

## REPORT TO MEMBERS 2012

**At OPTrust we are here to serve you.**

> With invested assets of \$14.7 billion, the OPSEU Pension Trust (OPTrust) manages one of Canada's largest pension funds and administers the OPSEU Pension Plan, a defined benefit plan with almost 84,000 members and retirees.



## BUILDING RETIREMENT SECURITY



## OUR MANDATE

OPTrust was launched in 1995 to provide service and security to the members and retirees of the OPSEU Pension Plan. Our mandate focuses on three key objectives:

- > **Generating** the long-term rate of return on investments needed to support the pension promise
- > **Delivering** the finest service and communications to our members and pensioners
- > **Ensuring** our membership has a real voice in the Plan through joint trusteeship

## IN 2012, OPTRUST:

- > **Achieved an investment return of 10.1%**, outperforming both the Plan's 7.2% composite benchmark return and our 6.5% funding target for the year
- > **Implemented the last of three annual 1% increases in members' and employers' contribution rates** to help manage the funding shortfall from investment losses in 2008
- > **Remained fully funded with a total surplus of \$34 million**, based on the Plan's \$852 million in rate stabilization reserves, which are sufficient to cover the current deficit of \$818 million
- > **Continued to receive high marks** from our members and retirees for the quality of service and communications we provide

**2012  
AT A GLANCE**

**FUNDING HIGHLIGHTS**

At December 31 (\$ millions)	<b>2012 VALUATION</b>	2011 INTERIM VALUATION
Net assets available for benefits	<b>\$ 14,705</b>	\$ 13,703
Actuarial smoothing adjustment	<b>(528)</b>	(189)
Present value of future contributions*	<b>4,918</b>	5,147
<b>TOTAL ASSETS</b>	<b>19,095</b>	18,661
<b>PRESENT VALUE OF FUTURE PENSIONS</b>	<b>(19,061)</b>	(18,610)
Rate stabilization reserves	<b>852</b>	847
Funding valuation surplus/(deficit)	<b>(818)</b>	(796)
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>\$ 34</b>	\$ 51

\* Includes the full 3% increase in contribution rates approved by the Plan's sponsors in 2009.

**RETIREMENT SECURITY FOR  
THE LONG TERM**

In 2012, OPTrust implemented the last of three annual 1% increases in members' and employers' contribution rates. As the Plan's sponsors, OPSEU and the Government of Ontario approved the 3% contribution increase in 2009 as part of a multi-year deficit management strategy.

At year-end, the Plan had rate stabilization reserves of \$852 million, which the Plan's sponsors had set aside from past funding gains. These reserves are enough to cover the Plan's funding deficit of \$818 million as of December 31, 2012. As a result, the Plan was fully funded at the end of 2012, with a small total funding surplus of \$34 million.

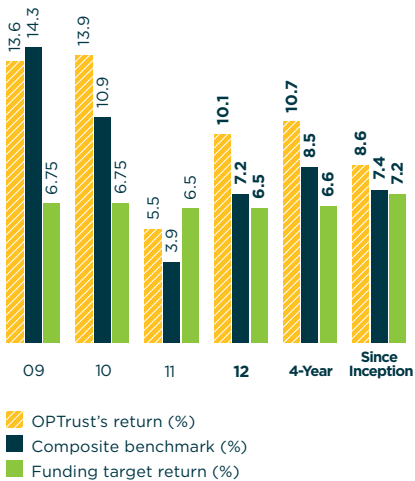


As a Point of Sale Help Desk Analyst, Craig Hadley is the point person to resolve technical and procedural problems at the LCBO retail stores throughout the province. He's there to provide solutions when issues arise with electronic systems such as handheld bar code scanners or inventory software programs.

"With the market volatility over the last several years, it's nice to know that the pension plan is professionally managed, delivering strong investment returns. I have a long way to go before I retire but it means that I'll have one less thing to worry about."

**CRAIG HADLEY – OPTRUST MEMBER – LIQUOR CONTROL BOARD OF ONTARIO (LCBO)**

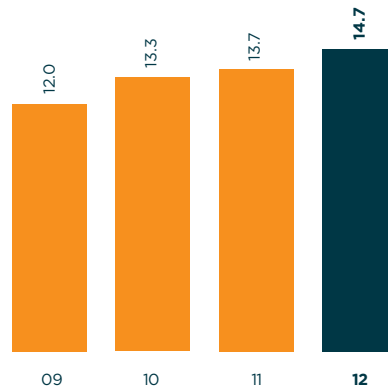
## Investment Performance



OPTrust's diversified investment portfolio achieved a 10.1% return in 2012, outperforming the 7.2% return for our composite benchmark in a year marked by strong returns for the Plan's public equity, real estate, infrastructure and private equity portfolios. OPTrust's average return of 8.6% since the Plan's launch in 1995 exceeds both our benchmark and the Plan's funding target for the same period.

