ONTARIO TEACHERS'
PENSION PLAN – RÉGIME DE RETRAITE DES ENSEIGNANTES ET DES ENSEIGNANTS

PENSIONWISE

A PUBLICATION FOR ONTARIO TEACHERS SUMMER 2016

Chief Investment Risk Officer Barbara Zvan on Responsible Investing

Image: Kevin Barton

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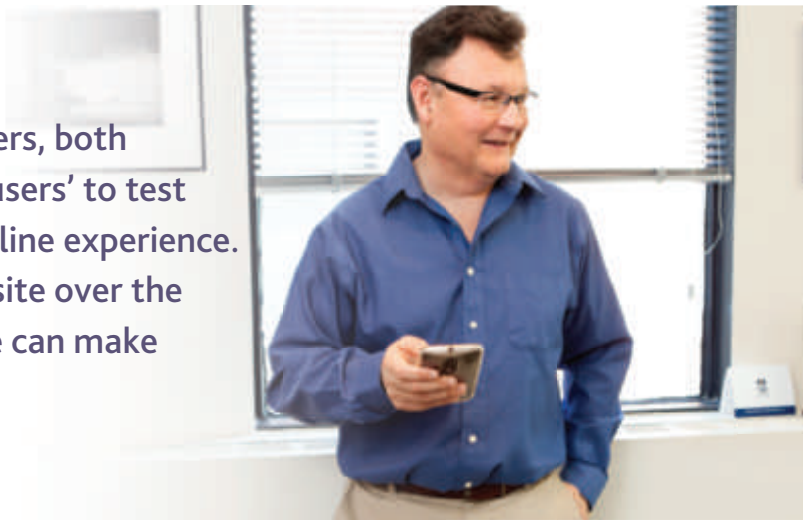
TEST DRIVING YOUR NEW ONLINE EXPERIENCE

Ken Collins was one of more than 2,500 members, both working and retired, who volunteered as 'beta users' to test drive the changes we made to our members' online experience. He and the other volunteers used the new website over the past year and offered their feedback on how we can make it even more personal and simple.



Some of the improvements we made included:

- more links to information you consider relevant and important;
- hints and messages to help you sign in; and
- compatibility with all mobile devices.

With a handful of years left before he retires, Ken's favourite feature was the pension calculator. "Any time you can sign in and get an accurate estimation of where you plan to be in six months, five years, or for the newbies, 20, 25 years down the road, it's just a remarkable tool to have."

While he knows what his salary is today, the tool allows him to project what his salary will be as he moves through his career. Ken can then use these projections to calculate the impact on his pension if he works a little longer or decides to retire sooner. "If I have my mortgage paid, can I live off of this much? What will I have to do to supplement my income? Will I even have to supplement my income?"

Being able to drum up retirement scenarios on his smartphone was an added perk, Ken added.

"Everything is accessible right there on the screen with a tap. And it makes it easy. If you have a quick question and you want it answered, there it is right there."

And when he does retire, he'll have all of the details about his pension, from cost-of-living increases to Canada Pension Plan adjustments at his fingertips.

Ken added that his 88-year old mother, a retired teacher, explored the new online experience and was able to navigate it with ease.

"You're not cluttered with piles of information right in front of you. It's three items at a time, and the three items always pertain to my situation. It's so simple, it really is," Ken said.

The new experience is self-serve, he continued. "I can get the information that I need at my own pace, on my schedule. Unless someone has a very unique situation, almost every life experience can be found on the website. It's all there."

3 Facts About Ken

1. Before becoming a teacher in Sudbury in the late 1980s, he worked as a journalist.
2. He has four kids, who live all over North America. And "the grandkids are starting to appear."
3. When he retires he plans on spending time on his mining property in Northern Ontario, "doing amateur geology."

SIGN IN TO PERSONAL, SIMPLE AND MOBILE

Your online experience with us has changed.
Check out **www.otpp.com/members/my** to see the improvements we've made.
Here are some highlights:

Personal

Once you sign in, your 'Welcome Page' contains information that's customized, just for you.

Alerts remind you about important tasks that require your attention and information is prioritized based on what's relevant to your situation. You'll never be bombarded with information, though. We designed the site so that you're presented with what you need, when you need it.

