,379</b>	<b>1,718</b>
	<b>(4,319)</b>	<b>(7,571)</b>	<b>(6,100)</b>	<b>(69)</b>	<b>(7,655)</b>	<b>1,531</b>	<b>(2,790)</b>	<b>605</b>	<b>(2,341)</b>	<b>(5,259)</b>
Additional Voluntary Contributions component	1,723	1,611	1,517	1,454	1,235	1,244	1,023	817	595	445
Accrued Pension Obligation and Deficit of the Primary Plan	<b>138,170</b>	<b>128,614</b>	<b>124,206</b>	<b>120,727</b>	<b>105,400</b>	<b>109,218</b>	<b>97,291</b>	<b>95,036</b>	<b>85,213</b>	<b>77,110</b>
<b>Retirement Compensation Arrangement</b>										
Accrued pension obligation	1,397	1,314	1,235	1,144	1,152	928	851	813	739	679
Deficit	<b>(1,153)</b>	<b>(1,114)</b>	<b>(1,059)</b>	<b>(952)</b>	<b>(977)</b>	<b>(766)</b>	<b>(703)</b>	<b>(651)</b>	<b>(592)</b>	<b>(544)</b>
Accrued Pension Obligation and Deficit of the Retirement Compensation Arrangement	244	200	176	192	175	162	148	162	147	135
<b>Accrued Pension Obligation and Deficit</b>	<b>138,414</b>	<b>128,814</b>	<b>124,382</b>	<b>120,919</b>	<b>105,575</b>	<b>109,380</b>	<b>97,439</b>	<b>95,198</b>	<b>85,360</b>	<b>77,245</b>

(millions of Canadian dollars)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>As at For the year ended December 31,</b>										
<b>Changes in Net Assets Available for Benefits</b>										
<b>Net Assets Available for Benefits, Beginning of the Year</b>	128,814	124,382	120,919	105,575	109,380	97,439	95,198	85,360	77,245	72,096
<b>Changes Due to Investment Activities</b>										
Net investment income	11,547	6,336	5,895	17,536	(2,700)	12,362	2,957	10,477	8,575	5,441
Investment management expenses	(683)	(612)	(693)	(657)	(276)	(581)	(540)	(409)	(427)	(351)
Income credited under contractual agreements	10,864	5,724	5,202	16,879	(2,976)	11,781	2,417	10,068	8,148	5,090
<b>Total Changes Due to Investment Activities</b>	<b>10,607</b>	<b>5,606</b>	<b>4,912</b>	<b>16,437</b>	<b>(3,001)</b>	<b>11,455</b>	<b>2,205</b>	<b>9,735</b>	<b>7,856</b>	<b>4,784</b>
<b>Changes Due to Pension Activities</b>										
<b>Contributions</b>										
Required contributions	5,384	4,878	4,414	4,276	4,186	4,054	3,988	3,858	3,690	3,650
Other contributions	283	254	210	252	229	295	382	335	275	230
<b>Benefits</b>										
Retirement and disability benefit payments	(5,881)	(5,467)	(4,972)	(4,602)	(4,315)	(3,910)	(3,574)	(3,293)	(3,041)	(2,826)
Transfers and other benefit payments	(663)	(716)	(988)	(914)	(810)	(736)	(703)	(712)	(585)	(621)
Assumption of City of Toronto Pension Plans	(6,544)	(6,183)	(5,960)	(5,516)	(5,125)	(4,646)	(4,277)	(4,005)	(3,626)	(3,447)
Pension administration expenses	(130)	(123)	(113)	(105)	(94)	(190)	(93)	(85)	(80)	(68)
<b>Total Changes Due to Pension Activities</b>	<b>(1,007)</b>	<b>(1,174)</b>	<b>(1,449)</b>	<b>(1,093)</b>	<b>(804)</b>	<b>486</b>	<b>36</b>	<b>103</b>	<b>259</b>	<b>365</b>
<b>Net Assets Available for Benefits, End of Year</b>	<b>138,414</b>	<b>128,814</b>	<b>124,382</b>	<b>120,919</b>	<b>105,575</b>	<b>109,380</b>	<b>97,439</b>	<b>95,198</b>	<b>85,360</b>	<b>77,245</b>
<b>Nominal Discount Rate</b>										
Primary Plan	5.70 %	5.75 %	5.75 %	5.75 %	5.85 %	5.90 %	6.00 %	6.00 %	6.20 %	6.25 %
Retirement Compensation Arrangement	3.10 %	3.10 %	3.10 %	3.10 %	3.15 %	3.15 %	3.15 %	3.15 %	3.15 %	3.15 %
<b>Net Return</b>										
<b>Primary Plan - Defined Benefit Component</b>										
Time weighted return on market value	8.3 %	4.6 %	4.2 %	15.7 %	(2.7)%	11.9 %	2.3 %	11.5 %	10.3 %	6.7 %
Absolute return target	7.5 %	7.0 %	7.2 %	6.6 %	6.9 %	7.5 %	7.3 %	7.3 %	7.9 %	7.8 %
<b>Primary Plan - Additional Voluntary Contribution Component</b>										
Time weighted return on market value	8.3 %	4.6 %	4.2 %	15.7 %	(2.7)%	11.9 %	2.3 %	11.5 %	10.3 %	6.7 %
<b>Retirement Compensation Arrangement Investment Fund<sup>(i)</sup></b>										
Time weighted return on market value	26.0 %	18.6 %	(10.4)%	20.7 %	11.6 %	20.9 %	(1.6)%	13.1 %	7.8 %	12.5 %
Benchmark	26.4 %	19.0 %	(10.1)%	20.5 %	12.6 %	21.5 %	0.1 %	12.8 %	8.7 %	12.2 %

