Actuaries' opinion to the directors of the Ontario Pension Board

Aon Hewitt was retained by the Ontario Pension Board ("OPB") to prepare the following actuarial valuations of the Public Service Pension Plan ("PSPP"):

- An actuarial valuation as at December 31, 2013 on a funding basis, as described in Note 6 of these financial statements, prepared in accordance with the *Public Service Pension Act* and applicable pension legislation.
- An actuarial valuation as at December 31, 2014 for purposes of these financial statements, prepared in accordance with the Chartered Professional Accountants of Canada Handbook, Section 4600.

The actuarial valuation of the PSPP as at December 31, 2013 on a funding basis was based on membership data provided by OPB as at November 30, 2013.

Using the same data as provided by OPB for the funding valuation of the PSPP, we have prepared a valuation of the liabilities as of December 31, 2013 on the basis of the accounting methodology required by the Chartered Professional Accountants of Canada Handbook, Section 4600, as disclosed in Note 6, and extrapolated the liabilities to December 31, 2014. The valuation as at December 31, 2014 was based on assumptions that reflect OPB's best estimates of future events such as future rates of inflation, future retirement rates and future rates of return on the pension fund. The amounts are set out in the statement of changes in pension obligations.

We hereby certify that, in our opinion:

- The data provided to us by OPB as of November 30, 2013 are sufficient and reliable;
- The actuarial assumptions used are appropriate for the purposes of each valuation; emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations; and
- The methods used are appropriate for purposes of each valuation and are consistent with the applicable regulatory requirements.

Our valuations have been prepared, and our opinions given, in accordance with accepted actuarial practice.

AON HEWITT

Allan H. Shapira
Fellow of the Canadian Institute of Actuaries

Andrew Hamilton
Fellow of the Canadian Institute of Actuaries

March 2, 2015

Management's responsibility for financial reporting

The financial statements of the Ontario Pension Board ("OPB") have been prepared by management, which is responsible for the integrity and fairness of the data presented. The accounting policies followed in the preparation of these financial statements are in accordance with Canadian accounting standards for pension plans. Of necessity, many amounts in the financial statements must be based on the best estimates and judgment of management with appropriate consideration as to materiality. Financial information presented throughout this annual report is consistent with the financial statements.

Systems of internal control and supporting procedures are maintained to provide assurance that transactions are authorized, assets are safeguarded against unauthorized use or disposition, and proper records are maintained. The system includes careful hiring and training of staff, the establishment of an organizational structure that provides for a well-defined division of responsibilities and the communication of policies and guidelines of business conduct throughout OPB.

The Board of Directors (the "Board") is ultimately responsible for the financial statements of OPB. OPB's Audit Committee assists in this responsibility by reviewing the financial statements in detail with management and the external auditors before such statements are recommended to the Board for approval. The Audit Committee meets regularly with management and the external auditors to review the scope and timing of audits, to review their findings and suggestions for improvements in internal control, and to satisfy themselves that their responsibilities and those of management have been properly discharged.

Mark J. Fuller
President & CEO

Michel J. Paradis
Chief Financial Officer

March 2, 2015

Independent auditors' report to the directors of the Ontario Pension Board

We have audited the accompanying financial statements of the Ontario Pension Board, which comprise the statement of financial position as at December 31, 2014, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Pension Board as at December 31, 2014, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 2, 2015

Statement of financial position

As at December 31 (in thousands of dollars)	2014	2013
Assets		
Investments (Note 4)	$ 22,253,391	$ 20,896,407
Investment-related receivables (Note 4)	65,977	74,447
Contributions receivable		
Members	17,985	26,354
Employers	26,668	37,637
Capital assets (Note 5)	2,331	2,510
Total assets	22,366,352	21,037,355
Liabilities		
Investment-related liabilities (Note 4)	99,991	85,596
Accounts payable and accrued charges	35,543	35,462
Contributions payable	–	1,240
Total liabilities	135,534	122,298
Net assets available for benefits	22,230,818	20,915,057
Pension obligations (Note 6)	22,562,386	21,894,206
Deficit (Note 7)	$ (331,568)	$ (979,149)

See accompanying notes

On behalf of the Board:

M. Vincenza Sera
Chair

M.E. (Peggy) Gilmour
Chair, Audit Committee

Statement of changes in net assets available for benefits

For the year ended December 31 (in thousands of dollars)	2014	2013
Investment operations		
Net investment income (Note 8)	$ 1,641,904	$ 2,244,167
Operating expenses – investment operations (Note 10)	(19,604)	(15,675)
Net investment operations	1,622,300	2,228,492
Pension operations		
Contributions (Note 9)		
Members	310,338	298,928
Employers and sponsor	408,753	410,096
Transfer from other plans	81,382	90,748
Retirement pension payments	(989,261)	(958,750)
Termination and other benefits	(94,113)	(121,557)
Operating expenses – pension operations (Note 10)	(23,638)	(24,378)
Net pension operations	(306,539)	(304,913)
Net increase in net assets for the year	1,315,761	1,923,579
Net assets, at beginning of year	20,915,057	18,991,478
Net assets, at end of year	$ 22,230,818	$ 20,915,057

See accompanying notes

Statement of changes in pension obligations

For the year ended December 31 (in thousands of dollars)	2014	2013
Pension obligations, at beginning of year	**$ 21,894,206**	$ 20,359,744
Increase in pension obligations		
Interest on pension obligations	**1,292,110**	1,199,486
Benefits accrued		
Service accrual	**614,031**	560,615
Transfer of service from other plans	**81,382**	90,748
Past service buybacks	**31,838**	28,313
Experience losses	**3,959**	–
Changes in actuarial assumptions (Note 6)	**–**	1,155,601
Total increase	**2,023,320**	3,034,763
Decrease in pension obligations		
Benefits paid	**1,083,374**	1,080,305
Experience gains	**–**	419,996
Changes in actuarial assumptions (Note 6)	**271,766**	–
Total decrease	**1,355,140**	1,500,301
Net increase in pension obligations	**668,180**	1,534,462
Pension obligations, at end of year	**$ 22,562,386**	$ 21,894,206

See accompanying notes

Notes to the financial statements

NOTE 1 *PUBLIC SERVICE PENSION ACT*

Effective January 1, 1990, the Province of Ontario (the "Province") enacted the *Public Service Pension Act*, 1990 ("*PSPAct*") to continue the pension plan for the employees of the Province and certain of its agencies. The terms of the Public Service Pension Plan ("PSPP" or the "Plan") are stated in Schedule 1 to the *PSPAct*. Ontario Pension Board ("OPB") is the administrator of the PSPP.

