

OMERS IN FOCUS

One
team

One
goal

The logo for OMERS, featuring a stylized 'O' with a yellow-to-blue gradient, followed by the letters 'MERS' in a bold, blue, sans-serif font.

OMERS by the numbers

\$52.2 billion

Net Investment Assets

Invested in four asset classes: public markets, private equity, infrastructure and real estate.

910

Employers

Includes municipalities, school boards (non-teaching staff), libraries, police and fire departments, children's aid societies and other local agencies throughout Ontario.

380,261

Members

Includes all members (active, retired, deferred and inactive) and survivors. OMERS members belong to a wide variety of unions and association groups.

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OMERS relies on investment income to pay about 70% of long-term pension commitments, with only 30% supported by employer and member contributions.

OMERS is a major presence in Ontario. In fact, about 1 in 20 working people in Ontario is an OMERS member. OMERS is an example of a successful multi-employer defined benefit plan that effectively pools administrative costs and investment risks among a number of plan sponsors.

OMERS primary responsibility is to ensure a strong and stable pension plan for all of our members in Ontario's municipal sector. We provide best-in-class investment management and superior pension services to plan members and employers.

When the first OMERS members were enrolled in 1963, there were 160 employers and 8,000 active members. Now there are over 900 employers, 242,000 active members and 103,000 retirees. In 2007, OMERS paid about \$1.8 billion in pension benefits to retirees and survivors.

Our commitment is to optimize investment returns without incurring undue risks, and deliver pension benefits at affordable cost to our current and future retirees.

OMERS Pension Promise



OMERS has one clear and overriding objective: paying the pensions of our current and our future retirees. We work as a team to deliver superior benefits to members.

Superior Benefits

- Members can retire knowing their pensions are secure and will not be affected by fluctuations in investment markets.
- Members who retire early receive a bridge benefit until age 65.
- Inflation protection sustains the purchasing power of their retirement income.

Exemplary Service

Our focus is on working together to achieve the exemplary service that members have come to expect. In 2007, OMERS once again ranked among the pension industry’s leaders in service performance.

We work to deliver on our promise to provide members and employers with best-in-class pension services, open channels of communication – a dedicated call centre, member and employer presentations across the province, our website – and targeted newsletters. As well, we regularly obtain feedback from members through surveys and focus groups.

The OMERS Primary Pension Plan is a contributory defined benefit pension plan. Members benefits are determined by a formula based on earnings and years of service. Equal contributions from members and employers finance about 30% of benefits, while the Plan’s investment earnings finance the remaining 70% over the long term. That means for every dollar paid out in pensions, 70 cents is financed by investment returns.

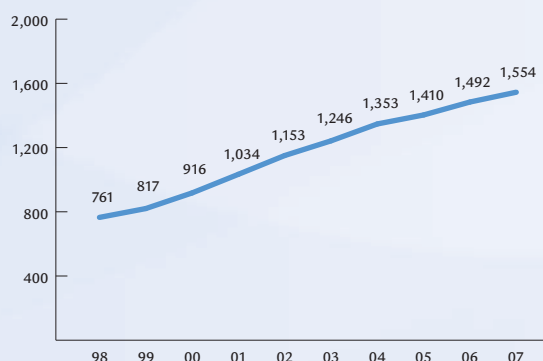
OMERS received \$1.9 billion in contributions in 2007. Benefit payments totaled \$1.8 billion. In 2008, pension payments are expected to exceed contributions to the Plan. Returns from investments will be required to cover this increasing demand.

Pension Facts

In 2007, OMERS had:

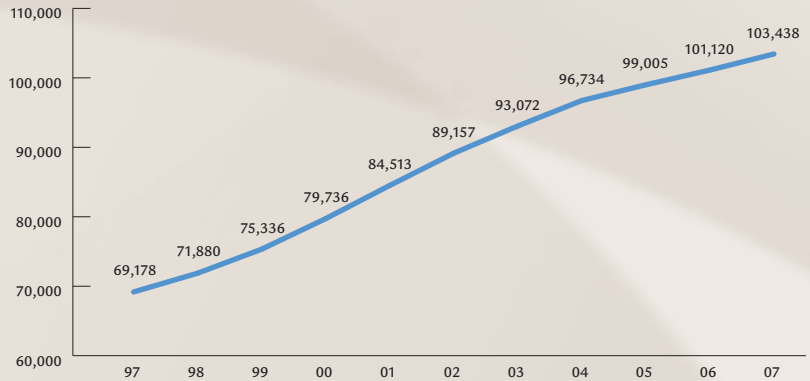
- 31 pensioners who are over 100 years old
- More than 96,500 calls to OMERS call centre
- More than 638,000 visits to OMERS website