(i) Excludes the RCA refundable tax balance with the Canada Revenue Agency.



# Independent practitioner's limited assurance report on OMERS Administration Corporation's (OMERS) select performance metrics as included in the OMERS 2024 Annual Report

To the Board of Directors and Management of OMERS

We have conducted a limited assurance engagement on the select performance metrics, including the greenhouse gas emission performance metrics, as detailed in Exhibits 1A and 1B, of OMERS (the "Entity") included in the OMERS 2024 Annual Report (the "subject matter"), as at December 31, 2023 and for the year then ended, with respect to Exhibit 1A, and as at December 31, 2024 and for the year then ended, with respect to Exhibit 1B.

## Responsibilities for the subject matter

Management of the Entity is responsible for:

- The preparation of the subject matter in accordance with the applicable criteria established in Exhibit 2 (the "applicable criteria");
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the subject matter, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

## Inherent limitations in preparing the subject matter

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Our independence and quality management

We have complied with independence and other ethical requirements of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the subject matter is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered



material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* (“CSAE 3000”) and, in respect of the greenhouse gas emission performance metrics, Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board (“CSAE 3410”). As part of a limited assurance engagement in accordance with CSAE 3000 and CSAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Entity’s use of the applicable criteria as the basis for the preparation of the subject matter.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Entity’s internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the subject matter. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the subject matter. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the subject matter, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Entity’s reporting processes relevant to the preparation of its subject matter by:
  - Making inquiries of the persons responsible for the sustainability information.
  - Inspecting relevant documentation relating to the Entity’s reporting processes.
- Evaluated whether all information identified by the process to identify the information reported in the subject matter is included in the subject matter;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter;
- Performed substantive assurance procedures on selected information in the subject matter;
- Evaluated the appropriateness of quantification methods and reporting policies; and
- Evaluated the methods, assumptions and data for developing estimates.
- Reviewed the subject matter disclosures in the Climate-Related Risks and Actions Disclosures of the OMERS 2024 Annual Report to ensure consistency with our understanding and procedures performed



## Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter as at December 31, 2023 and for the year then ended, with respect to Exhibit 1A, and as at December 31, 2024 and for the year then ended, with respect to Exhibit 1B, are not prepared, in all material respects, in accordance with the applicable criteria.