NOTE 2 DESCRIPTION OF PSPP

The following is a brief description of the PSPP. For more complete information, reference should be made to the *PSPAct*.

a) General

The PSPP is a contributory defined benefit pension plan. Membership is mandatory for most employees who satisfy the eligibility requirements provided in the *PSPAct*. Under the PSPP, both the members and the employers make contributions. The PSPP is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency (Registration Number 0208777) as a registered pension plan not subject to income taxes.

b) Contributions

The PSPP is integrated with the Canada Pension Plan ("CPP"). Contribution rates are 6.4% of the salary on which contributions are made up to the Year's Maximum Pensionable Earnings ("YMPE") and 9.5% of the salary above the YMPE. Employers contribute matching amounts.

Ontario Provincial Police ("OPP") Officers are required to contribute to the PSPP an additional 2% of salary, which is matched by the employer. These additional contributions are used to fund the 50/30 unreduced early retirement provision available to OPP Officers. The contribution rates for OPP Officers, inclusive of the additional 2% of salary, are 9.2% of the salary on which contributions are made up to the YMPE, and 12.3% of the salary above the YMPE. The contribution rates for OPP Civilians are 6.775% of the salary on which contributions are made up to the YMPE, and 9.875% of the salary above the YMPE.

Contributions from members and employers are remitted to OPB. The portion of these contributions that exceeds *Income Tax Act* (*Canada*) limits is transferred to the Province's Public Service Supplementary Benefits Account ("PSSBA").

c) Pensions

A pension is payable at age 65 (or at age 60 for some members with pre-1966 pension credits) based on the number of years of credit in the PSPP multiplied by 2% of the average salary during the best consecutive 60-month period, less an offset for integration with the CPP at age 65. An unreduced pension can be received before age 65 if the member's age and years of credit total 90 ("Factor 90") or when the member reaches age 60 and has 20 or more years of credit. In 2009, the PSPP was amended to permit the Association of Management, Administrative and Professional Crown Employees of Ontario ("AMAPCEO") members who are deemed to be surplus by their employer to retire upon attaining Factor 80. To qualify, certain conditions must be satisfied by both the employer and the member. The surplus program eligibility for AMAPCEO members was only applicable to those receiving layoff notices prior to April 1, 2014.

OPP Officers are eligible for a pension payable based on the average salary during the best 36-month period. Likewise, OPP Civilians are eligible for a pension payable based on the average salary during the best 48-month period. In addition, OPP Officers are eligible for an unreduced pension after attaining age 50 with 30 years of credit.

d) Death benefits

Upon the death of the member or pensioner, benefits may be payable to a surviving eligible spouse, eligible children, a designated beneficiary or the member's or retired member's estate.

e) Disability pensions

Based on meeting all eligibility criteria, a disability pension may be available to members with a minimum of 10 years of credit in the PSPP. The amount of the disability pension is dependent on years of credit and average salary.

f) Termination payments

Members terminating employment before age 55 who are eligible for a deferred pension may be entitled to transfer the commuted value of the pension to a locked-in registered retirement savings arrangement, to transfer to another pension plan, or to purchase a life annuity.

g) Escalation of benefits

Current pensions and deferred pension benefits are increased for inflation based on the Consumer Price Index to a maximum of 8% in any one year. Any inflation above 8% in any one year is applied to increase the pension in subsequent years when the adjustment is less than 8%.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in accordance with Canadian accounting standards for pension plans and present the position of the PSPP as a separate entity independent of the employers and Plan members.

In accordance with Section 4600, Pension Plans, of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook, Canadian accounting standards for private enterprises in Part II of the CPA Canada Handbook have been chosen for accounting policies that do not relate to the investment portfolio or pension obligations to the extent that those standards do not conflict with the requirements of Section 4600.

a) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts on the statements of changes in net assets available for benefits and changes in pension obligations during the reporting period. Actual results could differ from those estimates. The most significant estimates affecting the financial statements would relate to the determination of the pension obligations and the fair values of the Plan's Level 3 investments.

b) Investments

Investments are stated at fair value, including accrued income. For traded investments, fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Fair value of financial instruments is determined as follows:

(i) Short-term investments are recorded at cost, which, together with accrued interest or discount earned, approximates fair value.

(ii) Special Province of Ontario Debentures (the "Special Debentures"), bonds and real estate debt are valued at quoted market prices, where available. For those debt instruments for which quoted market prices are not available, estimated values are calculated using discounted cash flows based on current market yields and comparable securities, as appropriate.

(iii) Equities are valued at quoted market prices at closing.

(iv) Pooled fund values for publicly traded securities are supplied by the fund managers based upon fair value quotations.

(v) Derivative financial instruments consisting of foreign exchange forwards and equity futures contracts are recorded at fair value using year-end market prices.

(vi) Real estate, consisting primarily of income-producing properties, and participating mortgages are valued at estimated fair value determined annually by independent appraisals.

(vii) Private market and alternative investments, which include infrastructure, private equity, private debt and real estate funds, are valued using the most recently available financial information provided by the fund managers and adjusted for any transactions during the interim period up to the reporting date of these financial statements. For private debt instruments where this financial information is not readily available, the fair value of the private debt is determined by discounting future cash flows based on year-end market rates on comparable debt instruments.

(viii) Mortgages and other debt are calculated using discounted cash flows based on current market yields and comparable securities, as appropriate.