## Net Assets Available for Benefits

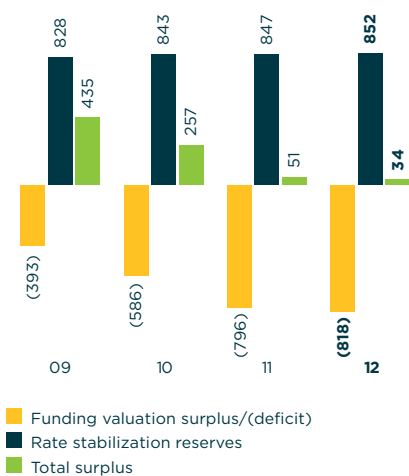
At December 31 (\$ billions)



The Plan's net assets rose to \$14.7 billion in 2012, up by \$1 billion from the year before. The increase resulted from net investment income of \$1.2 billion, less benefit payments and expenses that exceeded contributions by \$235 million.

## Funding Surplus/(Deficit)

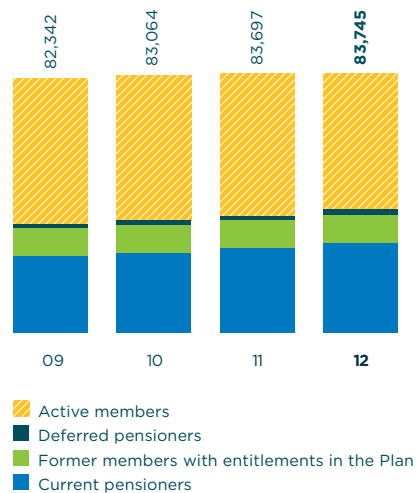
At December 31 (\$ millions)



The Plan had a funding valuation deficit of \$818 million at the end of 2012 and rate stabilization reserves of \$852 million. After accounting for the stabilization reserves, the Plan's total funding surplus was \$34 million at December 31, 2012, down from \$51 million in 2011.

## OPTrust's Changing Membership

At December 31



Since 2009, OPTrust's active membership has declined by 3,335, while the number of current pensioners has increased by more than 4,000. Over the past decade, the ratio of active members to retirees has fallen from 2.4 to 1 in 2003, to 1.5 to 1 at the end of 2012.



MESSAGE FROM  
THE CHAIR AND  
VICE-CHAIR

SCOTT CAMPBELL – CHAIR (RIGHT)  
MICHAEL GRIMALDI – VICE-CHAIR (LEFT)

For OPTrust, the OPSEU Pension Plan, our sponsors and our almost 84,000 members and retirees, 2012 was a year of significant challenges and important achievements.

Like many large defined benefit pension plans, OPTrust continued to face both volatile investment markets and the impact of extremely low interest rates on projected investment returns. On the other side of the ledger, the long-term cost of members' pensions continues to rise as mortality improvements mean that the average member can now expect to collect a pension well into his or her 80s.

Against this backdrop, OPTrust's Board of Trustees focused on strategic priorities over the year. The goal? To get the fundamentals right, enhance the Plan's long-term sustainability, and strengthen our ability to deliver retirement security for our members and pensioners decades into the future.

**Working with our sponsors**

Over the year, OPTrust provided technical advice and support to OPSEU and the Government of Ontario, in their role as plan sponsors, as they discussed ways to stabilize contribution rates, address funding risks and ensure the Plan's long-term sustainability.

The result is a funding framework agreement between the sponsors that caps member and employer contribution rates at current levels for a period of five years. If a deficit is identified in a funding valuation filed with Ontario's pension regulator

during the freeze period, the shortfall must be made up by reducing the benefits active members will receive for their future service, up to a certain limit, before any contributions could be increased. However, even in the event of a deficit, there will be no impact on the benefits members have earned for their past service, or the pensions paid to OPTrust's retirees.

The framework agreement also maintains and reinforces OPTrust's joint sponsorship governance model, which ensures that Plan members and the government have an equal voice in key decisions affecting the Plan.