GROWTH IN MEMBERS’ PENSION PAYMENTS
(\$ MILLIONS)



GROWTH IN NUMBER OF PENSIONERS

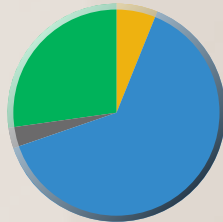
(INCLUDES RETIREMENT AND DISABILITY PENSIONS AND SURVIVOR BENEFITS)



MEMBER PROFILE

The total number of members in the Plan grew 2.2% in 2007

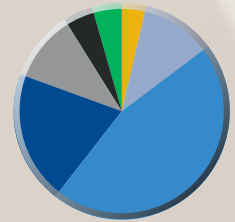
Active	242,158
Deferred	11,740
Retired/Survivor	103,438
Inactive	22,925
Total	380,261



MEMBER AFFILIATION

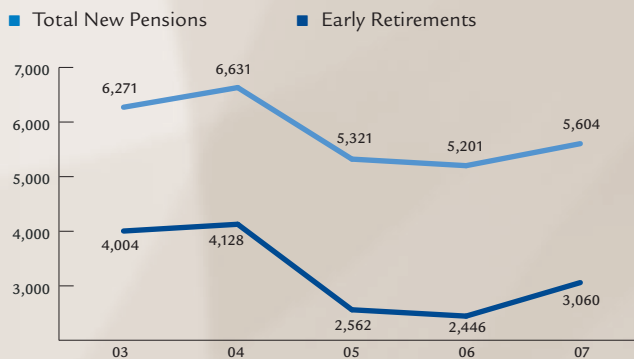
OMERS members belong to a wide variety of union and association groups

Canadian Union of Public Employees	45.9%
Management/Non-union	20.0%
Police Associations	10.6%
Ontario Professional Fire Fighters Association	4.6%
Ontario Secondary School Teachers' Federation	4.3%
Ontario Public Service Employees Union	3.5%
Other	11.1%



NUMBER OF NEW PENSIONS

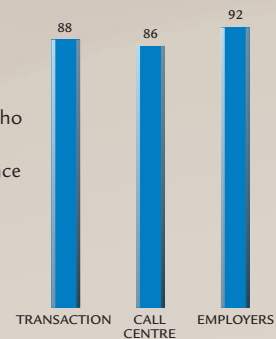
Unusually high numbers from 2003 to 2004 reflect temporary early retirement windows that were in effect during those years



SATISFACTION SURVEYS

In 2007, we met or exceeded all the targets we use to compare our service to our peers. The client satisfaction survey results attest to our service commitment

Percentage of respondents who rated OMERS 4 out of 5 or 5 out of 5 for service excellence



Investment Performance and Strategy

OMERS total rate of return was 8.7% in 2007, a top-quartile performance that exceeded the benchmark return of 5.6%. It is the fourth consecutive year that returns have exceeded the benchmark by over 200 basis points. Net investment assets as at December 31, 2007: \$52.2 billion.

Investment Performance Overview

OMERS strong 2007 returns and the increase in net investment assets was due to strong performance in real estate, infrastructure and private equity investments, and was tempered by lower returns in the more volatile public market investments. Returns for 2007 and 2006 were as follows:

	2007		2006	
	Rate of Return	Benchmark	Rate of Return	Benchmark
Public Markets	2.6%	1.5%	16.2%	15.5%
Private Equity ⁽ⁱ⁾	18.6%	11.6%	17.7%	10.8%
Infrastructure ⁽ⁱ⁾	12.4%	9.9%	14.0%	10.8%
Real Estate ⁽ⁱ⁾	22.9%	7.8%	26.2%	9.2%
Total	8.7%	5.6%	16.4%	13.7%

(i) Returns include the results of the Fund's currency hedging program related to the respective asset classes.

Investment Strategy

OMERS invests the pension fund exclusively to secure the retirement income of its members. The way we invest produces collateral benefits to society and creates economic prosperity. By virtue of our size and investment activity, OMERS is a critical driver of the provincial and national economies.

The stability of our Fund is key to delivering on our pension promise to Plan members. We've adopted a prudent, long-term strategy for building our investments, by targeting growth opportunities, being attuned to economic and financial trends, weighing the risk/reward profile of each asset class, and investing in different asset classes and geographic markets to reduce the volatility of total returns.