Investment transactions are recorded as of the trade date, which is the date upon which the substantial risks and rewards have been transferred. Interest is recognized on an accrual basis when earned. Dividend income is recognized on the ex-dividend date. Distributions from investments in pooled funds are recognized when declared by the fund managers. Since real estate is valued on a fair value basis, depreciation and amortization are not recorded. Gains or losses on the sale of investments are recognized when OPB has transferred to the purchaser the significant risks and rewards of ownership of the investment, the purchaser has made a substantial commitment demonstrating its intent to honour its obligation, and the collection of any additional consideration is reasonably assured. Income from participating mortgages is accrued at the rate stated in the instrument, and any participation income is recognized on an accrual basis. Net investment income (loss) also includes changes in fair values, which represent realized gains and losses from the sale of investments and unrealized gains and losses determined from the change in the difference between cost and fair value at year-end, including appraisal and fair value adjustments on real estate, private market and alternative investments, and real estate debt. Transaction costs are expensed as incurred.

c) Pension obligations

Pension obligations are determined based on an actuarial valuation prepared by an independent firm of actuaries based on an actuarial valuation report prepared for funding purposes. This valuation uses the projected benefit method pro-rated on service and management's best estimate of various economic and non-economic assumptions.

d) Contributions

Contributions due to the PSPP at year-end are recorded as receivable. Transfers into the Plan and purchases of prior service are recorded after cash is received and the transfer or purchase transaction is completed.

e) Capital assets

Capital assets are carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the capital assets as follows:

Computer equipment	3 years
Leasehold improvements	Remaining term of lease
Furniture and fixtures	10 years

f) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. The fair values of investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end.

NOTE 4 INVESTMENTS

Investments before allocating the effect of derivatives contracts consist of the following:

As at December 31 (in thousands of dollars)	2014	2013
Cash and short-term investments		
Canada	$ 744,777	$ 1,401,992
United States and other international	178,848	330,941
	923,625	1,732,933
Fixed income		
Special Province of Ontario Debentures	–	374,542
Bonds		
Canada	5,527,631	4,757,047
United States and other international	778,617	766,769
	6,306,248	5,898,358
Equities		
Canada	2,117,745	1,562,709
United States	2,703,210	2,904,230
Other international	5,662,549	5,235,442
	10,483,504	9,702,381
Real estate (Note 4(h))	3,366,011	2,871,335
Infrastructure	754,609	527,112
Private equity	359,765	108,272
Participating mortgages	59,629	56,016
Total investments	22,253,391	20,896,407
Investment-related receivables		
Pending trades	17,936	14,064
Derivatives receivable	48,041	60,383
	65,977	74,447
Investment-related liabilities		
Pending trades	29,278	13,467
Derivatives payable	70,713	72,129
	99,991	85,596
Net investments	$ 22,219,377	$ 20,885,258

a) Asset mix

	Asset Allocation %		
As at December 31, 2014	Total Plan	Target	SIP&P Range
Asset categories			
Cash and equivalents	**3.9%**	**3.0%**	
Fixed income	**28.4%**	**31.0%**	
Real return bonds	**0.0%**	**0.0%**	
Fixed income	**32.3%**		**10%–45%**
Canadian equities	**9.6%**	**10.5%**	
Foreign developed equities	**23.7%**	**20.0%**	
Emerging equities	**14.0%**	**15.0%**	
Private equity	**1.6%**	**1.0%**	
Equity	**48.9%**		**15%–75%**
Real estate	**15.4%**	**16.5%**	
Infrastructure	**3.4%**	**3.0%**	
Real assets	**18.8%**		**20%–45%**
Total investments	**100.0%**	**100.0%**	

The Plan has adopted a new five-year Strategic Asset Allocation ("SAA") that was approved on September 19, 2014, which is summarized in the most recent Statement of Investment Policies and Procedures ("SIP&P") approved on December 16, 2014. A transition plan to achieve the newly adopted SAA was also approved on September 19, 2014. The transition plan will be phased in over a five-year period and, during such period, the asset mix of the Plan's investments may not fall within the SIP&P ranges. However, the ultimate goal of the Plan is to achieve the specified SIP&P ranges of each asset category by the end of the phase-in period.

	Asset Allocation %		
As at December 31, 2013	Total Plan	Target	SIP&P Range
Asset categories			
Cash and equivalents	8.0%	2.0%	0%–10%
Fixed income	28.2%	31.0%	8%–40%
Real return bonds	0.0%	2.0%	0%–10%
Canadian equities	7.6%	10.5%	5%–15%
Foreign developed equities	23.7%	19.0%	8%–26%
Emerging equities	15.5%	15.0%	10%–20%
Private equity	0.5%	0.5%	0%–5%
Real estate	14.0%	18.0%	10%–30%
Infrastructure	2.5%	2.0%	0%–10%
Total investments	100.0%	100.0%	

As at December 31, 2013, the asset mix of the Plan's investments was within the acceptable ranges as specified in the SIP&P.

b) Financial instruments risk

The Plan is subject to financial risks as a result of its investing activities that could impact its cash flows, income, and assets available to meet benefit obligations. These risks include market risk (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. OPB manages these risks in accordance with its SIP&P, which prescribes the asset mix policy, diversification requirements, performance expectations, limits on individual investments, valuation standards, and guidelines for the management of the Plan.

Market risk – Market risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices. Market risk comprises the following:

(i) Interest rate risk – Interest rate risk refers to the effect on the fair value of the Plan's assets and liabilities due to fluctuations in market interest rates. The value of the Plan's investments is affected by changes in nominal and real interest rates. Pension liabilities are exposed to fluctuations in long-term interest rates and inflation. The Plan has established an asset mix policy that balances interest-sensitive investments with other investments. OPB's fixed income investments have the most significant exposure to interest rate risk. Duration and weighting for the fixed income portfolio are actively managed. Modified duration is a measure of the sensitivity of the price of a fixed income instrument to a change in interest rates. Given the Plan's modified duration of 6.4 years at December 31, 2014 (2013 – 5.9 years), a parallel shift in the yield curve of +/-1% would result in an impact on the net investments of $404 million (2013 – $325 million), with all other variables held constant. In practice, actual results may differ materially from this sensitivity analysis. See the schedule of Fixed income maturities for further information.

