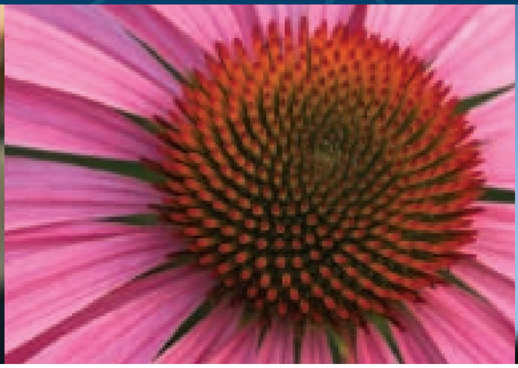
Your Pension. Our Promise.

ONTARIO PENSION BOARD 2006 ANNUAL REPORT



OPB
Your Pension. Our Promise.

WHO WE ARE

Ontario Pension Board (OPB) is the administrator of the Public Service Pension Plan ("PSPP" or "the Plan") – a major defined benefit pension plan sponsored by the Government of Ontario. Our membership base is made up of certain employees of the provincial government and its agencies, boards and commissions.

With more than $15 billion in assets, 34,600 active members, 36,900 pensioners and 4,800 deferred members, the PSPP is one of Canada's largest pension plans. It is also one of the country's oldest pension plans, dating back to the early 1920s.

WHO WE SERVE

OPB serves:

- PSPP members, pensioners and employers ("clients"); and
- other key stakeholders (the Plan Sponsor, bargaining agents and taxpayers).

ABOUT YOUR PLAN

The PSPP is a defined benefit pension plan. This means retired members receive a pension benefit based on a pre-set formula. That formula takes into account each member's earnings history and years of service with the Plan. To fund the pension promise, both members and employers make contributions to the Plan.

OUR PROMISE

OPB's promise is fourfold:

1. protect the long-term health of the Plan;
2. invest the Plan's assets to maximize returns within acceptable risk parameters;
3. keep contribution levels stable and affordable; and
4. deliver superior, cost-effective service to all stakeholders.

