

Purpose

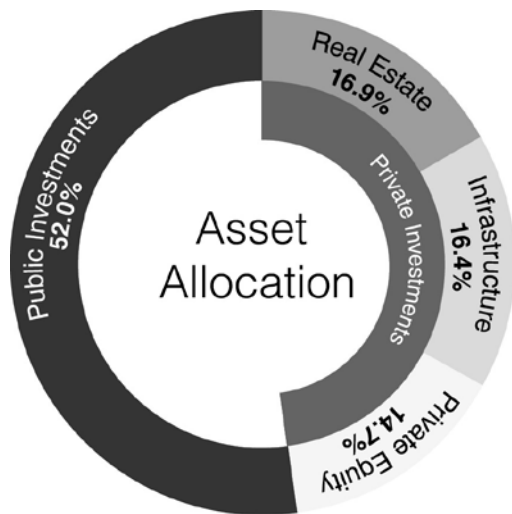
This document provides an overview of important financial information for OMERS members who are considering participating in the Additional Voluntary Contribution (AVC) provision of the OMERS Plan. For more information on AVCs, please refer to the [AVC Guide](#) and [Terms of Participation](#).

OMERS Investments

Funds that you contribute to an AVC account will be invested in the OMERS Fund and will receive the same net investment returns and experience the same variability as the OMERS Fund.

Our in-house teams originate, execute and directly manage most of the OMERS Plan's investments on behalf of our members. This allows us to co-ordinate opportunities across our investment platforms and manage investment costs. We use leverage prudently to enhance investment returns and expand diversification.

Diversification and the careful, disciplined selection of assets are hallmarks of our investment approach. We invest globally, with assets diversified by asset class, geography, economic sector and we also diversify across types of income streams in order to earn long-term returns. We also target high-quality investments, which are resilient in times of economic stress.



Public Investments

Our public investments include fixed income securities, public equity, and inflation-linked bonds that are generally traded in financial markets. These investments provide returns, liquidity and the flexibility to take long-term and short-term positions.

Private Investments

Our private investments include private equity, infrastructure and real estate, which are held for the longer term. These holdings, specifically in infrastructure and real estate, position us to generate strong returns and consistent cash flows with more stable valuations compared to most public investments.

For a list of our notable investments see pages 12 and 13 of the [OMERS 2015 Annual Report](#).

An AVC account may be attractive to members who do not want to make their own asset allocation decisions and are seeking satisfactory long-term growth with moderate volatility, through diversification of asset classes. Returns on investments will fluctuate with economic conditions in Canada and globally, individual company and industry performance, political and world events, changes in interest rates and other factors. Members should be aware that there are other savings and investment products in the market place with different risk-versus-return profiles, e.g., GICs, exchange-traded funds (ETFs) and mutual funds.

OMERS Fund Performance

Annual Average Net Rate of Return

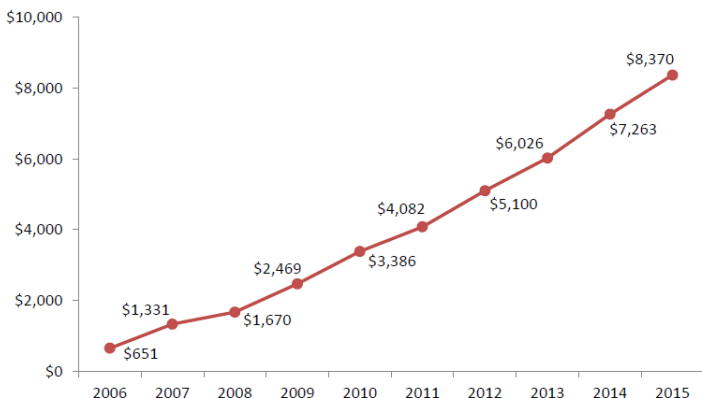
	1-Year	5-Year	10-Year	20-Year
OMERS Primary Pension Plan	6.7%	6.9%	6.1%	7.6%

Although past performance is not an indicator of future results, looking at a 10-year period:

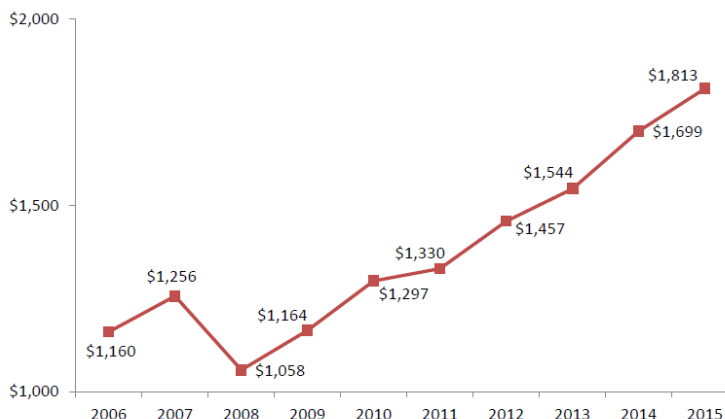
- An investment of \$50 each month in the OMERS Fund starting on January 1, 2006, would have grown to **\$8,370** by December 31, 2015 (total contribution over a 10-year span equals \$6,000)
- \$1,000 invested in the OMERS Fund on January 1, 2006, would have grown to **\$1,813** by December 31, 2015.