(ii) Foreign currency risk – Foreign currency exposure arises from the Plan holding foreign exchange denominated investments and entering into contracts that provide exposure to currencies other than the Canadian dollar. Fluctuations in the value of the Canadian dollar against these foreign currencies can have an impact on the fair value of investments. The Plan hedges a portion of its foreign currency exposure through the use of foreign exchange forward contracts, which are accounted for at fair value. The total currency exposure, the impact of foreign exchange forward contracts and the net currency exposure are as follows:

As at December 31, 2014 (in thousands of dollars)	**Gross Exposure**	**Foreign Exchange Contracts Receivable**	**Foreign Exchange Contracts Payable**	**Net Exposure**
U.S. Dollar	**$ 4,881,526**	**$ 279,731**	**$ (3,179,966)**	**$ 1,981,291**
Hong Kong Dollar	**550,818**	**1,902**	**(579)**	**552,141**
Indian Rupee	**388,158**	**8,609**	**(4,113)**	**392,654**
South Korean Won	**288,546**	**540**	**–**	**289,086**
New Taiwan Dollar	**245,620**	**103**	**–**	**245,723**
Chinese Renminbi	**243,272**	**–**	**–**	**243,272**
Brazilian Real	**254,718**	**2,906**	**(15,770)**	**241,854**
Other	**2,783,144**	**194,162**	**(1,802,743)**	**1,174,563**
Total foreign	**9,635,802**	**487,953**	**(5,003,171)**	**5,120,584**
Canadian Dollar	**12,634,486**	**4,596,849**	**(132,542)**	**17,098,793**
	$22,270,288	**$ 5,084,802**	**$ (5,135,713)**	**$22,219,377**

As at December 31, 2013 (in thousands of dollars)	Gross Exposure	Foreign Exchange Contracts Receivable	Foreign Exchange Contracts Payable	Net Exposure
U.S. Dollar	$ 4,993,124	$ 843,628	$ (3,605,114)	$ 2,231,638
Hong Kong Dollar	565,999	724	(8,895)	557,828
South Korean Won	339,560	5,802	(5,931)	339,431
Brazilian Real	227,400	8,810	(292)	235,918
Indian Rupee	229,405	–	–	229,405
South African Rand	178,060	505	(6,911)	171,654
Chinese Renminbi	167,958	–	–	167,958
Other	2,665,366	165,215	(1,524,444)	1,306,137
Total foreign	9,366,872	1,024,684	(5,151,587)	5,239,969
Canadian Dollar	11,577,300	4,802,358	(734,369)	15,645,289
	$ 20,944,172	$ 5,827,042	$ (5,885,956)	$ 20,885,258

The impact of a 5% absolute change in foreign exchange rates compared to the Canadian dollar, holding all other variables constant, is 5% of the net exposure of the impacted currency, as follows:

	Change in Exchange Rates	Change in Net Assets Available for Benefits as of December 31, 2014 (in thousands of dollars)		Change in Net Assets Available for Benefits as of December 31, 2013 (in thousands of dollars)	
U.S. Dollar	+ / - 5%	**+ / - $**	**99,065**	+ / - $	111,582
Hong Kong Dollar	+ / - 5%	**+ / -**	**27,607**	+ / -	27,891
Indian Rupee	+ / - 5%	**+ / -**	**19,633**	+ / -	11,470
South Korean Won	+ / - 5%	**+ / -**	**14,454**	+ / -	16,972
New Taiwan Dollar	+ / - 5%	**+ / -**	**12,286**	+ / -	8,363
Chinese Renminbi	+ / - 5%	**+ / -**	**12,164**	+ / -	8,398
Brazilian Real	+ / - 5%	**+ / -**	**12,093**	+ / -	11,796
Other	+ / - 5%	**+ / -**	**58,728**	+ / -	65,526
Total	+ / - 5%	**+ / - $**	**256,030**	+ / - $	261,998

(iii) Other price risk – Other price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices other than those arising from foreign currency or interest rate risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. An absolute change in the fair value of OPB's investments which are exposed to other price risk will have a direct proportional impact on the fair value of the investments. OPB's investments in equities have the most significant exposure to other price risk. The impact of a 10% absolute change in the price of an investment, holding all other variables constant, is 10% of the net exposure of the impacted investment, as follows:

Equities	Stock Market Benchmark	Change in Price Index	Change in Net Assets as of December 31, 2014 (in millions of dollars)		Change in Net Assets as of December 31, 2013 (in millions of dollars)	
Canadian	S&P/TSX Composite Index	+ / - 10%	**+ / - $**	**212.9**	+ / - $	158.6
Foreign	MSCI World (C$)	+ / - 10%	**+ / -**	**526.6**	+ / -	492.6
Emerging	MSCI Emerging Equity Index (C$)	+ / - 10%	**+ / -**	**311.7**	+ / -	323.7
			+ / - $	**1,051.2**	+ / - $	974.9

Credit risk – The Plan is exposed to the risk of loss arising from a default or insolvency of a securities issuer. As at December 31, 2014, the Plan's greatest credit exposure in the form of interest-bearing securities is with the Province of Ontario for $740 million (2013 – $1.014 billion). The credit ratings of the Plan's fixed income and bond investments are as follows:

Credit Rating as of December 31, 2014 (in thousands of dollars)

AAA	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**Not Rated**	**Total**
$1,289,411	**$1,918,559**	**$1,004,203**	**$599,894**	**$536,336**	**$216,066**	**$15,693**	**$726,086**	**$6,306,248**

Credit Rating as of December 31, 2013 (in thousands of dollars)

AAA	AA	A	BBB	BB	B	CCC	Not Rated	Total
$1,118,823	$1,914,896	$1,001,240	$573,311	$403,397	$213,151	$14,538	$659,002	$5,898,358

Liquidity risk – Liquidity risk is the risk that the Plan has insufficient cash flows to meet its pension obligations and operating expenses as they become due. The more typical cash requirements of the Plan are in the form of monthly retirement benefit payments as well as periodic termination and other benefit payments and expenses. The Plan also has financial liabilities in the form of derivatives which all mature within one year. The cash requirements and the fulfillment of any financial liabilities are typically met through cash sources such as investment income, proceeds from the sales of investments, and member and employer contributions. The majority of the Plan's assets are also invested in securities that are traded in active markets and can be divested on a timely basis. The largest sources of cash during the year were the member, employer and sponsor contributions as well as interest and principal payments from the Special Debentures, which provided $376 million (2013 – $505 million) to the Plan. The maturities of the Plan's fixed income and bond investments are as follows:

