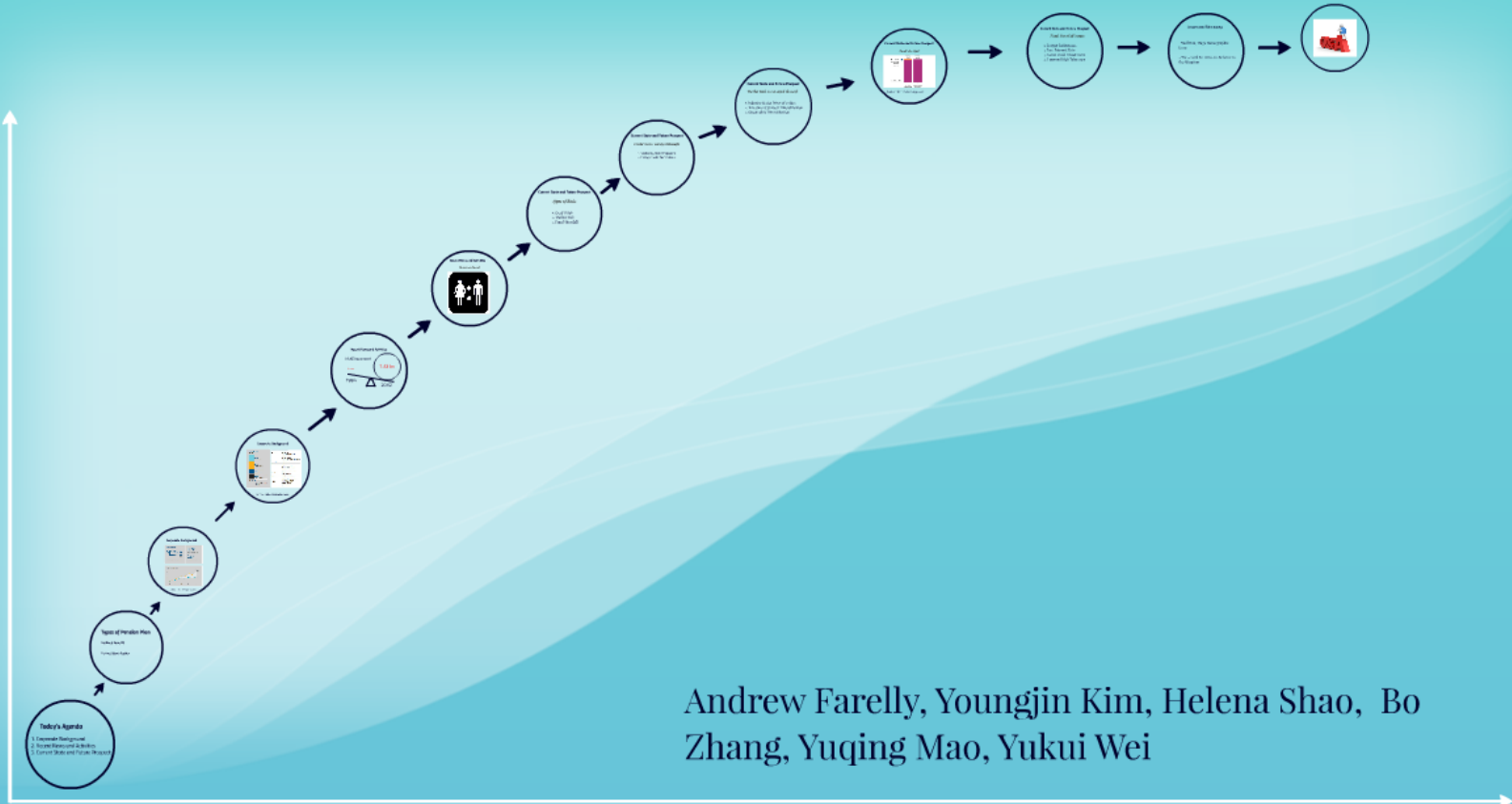




Ontario Teachers' Pension Plan - Risky Business



Investment
Return