Asset Mix Strategy

We believe that over the long term, an asset mix with greater exposure to private market investments is better positioned to generate strong, predictable returns and consistent cash flow to meet or exceed the Plan's funding requirements.

As a result, our investment strategy over the long-term is to reduce our asset mix exposure to public market investments to about 57.5% and increase our exposure to private market investments to about 42.5%.

Since 2003 when we introduced this asset mix strategy, we have achieved exceptional returns. The measure of our success, however, is not just high investment returns, but ensuring that we have the right long-term assets to match liabilities.

Cost-efficient Investments

We invest employer and member contributions, and the income received from investments, to meet or exceed the Plan's funding requirement as determined by the present value of all current and future pension entitlements.

OMERS administers more than \$52.2 billion in net investment assets on a global basis. Our assets include public and private equity, infrastructure, real estate, interest bearing investments and derivative contracts.

We rely on investment income to fund about 70% of every dollar paid in benefits, with about 30% coming from employer and employee contributions. The reliance on investment income is expected to increase as the Plan matures over the next decade or so.

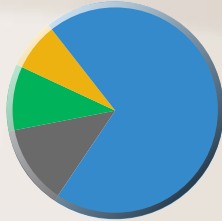
OMERS asset mix strategy is designed to create a balance between private market investments and public market investments, to achieve strong, predictable returns over the long-term to meet its pension obligations.

ASSET MIX

(AS AT DECEMBER 31, 2007)

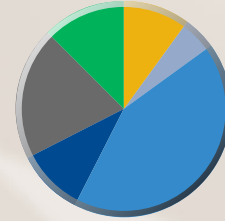
NET INVESTMENT ASSETS

Public Markets	70.2%
Private Equity	7.4%
Infrastructure	9.9%
Real Estate	12.5%



LONG-TERM ASSET MIX TARGETS

Interest Bearing	10.0%
Real Return Bonds	5.0%
Public Equity	42.5%
Private Equity	10.0%
Infrastructure	20.0%
Real Estate	12.5%

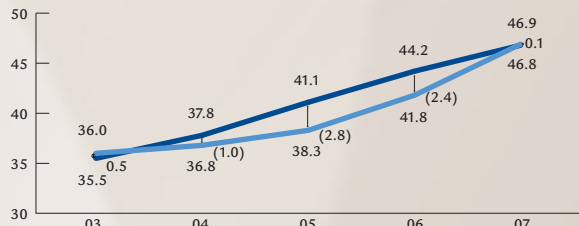


ACTUARIAL ASSETS AND LIABILITIES – OMERS PRIMARY PENSION PLAN

(AS AT DECEMBER 31, 2007)

MARKET VALUE (\$ BILLIONS)

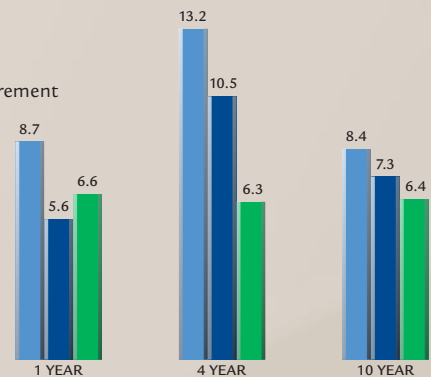
- Actuarial Assets
- Actuarial Liabilities
- Surplus/(Deficit)



RATE OF RETURN, BENCHMARK RETURN AND FUNDING REQUIREMENT

(%)

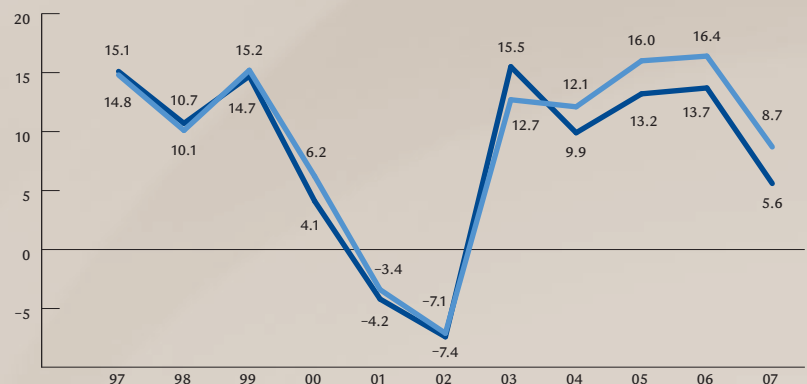
- Rate of Return
- Benchmark
- Funding Requirement



ANNUAL RATE OF RETURN AND BENCHMARK

(%)

- Rate of Return
- Benchmark



OMERS Capital Markets



A crucial element of our success is the experienced team of investment professionals at OMERS Capital Markets (OCM), who seek out opportunities that will grow the value of the Fund and benefit our members.