OPTrust continues to support discussions between the sponsors on options to stabilize and expand the Plan's active membership. As a result, the sponsors signed an agreement in early 2013 to allow eligible groups whose jobs are affected by divestments from the Ontario Public Service to continue contributing to the Plan. The agreement also establishes a process to permit new employee groups in the broader public sector to join the Plan, subject to the approval of the Minister of Finance and the Board.

**Strategic governance and OPTrust's new CEO**

In November 2012, the Board was pleased to announce the appointment of Bill Hatanaka as OPTrust's President and CEO. Bill's track record of leadership and his expertise in both investment management and operations makes him an ideal choice to lead OPTrust

as we focus the entire organization on our mandate to deliver retirement security to our members and retirees.

The hiring of our new CEO supports the continued implementation of the Board's strategic governance model. Under this model, the Trustees have delegated responsibility for most of OPTrust's operations to the CEO. This allows the Board to focus on OPTrust's policy and strategic direction to ensure effective and accountable decision-making, consistent with our responsibility to the Plan's sponsors and our fiduciary duty to our members and retirees.

**Looking forward**

We wish to express our thanks and appreciation to all our fellow Trustees, and to OPTrust's management and staff for the hard work and commitment they have shown to OPTrust's mandate over the past year. We look forward to working with them and the Plan's sponsors as we continue to deliver retirement security to our members and pensioners in the years ahead.

Scott Campbell  
Chair

Michael Grimaldi  
Vice-Chair





## MESSAGE FROM THE PRESIDENT AND CEO

### BILL HATANAKA — PRESIDENT AND CEO

As OPTrust's new President and Chief Executive Officer, it is a genuine pleasure to join an organization with such a significant mandate, a skilled and dedicated staff, a focused and committed Board of Trustees, strong support from our two sponsors – OPSEU and the Government of Ontario – and a track record of strong performance.

#### Delivering on our mandate

Of course, OPTrust exists for one reason. Our mandate is to deliver retirement security to you and almost 84,000 active members and retirees of the OPSEU Pension Plan, today and decades into the future. This is no simple task. To meet this commitment we must:

- > invest a \$14.7 billion pension fund to achieve two key goals: generating an average annual return of 6.25% over the long term, while prudently managing the Fund's exposure to investment risk in challenging market conditions
- > carefully project the cost of our members' future pension benefits, the expected growth of the Plan's assets, and the impact of a wide range of economic and demographic factors on the Plan's ability to meet its funding obligations decades into the future
- > work closely with our Board and the Plan's sponsors to identify and address key funding risks and ensure that the Plan is sustainable over the long term
- > provide members and retirees with consistent, accessible, high-quality service and communications to ensure they can maximize the value of their earned pensions.

Not surprisingly, then, OPTrust is a complex organization – one where a diverse group of talented people must work as a team to meet a single, unifying goal: providing a secure pension to the hard-working women and men who count on us in their retirement years.

#### A record of achievement

In 2012, the Fund achieved a robust investment return of 10.1% for 2012, outperforming both the 7.2% return for our composite benchmark and our 6.5% long-term funding target return for the year. Since 1995, the Fund has generated an average annual return of 8.6%, bettering both our benchmark and our funding target over the same period.

The Plan's successful 2012 funding valuation marks a milestone in our strategy for managing through the \$2.4 billion investment loss the Plan experienced during the 2008 financial crisis. Four years later, three key factors have allowed us to ensure the Plan remains fully funded.

These include:

- > the sponsors' decision to gradually increase members' and employers' contribution rates by 3% of salary
- > OPTrust's strong investment returns over the past four years, and
- > the Plan's \$852 million in rate stabilization reserves.

These reserves, which the sponsors have prudently set aside from past funding gains, are enough to cover the current \$818 million deficit. As a result, the Plan had a total surplus of \$34 million at December 31, 2012.

OPTrust's member and pensioner services staff continue to deliver high-quality, personalized service to our membership. In 2012, we completed more than 55,000 pension transactions, answered more than 48,000 phone calls and responded to almost 4,000 secure messages from our clients. Over the year, we met our target client satisfaction rating of 8.6 out of 10, despite the impact of legislated plan changes, which increased processing times for a number of pension transaction types.

#### Building on a strong foundation

With this record of performance, and a dynamic group of talented and committed staff, OPTrust has a strong foundation on which we are now building for future success over the long term.