Fixed Income Maturities as of December 31, 2014 (in thousands of dollars)

< 1 year	**≥ 1–5 years**	**≥ 5–10 years**	**≥ 10–20 years**	**≥ 20 years**	**Funds**	**Total**
$497,490	**$1,675,177**	**$1,812,171**	**$986,996**	**$1,160,483**	**$173,931**	**$6,306,248**

Fixed Income Maturities as of December 31, 2013 (in thousands of dollars)

< 1 year	≥ 1–5 years	≥ 5–10 years	≥ 10–20 years	≥ 20 years	Funds	Total
$648,256	$1,601,366	$1,827,829	$687,994	$978,378	$154,535	$5,898,358

c) Cash and short-term investments

As at December 31 (in thousands of dollars)	**2014**	2013
Canada		
Cash	**$ 75,655**	$ 44,698
Short-term notes and treasury funds	**652,960**	1,346,329
Term deposits	**15,500**	8,400
Accrued interest	**662**	2,565
	$ 744,777	$ 1,401,992
United States and other international		
Cash	**$ 133,994**	$ 125,708
Short-term notes and treasury funds	**44,844**	204,924
Accrued interest	**10**	309
	$ 178,848	$ 330,941

d) Fixed income and equity investments

During 2014, the last remaining Special Debenture with an estimated fair value of $375 million and yield of 11.19% as at December 31, 2013 matured, leaving the Special Debentures balance at $nil as at December 31, 2014 (2013 – $375 million).

Included in the other international equities totals are $362 million (2013 – $321 million) related to pooled funds.

e) Derivatives

As at December 31 (in thousands of dollars)	**2014 Notional**	**2014 Fair Value**	2013 Notional	2013 Fair Value
Equity derivatives				
Futures	**$ 793,468**	**$ 28,239**	$ 1,417,954	$ 47,168
Currency derivatives				
Forwards	**5,085,078**	**(50,911)**	5,826,385	(58,914)
Value of derivatives contracts	**$ 5,878,546**	**$ (22,672)**	$ 7,244,339	$ (11,746)

All derivative contracts have remaining maturities within one year as at December 31, 2014.

f) Securities lending

At year-end, $1.416 billion (2013 – $1.443 billion) of OPB's securities were on loan to third parties. Pursuant to a securities lending agreement, OPB's custodian arranges the loans and OPB earns a fee. The custodian follows strict lending criteria and over-collateralizes the loans with securities that have credit ratings equal to or better than the securities loaned. OPB does not employ cash collateral in its securities lending program. At year-end, $1.496 billion (2013 – $1.533 billion) of securities were held as collateral, providing a 5.6% (2013 – 6.2%) cushion against market and credit risks.

g) Fair values

Canadian accounting standards for pension plans require disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes mutual and pooled funds; hedge funds; Government of Canada, provincial and other government bonds; Canadian corporate bonds; and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes investments with underlying real estate properties, private equity investments and securities that have liquidity restrictions.

The following tables present the level within the fair value hierarchy for investments and derivatives, excluding pending trades.

As at December 31, 2014 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Short-term investments				
Canada	$ 75,655	$ 669,122	$ –	$ 744,777
United States and other international	133,994	44,854	–	178,848
Fixed income				
Special Province of Ontario Debentures	–	–	–	–
Bonds				
Canada	–	5,115,812	411,819	5,527,631
United States and other international	144	753,478	24,995	778,617
Equities				
Canada	2,117,745	–	–	2,117,745
United States	2,703,210	–	–	2,703,210
Other international	5,300,580	361,969	–	5,662,549
Futures	28,239	–	–	28,239
Participating mortgages	–	–	59,629	59,629
Real estate	–	–	3,366,011	3,366,011
Private equity	–	–	359,765	359,765
Infrastructure	–	–	754,609	754,609
Forward exchange contracts	–	19,802	–	19,802
	$10,359,567	$ 6,965,037	$ 4,976,828	$ 22,301,432
Financial liabilities				
Forward exchange contracts	$ –	$ (70,713)	$ –	$ (70,713)

As at December 31, 2013 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Short-term investments				
Canada	$ 44,698	$ 1,357,294	$ –	$ 1,401,992
United States and other international	125,709	205,232	–	330,941
Fixed income				
Special Province of Ontario Debentures	–	374,542	–	374,542
Bonds				
Canada	–	4,323,941	433,106	4,757,047
United States and other international	232	755,273	11,264	766,769
Equities				
Canada	1,562,709	–	–	1,562,709
United States	2,904,230	–	–	2,904,230
Other international	4,913,994	321,448	–	5,235,442
Futures	47,168	–	–	47,168
Participating mortgages	–	–	56,016	56,016
Real estate	–	–	2,871,335	2,871,335
Private equity	–	–	108,272	108,272
Infrastructure	–	–	527,112	527,112
Forward exchange contracts	–	13,215	–	13,215
	$ 9,598,740	$ 7,350,945	$ 4,007,105	$ 20,956,790
Financial liabilities				
Forward exchange contracts	$ –	$ (72,129)	$ –	$ (72,129)

There were no significant transfers between Levels 1, 2, or 3 during the years ended December 31, 2014 and 2013.

The following tables present a reconciliation of all Level 3 assets and liabilities measured at fair value for the years ended December 31, 2014 and 2013.