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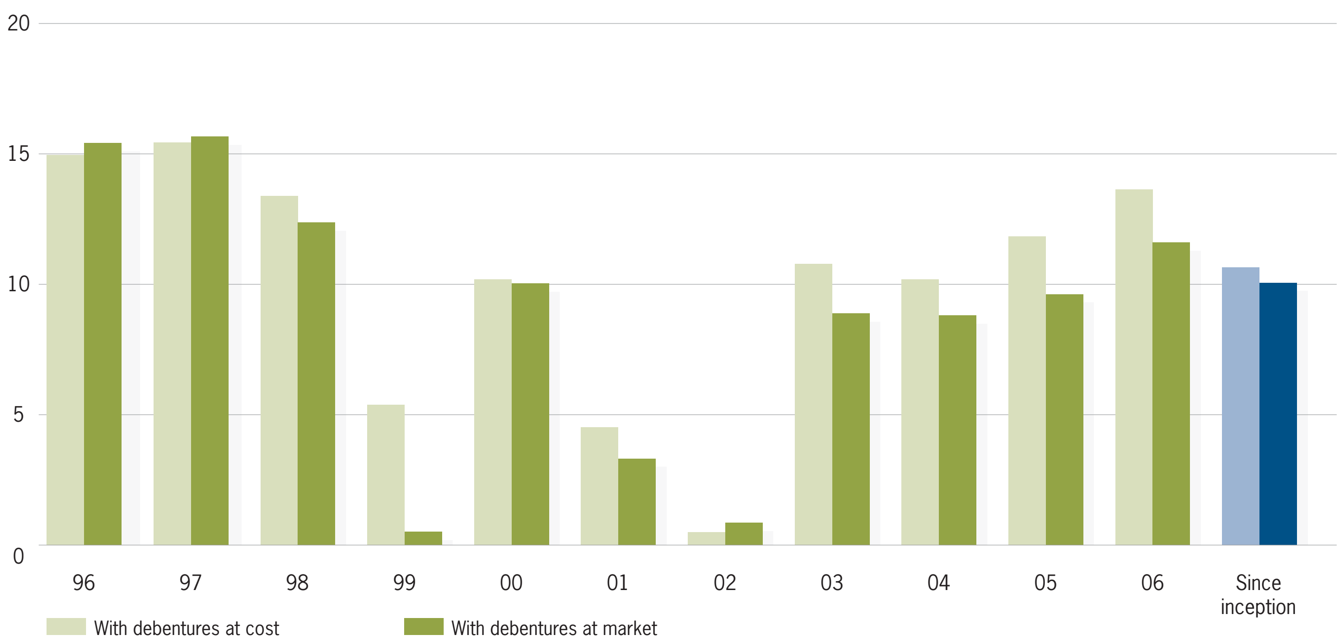
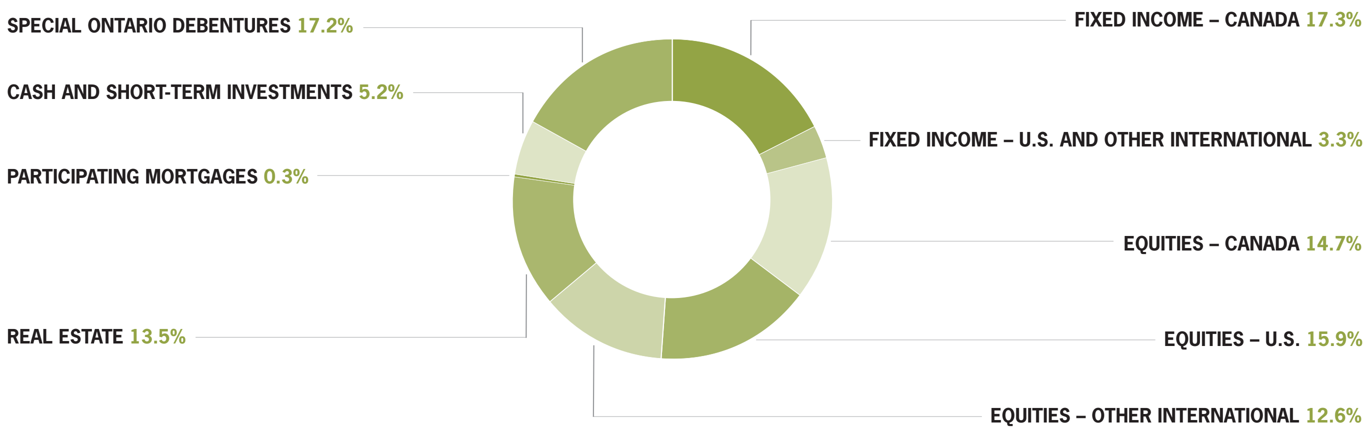
Total Returns

% per annum



Asset Mix

as at December 31, 2006



ADMINISTRATIVE HIGHLIGHTS

Present Value of Benefits*

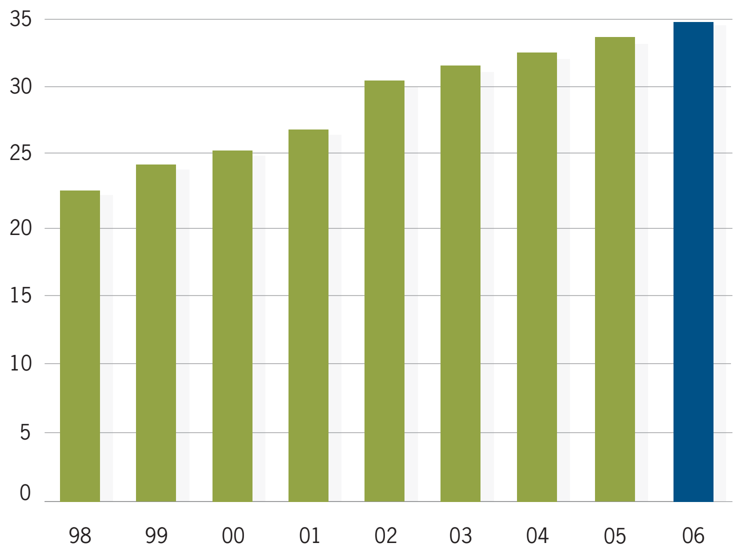
as reported in the December 31, 2005 funding valuation

