

# BEYOND

PENSION AND INVESTMENT INSIGHT FROM OMERS

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## Michael Latimer: New OMERS CIO

Effective January 1, 2010, Michael Latimer assumed the role of OMERS Chief Investment Officer (CIO). He brings 30 years of corporate leadership experience – most recently with Oxford Properties, OMERS real estate arm, where he had been President and Chief Executive Officer since 2004.

*Beyond* spoke with Latimer about his new role, and what he sees for OMERS investments' future.

### Why did you take on this new role?

Previously, Michael Nobrega was OMERS President and CEO as well as its CIO. OMERS is separating these positions — a sign of the growing responsibilities of each position and their respective focus. This new, separate position gives me the chance to be involved with OMERS investments on a broader scale.

Also, OMERS has an ambitious and exciting plan to expand its global footprint and its capital infusions, which I very much want to be part of. This is an exciting time to be with OMERS.

### How do you see your role as Chief Investment Officer?

I see my role as a steward of OMERS investments. I was given the responsibility by Michael Nobrega, and my job is to continue to build and develop the OMERS Fund.

I'm not looking to make any wholesale changes in OMERS investment strategy. We have a successful direction and plan in place, and I have a team of seasoned investment professionals who all know what they're doing.

I headed up Oxford Properties before this, and I'm very familiar with the OMERS executive team and all aspects of OMERS investments.

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# Michael Latimer: New OMERS CIO

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## Latimer's Team (from left to right)

Paul Renaud (OMERS Private Equity), Michael Rolland (Borealis Infrastructure), Michael Latimer, James Donegan (OMERS Capital Markets), Jenny Tsouvalis (Investment Operations & Applications), Sara Yamotahari (Tax), Blake Hutcheson (Oxford Properties Group)

## What is your first priority as CIO?

I want to make sure that the transition for the new CEO at Oxford Properties goes smoothly — that Blake Hutcheson has the support and resources he needs to continue building Oxford.

I'm also gaining familiarity with OMERS other investment entities — OMERS Capital Markets, OMERS Private Equity, Borealis Infrastructure and OMERS Strategic Investments — to fully understand their focus and priorities.

## Did you learn any lessons from the market collapse of 2008-09?

Adversity creates opportunity, and market difficulties have encouraged business and government to work closely together to create opportunities. We're taking advantage of this for the benefit of our stakeholders.

We've learned a few things from the recent market collapse — including the importance of our private market investments, in particular our infrastructure and real estate holdings, which continued to perform.

We went into the events of 2008 in a strong position. While OMERS was affected by the downturn, as were many others, we weathered the storm better than most, which confirmed our investment strategy.

## How is OMERS evolving in a changing marketplace?

We're looking to grow — both by broadening our investment exposure and by increasing OMERS capital — and we're moving towards having more direct control over our investments. This is why we're bringing our externally managed funds under the guidance of our investment team; managing OMERS money with our people. This not only saves management fees, but most importantly it enables us to apply our proven expertise more broadly.

Our business is becoming more outward-looking and, as we broaden our exposure, we continue to grow our talent pool. After all, you can only be successful if you attract and retain the best people.

## Any final comments?

I feel privileged to have this role. It is simply a superb opportunity, the timing is great, and Michael Nobrega's leadership across the organization has set up all aspects of OMERS for success.

At the end of the day, we know what we have to do: create surplus wealth to ensure the long-term sustainability of the OMERS Plan for our members.

## OMERS rebounds to positive results in 2009

On March 1, OMERS announced a 10.6 per cent total rate of return for the year ended December 31, 2009, compared with a negative 15.3 per cent total rate of return in 2008. The average rate of return for the past five years now stands at 6.6 per cent, above the five-year average benchmark return of 5.8 per cent.

Net investment income for 2009 totalled \$4,310 million, compared to a net loss of \$8,013 million in 2008 resulting from the global credit crisis and the subsequent collapse of global equity markets.

OMERS Capital Markets had an 11.0 per cent return in 2009 compared to a benchmark of 13.5 per cent. OMERS Private Equity had a 13.9 per cent return with a benchmark of 6.7 per cent. Borealis Infrastructure had a return of 10.9 per cent compared to a benchmark of 9.0 per cent. Oxford Properties Group had a return of 1.3 per cent with a benchmark of 6.7 per cent. OMERS Strategic Investments had a return of negative 1.2 per cent compared to a benchmark of 10.7 per cent.

Please visit [www.omers.com](http://www.omers.com) for detailed financial information and OMERS 2009 Annual Report, "One Team, On Course."