(in thousands of dollars)	**Fair Value as at January 1, 2014**	**Transfers In/(Out)**	**Acquisitions**	**Dispositions**	**Issuance of Debt**	**Fair Value Changes**	**Fair Value as at December 31, 2014**
Financial assets							
Bonds							
Canada	**$ 433,106**	**$ –**	**$ 32,234**	**$ (44,766)**	**$ –**	**$ (8,755)**	**$ 411,819**
United States and other international	**11,264**	**–**	**19,195**	**(6,059)**	**–**	**595**	**24,995**
Participating mortgages	**56,016**	**–**	**–**	**–**	**–**	**3,613**	**59,629**
Real estate	**2,871,335**	**–**	**553,229**	**(54,918)**	**–**	**(3,635)**	**3,366,011**
Private equity	**108,272**	**–**	**261,128**	**(16,886)**	**–**	**7,251**	**359,765**
Infrastructure	**527,112**	**–**	**205,124**	**(10,980)**	**–**	**33,353**	**754,609**
	$4,007,105	**$ –**	**$1,070,910**	**$ (133,609)**	**$ –**	**$ 32,422**	**$4,976,828**

(in thousands of dollars)	Fair Value as at January 1, 2013	Transfers In/(Out)	Acquisitions	Dispositions	Issuance of Debt	Fair Value Changes	Fair Value as at December 31, 2013
Financial assets							
Bonds							
Canada	$ 368,520	$ –	$ 85,063	$ (5,102)	$ –	$ (15,375)	$ 433,106
United States and other international	–	–	10,892	–	–	372	11,264
Participating mortgages	50,875	–	–	–	–	5,141	56,016
Real estate	2,701,424	–	795,314	(478,954)	(250,000)	103,551	2,871,335
Private equity	103,370	–	10,637	(15,183)	–	9,448	108,272
Infrastructure	173,443	–	346,723	(27,585)	–	34,531	527,112
	$ 3,397,632	$ –	$ 1,248,629	$ (526,824)	$ (250,000)	$ 137,668	$ 4,007,105

h) Commitments and guarantees

As at December 31, 2014, OPB has provided funding commitments for certain investments in the amount of $1,671 million (2013 – $1,427 million) of which $772 million (2013 – $826 million) has been advanced to date.

OPB has provided a guarantee for the payment of principal and interest on $750 million in debentures which were issued in previous years by OPB Finance Trust, a trust established for the benefit of OPB and its related entities. Three series of debentures have been issued:

1. $350 million, Series A, 30-year debentures due 2042, with interest payable semi-annually at 3.89%.
2. $150 million, Series B, 50-year debentures due 2062, with interest payable semi-annually at 3.87%.
3. $250 million, Series C, 10-year debentures due 2023, with interest payable semi-annually at 2.90%.

The proceeds from the issuance of the 30-year and 50-year debentures were loaned to two OPB real estate subsidiaries. In turn, these real estate companies repaid amounts owed to OPB.

The proceeds from the issuance of the 10-year debentures were loaned to a real estate trust established for the benefit of OPB.

OPB's real estate investments are shown net of the OPB Finance Trust debentures and any other financings specifically assumed by these real estate entities.

In addition to the guarantee on the debentures, $35 million of letters of credit are guaranteed by OPB.

On February 24, 2015, OPB Finance Trust issued $250 million of Series D debentures. The debentures are due on February 24, 2022 with an interest rate of 1.88% per annum, calculated and payable semi-annually. The repayment of principal and interest for the Series D debentures is fully guaranteed by OPB.

NOTE 5 CAPITAL ASSETS

As at December 31 (in thousands of dollars)		Cost		Accumulated Depreciation		2014 Net Book Value
Computer equipment	$	**4,262**	$	**3,613**	$	**649**
Furniture and fixtures		**2,478**		**1,577**		**901**
Leasehold improvements		**1,607**		**826**		**781**
Total capital assets	$	**8,347**	$	**6,016**	$	**2,331**

As at December 31 (in thousands of dollars)		Cost		Accumulated Depreciation		2013 Net Book Value
Computer equipment	$	3,712	$	3,175	$	537
Furniture and fixtures		2,460		1,345		1,115
Leasehold improvements		1,535		677		858
Total capital assets	$	7,707	$	5,197	$	2,510

NOTE 6 PENSION OBLIGATIONS

a) Accounting basis

The value of pension obligations of $22.6 billion (2013 – $21.9 billion) is an estimate of pension benefit obligations accrued to date for members and retired members. The accounting valuation is determined by applying best estimate assumptions and the projected benefit method (pro-rated on service), as required under Canadian accounting standards for pension plans. Under this method, the accrued pension benefits are based on service earned up to the reporting date. The accrued pension benefits as at December 31, 2014 were computed by extrapolating data used for the December 31, 2013 funding valuation prepared by the independent actuary for management purposes.

Actuarial assumptions – The actuarial assumptions used in determining the value of accrued pension benefits reflect management's best estimate of future economic and non-economic events. The primary economic assumptions, as at December 31, are:

	2014	2013
Investment return	**5.95%**	5.95%
Inflation	**2.10%**	2.10%
Real rate of return	**3.85%**	3.85%
Salary increases		
2014	**0.5% + promotional scale** **8.55% for OPP Officers**	3.10% + promotional scale
2015	**1.0% + promotional scale**	3.10% + promotional scale
2016	**1.5% + promotional scale**	3.10% + promotional scale
2017	**1.5% + promotional scale**	3.10% + promotional scale
2018	**2.0% + promotional scale**	3.10% + promotional scale
2019	**2.5% + promotional scale**	3.10% + promotional scale
2020 and thereafter	**3.1% + promotional scale**	3.10% + promotional scale

The non-economic assumptions include mortality, withdrawal and retirement rates. During 2014, the changes in actuarial assumptions resulted in a decrease of $272 million (2013 – increase of $1,156 million) to the Plan's pension obligations. The short-term salary restraint assumption was the main contributor to the decrease. This was partially offset by updates to the mortality tables and short-term retirement and termination rates.

b) Funding basis

The funding valuation of the PSPP is based on methods required under the *PSPAct* and the *Pension Benefits Act* (Ontario) ("*PBA*"). The *PBA* and the *Income Tax Act* (Canada) require that an actuarial funding valuation of the PSPP be completed and filed with the regulatory authorities at least every three years. The most recent filing was a funding valuation as at December 31, 2013, prepared by Aon Hewitt, which disclosed a funding shortfall of $804 million on a going-concern basis. The effective date of the next funding valuation that is required to be filed will be as at December 31, 2016.

The funding valuation is used as a basis for funding and Plan design decisions. Differences between the accounting and funding valuation results may arise due to such factors as variances between estimated and actual data, economic and demographic assumptions or conditions, actuarial methodology, and subsequent events.