## Restriction on use

Our report has been prepared solely for OMERS for the purpose of assisting with their climate-related reporting activities. The subject matter therefore may not be suitable, and is not to be used, for any other purpose. Our report is intended solely for OMERS.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

Toronto, Ontario

February 24, 2025



## Exhibit 1A

Our limited assurance engagement was performed on the following select performance metrics:

Select performance metrics	Reporting period	Results
<b>Portfolio Carbon Footprint</b>		
Weighted Average Carbon Intensity (WACI)	December 31, 2023	79 tCO <sub>2</sub> e/\$M revenue
Carbon Footprint	December 31, 2023	28 tCO <sub>2</sub> e/\$M invested
Absolute Emissions	December 31, 2023	3,132,627 tCO <sub>2</sub> e

## Exhibit 1B

Our limited assurance engagement was performed on the following select performance metrics:

Select performance metrics	Reporting period	Results
<b>Corporate Carbon Footprint</b>		
Scope 1 – Total GHG Emissions	December 31, 2024	599 tCO <sub>2</sub> e
Scope 2 – Total GHG Emissions	December 31, 2024	882 tCO <sub>2</sub> e
Scope 3 - Category 6 – Total GHG Emissions	December 31, 2024	7,290 tCO <sub>2</sub> e

## Exhibit 2

### Select performance metrics and criteria

Performance metrics	Description and Methodology	Applicable reporting criteria and scoping
<b>Portfolio Carbon Footprint - as at December 31, 2023 and for the year then ended</b>		
Weighted Average Carbon Intensity (WACI)	<p>WACI measures the portfolio's carbon intensity by considering each investment asset's total emissions relative to its revenue and the weight in the portfolio. It is expressed in metric tonnes CO<sub>2</sub>-equivalent (tCO<sub>2</sub>e)/\$M Revenue.</p> <p>Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the value of the investment relative to the portfolio value at the measurement date). Gross values are used.</p>	<p>• Management's internally developed criteria as outlined in the Climate-Related Risks and Actions disclosures of the OMERS 2024 Annual Report. The criteria is informed by the Partnership for Carbon Accounting Financials (PCAF) guidance for financed emissions and management's deviations are disclosed within the Measurement Approach &amp; Methodology section.</p> <p>The asset classes included in scope are: Public and private equity holdings, single name equity derivatives, index and basket equity derivatives where lookthrough data is available, corporate bonds, credit holdings, infrastructure and real estate holdings. Only long positions are included. The following instruments and investment types are not in scope: cash, short-term notes, currency instruments, short positions, interest rate swaps, commodities, external funds and government securities.</p>
Carbon Footprint	<p>Carbon Footprint represents OMERS absolute emissions divided by the total in scope portfolio value. It is expressed in Metric tonnes CO<sub>2</sub>e/\$M invested.</p> <p>Scope 1 and Scope 2 GHG emissions are allocated based on economic ownership of investments as described under methodology for Total Absolute Emissions. The in-scope portfolio value on the measurement date is used to normalize the data.</p>	
Absolute Emissions	<p>The absolute GHG emissions represent the share of a portfolio company's emissions attributed to OMERS based on economic ownership. It is expressed in Metric tonnes CO<sub>2</sub>-equivalent (tCO<sub>2</sub>e).</p> <p>Scope 1 and Scope 2 GHG emissions are allocated to investors based on economic ownership.</p>	



Performance metrics	Description and Methodology	Applicable reporting criteria
<b>Corporate Carbon Footprint - as at December 31, 2024 and for the year then ended</b>		
Corporate Emissions: <ul style="list-style-type: none"> <li>• Scope 1 – Total GHG Emissions</li> <li>• Scope 2 – Total GHG Emissions</li> <li>• Scope 3 – Category 6 – Total GHG Emissions</li> </ul>	<p>The GHG emissions associated with OMERS operations expressed in Metric tonnes CO<sub>2</sub>-equivalent (tCO<sub>2</sub>e).</p> <p>The organizational boundary includes all assets that are owned or leased by OMERS and Oxford’s corporate functions and excludes Oxford property management teams.</p>	<ul style="list-style-type: none"> <li>• The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard Revised Edition.</li> </ul>

# LEGAL NOTICES

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Additional information related to OMERS and the OMERS Pension Plans can be located at OMERS website at [www.omers.com](http://www.omers.com).

## Caution Regarding Forward-Looking Statements

This Annual Report contains certain statements that are forward-looking and reflect management's expectations regarding the future growth, results of operations, performance, and business of OMERS and the OMERS Pension Plans based on information currently available to OMERS. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "expect", "intend", "estimate", "plan", "believe", "trend", "potential", "anticipate", "achieve" and "seek" or other similar words or expressions, or future or conditional verbs as "will", "may", "would", "could", "should" or other similar words or expressions.