PENSIONERS	$8.5 BILLION
OTHER INACTIVE MEMBERS*	$0.5 BILLION
ACTIVE MEMBERS	$9.2 BILLION
	$18.2 BILLION

*Includes Deferred and In-Transits

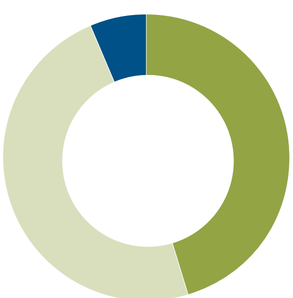
Growth in Membership

thousands of persons



Client Profile

as at December 31, 2006



MEMBERS	34,600
PENSIONERS	36,900
DEFERRED MEMBERS	4,800

Membership in OPB is on the rise. During 2006, OPB embarked on a number of short- and long-term initiatives aimed at elevating service levels. We also conducted our first client survey which will help us develop performance metrics going forward.

Our Service to Members

	2006	2005
Telephone calls	**16,295**	14,231
Buybacks of service	**1,285**	1,062
Pension estimates	**1,140**	925
Presentations	**37**	35
Other cases	**26,770**	38,010

Our Service to Pensioners

	2006	2005
Telephone calls	**19,366**	17,843
Information changes	**16,554**	16,091
Other cases	**10,461**	12,575

Your Pension. Our Promise.

You don't have to look far to know what OPB is all about. Our new logo says it all: "Your pension. Our promise."

We're here to ensure the Public Service Pension Plan (PSPP) remains strong, meaningful and affordable, and we are taking proactive steps to assist our clients in making the best decisions to maximize their proper entitlement under the Plan.

During 2006, we moved forward with a multi-year action plan aimed at ensuring we have the people, processes and technology needed to protect the pension promise and provide better and more personalized service to all our clients and stakeholders – now and into the future. It's an action plan that's working. In just over a year, we've:

- strengthened the financial position of the Plan through strong investment returns;
- boosted service levels by managing better, faster, smarter;
- helped build a healthier, more positive environment for the PSPP through targeted education and advocacy initiatives; and
- continued to maintain a strong focus on managing costs.

In short, we're making major headway in turning our vision for a stronger, more responsive PSPP into reality… and we're building on that momentum.

Operating a defined benefit (DB) pension plan – like the PSPP – has its challenges. Legislative complexity, shifting demographics, low interest rates, growing service expectations, and a general lack of knowledge and appreciation for their superior value means DB plans need to manage better, faster and smarter, execute an astute and disciplined investment strategy and educate and advocate about their true value. At OPB, we understand that challenge and we're taking action.

A year ago, we told you that we'd launched an aggressive, new action plan aimed at building a stronger pension plan and more responsive client service. In 2006, we not only moved forward with that plan, we leveraged our earlier successes to build momentum.

Disciplined and Astute Investing

During 2006, we…

- achieved double-digit investment returns for the fourth consecutive year – enabling us to reduce the Plan's funding shortfall. There are other factors that affect the funded position of the Plan other than investment returns. Therefore, the extent will not be known until the funding valuation is completed later this year;
- investigated alternative investment opportunities to enhance returns going forward; and
- expanded our investment expertise – at the senior management and Board level – to ensure we have the highest degree of knowledge and experience focused on building and implementing successful investment strategies for the future.