NOTE 7 DEFICIT

In these financial statements, the amount by which net assets available for benefits is less than the pension obligations is represented by the deficit, which as at December 31, 2014 was $332 million (2013 – $979 million).

NOTE 8 NET INVESTMENT INCOME

For the year ended December 31 (in thousands of dollars)	**Investment Income[1]**	**Fair Value Changes[2]**	**2014 Total**	Investment Income[1]	Fair Value Changes[2]	2013 Total
Cash and short-term investments						
Canada	**$ 13,603**	**$ 16,487**	**$ 30,090**	$ 15,601	$ (2,666)	$ 12,935
United States and other international	**1,735**	**(163,538)**	**(161,803)**	1,830	(203,571)	(201,741)
	15,338	**(147,051)**	**(131,713)**	17,431	(206,237)	(188,806)
Fixed income						
Special Province of Ontario Debentures	**14,208**	**(12,490)**	**1,718**	61,655	(52,322)	9,333
Bonds						
Canada	**235,655**	**257,127**	**492,782**	209,894	(171,680)	38,214
United States and other international	**53,187**	**14,378**	**67,565**	46,371	(796)	45,575
	303,050	**259,015**	**562,065**	317,920	(224,798)	93,122
Equities						
Canada	**52,105**	**93,010**	**145,115**	38,621	336,841	375,462
United States	**47,961**	**468,695**	**516,656**	49,735	796,656	846,391
Other international	**147,301**	**255,999**	**403,300**	117,315	676,722	794,037
	247,367	**817,704**	**1,065,071**	205,671	1,810,219	2,015,890
Real estate	**140,691**	**(3,635)**	**137,056**	223,946	103,551	327,497
Infrastructure	**18,215**	**33,353**	**51,568**	3,637	34,531	38,168
Private equity	**21,276**	**7,251**	**28,527**	7,095	9,448	16,543
Participating mortgages	**959**	**3,613**	**4,572**	1,074	5,141	6,215
Total investment income	**$ 746,896**	**$ 970,250**	**$ 1,717,146**	$ 776,774	$ 1,531,855	$ 2,308,629
Investment management and custodial fees			**(75,242)**			(64,462)
Net investment income			**$ 1,641,904**			$ 2,244,167

[1] Investment income includes interest on cash and short-term investments, fixed income and participating mortgages, dividend income on equities, real estate dividend income and distribution income from various pooled funds.

[2] Gains (losses) on cash and short-term investments include foreign exchange contracts.

a) Interest income

For the year ended December 31 (in thousands of dollars)		2014		2013
Cash and short-term investments				
Canada				
Cash	$	6,541	$	2,486
Short-term notes and treasury funds		6,984		13,019
Term deposits		78		96
	$	13,603	$	15,601
United States and other international				
Cash	$	499	$	1,044
Short-term notes and treasury funds		1,236		786
	$	1,735	$	1,830

Earnings from pooled short-term investment funds are included with short-term notes and treasury funds.

b) Dividend income

Dividend income includes $18.5 million (2013 – $8.2 million) from pooled equity funds.

c) Investment fees

For the year ended December 31 (in thousands of dollars)		2014		2013
Portfolio fund management	$	58,239	$	50,237
Transaction costs		10,641		9,347
Custodial		4,768		3,444
Private market		1,594		1,434
	$	75,242	$	64,462

Transaction costs include commissions and fees on trades.

NOTE 9 CONTRIBUTIONS

For the year ended December 31 (in thousands of dollars)		2014		2013
Members				
Current service required	$	282,837	$	274,734
Prior service		27,501		24,194
Total contributions from members		310,338		298,928
Employers				
Current service				
Regular contributions		283,063		274,588
PSSBA transfer		(10,253)		(13,363)
For members receiving Long Term Income Protection benefits		11,089		10,508
Prior service		4,337		4,120
		288,236		275,853
Sponsor payments				
Special payments		98,989		127,235
Additional current service		21,528		7,008
		120,517		134,243
Total contributions from employers and sponsor		408,753		410,096
Total contributions	$	719,091	$	709,024

The contribution requirements are set out in the *PSPAct* and summarized in Note 2(b).

Members who are receiving benefits on Long Term Income Protection have their contributions to the PSPP paid by their employers.

The Province, as sponsor of the Plan, contributed $99 million (2013 – $127 million) in Special Payments in 2014 towards the funding shortfall identified in the filed funding valuation as at December 31, 2013. In 2014, the Province made $22 million (2013 – $7 million) in additional employer current service contributions.

For 2014 and 2013, the contributions to the Plan were made in accordance with the funding requirements as specified by the most recently filed actuarial funding valuation.

There were no required contributions past due as at December 31, 2014 and 2013.

NOTE 10 OPERATING EXPENSES

Pension operations

For the year ended December 31 (in thousands of dollars)		2014		2013
Staffing costs	$	13,097	$	13,657
Staff development and support		193		281
Office premises and operations		3,120		3,274
Information technology and project management		5,174		5,216
Professional services		932		935
Communication		309		241
Depreciation		515		520
Board remuneration		68		92
Audit		230		162
	$	23,638	$	24,378

Investment operations

For the year ended December 31 (in thousands of dollars)	2014	2013
Staffing costs	$ 11,555	$ 9,133
Staff development and support	171	223
Office premises and operations	2,238	2,034
Information technology and project management	2,651	2,195
Professional services	2,222	1,484
Communication	133	103
Depreciation	302	249
Board remuneration	102	92
Audit	230	162
	$ 19,604	$ 15,675

Included in the above operating expenses are:

External audit services

For the year ended December 31 (in thousands of dollars)	2014	2013
External audit and related services provided to Ontario Pension Board	$ 253	$ 141
External audit and related services provided to and recorded by subsidiary operations	241	339
Total fees	$ 494	$ 480

Actuarial services

For the year ended December 31 (in thousands of dollars)	2014	2013
Actuarial services provided to Ontario Pension Board	$ 539	$ 404

NOTE 11 CAPITAL MANAGEMENT

The funding surpluses or deficits determined periodically through the funding valuations prepared by an independent actuary are defined as the Plan's capital. The actuary's funding valuation is used to measure the long-term health of the Plan. The last filed actuarial valuation report for funding purposes was prepared by Aon Hewitt as of December 31, 2013, which disclosed a funding shortfall of $804 million on a going-concern basis and a deficit of $871 million on a solvency basis. The effective date of the next required actuarial valuation for funding purposes is December 31, 2016.