With the support of our Trustees and senior executive team, this process is already well underway. Over the coming year, we will continue to build an outstanding organization and work closely with our Board and sponsors to deliver retirement security and superior service to the members and retirees who place their trust in us.

**Bill Hatanaka**  
President and CEO

## INVESTMENT STRATEGY AND PERFORMANCE

### 2012 HIGHLIGHTS

- > Achieved an investment return of 10.1% in 2012, outperforming both the Plan's 7.2% composite benchmark return and our 6.5% funding target for the year
- > Limited the Fund's exposure to public equities, substantially reducing overall investment risk while achieving a strong total fund return
- > Continued to implement the Plan's long-term diversification strategy, increasing real estate, infrastructure and private equity to 31.3% of the Total Fund

### Investing for the long term

OPTrust's investment mandate focuses on generating the long-term rate of return needed to fund our members' and retirees' earned pension benefits. To meet this funding obligation, we expect the pension fund to achieve a real average annual return of 4.0% after inflation and investment expenses. Factoring in the Plan's 2.5% inflation assumption for 2012, our nominal long-term target return for funding purposes was 6.5% for the year.

Our investment policy and strategy are directly linked to OPTrust's overall mission to deliver on our pension obligations today and for decades into the future. The mandate of our Investment Division is therefore to build a portfolio of assets that will achieve our funding target return over a long time horizon, while avoiding substantial negative returns in the short term.

Over OPTrust's 18 years of operation, the Plan's investment portfolio has realized an average gross annual return of 8.6%, exceeding our 7.2% average funding target return for the same period.

### Total fund performance

We also expect the Plan's investment results to vary from year to year as market conditions change. So, we compare OPTrust's investment return to that of our composite "policy benchmark portfolio," which measures the performance of key indexes for the markets we invest in and is weighted to reflect OPTrust's asset mix.

In 2012, OPTrust's investment program achieved a 10.1% return

for the Total Fund, outperforming both the 7.2% return for our composite benchmark portfolio and our 6.5% funding target return for the year.

This strong return reflected the sharp recovery of global public equity markets in the second half of 2012. At the same time, OPTrust benefited from our long-term diversification strategy and strong double-digit returns in our real estate, infrastructure and private equity portfolios, which offset returns of 3.4% and 3.0% from our fixed income and real return bond portfolios, respectively, and a loss of -3.8% for our energy commodities portfolio.

Net investment income for 2012 was \$1,237 million, compared to \$578 million the year before, when the Plan returned 5.5%. The added value generated by active management of the Fund was 2.9% or \$400 million in 2012.

### Diversification strategy

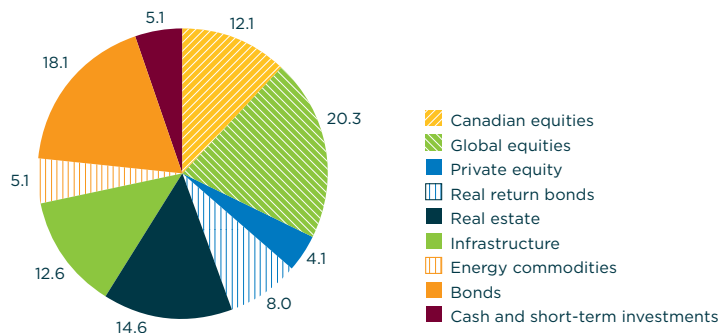
Our investment program is designed to ensure the sustainability of the Plan. This means constructing a diversified investment portfolio that is able to withstand negative market conditions while generating the returns needed to fund our pension obligations over the long term. To help manage the Fund's investment risk, OPTrust regularly conducts asset/liability studies. These studies are used to help ensure that the portfolio is structured to maximize our ability to meet the funding target return over time, while keeping investment risk within limits established by OPTrust's Board of Trustees.

Between 2003 and 2012, OPTrust has implemented a series of measures to restructure the Plan's

investment portfolio and enhance our asset mix. These changes have included:

- > the addition of three major alternative asset classes – real estate, private equity and infrastructure – to the portfolio to further broaden the potential return premiums and increase the overall diversification in the portfolio. Since 2004, these portfolios have grown to represent a combined net asset value of \$4.6 billion, or 31.3% of the Total Fund at the end of 2012
- > a reduction in the allocation to Canadian real return bonds (RRBs). This reduction was offset by the growth in the Fund’s alternative portfolios, which also provide a hedge against inflation but have much higher yields than RRBs
- > the addition of energy commodities to the portfolio, both as a diversifier and for their strong inflation hedging characteristics.