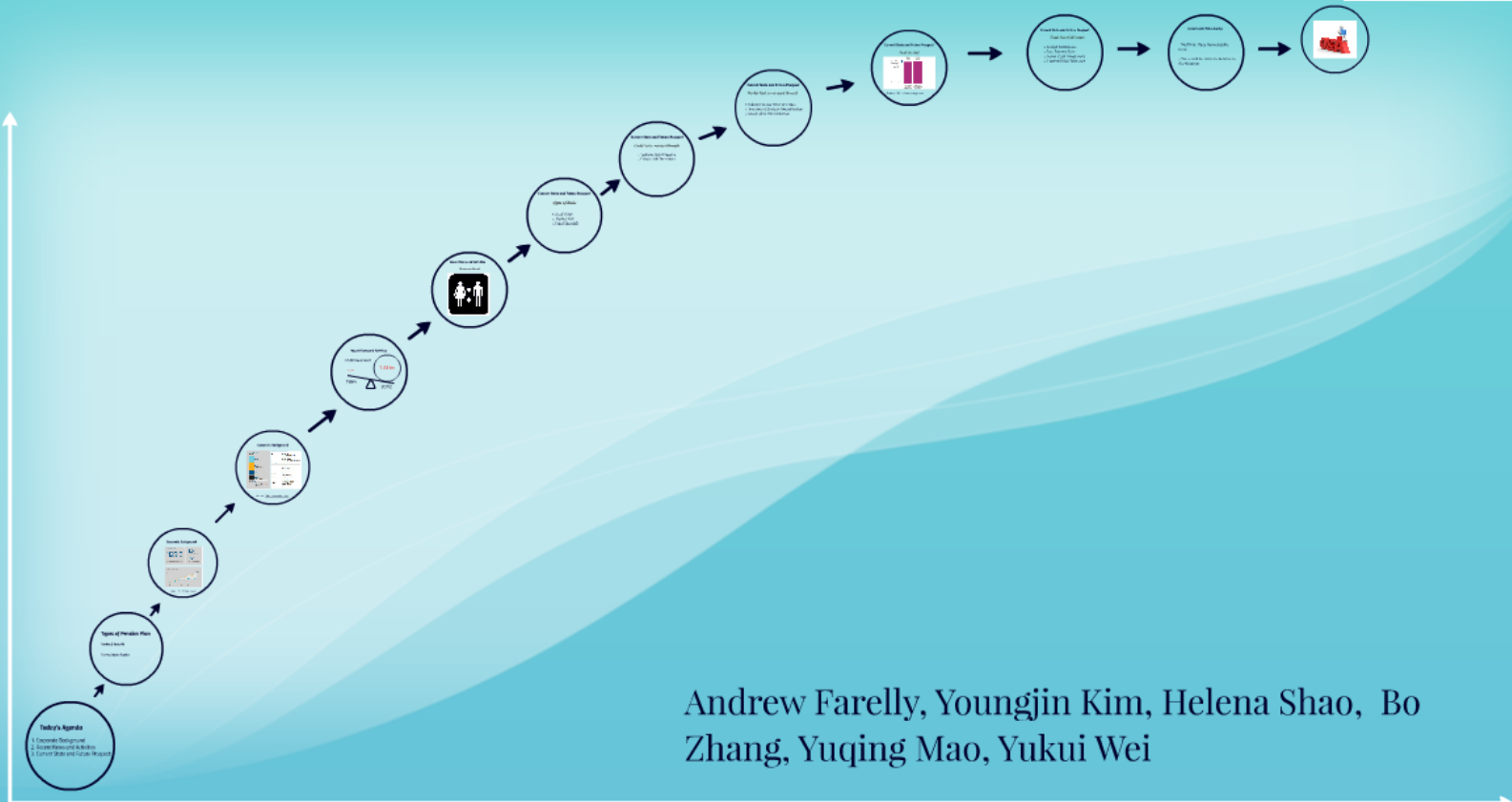
Andrew Farelly, Youngjin Kim, Helena Shao, Bo Zhang, Yuqing Mao, Yukui Wei