Managing Better, Faster, Smarter

During 2006, we…

- enhanced service levels and shortened response times in key areas by better aligning people and processes;
- continued a multi-year initiative to transform our information technology resources to deliver better, faster, and more accurate service;
- conducted our first client satisfaction survey to clarify the service and information needs of our clients; and
- prepared a forward-looking plan to better serve all of our stakeholders.

Educating and Advocating

During 2006, we…

- acted on the survey results to provide our clients with more personalized, plain-language communications customized to their information needs;
- began educating all stakeholders about the advantages associated with the PSPP and the defined benefit plan model; and
- began providing plain language information about the value and benefits provided by the Plan.

Security, stability, certainty

Health care and pensions are two of the most important conversations taking place in Canada today. As the baby boomer population ages, more and more Canadians are concerned about making sure they have sufficient income and resources for their retirement years.

Over the past year, there has been growing debate about the type of pension plan that is most effective and efficient. There are basically two types of pension plans – “defined benefit” plans and “defined contribution” plans. Your Public Service Pension Plan (PSPP) is a “defined benefit” plan.

At OPB, we think it’s important that every member of the PSPP clearly understand the valuable benefits this defined benefit pension plan brings to you and your family, such as:

Certainty – Your PSPP pension is payable for life. There is no chance that you will outlive your pension.

Adequate retirement income – Mandatory participation ensures that members build an adequate retirement income over time.

Superior security – PSPP members have the security of knowing what their monthly pension will be, based on a pre-set formula, and they can plan for their retirement accordingly.

Inflation protection – Your PSPP is indexed to inflation. That means the purchasing power of your pension remains strong throughout your retirement.

Survivor benefits – Your PSPP provides survivor benefits for eligible spouses until their death.

Investment expertise – Important investment decisions are not left to the individual employee, but are managed by investment experts. These investment specialists have the knowledge, expertise and experience to generate the returns needed over the long term to fund the pension promise.

In contrast, members of "defined contribution" plans assume virtually all of the risk and responsibility for their retirement. In most defined contribution plans, it is not mandatory for employees to make contributions that will provide them with an acceptable income when they retire. Many do not save enough or at adequate levels. Individual employees are responsible for making important investment decisions and ensuring they achieve the returns required to adequately fund their retirement. And ultimately, they alone are responsible for making sure they have saved enough to last through their entire retirement.

A recent report by Laurence B. Siegel of the Ford Foundation & M. Barton Waring of Barclays Global Investors sums up the risks associated with defined contribution plans this way; "…we regrettably but reasonably conclude that few employees can ever expect a secure and prosperous retirement, with reasonable income replacement, using the defined contribution plan structure alone."

At OPB, our commitment is to protect the long-term health of your pension plan. To do that, we believe it is key that our clients and stakeholders fully understand the PSPP and the superior value that it delivers to them.

2006 was an exciting – and successful – year for OPB. We made great progress on a wide range of issues – from reducing the funding shortfall to improving our service delivery.

Building on the solid foundation laid in 2005, we focused on delivering on our promise:

- protecting the long-term health of the Plan;
- investing the Plan's assets to maximize returns within acceptable risk parameters;
- keeping contribution levels stable and affordable; and
- delivering superior, cost-effective service to all stakeholders.

Through a number of short-, mid- and longer-term initiatives, we made significant headway delivering on our promise in 2006. And, we worked to ensure our stakeholders understand the true value of the defined benefit (DB) pension model.

Team effort

Protecting and promoting a successful pension plan requires more than good intentions – it requires in-depth knowledge and strong leadership at the Board level. To round out the Board's expertise, two industry professionals were appointed in 2006: David Brown, a pension actuary and former principal at Eckler Partners, and Lynn Clark, a pension investment expert and founding principal of L.A. Clark Consulting. These two individuals have brought a wealth of professional and industry experience that will help elevate decision-making at the Board level.

