



Oxford invests in New York City's Hudson Yards

Oxford Properties Group, the real estate investment and development arm of OMERS, has joined forces with Related Companies LP to develop Manhattan's Hudson Yards, reported to be the largest single undeveloped piece of property in Manhattan.

The deal, announced in late May, sees Oxford making an initial equity investment of \$75 million in the general partnership with an option to invest up to an additional \$400 million as the lead investor in the Limited Partnership, according to Blake Hutcheson, President and CEO of Oxford Properties Group.

The 26-acre property is conceived as a mixed-use community and will include about 5,000 units in nine residential buildings, three world-class corporate headquarter sites, a major destination retail complex, a 300-room five-star hotel, a 1,000-room convention hotel and multiple cultural and parking facilities.

Related Companies was awarded development rights by the Metropolitan Transportation Authority earlier this year. For its part, Oxford, with assets of approximately \$16 billion, has become a global player in the commercial real estate sector, with recent strategic expansion in the United Kingdom and the United States.

"This project is one of the best development opportunities in America, on one of the last remaining great real-estate parcels in Manhattan," Mr. Hutcheson said in a recent interview.

The deal with Oxford is another example of Canadian pension funds looking to New York as a sound investment opportunity given the weakening of the economy and the fact that so many other real estate investors have been sidelined.

Solidifying the partnership with Related is the fact that Mr. Hutcheson and OMERS CEO, Michael Nobrega have known Hudson Yards President Jay Cross, originally from Canada, for over 25 years.

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The six drivers of OMERS Strategic Plan

The OMERS enterprise-wide Strategic Plan has been developed by Management and approved by the Administration Corporation Board in 2009. Management's goal is to create surplus wealth over the long term beyond the basic pension promise. This surplus will provide the Sponsors Corporation with flexibility in making decisions about pension benefits, contribution rates and a funding cushion. In addition, surplus wealth will provide money to reinvest in the OMERS organization.

OMERS rolling five-year enterprise-wide Strategic Plan has six drivers:

Asset Mix Policy — Investments in public markets provide portfolio diversification and offer sufficient liquidity to meet our pension obligations despite the volatility of public equity investments. This asset class compliments our private market investments which are less liquid but generate more stable, long-term returns. OMERS is continuing to shift its asset mix to increase its private assets and move toward a better balance between public market and private market investments.

Direct Drive Active Management — On the investment side, direct drive active management is designed to create value above the passive returns of market indices. On the pension side, direct drive active management means we have created an integrated professional pension services team. This team has developed top-line breadth and depth in pension administration, customer service and actuarial expertise.

Access to Domestic Capital — OMERS will raise domestic capital so our investment entities have a larger capital base from which to make large-scale investments that can generate superior and sustainable long-term returns. Fee-based investment management services will be offered to eligible clients through OMERS Investment Management Inc.

In addition, OMERS will consider offering other pension plans the opportunity to participate in the OMERS Plan. We will also raise domestic capital through offering Plan members the opportunity to make RRSP-type voluntary contributions to the Primary Plan. These are known as Additional Voluntary Contributions, or AVCs, and have the potential to raise significant additional capital with which OMERS can pursue top-tier investment opportunities.

Access to Foreign Capital — Establish Global Strategic Investment Alliance (GSIA) with like-minded investors such as public and private pension funds, sovereign wealth funds and insurance companies. The GSIA will originate, acquire and manage large-scale real estate and infrastructure assets. GSIA will allow OMERS to acquire attractive large-scale assets it could not acquire on its own.

Strategic Investment Opportunities — There are three components to this strategic driver. The first is the creation of the OMERS Worldwide brand as our investment brand to build OMERS reputation internationally, and the establishment of a network of OMERS Worldwide offices in key foreign and domestic markets to ensure we have people on the ground and close to our assets as they grow in strategic locations.