**2012 Asset Mix**  
At December 31 (%)



In 2012, OPTrust continued the multi-year implementation of the Plan’s long-term asset mix. These changes are designed to reduce investment risk and volatility at the total fund level, while strengthening OPTrust’s ability to meet the Plan’s target return under a range of scenarios.

Through most of 2012, OPTrust maintained a tactical reduction in the weighting of public equities to limit the Fund’s volatility. This strategy was wound down at the end of the year, returning our equity holdings to the Plan’s short-term target weighting.

\*Categories include temporary cash balances.

## CASE STUDY: GLOBALVIA INFRASTRUCTURAS

In early 2012, the Private Markets Group made an investment in Globalvia, a leading global infrastructure company, headquartered in Spain, with a portfolio of transportation assets across Europe and Latin America. Transportation assets are attractive to pension fund investors like OPTrust because their performance tends to be linked to movements in inflation which, in turn, are a key determinant of the Plan’s pension-related liabilities.

OPTrust’s investment in a convertible preferred security provides an attractive long-term equity return profile, while benefiting from debt-like protection against negative events such as a future economic downturn. OPTrust has very strong governance rights to help protect its investment, and has worked with other shareholders to bolster Globalvia’s management team and identify new strategies for growth in existing and potentially attractive markets.

## PENSION FUNDING

### 2012 HIGHLIGHTS

- > Implemented the last of three annual 1% increases in members' and employers' contribution rates, as part of our strategy for managing the Plan's 2008 investment loss
- > Strengthened the Plan's actuarial assumptions to reflect members' increased life expectancy and other economic and demographic trends
- > Remained fully funded, with a total surplus of \$34 million at year-end after accounting for the Plan's rate stabilization reserves of \$852 million

OPTrust's overarching funding objective is to ensure that money is available to pay current and future retirees' lifetime pensions decades into the future. Other key funding goals include maintaining stable pension benefits for active members over their careers and sustainable contribution rates for both members and their employers.

To help meet these long-term funding objectives, OPTrust:

- > carefully manages members' and employers' contributions and the Plan's \$14.7 billion in net assets
- > invests the pension fund to achieve our expected rate of return over time, while managing the Plan's exposure to investment risk
- > performs regular funding valuations to ensure that assets are sufficient to meet the projected cost of members' and retirees' lifetime pensions
- > regularly reviews the actuarial assumptions used to calculate the Plan's long-term pension obligations
- > incorporates an appropriate margin of conservatism into our long-term investment return assumption
- > monitors a wide range of factors that can affect the Plan's funded status
- > provides information and advice to our sponsors on the Plan's funded status and outlook, contribution rates, benefit levels, the maintenance and use of any surplus, as well as options for ensuring the Plan's sustainability over the long term.

### 2012 funding valuation

OPTrust engages independent actuaries to prepare annual funding valuations of the Plan. These valuations provide a snapshot of the Plan's funded status, its ability to meet its pension obligations, and a

tally of gains and losses experienced since the last valuation.

Our most recent funding valuation shows that the Plan remained fully funded as of December 31, 2012, with a total funding surplus of \$34 million. This surplus reflects the Plan's \$852 million in rate stabilization reserves, which the sponsors had prudently set aside from previous funding gains. These reserves are sufficient to cover the Plan's going-concern deficit of \$818 million at year-end, at the sponsors' discretion.

The valuation also identified \$528 million in deferred (or "smoothed") investment gains, compared to \$189 million at the end of 2011. These gains will be recognized between 2013 and 2016, further improving the Plan's funded status.

### Sponsors' funding agreement

OPTrust's joint sponsorship governance model has been central to ensuring the Plan remains fully funded. Under this model, plan members and the Government of Ontario share equally in any funding gains and in the responsibility for making up any funding shortfalls. As the Plan's sponsors, OPSEU and the government are responsible both for establishing the pension benefits OPTrust members earn for their credited service and for setting members' and employers' contribution rates.

In October 2012, the sponsors established a five-year funding framework agreement to ensure the stability of members' and employers' contribution rates. The agreement took effect on December 31, 2012, and remains in effect until December 30, 2017. It supports the sponsors' objectives of ensuring stable contribution rates and maintaining a funding surplus as a precondition of any benefit enhancements during the freeze period.