OMERS Capital Markets generated net investment income of \$1.7 billion in 2007. The expertise of OCM's investment professionals allowed the Fund to earn an overall return exceeding the benchmark for the year. The return on public market investments, excluding the impact of the Fund's currency hedging, was 2.6% compared with a benchmark of 1.5%.

A direct result of OCM's investment expertise is that the Fund had no exposure to third party asset backed commercial paper during 2007.

Public market investments are currently the foundation of the pension fund. While OMERS long-term goal is to reduce exposure in these investments, we continue to focus on maintaining portfolios of equities and interest-bearing investments, diversified by security type, geographic region, market capitalization, industry, investment style and term.

A portfolio positioned to capture growth and income opportunities

- Our public market investment assets totaled \$43.3 billion at Dec. 31, 2007.
- These include Canadian and non-Canadian interest bearing investments and publicly traded equities.
- In each of the last three years, the rate of return on our public market investments has exceeded the benchmark.

Significant Public Market Investments

- Government of Canada Interest Bearing Securities
- Royal Bank of Canada
- Suncor Energy
- Potash Corporation
- EnCana Corporation
- The Toronto-Dominion Bank



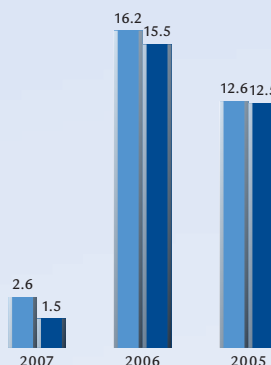
RATE OF RETURN AND BENCHMARK (%)

(%)

- Rate of Return
- Benchmark

2.6%

The overall public market investments return in 2007 was 2.6% compared with a benchmark of 1.5%.



Oxford Properties Group



Oxford Properties Group encompasses a global platform for real estate investment. An owner, developer, investor and manager, Oxford leverages its deep real estate and financial expertise, its capacity for quick, seamless execution and unsurpassed access to capital, to create opportunities for successful investments and for profitable partnerships.

Oxford’s understanding of real estate fundamentals and unsurpassed access to resources combine to enable Oxford to add value to every transaction, partnership and opportunity. Oxford’s investments generate strong, sustainable cash flow with low volatility, contributing to the stability of the Fund.

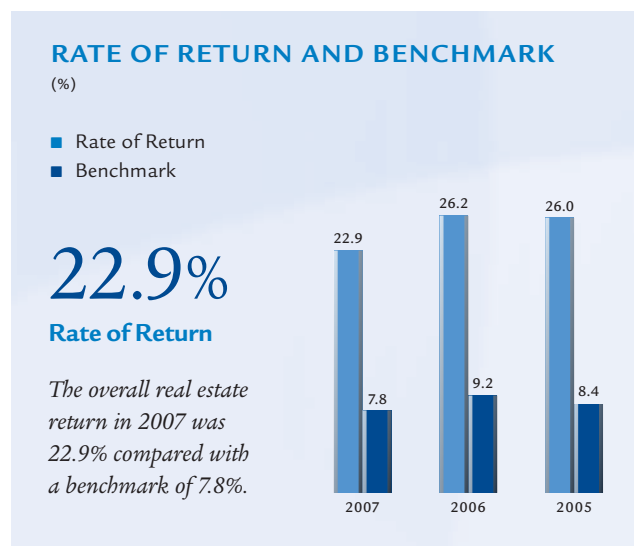
The Oxford team continues to expand real estate holdings internationally, diversifying by property type and geographic market, to deliver consistent returns within an appropriate risk profile.

Oxford’s total real estate assets were valued at \$10.9 billion at Dec. 31, 2007.