You'll also have a bird's eye view of important information, like your earliest unreduced retirement date or the date of your next pension payment.

Simple

The site looks a lot different, but all of your information is still there. You can pick up right where you left off.

'Your Pension' section contains all the details you need about your pension. If you're still working, this is where you'll use the pension calculator to create and compare different retirement scenarios, learn about any eligible buybacks and review your service record.

If you're retired, then you'll find everything you need to know about your pension, including your cost-of-living adjustments and T4As.

Visit 'Profile' to make sure the contact information we have for you is up-to-date (hint: check that we have your personal email address, not your work email address). Update your preferences to receive email updates from us. Get access to exclusive digital content, including videos, and receive news about the plan, as it happens.

Mobile

You can now tap into your pension details from a smartphone or tablet.

The first time you sign in to your redesigned account on either your desktop or a mobile device, you'll need your account number and password. Can't remember your account number? Find it in the top-right corner of our emails.

Don't have an online account?
Call 1-800-668-0105 to register

3 QUESTIONS

WITH YOUR PLAN'S CHIEF INVESTMENT RISK OFFICER

We sat down with Barbara Zvan, our Senior Vice-President, Strategy & Risk and Chief Investment Risk Officer, to talk about the evolution of responsible investing and the role it plays in helping us meet our fiduciary duty to you.

Q: Environmental, social and governance (ESG) risks are typically difficult to quantify. So, as a numbers person, how do you assess these types of risks?

A: In investments, data is usually just the first step. We take data and through some proper analysis we try to gather some insights. From those insights we make investment and risk management decisions. With ESG risks, there is less data, but it involves us doing more research to develop some context around what we need to know to make investment decisions. Even though it's not perfect, it's a great first step. Investors have to realize that this will be a process. Even with financial statement reporting, it was not that long ago, in the 1920's, when companies didn't even report sales. The concept of full-disclosure only came in the 1930's. And the full study after that probably created some of the base principles that we work with today. We're hopeful that we'll see the same progress with ESG data.

Q: We have a fiduciary duty to be here for generations of teachers to come. How does our responsible investing approach help us to fulfill that promise?

A: Risk management's always been at the heart of what we do. Ontario hired a lot of teachers to teach the Baby Boomers and then [those teachers] eventually retired. So we have a lot of retirees for every active member that we have today. That makes us very thoughtful in terms

of what kind of loss we can sustain and how we share the losses among the active working teachers and now retirees with conditional inflation protection. We see this type of ESG lens or responsible investing, as just another way to look at risk management. It's another way that we can say how we can make this plan sustainable for the long term.

Q: We've also maintained that engagement is much more effective than divestment; that exerting our influence at company tables has a much greater impact. So can you describe to us what being at that table is like?

A: It's really a two-pronged approach and it's a group effort across Ontario Teachers'. We look at both the companies who we think have heightened risks and poor disclosures and we worry about how they're going to transition to a low carbon economy. We also look at good companies and understand what they're doing. These engagements provide us with an opportunity to voice our concerns and it really differs, depending on whether it's a large company or a small company. Where we have a small holding, we can ask a lot of tough questions and voice our concerns. If it's a small company where we have a large holding, we can be very active at the board table and ensure the right practices are in place.

Either way, it's a long road. It's a lot of back and forth. But it's progress and we see it going in the right direction, we're seeing change.

*This interview has been edited and condensed for clarity. Visit **www.otpp.com/interview** to watch the full interview.*

VISIT

www.otpp.com/talkingRI

and watch Barbara respond to what responsible investing means to you: sustainability; divestment; and climate change.

4 THINGS YOU NEED TO KNOW ABOUT YOUR PENSION

Whether your retirement is on the horizon or many years away, there are things you should be thinking about today:

1 Your pension is adjusted after you turn 65.

If you retire before your 65th birthday, you'll receive what we call a bridge benefit. This benefit helps to supplement your income until you qualify for an unreduced pension from the Canada Pension Plan. Even if you collect a reduced CPP pension early, you'll receive the benefit. The month after you turn 65, the benefit ends.

2 Your cost-of-living increases aren't guaranteed.

Annual cost-of-living increases on pension credit you earned after 2009 will depend on the plan's funding status during your retirement. We can't predict the future, but we do know you'll still receive a solid pension based on how long you worked and how much you earned. Explore **www.otpp.com/2016inflation** to learn more.