These forward-looking statements concern, among other things, statements regarding management's strategy, objectives, outlook and expectations, including the material assumptions set out in the management's discussion and analysis ("MD&A"). Many factors affect OMERS organizational practices, the performance of the OMERS Pension Plans and the development of the MD&A, such as changes in market conditions, interest rates, inflation, demographics, technological factors, environmental and climate factors and ongoing geopolitical tensions. Investment returns and values will fluctuate. Past performance is not a guide to or indicative of future results.

These forward-looking statements also concern, among other things, statements regarding OMERS approach, projections, objectives and goals regarding sustainability matters, including statements related to OMERS environmental, social and governance factors, sustainable investing priorities and Climate Action Plan (collectively, "Sustainability Objectives"). These statements are subject to known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results.

Other potential material factors or assumptions that were applied in formulating the forward-looking statements contained herein include the following: that economic conditions affecting OMERS and the OMERS Pension Plans will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, laws and regulations, weather, taxes, inflation, and interest rates.

By their very nature, forward-looking statements require OMERS to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that OMERS predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that OMERS assumptions in the MD&A may not be correct and that OMERS Sustainability Objectives will not be achieved. OMERS cautions readers

not to place undue reliance on these statements as a number of risk factors, many of which are beyond OMERS control and effects of which can be difficult to predict, could cause OMERS actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements.

## Additional Caution Regarding Sustainability-Related Disclosures

This Annual Report includes statements and other disclosures related to OMERS's Sustainability Objectives (collectively, "Sustainability-Related Disclosures"). In making these Sustainability-Related Disclosures, in establishing OMERS Sustainability Objectives, and in preparing this document, OMERS has made various assumptions, including about technological, economic, scientific, and legal trends and developments, in light of an evolving policy and regulatory environment. As such, the data, analysis, strategy and other information in these Sustainability-Related Disclosures remain under development and subject to evolution, amendment, update and restatement over time. OMERS specifically cautions readers of the following:

- The evolution of the policy and regulatory environment related to sustainability matters, and particularly climate and biodiversity-related issues, may result in updates or revisions to accounting methods, forward-looking statements or other information contained in this document. There could also be changes to market practices, external methodologies, frameworks, criteria, taxonomies and standards (collectively, "Sustainability Standards") that governmental and non-governmental entities, the business community and industry sectors use to classify, assess, measure, report on and verify Sustainability-Related Disclosures. Furthermore, in some cases, Sustainability Standards may not exist. Changes to or the development of new Sustainability Standards may cause OMERS to amend or restate its Sustainability Disclosures and Sustainability Objectives.
- The Sustainability-Related Disclosures contained in this document may include certain commitments and set certain goals and targets (collectively, "Targets"). In establishing these Targets, OMERS made good faith assumption and estimates and, where applicable, relied on various market practices, laws and regulations and Sustainability Standards. Given the complex and evolving nature of many sustainability matters, particularly the global response to climate change, OMERS assumptions and estimates may change or be incorrect or inaccurate, and these Sustainability Standards may change over time, in ways OMERS cannot foresee or predict. OMERS cautions readers to understand the Targets OMERS has set in this context.
- Technical and other terms used in this report, including those used in to describe sustainability matters, are evolving, and OMERS use of such terms may change to reflect such evolution. Any references to such terms in this document are, unless otherwise indicated, references to internally defined meanings and criteria and not necessarily references to a particular regulatory definition or Sustainability Standard.
- In making Sustainability-Related Disclosures and in setting and implementing its Sustainability Objectives, OMERS often relies on data obtained from, or methodologies established by, third parties. Although OMERS believes these sources are reliable, OMERS has not verified all third-party data, or assessed the assumptions underlying such data, and cannot guarantee their accuracy. OMERS use of third-party data or methodologies cannot be taken as an endorsement of the third-party, its methodologies or its data. The data or methodologies used by OMERS in connection with Sustainability-Related Disclosures may be limited in quality, unavailable or inconsistent across sectors or assets. These factors could have a material effect on OMERS Sustainability Objectives or ability to meet them.
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