

Transcript of 2011 Performance Video
Jim Leech, President & CEO
Ontario Teachers' Pension Plan
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2011 was a very, very difficult economic environment worldwide to be making investments. But our team was able to perform admirably in turning in a return of 11.23%. And that really is quite remarkable given the volatile environment in which we were operating.

From a value-add perspective — and what I mean by value-add, is the difference between just passively investing in a stock index or a bond index and what we actually return — we brought to teachers an extra \$1.4 billion. That goes a long way to covering our costs and paying many pensions for the future.

Unfortunately, notwithstanding the great investment returns for 2011 and for the previous 20 years, we will report a preliminary deficit at the beginning of this year.

Any decisions with regard to contribution rates or benefit levels to balance this fund are made by the two sponsors together: that's the Ontario Teachers' Federation and the Ontario Government.

I'm confident in the sustainability of this fund largely because the two sponsors understand the issues that we're facing: the demographic issues and the low interest rates, which means that we can't count on returns to close the gap into the future. The sponsors have been working with us for the past three years examining various alternatives on how they can make that small course correction today to solve the problem in the long term.