I'd like to take this opportunity to thank my colleagues on the Board for their commitment and energy. Over the last three years, they've worked together with enthusiasm to provide OPB with a clear vision for the future and a sound governance framework.

Good governance

The powerful combination of vision and good governance will ensure the Plan is not only managed in the best interest of our clients and stakeholders, but is done so with integrity, accountability and professionalism. That's important, because at the end of the day, our vision and commitment to good governance is all about ensuring that we deliver our promise.

Recognizing that "understanding" is the key to "appreciation," we've taken a number of steps to ensure that our clients and stakeholders understand the importance of good governance. Those steps include:

- developing materials that clearly communicate our governance process;
- making those documents available to stakeholders upon request;
- posting a governance Q&A on the OPB website; and
- distributing a new booklet outlining our privacy policy to our clients.

In many respects, 2006 was a defining year for OPB. We not only solidified our vision for the future, we confirmed that we've got the people, culture and winning strategy to turn that vision into reality… and the momentum to make it happen.

"At the end of the day, our vision and commitment to good governance is all about ensuring that we deliver our promise."

John Richardson, Chair

GOVERNANCE

At OPB, we're committed to good governance. That means we're committed to ensuring we have the necessary structures and procedures in place to manage, administer and monitor the pension plan based on standards that meet or exceed industry best practices.

We've built a solid governance model based on a well-defined operating structure, high professional standards, best practices, and a deep-seated culture of integrity and openness.

The emphasis we place on good governance is rooted in the importance of fulfilling our promise to our 76,300 clients *and* protecting the long-term health of the PSPP. To meet this mandate, we've established a governance framework that ensures we:

- operate effectively and efficiently;
- invest and manage the Plan's assets prudently;
- protect and promote the best interests of clients and other stakeholders; and
- meet applicable legislative requirements.

> "At OPB, we're committed to good governance... We've built a solid governance model based on a well-defined operating structure, high professional standards, best practices, and a deep-seated culture of integrity and openness."

For more information on our governance structure and policies, visit our website at www.opb.ca.

BOARD OF DIRECTORS

M. David R. Brown

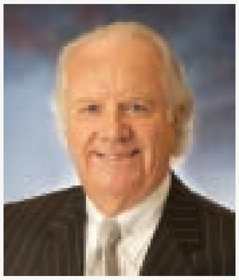
Former chairman of Eckler Partners, an actuarial consulting firm. During a career spanning more than 40 years, David has consulted to pension clients in both the private and public sectors, served on the Pension Commission of Ontario, and held numerous positions with professional organizations.

APPOINTED TO THE BOARD ON OCTOBER 25, 2006.

Lynn A. Clark

Founding principal of L.A. Clark Consulting, an independent consulting and research organization that focuses on pension and investment issues. Lynn has more than 20 years' experience in the investment banking and pension arena and is a former member of the Industry Task Force on Pension Governance.

APPOINTED TO THE BOARD ON OCTOBER 5, 2006.



J. Urban Joseph, O.C.

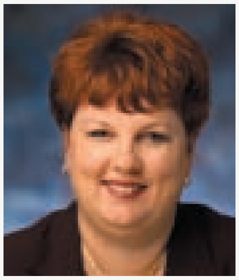
Vice Chairman of Toronto-Dominion Bank from 1992 to 1996. During his career with the bank, which began in 1952, he held a number of positions, including Executive Vice President of the Human Resources Division.

APPOINTED TO THE BOARD ON JULY 1, 2004.

Hugh G. Mackenzie

Principal in his own economic consulting business and a Research Associate of the Canadian Centre for Policy Alternatives. He has worked for over 30 years in the trade union and non-profit sectors, as well as all three levels of government. He is a member of the board of the Atkinson Charitable Foundation and the Ontario Teachers' Pension Plan.

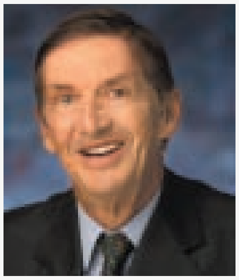
APPOINTED TO THE BOARD ON DECEMBER 4, 2002.



