

## Markets

# New Ontario Asset Manager to Hire Hundreds in Tiny Pension Push



Photographer: Brent Lewin/Bloomberg

by **Allison McNeely**  
December 11, 2017

- ▶ Investment Management Corp. sees assets rising to \$78 billion
- ▶ New pension fund runs assets for smaller public-sector plans

Investment Management Corp. of Ontario, a new money manager for pension funds in the Canadian province, expects to boost assets to C\$100 billion (\$78 billion) and triple its staff within five years as the firm scoops up more clients.

The Toronto-based fund, which began managing C\$60 billion for two pension plans in July, will be hiring more people and launching investment products starting next year to attract business from smaller public-sector organizations that can't manage their pension plans effectively, said Chief Executive Officer

Bert Clark.

"Size matters when it comes to managing assets," Clark said in an interview from Bloomberg's Toronto office last week. "If you look at Ontario, there are dozens and dozens of small funds trying to do what is often not their core competency."

Currently the ninth-largest institutional fund in Canada, IMCO will provide investment advice and portfolio construction for organizations that join on a voluntary basis. Universities, municipalities, government-owned corporations, agencies, boards or commissions could all join IMCO, he said.

IMCO was created in July 2016 by the Ontario government following a study to examine the benefits of pooled asset management for public-sector pension plans, a model that has already been implemented in Alberta and British Columbia. Its first clients are the Ontario Pension Board, which manages assets for non-union workers in the Ontario government, and the

Workplace Safety and Insurance Board.

The asset manager intends to roll out its investment vehicles within 18 months, boosting staff to as many as 200 to 300 people from 70 now, Clark said. It currently manages Ontario Pension Board and Workplace Safety and Insurance Board assets separately. With the creation of its own investment products, the fund will move clients toward a pooled structure where they can invest capital in shares or units of different funds to meet their targeted return, Clark said.

Clients are particularly interested in gaining access to real estate, private equity, and infrastructure investment strategies, Clark said. IMCO, which hasn't adjusted its asset allocation from what was inherited from the two clients, is 40 percent invested in public equity, 22 percent in fixed income and cash, and 17 percent in real estate. Remaining funds are allocated to non-traditional strategies such as infrastructure and private equity, according to IMCO's data.