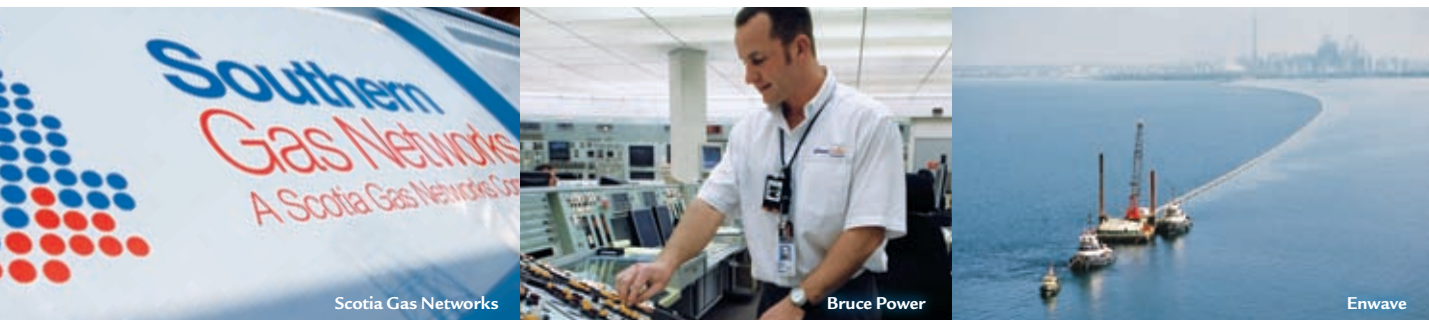
Oxford’s portfolio includes properties in Canada’s major urban centres in the office, retail, industrial, residential and hotel/resort sectors. It also includes investments in U.S. and European properties.

Significant Investments

- Royal Bank Plaza, Toronto
- Richmond Adelaide Complex, Toronto
- Canterra Tower, Calgary
- Watermark Place, London, England
- Yorkdale Shopping Centre, Toronto
- Square One Shopping Centre, Mississauga
- Seven Fairmont resort hotels Canada-wide



Borealis Infrastructure



Borealis Infrastructure has a proven track record in identifying, investing and managing infrastructure investments around the world on behalf of OMERS.

Borealis has been a world leader in developing infrastructure investing as an asset class for institutional investors. Borealis has delivered solid returns, outperforming its benchmark in each of the last three years.

Our strategy is to position Borealis as a first-choice partner for infrastructure investments around the world focusing on transportation, energy, and pipelines.

At Dec. 31, 2007, we had \$8.4 billion invested in infrastructure assets. These investments are ideal for long-term stable and predictable returns, to meet the future needs of the Plan.

Infrastructure investments, through Borealis Infrastructure, generated net investment income of \$0.6 billion, compared with \$0.4 billion a year earlier.

Infrastructure projects provide broad benefits to our economy while generating the returns necessary to meet our commitment to members.

Significant Investments

- Bruce Power
- Associated British Ports
- Scotia Gas Networks
- LifeLabs
- CEDA International
- OMERS Energy
- Express Pipeline
- Detroit River Tunnel Partnership



RATE OF RETURN AND BENCHMARK

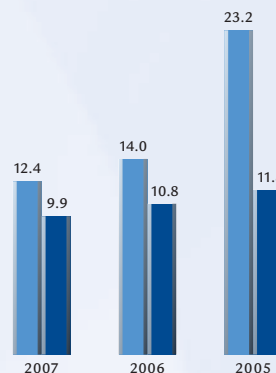
(%)

- Rate of Return
- Benchmark

12.4%

Rate of Return

The overall infrastructure return in 2007 was 12.4% compared with a benchmark of 9.9%.



OMERS Capital Partners



OMERS Capital Partners (OCP) manages OMERS private equity investments and has delivered strong returns exceeding the benchmark over the last three years. At Dec. 31, 2007, OMERS had \$3.6 billion invested in private equity assets.

Diversification is an important element of our strategy

OCP continues to develop and strengthen investment relationships around the world, which are the foundation for future growth and meeting long-term investment and return objectives.

An important element of the private equity investment strategy is diversification by geographic market, industry sector and company size. The strategy includes both a fund and a direct investments program.

Funds

OCP makes investment commitments as a limited partner in top tier private equity funds managed by external professionals around the world. Most of the fund commitments are for leverage buyout funds, but we also commit to venture capital, mezzanine debt, distress and special situation funds.

Direct Investments

OCP direct investments have two facets – investments where we manage or exercise joint management; and those where we are a “passive investor” alongside our fund manager.