## Deficit management strategy

The Plan's 2012 valuation results demonstrate the continued success of OPTrust's multi-year deficit management strategy. Like most major pension plans, OPTrust faced serious challenges as a result of the global financial crisis in 2008. Since that time, OPTrust has worked closely with our sponsors to manage the funding impact of the Plan's 2008 investment loss of \$2.4 billion.

Three key factors have ensured that the Plan has remained fully funded:

- > The sponsors approved a series of three 1% increases in members' and employers' contribution rates, taking effect in January 2010, 2011 and 2012. The resulting increase in current and future contributions reduced the funding shortfall by \$1.2 billion.
- > Second, the sponsors agreed to set aside a portion of the Plan's rate stabilization reserves to pay down the balance of the funding deficit, over a 15-year period.
- > Third, the Plan's strong investment returns over the past four years helped offset the recognition of smoothed losses from 2008. As a result the Plan's deferred investment loss of \$927 million at the end of 2008 has been replaced by a deferred gain of \$528 million at December 31, 2012, a net improvement of almost \$1.5 billion.

This prudent and balanced strategy has allowed OPTrust and our sponsors to achieve three key objectives: successfully managing the funding impact of the Plan's 2008 losses, maintaining the value of members' future pension benefits and moderating the impact on contribution rates.

## Funding outlook

Given the impact of the 2008 financial crisis and continuing investment market volatility, the Plan's fully funded status represents a significant accomplishment. In particular, it reflects the prudent decision by the sponsors to set aside past surplus in the Plan's rate stabilization reserves. Since 2008, these reserves have allowed OPTrust to maintain stable benefit levels while moderating the impact of the Plan's deficit on members' and employers' contribution rates.

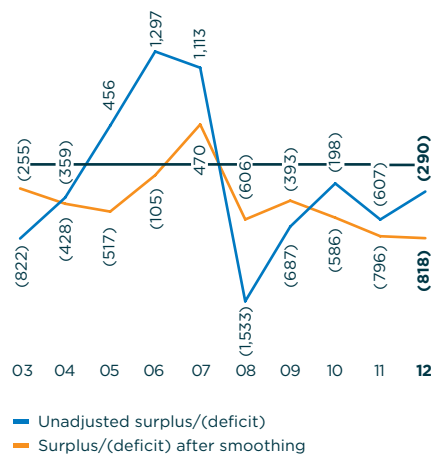
At the same time, the Plan's total surplus has been reduced to \$34 million, down from \$878 million in

2007. This strictly limits the reserves that are available to cover any future funding losses should investment returns fall short of the Plan's target return and/or if the cost of members' future pensions increases more quickly than expected.

OPTrust's staff therefore tracks a wide range of funding risks and analyzes their potential impact on the sustainability of the Plan's contribution rates and benefits under a range of possible scenarios. In 2012, OPTrust continued to monitor economic and demographic factors, legislation and sponsor decisions that could affect the Plan's funded status and outlook.

### Funding Surplus/(Deficit) and Smoothing

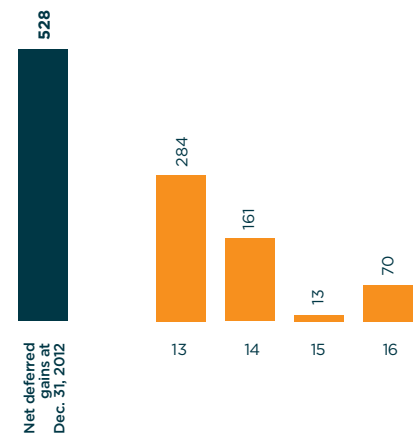
At December 31 (\$ millions)



Actuarial smoothing reduces the impact of volatile investment returns on the Plan's funding valuations. At the end of 2012, OPTrust had a funding deficit of \$818 million and deferred investment gains of \$528 million. After accounting for rate stabilization reserves of \$852 million, the Plan's total surplus was \$34 million at the end of 2012.

### Recognition of Deferred Investment Gains/(Losses)

(\$ millions)



When OPTrust's annual investment return differs from the Plan's funding target, any gains or losses are recognized evenly over a five-year period. At the end of 2012, the Plan had net deferred gains of \$528 million, which will be recognized between 2013 and 2016.