# Blake Hutcheson new CEO of Oxford Properties

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Blake Hutcheson knows the lay of the land, especially when the land includes buildings.

On February 1, 2010, the veteran executive was named President and CEO of Oxford Properties Group, the real estate arm of OMERS and one of North America's largest commercial real estate investment development, and management firms, with \$16 billion in assets under management.

Hutcheson returns to Canada after a two-year tenure running the global real estate arm of New York-based Mount Kellett Capital Management. Before that, he was with CB Richard Ellis for 14 years, where he spent approximately 10 years as CEO of both the Canadian and Latin American operations.

"The time in New York helped prepare me for this global opportunity at Oxford," Hutcheson said in a recent interview. "The private equity structure, the equity investing, the principal investing, the mindset, the underwriting and the financial acumen I was able to pick up in New York is directly applicable to the plans we have for Oxford."

Hutcheson says he is excited about his new role and the track record Oxford has in the industry. "We are big in virtually every asset class," he says. "We are the dominant office player in many of the major cities in Canada. We have incredible retail and

industrial portfolios. We are a big investor in hotels owning several household names, including Fairmont Banff Springs Hotel and Fairmont Chateau Lake Louise and we have several parcels of land for development."

Hutcheson says the plan is to grow Oxford across the U.S. and Europe, from strategic offices in New York and London. With the completion, in 2009, of the 550,000-square-foot Watermark Place in London, U.K., Oxford has established a strategic foothold in the U.K. and the firm currently has several sizeable retail assets in the U.S.

"We have an incredibly healthy balance sheet," says Hutcheson. "We are well-positioned to compete in any market we choose to. Within Canada, we see terrific opportunities by using our own portfolio and balance sheet and growing our portfolio in a strategic way. I am open to working with the investment banking and brokerage community to make sure our buildings are full and our tenants are happy."

Hutcheson says the U.S. is going to present opportunities for Oxford over the next three years, and that his team is already "kicking the tires" on some potential investments.

Hutcheson is a graduate of the University of Western Ontario, the London School of Economics and holds an M.Sc in Real Estate Development from Columbia University, New York. He sits on several public and private Boards and Committees and was named one of Canada's Top 40 under 40.

## OMERS awarded Canadian Pension Fund of the Year, by *World Finance Magazine*

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In March, OMERS was honoured by *World Finance Magazine* as Pension Fund of the Year 2010, Canada. The magazine is produced by an award-winning editorial team of journalists and correspondents who provide news and features and detailed analysis of issues facing businesses today.

The judging panel used a wide range of criteria, looking for a company that provided a genuinely valuable service. In particular, the focus was placed on the financial stability of the company, enhancements to its core services, approach to risk and corporate governance and the development of staff.

Pension plans from around the world are considered for these awards.

"We are thrilled to be honoured with this prestigious award and are grateful to the team at World Finance for their recognition,"

said Michael Nobrega, President and CEO of OMERS. "To be recognized internationally for our commitment to rigorous risk management, client service, transparency, best practices in corporate governance as well as the innovations we offer as an employer is a significant achievement."

OMERS is in the midst of unprecedented growth and the pursuit of emerging global opportunities as we expand our international presence including offices in London and New York City, bringing us closer to our partners and assets around the world.

In December, OMERS received another honour from Hewitt Associates and The Globe and Mail Report on Business, which published their list of the 50 Best Employers in Canada.

For the second year in a row, OMERS Administration Corporation was the only pension plan to garner such recognition.

# 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 Administration  
Corporation



**Jennifer Brown**  
Executive Vice President  
and Chief Pension Officer



**Blair Cowper-Smith**  
Executive Vice President,  
Corporate Affairs, and  
Chief Legal Officer



**Patrick Crowley**  
Executive Vice President  
and Chief Financial  
Officer



**Jacques Demers**  
President and CEO  
OMERS Strategic  
Investments



**James Donegan**  
President and CEO  
OMERS Capital Markets



**Wendy Forsythe**  
President  
OMERS Investment  
Management



**Blake Hutcheson**  
President and CEO  
Oxford Properties Group



**Michael Latimer**  
Executive Vice President  
& Chief Investment  
Officer



**John Macdonald**  
Executive Vice President  
and Chief Operating  
Officer



**Paul G. Renaud**  
President and CEO  
OMERS Private Equity



**Michael Rolland**  
President and CEO  
Borealis Infrastructure

## FURTHER INFORMATION

To obtain additional copies of this newsletter, please write to:  
[beyond@omers.com](mailto:beyond@omers.com)

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While the information in this newsletter is accurate at the time of publication, the OMERS Act, 2006 is the governing source for all plan provisions

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