

Straight Talk with CIO Jill Pepall

Investing in financial markets remained challenging in 2016. Key factors contributing to this were continued low interest rates and the volatility created by geopolitical events, such as Brexit and the U.S. presidential election.

We successfully navigated these challenging markets to generate a strong return of 8.1%, nicely exceeding our benchmark portfolio return of 6.6%.

Investment Management Corporation of Ontario

OPB made significant progress towards IMCO's 2017 launch. This will provide the Plan, and other clients of IMCO, such as WSIB, the benefits of economies of scale through asset pooling. This move will help us achieve higher risk-adjusted returns, and enhance our ability to directly invest in a broader array of high-quality assets.

While this is my last message as OPB's Chief Investment Officer, I will continue to lead the Investments team at IMCO, and remain committed to protecting the pension promise as your investment manager.

For Your Future

Going forward, the governance relationship between OPB and IMCO will be key. OPB will continue to own its assets and liabilities, and be responsible for setting the Plan's Strategic Asset Mix. This will help ensure that the Plan maintains the optimal asset mix to meet the pension promise. IMCO will invest the Plan's assets in accordance with this mix and also in line with OPB's investment beliefs, policies and legislative requirements.

I truly look forward to partnering with OPB in my new role. Together, we can protect the pension promise for all members, now and in the future.