3 The more credit you have, the higher your pension will be.

Buying back eligible leaves, or working a few extra years are a couple of ways to increase your credit in the plan. There is no limit on how much credit you can earn, even once you qualify for an unreduced pension.

4 You have to apply for your pension to collect it.

When the time comes and you're set to retire, be sure to submit your resignation letter to your employer and apply for your pension in your Ontario Teachers' online account.

DIGITAL BRIEFS

Keep up-to-date with plan news, as it happens.

Subscribe in your online Ontario Teachers' account.

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Reel Retirement – The next phase

Marion has crossed the finished line and is now retired! She's sharing her transition to life on pension with you. Stay tuned for Season 2 of Reel Retirement when we follow her through the first few months of her retirement. Join in the conversation and share your tips and tricks with her through **facebook.com/myOTPP** and **youtube.com/OTPPinfo**.

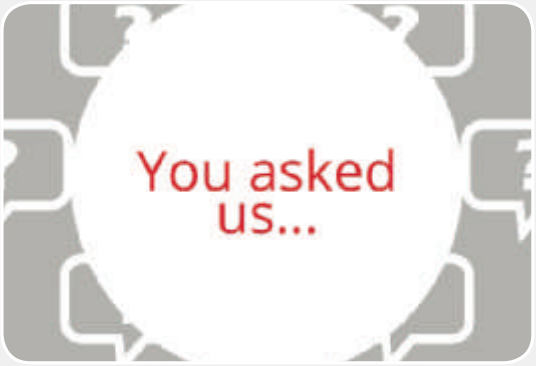
Watch reel Retirement
MARION'S STORY

Top Facebook Posts

Rachel: Not hearing a bell ringing all day… And travelling at low season rates.

Tom: Filling up my day. Or not filling up my day.

Sharon: Having to reduce online shopping on my favourite sites!



Can I invest more in the plan?

One of the most common questions we got following the release of our 2015 results was if you can make additional voluntary contributions or if we can manage personal investments on your behalf. Read the answer at **www.otpp.com/investmore**

NEWS BRIEFS

Congrats to the winners of our registration contest!

More than 2,300 members registered for an Ontario Teachers' online account between Feb. 1 and March 31 and were automatically entered into the random draw. Below are the lucky winners. Be sure to register for your account if you haven't already, because we have another contest in the works.

- **Mary** (Warwick Township) and **Tanya** (Guelph) each won an **iPad**
- **Joseph** (Mississauga) and **John** (McDougall) each won an **iPhone**
- **Michael** (Sault. Ste. Marie), **Estelle** (Ottawa), **Sandra** (Campbellford) and **Alysia** (Embrun) each won a **CF shop! card**

FUN FACT:

Of the 2,300 members who registered for an Ontario Teachers' online account, roughly 300 of them were 70 years old or older.

Pensionwise is published for members of the Ontario Teachers' Pension Plan.

We appreciate your comments about anything you read in *Pensionwise*.
Please email: member_communications@otpp.com

This newsletter does not create any right to benefits. Your entitlements and those of your survivors are and will be governed by the language of the pension plan text. The information contained in this newsletter is not intended to be relied upon in relation to any particular circumstance.

Ce bulletin est disponible également en français.

Ontario Teachers' Pension Plan
5650 Yonge Street
Toronto, Ontario M2M 4H5

Client Services
Telephone: 416.226.2700
or 1.800.668.0105
Fax: 416.730.7807
or 1.800.949.8208
Email: inquiry@otpp.com
Website: www.otpp.com

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Ontario Teachers' to sell specialty insurer ANV

We've agreed to sell our ownership of ANV Holdings BV to AmTrust Financial Services Inc. The deal is worth $218.7 million USD and is expected to close by the end of 2016.

ANV underwrites specialty risk solutions and functions as a risk-bearing insurer through three Lloyd's syndicates and as a managing general underwriter in Europe and the United States. We acquired it in 2012.

Return undeliverable Canadian addresses to:

PM# 40062973

Ontario Teachers' Pension Plan
5650 Yonge Street
Toronto, Ontario
M2M 4H5