## MEMBERSHIP SERVICES

### 2012 HIGHLIGHTS

- > Answered more than 48,000 telephone calls from members and pensioners, with an average response time of just eight seconds
- > Registered almost 2,500 clients for our secure *Online Services*, increasing the number of registered users to more than 34,000
- > Earned a strong overall satisfaction rating of 8.6 out of 10 from our members and pensioners, meeting our quality target for the fourth year running

At OPTrust, we recognize that providing excellent service is a key component of our mission to build retirement security for our almost 84,000 members and retirees like you.

#### Service excellence

The work we do supports the financial security of almost 84,000 people. From simple requests to complex transactions, our Member and Pensioner Services staff strives to:

- > provide a consistently high level of service and communications, which we measure against a range of service targets and standards
- > continuously improve service quality and delivery, while looking for cost efficiencies that will benefit the entire Plan.

Over the years, our members and pensioners have recognized this commitment in the consistently high ratings they have given us in response to our ongoing client satisfaction surveys.

However, in an era characterized by change, we believe there is more to be achieved. In 2012, we established a wide-ranging service excellence project, designed to achieve material improvements in the timeliness, range and quality of our services while remaining cost-efficient. This long-term project will be a key priority for our member and pensioner services staff over the next several years.

#### Measuring performance

Complementing our focus on continuously improving our services is an equal commitment to maintaining high service standards and measuring our performance to ensure we are meeting expectations.

In 2012, for example, we responded to more than 48,000 telephone calls from our members and pensioners. Of these, more than 99% were answered by our Member and Pensioner Services staff with an average response time of just eight seconds, after being placed in the queue.

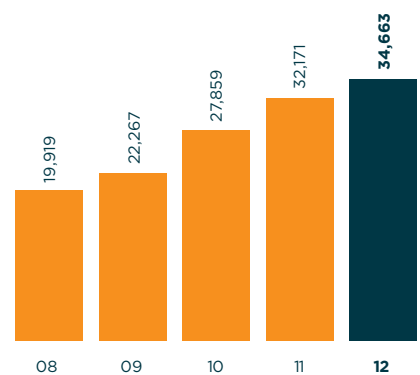
Over the year, our staff completed more than 55,000 individual pension transactions, ranging from simple requests such as beneficiary changes to more complex buybacks and pension transfers. Of these transactions, 83% were completed within our service standards, slightly below our 86% target, on-time completion rate in 2011.

This drop in our on-time percentage reflected the implementation of a number of legislated pension benefit changes in 2012.

As a result of these changes, the number of transactions that were overdue at year-end rose to 12.7%, up slightly from 11.8% in 2011 but still within our service standard of 13%. However, the percentage of cases overdue by more than 30 days improved, falling to 3.1% in 2012, down from 3.3% the year before and well below our target maximum of 5%.

#### Online Services Registrations

At December 31



In 2012, almost 2,500 members and retirees registered for our secure *Online Services* site, a 7.7% increase from 2011. Over the year, registered users completed almost 14,000 individual transactions, exchanged more than 8,000 encrypted messages with OPTrust staff and viewed personal statements more than 60,000 times.

When Wendy Bussell stepped into Toronto East Detention Centre 19 years ago, she felt right at home. As a chaplain, Wendy has worked in five correctional institutions across Ontario providing spiritual guidance and worship services to inmates. She helps to awaken their spirit through healing and to become active members of society when released.

“My role has a ripple effect at a family and community level. Having a defined benefit pension is wonderful – it means I can retire with a steady income. The Plan’s early retirement options give me the flexibility of when to retire.”



WENDY BUSSELL — OPRUST MEMBER — MINISTRY OF COMMUNITY SAFETY AND CORRECTIONAL SERVICES

## Gathering feedback

OPTrust conducts regular surveys of the clients who complete a pension transaction with us to measure our overall service quality and identify areas where we can improve. In addition to our client transaction survey, 2012 marked the second year of a general satisfaction survey, which is sent to a random sample of our members and pensioners, whether or not they have completed a transaction with us in the past year.

Members' and pensioners' overall satisfaction with the service provided remained steady with a rating of 8.5 out of 10 in 2012, the same as 2011. We continue to look for ways to enhance our services, particularly when implementing new processes or responding to legislative requirements.

Based on results from both surveys, members' and pensioners' aggregate satisfaction rating for OPTrust's service in 2012 was 8.6 out of 10, matching our annual target score for the fourth year in a row.

## Proactive service

In addition to delivering prompt, high quality service, we also take a proactive approach to providing you with the information you need to make sound decisions about your pension and retirement options.