The second is the establishment of OMERS Strategic Investments, charged with a mandate to establish a portfolio of companies that can help OMERS investment entities identify and source investment opportunities worldwide.

Finally, the establishment of a single market-facing company within OMERS to coordinate and manage all OMERS public debt.

Eliminating Barriers to Growth — OMERS has grown to become a leading institutional investor in Ontario and Canada. Where appropriate, we are working hard to persuade governments to remove unnecessary and outdated restrictions on our ability to do business effectively. Important changes we seek include:

- removal of legislative and regulatory obstacles to our ability to manage third-party capital;
- removal of Federal Investment Regulations which unfairly restrict pension fund investment activities; and
- amend statutes to facilitate the launch of specific strategic growth initiatives.

OMERS Private Equity completes deal for Logibec

OMERS Private Equity in August completed the acquisition of Montreal-based Logibec Groupe Informatique.

Logibec is among the fastest-growing North American companies specializing in information systems for the health and social services sector. Logibec's clients include acute care hospitals, community care centres and other healthcare facilities.

"With an aging population, we see a lot of growth in U.S. assisted living and nursing homes ... where Logibec sells its software," says Paul

Renaud, President and CEO of OMERS Private Equity. "The company has a strong market position in both Canada and the United States. The market, particularly in the United States, is very fragmented thus there is opportunity to participate in further consolidation."

The company has approximately 430 employees and its head office is in Montreal. It also has offices in Quebec City, Edmonton, St. Louis, Minneapolis and Dallas.

OMERS Private Equity completes second U.S. acquisition



UNITED STATES INFRASTRUCTURE CORPORATION

OMERS Private Equity, the private equity arm of the OMERS Worldwide group of companies, announced in May the acquisition of United States Infrastructure Corporation (USIC).

USIC is the leading provider of outsourced sub-surface utility locating services in the U.S. The company provides locating services across 20 states on behalf of over 400 telecom, electric, gas, cable and water utilities,

including all major national and regional utilities throughout the midwest, southeast, southwest and northwest.

"We believe USIC is poised to benefit from the growth in infrastructure spend and recovery in the U.S. construction market generally,"

said Michael Graham, Senior Managing Director and Head of U.S. Private Equity for OMERS. "We look forward to working closely with management and supporting their vision for the continued growth and leadership of the business."

Based in Indianapolis, Ind., USIC was created in 2008 through the combination of SM&P and CLS. USIC operates 38 district offices within its 20-state footprint.

The transaction represents the second private equity investment led by OMERS Private Equity in the United States, after its 2009 acquisition of rail maintenance equipment provider Nordco Inc.

"USIC is a great addition to our portfolio with its market-leading position, focus on quality of service and history of innovation within its industry," said Paul Renaud, President and CEO of OMERS Private Equity, which has \$5 billion of investments under management.

OMERS, ABP form international partnership with inkef capital

OMERS and Netherlands pension fund ABP have joined forces on a unique joint initiative that will invest in start-ups in the knowledge economies of both countries.

Announced in late June, inkef capital — Investing in the Knowledge Economy of the Future — is planning to deploy about \$265 million in Canada and the Netherlands over the first five years of the program's 15-year term.

"This type of international collaboration in programs for direct investment between pension funds is a promising new strategic option, both in this asset class and in others," said Philip Haggerty, Vice President, Corporate Development at OMERS.

The pension money that inkef capital will invest in start-ups with innovative ideas and technologies will provide good returns for the pension holders of ABP and OMERS, but will also contribute to economic development through the expansion of the high-level knowledge economy. inkef capital distinguishes itself from other investors by its long-term investment horizon, active partnership with and mentoring of start-ups, and integration with the market presence of OMERS and ABP.

inkef capital will invest in new companies and technologies — typically spin-offs from university research departments or existing firms — from an early stage of their development onwards, with ABP and OMERS each providing half of the funding for the program.