Significant Direct Investments

- Cengage Learning (formerly Thomson Learning) and Nelson Education
- Constellation Software Inc.
- Give and Go Prepared Foods
- Golf Town
- Marketwire (formerly CCNMatthews)
- NXP (formerly Philips Semiconductor)
- Warner Chilcott

Significant Fund Investments

- APAX
- Charterhouse
- Hellman and Friedman
- KKR
- ONEX
- Sagard
- TPG (formerly Texas Pacific Group)



RATE OF RETURN AND BENCHMARK

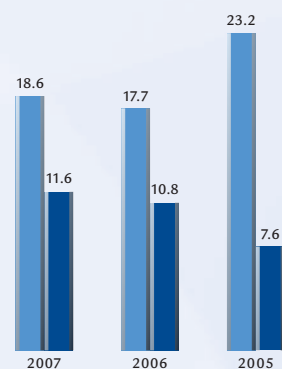
(%)

- Rate of Return
- Benchmark

18.6%

Rate of Return

The overall private equity return in 2007 was 18.6% compared with a benchmark of 11.6%.



OMERS Administration Corporation

NET ASSETS

AS AT DECEMBER 31 (MILLIONS)	2007	2006
Public markets	\$ 43,291	\$ 43,533
Private equity	3,608	2,951
Infrastructure	8,412	5,585
Real estate	10,904	8,541
Total investments	66,215	60,610
Other investment related assets and liabilities	(14,028)	(12,389)
Net investment assets	52,187	48,221
Due to administered funds	(800)	(741)
Other assets/(liabilities)	129	125
Net Assets	\$ 51,516	\$ 47,605

CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31 (MILLIONS)	2007	2006
Net assets, beginning of the year	\$ 47,605	\$ 41,065
Change in accounting policy for transaction costs	(37)	-
Net assets, beginning of year restated	47,568	41,065
Changes due to Investment Activities	3,938	6,530
Changes due to Pension Activities	10	10
Net Assets, End of Year	\$ 51,516	\$ 47,605

ACTUARIAL SURPLUS/(DEFICIT)

AS AT DECEMBER 31 (MILLIONS)	2007	2006
OMERS Primary Pension Plan		
Net assets	\$ 51,479	\$ 47,576
Actuarial value adjustment of net assets	(4,567)	(5,791)
Actuarial assets	46,912	41,785
Actuarial liabilities	(46,830)	(44,167)
Surplus/(Deficit)	\$ 82	\$ (2,382)

AS AT DECEMBER 31 (MILLIONS)	2007	2006
RCA		
Net assets	\$ 37	\$ 29
Actuarial liabilities	(236)	(172)
Deficit	\$ (199)	\$ (143)

OMERS Sponsors Corporation

FINANCIAL POSITION

AS AT DECEMBER 31,	2007	2006
Total Assets	\$ 853,280	\$ 500,000
Total liabilities	\$ 114,950	\$ 144,837
Net assets	738,330	355,163
Total Liabilities and Net Assets	\$ 853,280	\$ 500,000

OPERATIONS

FOR THE YEAR ENDED DECEMBER 31,	2007	2006
Government grant revenue and interest income	\$ 1,273,220	\$ 500,000
Expenses	890,053	144,837
Excess of Revenues Over Expenses from Operations	\$ 383,167	\$ 355,163

OMERS Governance

OMERS was established in 1962 as the pension plan for employees of local governments in Ontario. On June 30, 2006, the *Ontario Municipal Employees Retirement System Act, 2006* (the OMERS Act) came into effect.

The new Act continued the Ontario Municipal Employees Retirement Board as the OMERS Administration Corporation (AC) and created a Sponsors Corporation (SC) to replace the Ontario government as plan sponsor.

Sponsors (such as plan members, employers and retirees, through their unions, associations and other organizations) appoint the Board members of the SC and the AC.

OMERS Sponsors Corporation

OMERS Sponsors Corporation has 14 Board members: 7 plan member representatives, and 7 employer representatives.

The SC is responsible for:

- Determining plan design for benefits to be provided by the pension plans
- Setting contribution rates for members and participating employers
- Establishing or changing a reserve to stabilize contribution rates
- Setting compensation levels and appointment protocol of SC and AC Boards by June 2009.

OMERS Administration Corporation

OMERS Administration Corporation Board has 14 Board members: 7 plan member representatives, and 7 employer representatives. It is the Administrator of the OMERS Plans under the PBA.

The AC is responsible for:

- Appointing OMERS management
- Investment policies, asset allocation and investment management of OMERS Plans' assets
- Pension services and administration
- Appointing the AC auditor and the actuary for the OMERS Plans.



For complete financial information, OMERS 2007 Annual Report is available at www.omers.com or contact OMERS Client Services, (416) 369 2444 or 1 800 387 0813.

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