Ontario Teachers' Pension Plan - Risky Business



Investment
Return



Andrew Farelly, Youngjin Kim, Helena Shao, Bo Zhang, Yuqing Mao, Yukui Wei

Today's Agenda

1. Corporate Background
2. Recent News and Activities
3. Current State and Future Prospect



Types of Pension Plan

Defined Benefit

Defined Contribution

Corporate Background

INVESTMENTS

\$129.5
billion

Net assets at December 31, 2012

13.0%

Rate of return for 2012

9.6%

10-year annualized return

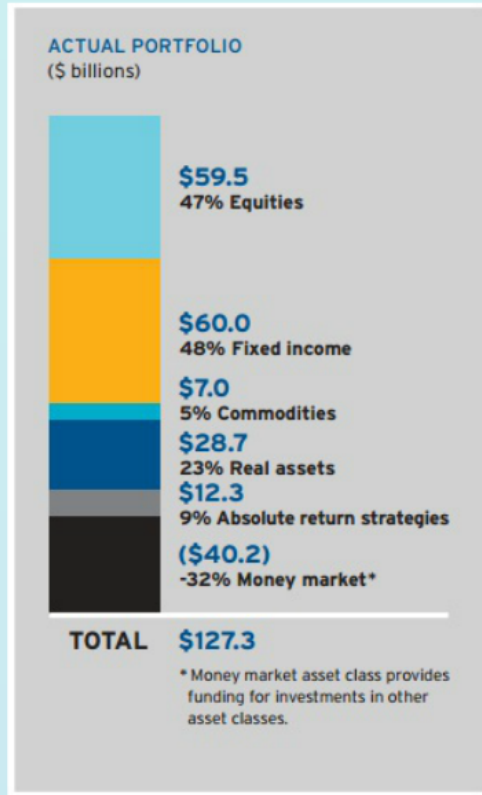
INVESTMENT ASSET GROWTH

(as at December 31) (\$ billions)



Source: <http://www.otpp.com/>

Corporate Background



BENCHMARKS USED TO MEASURE PLAN PERFORMANCE

	Benchmark
Fixed income	Custom Canada Bond Universe Custom Canada Long Bond Universe Custom Provincial Long Bond Custom Ontario Debentures Barclays Capital U.S. Treasury 15+ Index Custom Canada Real Return Bond Custom U.S. Treasury Inflation Protected Securities DEX 91 Day T-Bill
Canadian equities	S&P/TSX 60 Custom Long Term Canadian Equity
Non-Canadian equities	S&P 500 MSCI EAFE+EM MSCI All Country World ex Canada MSCI Emerging Markets MSCI Emerging Markets ETF Custom Non-Canadian National Indices Custom MSCI Global Index* Custom Long Term Non-Canadian Equity
Commodities	S&P GSCI S&P GSCI 3-Month Forward Custom Commodities Hedge
Real assets	IPD Canada Capital Growth plus 5.0% (Real Estate) DEX BBB Real Estate Debt Local CPI plus 4% plus country risk premium (Infrastructure and Timberland)
Total fund	Custom Canadian CDOR Index Custom U.S. LIBOR Index Custom U.S. T-Bill Index Custom Canadian OIS Index Custom U.S. OIS Index

* Previously the Custom Global Private Capital benchmark.

Source: <http://www.otpp.com/>

	Benchmark
Fixed income	Custom Canada Bond Universe Custom Canada Long Bond Universe Custom Provincial Long Bond Custom Ontario Debentures Barclays Capital U.S. Treasury 15+ Index Custom Canada Real Return Bond Custom U.S. Treasury Inflation Protected Securities DEX 91 Day T-Bill
Canadian equities	S&P/TSX 60 Custom Long Term Canadian Equity
Non-Canadian equities	S&P 500 MSCI EAFE+EM MSCI All Country World ex Canada MSCI Emerging Markets MSCI Emerging Markets ETF Custom Non-Canadian National Indices Custom MSCI Global Index* Custom Long Term Non-Canadian Equity
Commodities	S&P GSCI S&P GSCI 3-Month Forward Custom Commodities Hedge
Real assets	IPD Canada Capital Growth plus 5.0% (Real Estate) DEX BBB Real Estate Debt Local CPI plus 4% plus country risk premium (Infrastructure and Timberland)
Total fund	Custom Canadian CDOR Index Custom U.S. LIBOR Index Custom U.S. T-Bill Index Custom Canadian OIS Index Custom U.S. OIS Index

* Previously the Custom Global Private Capital benchmark.

Recent News and Activities

MLSE Investment

\$44 mn



1994



2012

1.32 bn