OPTrust has a full program of targeted communications that provide tailored and timely information at various points in our members' careers. For example, in 2012 our staff:

- > developed two online videos. The first explains the benefits of plan membership to fixed-term, casual or temporary employees who have the option to join the Plan. The second provides information for members who may need to transfer their pension assets.
- > hosted 57 Direct Contact pension seminars and information booths across Ontario, reaching almost 2,900 participants
- > mailed more than 900 quotations to eligible new members on the cost of buying back past service, ensuring they did not miss the Plan's regular application deadline
- > notified 1,677 members about pending buyback payment deadlines to help them maximize their future pensions
- > wrote more than 9,300 letters to members who had reached age 55, providing individualized pension projections based on a range of possible retirement dates

- > reminded 2,100 retirees who were nearing age 65 about CPP integration and its impact on their monthly OPTrust pension payments
- > issued almost 96,000 e-mail updates to members and retirees on a variety of topics about their pension plan.

## Online service and communications

Online service and communications are key tools for meeting the needs of our members and retirees. OPTrust's website ([www.optrust.com](http://www.optrust.com)) features many resources to help members and retirees learn about their pensions, including news updates, OPTrust publications and videos. In 2012, the site continued to show steady improvement in its reach, with almost 390,000 unique visits, an increase of more than 20,000 from 2011.

OPTrust also offers a secure *Online Services* site, which allows members and retirees to view and update their personal pension information and complete certain pension transactions online.

In 2012, almost 2,500 members and retirees signed up for *Online Services*, bringing the number of registered users to over 34,000, an increase of 7.7%. Of OPTrust's total membership, 41% now use *Online Services*, compared to 24% five years earlier.

## OPTRUST'S BOARD OF TRUSTEES

The OPSEU Pension Trust was established to give members and the Government of Ontario an equal voice in the OPSEU Pension Plan through joint trusteeship. As sponsors, the Ontario Public Service Employees Union (OPSEU) and the Government of Ontario each appoint five Trustees to OPTrust's Board. Together, the Trustees oversee all aspects of the Plan's operations in the interests of our almost 84,000 members and retirees.

### MEMBERS OF THE BOARD OF TRUSTEES

At December 31, 2012

#### Scott Campbell, Chair<sup>1</sup>

Corporate Chief Information Officer (retired)  
Government of Ontario

#### Maurice Gabay, Vice-Chair<sup>2, 3</sup>

Accountant  
Ontario Public Service Employees Union (OPSEU)

#### Tracie Crook<sup>1</sup>

Chief Operating Officer  
McCarthy Tétrault

#### Michael Grimaldi<sup>2</sup>

Worker Advisor  
Ministry of Labour

#### Tim Hannah<sup>2</sup>

Senior Environmental Officer  
Ministry of the Environment

#### Ron Langer<sup>2</sup>

Senior Business Advisor  
Ministry of Economic Development and Innovation

#### Patricia Li<sup>1</sup>

Assistant Deputy Minister,  
Direct Services Division  
Ministry of Health and Long-Term Care

#### Vicki Ringelberg<sup>1</sup>

Former Chief Financial Officer & Chief Operating Officer  
AIC Limited & Portland Investment Counsel

#### Tony Ross<sup>1</sup>

Vice-Chair (retired)  
Merrill Lynch Canada

#### Randy Marie Sloat<sup>2</sup>

Customer Care Representative  
Ministry of Government Services

<sup>1</sup> Appointed by the Government of Ontario

<sup>2</sup> Appointed by OPSEU

<sup>3</sup> Left the Board in February 2013

## HOW TO REACH US

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OPTrust's publications and other information about the OPSEU Pension Plan are available online at [www.optrust.com](http://www.optrust.com).

This report summarizes certain provisions of the OPSEU Pension Plan. Please note that this report does not create any rights to benefits not provided for in the actual terms of the Plan. In the event of any conflict or omission, the legal requirements of the OPSEU Pension Plan will govern in all cases.

*Ce rapport est aussi disponible en français.*

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## FIND OUT MORE

Detailed information on OPTrust's strategy and performance is available in our full annual report at [www.optrust.com](http://www.optrust.com). A list of OPTrust's significant investments is also available on the OPTrust website.



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**LESLYNNE MILLER** — OPTRUST MEMBER  
MINISTRY OF GOVERNMENT SERVICES



OPSEU Pension Trust

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