

AGM REMARKS 2022

Steve McGirr, Board Chair

[STEVE MCGIRR, BOARD CHAIR, PHOTO]

Board Chair, Steve McGirr: Thank you for tuning in for this year's Annual Meeting.

As we closed out 2021, I had hoped that be in front of you, discussing the success and resilience of the Plan despite the obstacles presented to us by the pandemic.

I also hoped to be in person to make some forward looking remarks about the economic consequences of COVID-19 and how we, as a pension plan, would adapt our long-term strategies to the new economic realities of today.

But the longevity of the pandemic has had consequences for all of us in so many ways.

2021 was another tumultuous year for the market, for investors and we recognize that it was also another very difficult year for teachers.

[TEACHERS PHOTO]

Steve McGirr: Despite continued and uncertain circumstances, teachers in Ontario demonstrated resilience.

You have adapted and innovated on new methods to engage students remotely.

You have been steadfast in your commitment to supporting students and families across the province.

As the stewards of our most precious resources -- our children and their education -- we thank you for your commitment.

It is important that we do our part to support you by ensuring that you have the information you need to have confidence in your financial security.

In this video I will review our 2021 results and what we accomplished over the year.

I will also briefly discuss some of the decisions we are making today to maintain our strong position for the future.

[AN EXCEPTIONAL YEAR FOR THE PLAN]

Steve McGirr: The plan delivered outstanding investment returns this year.

The nature of our pension plan requires steady, long-term returns so that our members can rely on stability in benefits and contribution rates now and in the future.

We exceeded our benchmark and maintained a fully funded status for the ninth year in a row, demonstrating our position of strength as a plan.

Despite continued economic uncertainty and a challenging market environment in 2021, we attained a total fund net return of 11.1%.

This exceeded our benchmark by 2.3% and provided a record \$5.5 billion value add to the fund.

We achieved a healthy preliminary funding surplus of \$17.2 billion dollars, providing a cushion for uncertain times.

[THE PLAN IS ON SOLID FOOTING]

Steve McGirr: With this strong funding status, members will continue to enjoy stable benefits and contribution rates.

The plan continues to be on solid footing – your pension is secure.

[AN ACTIVE YEAR FOR DEALS]

Steve McGirr: 2021 proved to be an incredibly busy year for our investment teams and for the board's investment committees.

This was also reflected in the frenzied activity we saw in private markets around the world.

In line with our strategic goals to advance our global growth, the plan made a number of high-quality and sizeable investments internationally.

We made a large investment in Caruna, Finland's largest electricity distribution company;

We became a significant shareholder in GreenCollar, a leading environmental markets project developer and investor across the carbon, water quality, biodiversity and plastics market in Australia; and

We acquired Voltz, whose portfolio of power transmission assets in Brazil are helping power a low-carbon future; and these are just a few of the notable investments.

[PIVOTING OUR INVESTMENT STRATEGY]

Steve McGirr: We also pivoted our investment strategy to attempt to partially counteract

current inflationary forces.

We actively allocated capital into areas that traditionally perform well or offer some hedge against inflation, like commodities and natural resources.

The plan added a number of investments in real assets like infrastructure and real estate, which often feature inflation-linked cash flows.

We were particularly busy in the infrastructure space, where we signed or closed more than \$12 billion of high-quality transactions.

We also invested more in private, international opportunities and explored new asset classes, such as technology, to help generate these strong results.

[MORE UNCERTAINTY AHEAD]

Steve McGirr: While we were pleased with our results in 2021, we were faced with significant near- and long-term challenges.

Among them: higher debt loads taken on by the public sector to provide funds for stimulus; disrupted supply chains; dislocated labour markets; inflationary pressures and global social stresses.

Given our strong financial positioning and ability to adapt throughout the pandemic, we felt reasonably well positioned to work through them, remaining agile in the short-term without losing track of our key responsibility of protecting the long-term health of the plan.

The challenges we face – as formidable as they are – have been made harder still with the unfolding crisis in Ukraine.

The human suffering and humanitarian crisis created by war is devastating.

There is no way to quantify the toll that it has had – and will continue to have – on people, on families and communities.

With war comes the destruction of capital – we can measure that, and it's immense.

The economic and social consequences are far-reaching.

There may be slowing of global economic activity; there is a breakdown of agricultural supply chains, which will have enormous impacts on the world's food supply.

Rising energy prices, which could impact not only economic growth but also sadly be extremely detrimental to climate.

There is also a disproportionate impact on the world's most vulnerable people and this creates social instability.

The crisis in Ukraine will inevitably have implications for the plan and our members.

We must consider the impacts the conflict will have on economic growth, on market activity, and what that means for the plan.

Ukraine adds another challenge for us to navigate, and at this point we simply do not know how long it will last and what the fallout will be.

But it does add another dimension of uncertainty.

[STRONG LEADERSHIP]

Steve McGirr: Now, more than ever is a time for steady leadership and to keep focused on our mission – to provide pensions for the more than 330,000 active and retired teachers of Ontario.

We will continue to focus on our key responsibility of protecting the long-term health of the plan.

Our entire organization has risen to the challenge in this new world, keeping the Plan well positioned during very difficult circumstances.

In this multifaceted environment, your board will continue our engaged oversight.

We will continue to work closely with management, to address wide-ranging issues and continue to fulfil our key responsibility of protecting the long-term health of the plan.

[POSITIONED FOR CONTINUED SUCCESS]

Steve McGirr: We have full confidence that Ontario Teachers' is positioned for continued success under a very experienced executive team.

They continue to successfully navigate uncertainty, guiding the organization with an ambitious yet steady hand and concentrating on the long-term growth needs of the plan in the post-COVID world.

We are convinced their leadership will enable us to deliver on our strategic goals and continuing positioning the organization for growth.

The board along with the leadership team together are focused on the preservation and the safety of your retirement security.

It is a privilege to serve you. Thank you.