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These relationships were instrumental to our involvement, Mr. Hutcheson said. "Related are terrific partners and we have confidence in Jay to get the project completed in a highly commercial and successful way."

According to the *Wall Street Journal*, over the past year, Related has received zoning approvals and begun plans to build the deck that must cover the rail yards before construction can move ahead.

With equity in hand, Related and Oxford can turn to raising funds from other partners and commence signing up tenants for the commercial space. In an "ideal case" scenario, Related said it would secure a tenant in early 2011. Building construction would start 18 months later, with 2015 as the earliest move-in date for corporate tenants. The total development of the site could take over 10 years.

Mr. Hutcheson says Oxford is not finished investing in New York, "We have \$1-billion in the US market and we want to invest that much again, plus."

Warren W. Bell named Executive Vice President, Chief Human Resources Officer



Michael Nobrega, President and CEO of OMERS, announced the appointment of Warren Bell as Executive Vice President and Chief Human Resources Officer on July 15, 2010.

Prior to joining OMERS, Mr. Bell held a variety of senior management positions in human resources over his progressive, 25-year career at TD Bank Financial Group. Most recently, he was Senior Vice President, Corporate Human Resources.

As a key member of the senior management team at OMERS, Mr. Bell plays a leading role in implementing the OMERS Global Human Resources Strategy as well as securing and developing the top-notch talent and intellectual capital that make OMERS one of the 50 Best Employers in Canada and a global leader in the pension and investment industries.

Mr. Bell is a graduate of The University of Ottawa from which he holds both Bachelor of Commerce (Honours) and Bachelor of Administration degrees. Mr. Bell is a Certified Human Resources Professional and a Fellow of the Institute of Canadian Bankers.

OMERS Senior Management Team

We are moving to grow our assets through enhanced global reach, increasing our active management approach to investments and teaming with other like-minded plans.

Michael Nobrega President and CEO OMERS	James Donegan President and CEO OMERS Capital Markets
Warren W. Bell Executive Vice President and Chief Human Resources Officer	Wendy Forsythe President OMERS Investment Management
Jennifer Brown Executive Vice President and Chief Pension Officer	Blake Hutcheson President and CEO Oxford Properties Group
Blair Cowper-Smith Executive Vice President, Corporate Affairs, and Chief Legal Officer	Michael Latimer Executive Vice President & Chief Investment Officer
Patrick Crowley Executive Vice President and Chief Financial Officer	John Macdonald Executive Vice President and Chief Operating Officer
Jacques Demers President and CEO OMERS Strategic Investments	Paul G. Renaud President and CEO OMERS Private Equity
	Michael Rolland President and CEO Borealis Infrastructure

OMERS Worldwide teams up with Free The Children



Craig Kielburger joined onstage by His Holiness the Dalai Lama at We Day 2009

OMERS Worldwide, through Borealis Infrastructure, Oxford Properties, OMERS Private Equity, OMERS Strategic Investments and OMERS Investment Management, announced in July a three-year branding partnership with Free The Children, an international children's charity that supports education in developing countries and focuses on youth empowerment and mentorship.

Through co-title sponsorship of We Day, Free The Children's annual signature event encouraging youth leadership and making a difference in communities, OMERS Worldwide will be seen across Canada this fall at celebrations in Toronto, Vancouver and Montreal.

"We Day inspires the next generation of leaders and supports volunteering - philosophies that reflect the core values of our enterprise," says John Macdonald, OMERS COO.

"My sincere thanks go to OMERS Worldwide for coming on board as co-title sponsor for We Day," says Craig Kielburger, Founder, Free The Children. "The empowerment and encouragement youth receive at We Day would not be possible without the generous support of OMERS Worldwide. For this we say, thank you."

Corporate-wide support for We Day will include employee fundraising and special events throughout the year. We Day dates are September 30, in Toronto; October 15, in Vancouver; and November 12, in Montreal.

Further Information

To obtain additional copies of this newsletter, please write to:
beyond@omers.com

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