The results are based on investment returns after investment management expenses.

The value of a \$50 monthly contribution invested in the OMERS Fund (10-year period, 2006-2015)



The value of \$1,000 invested in the OMERS Fund (10-year period, 2006-2015)



AVC Account Fees and Expenses

Administration fee

OMERS will incur expenses associated with the startup, operation and maintenance of AVC accounts. These expenses are in addition to expenses related to the administration of the defined benefit provision of the OMERS Pension Plan and will be recovered by an annual flat fee. For 2016, the administration fee is \$35. The administration fee is based on cost-recovery and is subject to review. The administration fee may change over time.

Investment management expenses

Contributions to an AVC account will receive the same net investment returns as the OMERS Fund. Net investment returns for a given year represent investment returns after accounting for the investment management expenses incurred for that same year. Investment management expenses can be expressed in dollar terms, and also as basis points (a basis point is one one-hundredth of a percent, or 0.01%) which are deducted from the gross rate of return, in order to determine a net rate of return.

Investment management expenses were \$351 million in 2015, compared to \$384 million in 2014. Investment management expenses were lower in 2015, as 2014 included the costs of an organizational realignment. Investment management expenses for the year ended December 31, 2015 which include external manager performance and fund fees recorded in investment income, represent an investment management expense ratio of 57 basis points, compared to 65 basis points for 2014. The lower ratio is due to lower investment management costs and higher assets.

Investment management expenses expressed as basis points cannot be set and communicated in advance, as the basis points are based on the actual expenses that are incurred.

Risk Tolerance

Prior to registering for AVCs and making a contribution or lump-sum transfer to an AVC account, members should evaluate their financial goals and objectives and consider the potential risks of investing in the OMERS Fund through an AVC account. Members should also consider discussing risks with an appropriately qualified financial adviser.

Risks include:

Investment (return variability) risk

Funds that you contribute to or transfer to an AVC account will experience the same variability of returns as the OMERS Fund. OMERS invests in a combination of public and private equities, infrastructure, real estate and a broad range of interest-bearing instruments in various currencies, all of which are subject to market and credit risk.

While OMERS investment strategy diversifies the investment portfolio, the Fund is exposed to various risks that may negatively impact the value of the Fund and your AVC account over time. We carefully identify, assess, manage and monitor risks that could impact our business objectives, including demographic and economic factors. As a result, risk awareness and management are embedded in all of our strategies. For more about OMERS risk management, see page 37 of the [OMERS 2015 Annual Report](#).

Members should ensure that the variability of returns on AVCs, which would be suitable for those willing to accept a moderate risk level, corresponds with their financial goals and objectives.

Member risk

If you choose to make contributions or lump-sum transfers to an AVC account, you should be aware of the limitations on the timing of withdrawals and the amounts that may be withdrawn from your account. These limitations reduce the liquidity of your investment and should be considered for investment planning purposes.

Fees and expenses are based on cost-recovery. The administration fee is reviewed on a periodic basis and may change over time. Investment management expenses may vary from year to year.

IMPORTANT!

This fact sheet provides important information for OMERS members about contributing to the Additional Voluntary Contribution provision (AVC provision) of the OMERS Primary Pension Plan and should be read carefully before you decide to contribute to an AVC account. The information in this fact sheet is not intended to provide advice on whether AVCs are suitable for any particular member. OMERS members are encouraged to consult a qualified financial adviser prior to making any investment decisions.

In this fact sheet, we refer to the OMERS Primary Pension Plan as the "OMERS Plan," and we refer to the fund for the OMERS Primary Pension Plan as the "OMERS Fund" or "Fund."

For more information about OMERS results, investments and more, please refer to the [OMERS 2015 Annual Report](#), which can be found at omers.com.

For U.S. residents only: Neither the OMERS Primary Pension Plan nor the Additional Voluntary Contribution provision thereof (the AVC Option) is registered with the U.S. Securities and Exchange Commission. They are, or may be, offered and sold in the U.S. pursuant to an exemption from such registration.

Note: The AVC option is not available to members who are not resident in Canada or the United States.