



TEACHERS'

PENSION PLAN • RÉGIME DE RETRAITE
DES ENSEIGNANTES ET DES ENSEIGNANTS

ONLINE ANNUAL REPORT 2009

AUDIO TRANSCRIPT

I'm Jim Leech, President of the Ontario Teachers' Pension Plan.

When I come to work every day, I'm thinking about two things: first, the day-to-day business; and second, keeping this pension plan strong and healthy for the long term.

Last year was a good example of both priorities.

The plan's investments performed very well – up 13% as markets around the world rebounded. Net assets at year end exceeded \$96 billion. And, we beat our fund benchmark by more than four per cent. The benchmark reflects the performance of the global markets in which we invest.

Our investment team is to be commended for the extent of the fund's recovery from the 2008 loss, and for outperforming the benchmark by such a wide margin.

Our Member Services team also had an excellent year. They continued to receive high service ratings from our members, scoring 9.1 on a 10-point scale. We also compare our services against other major pension plans and, again this year, we ranked among the world's leaders.

So in 2009, we delivered good results – day in and day out – and that's very important. But when it comes to plan funding, we must take a much longer view.

Funding valuations that measure the plan's health over 70 years or more have shown a persistent pattern of funding challenges and shortfalls for the last several years. We are reporting a preliminary funding shortfall of \$17 billion* for 2010, despite strong investment performance last year.

Pension plan management and board members do not decide how to resolve funding shortfalls – that is the responsibility of the Ontario Teachers' Federation and the Ontario government. But we do provide advice on funding issues, and are active in the tripartite Sustainability Working Group. We're encouraged by the level of engagement by all parties on this initiative.

Taking care of daily business ... fortifying your pension plan for the future: they're equally important mandates and they're top of mind with us every day.

*The 2009 Annual Report of the Ontario Teachers' Pension Plan reports a preliminary funding shortfall of \$17.1 billion.