The objective of managing the Plan's capital is to ensure the Plan is funded to fully pay out the Plan's benefits. The funding valuation determines the annual minimum contribution levels to eliminate any shortfalls. The Plan's SIP&P also provides guidance with respect to the investment of the Plan's assets (see Note 4(a)) in order to assist with the management of any funding excesses or shortfalls. The SIP&P was last amended in December 2014, resulting in the asset mix targets as shown in Note 4(a). The Plan's rate of return expectation has been set in the SIP&P at a 3.85% real rate of return, net of fees.

NOTE 12 COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2014 financial statements.

Supplementary information

Fixed income maturities

As at December 31 (in thousands of dollars)	2014 Fair Value	2014 Current Yield %	2013 Fair Value	2013 Current Yield %
Special Province of Ontario Debentures				
0–1 year	$ –		$ 374,542	11.19
Bonds				
Canadian:				
0–1 year	483,372	0.14–13.11	227,416	0.66–16.47
≥ 1–5 years	1,437,397	1.00–17.83	1,452,756	1.00–12.44
≥ 5–10 years	1,382,513	1.49–12.71	1,361,909	1.31–13.00
≥ 10 years	2,064,021	2.18–10.38	1,571,695	2.59–10.50
	5,367,303		4,613,776	
United States and other international:				
0–1 year	14,118	3.21–12.90	46,298	0.81–8.99
≥ 1–5 years	237,780	1.05–15.76	148,610	0.01–11.47
≥ 5–10 years	429,658	1.11–20.28	465,920	0.05–18.60
≥ 10 years	83,458	1.14–9.54	94,677	3.80–9.37
	765,014		755,505	
Fixed income funds	173,931		154,535	
Total fixed income	$ 6,306,248		$ 5,898,358	

Investments over $75 million

As at December 31, 2014 (in thousands of dollars)	Maturities	Coupon %		Fair Value[1]
Cash and short-term investments				
Canada:				
Government of Canada			$	296,644
Fixed income				
OPB Investment Inc. (holding company, 100% owned)			$	258,190
OPB Investment Ltd. (holding company, 100% owned)				148,085
Bonds				
Canada:				
Province of Ontario	2016–2062	0.00–9.50	$	685,105
Canada Housing Trust No. 1	2016–2025	1.33–4.10		540,198
Government of Canada	2016–2064	1.00–10.50		434,091
Province of Quebec	2016–2055	0.00–9.63		304,206
Royal Bank of Canada	2016–2085	0.44–6.82		154,943
Bank of Nova Scotia	2015–2108	1.80–7.80		133,058
Royal Bank of Scotland	2022–2049	5.37–10.50		104,967
Canadian Imperial Bank of Commerce	2015–2108	1.75–10.25		96,916
Bank of Montreal	2015–2107	1.89–10.22		89,359
Loblaw Companies Ltd.	2019–2039	3.75–6.85		86,179
Real estate				
Investment in real estate holdings over $75 million, comprising OPB Realty Inc. (holding company, 100% owned), OPB (EMTC) Inc. (holding company, 100% owned), OPB (Southgate) Inc. (holding company, 100% owned), OPB (155 Wellington) Inc. (holding company, 100% owned), RXR Real Estate Funds and OPB Finance Trust (financing entity, 100% beneficial interest), OPB Real Estate Investments Inc. (holding company, 100% owned), OPB Real Estate Investments 2 Ltd. (holding company, 100% owned), OPB (Centre 10) Inc. (holding company, 100% owned).			$	4,026,576

[1] Excludes accrued income, includes guaranteed instruments issued by subsidiaries/agencies.

(in thousands of shares/dollars)	Shares/Units[2]		Fair Value[2]
Infrastructure			
OPB Infrastructure 2 Ltd. (holding company, 100% owned)		$	539,923
OPB Infrastructure 3 Ltd. (holding company, 100% owned)			143,151
Equities			
Canada:			
Toronto-Dominion Bank	2,928	$	162,541
Bank of Nova Scotia	1,773		117,539
Royal Bank of Canada	1,449		116,262
Canadian National Railway Co.	1,243		99,490
Canadian Imperial Bank of Commerce	760		75,924
United States:			
OPB Private Equity 5 Ltd. (holding company, 100% owned)			175,359
Johnson & Johnson	662		80,222
Other international:			
Leith Wheeler International Fund	21,000		361,969
Taiwan Semiconductor Manufacturing Co.	16,769		127,737
Samsung Electronics Co. Ltd.	132		111,143
Baidu Inc.	284		75,043

[2] Includes all share classes and American Depository Receipts.

Real estate properties

As at December 31, 2014 (in thousands of square feet)	Location	Area
Retail		
Pen Centre	St. Catharines	1,040
Southgate Centre	Edmonton	942
St. Vital Centre	Winnipeg	928
Pickering Town Centre	Pickering	903
Erin Mills Town Centre	Mississauga	848
Woodgrove Centre	British Columbia	747
Midtown Plaza	Saskatchewan	731
Cornwall Centre	Saskatchewan	567
Halifax Shopping Centre	Halifax	532
Carlingwood Shopping Centre	Ottawa	529
Halifax Shopping Centre Annex	Halifax	420
West End Mall	Halifax	184
Erin Mills Town Plaza	Mississauga	59
		8,430
Office		
155 Wellington Street West	Toronto	1,211
Centre 10	Calgary	368
Pickering Office Tower/Durham College	Pickering	128
Halifax Office Complex	Halifax	114
		1,821
Residential		
Engelhart Apartments	Toronto	85
Total properties		**10,336**

* Southgate Centre and 155 Wellington Street West are 50% owned by Ontario Pension Board through its subsidiaries OPB (Southgate) Inc. and OPB (155 Wellington) Inc. Woodgrove Centre, Midtown Plaza, Cornwall Centre, and Engelhart Apartments are 50% owned by Ontario Pension Board through its subsidiary OPB Real Estate Investments 2 Limited.