Debbie L. McKenna

Currently, Chief Administrative Officer for the Ontario Provincial Police Association, where she has worked for more than 26 years as an expert in pension policy and financial management.

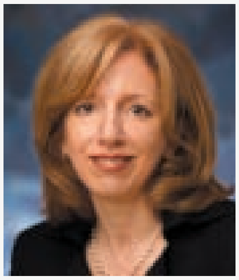
APPOINTED TO THE BOARD ON DECEMBER 17, 1997.



John E. Richardson (Chair)

A former Deputy Chairman of London Insurance Group Inc.; Chairman, President and CEO of Wellington Insurance Company; President of Great Lakes Power; and partner with Ernst & Young LLP.

APPOINTED TO THE BOARD ON FEBRUARY 6, 2002.



M. Vincenza Sera

Managing Director of the Financial Institutions Group, Investment Banking for National Bank Financial from 1992 to 2004. Served as co-head of the Canadian Financial Institutions Group (FIG) practice at Putnam Lovell NBF from 2003 to 2004. She has more than 20 years' experience in investment banking.

APPOINTED TO THE BOARD ON SEPTEMBER 17, 2004.

Mary Tate

A former Assistant Deputy Minister, ServiceOntario, she had more than 25 years' experience in the Ontario Public Service. She is currently consulting on government service improvement.

APPOINTED TO THE BOARD ON NOVEMBER 20, 2002.

Anthony Wohlfarth

He is currently a national representative for the CAW, where he has held a series of senior positions. He was previously Worker Commissioner with the Canada Employment Insurance Commission from 2000 to 2005. He has 25 years of diverse experience in the fields of pensions and employee benefits.

APPOINTED TO THE BOARD ON SEPTEMBER 1, 2005.

Our multi-year business strategy to build an even stronger, more responsive OPB is unfolding as planned. In fact, it's already generating very positive results.

Securing the promise

Heading into 2006, one of the key areas of focus was addressing the Plan's funding shortfall. The shortfall reflected the cost of temporary enhancements to early retirement benefits, which were offered during the mid- to late-1990s to ease downsizing in the public sector. The impact of these enhancements was compounded by poor stock market returns from 2000 to 2002, as well as historically low interest rates. However, strong investment returns from 2003 to the end of 2006 have significantly improved the funded status of the Plan.

Our 2006 investment returns will reduce the funding shortfall. There are other factors that affect the funded position of the Plan other than investment returns. Therefore, the extent will not be known until the funding valuation report is completed later this year.

Our objective is to address the shortfall by generating returns above the rate required to fund the Plan. We believe this can be achieved over the long term through astute and disciplined investing. During 2006, we generated a return of 13.64% – marking our fourth consecutive year of double-digit returns. Our average return since inception is 10.64%, placing us firmly within the ranks of Canada's leading pension plans.

To continue managing the Plan's funded status effectively and to generate the desired investment returns, OPB launched a number of investment-related initiatives in 2006. For example:

- To help generate value-added returns going forward, we began exploring opportunities for investing in non-traditional assets.
- To help ensure the Plan's asset mix reflects long-term funding requirements and short-term cash-flow needs, we laid the groundwork for an asset allocation review.

To ensure we have the expertise needed to build on our investment success, OPB appointed Anne-Marie Thomas as its new Senior Vice-President, Investments. This talented individual, who brings a wide range of professional skills to her new position, replaces Robert Kay. Bob retired in 2006 following a long and

"Going forward, we intend to use that momentum to achieve even higher levels of efficiency, financial security, and client service."

successful career. I'd like to thank Bob for his many years of hard work and dedication, and for generously sharing his expertise.

Enhancing service

While the funded status of the Plan was a key focus in 2006, it was by no means our only focus. During the year, OPB followed through on two key commitments:

- enhancing the service experience for clients; and
- assisting our clients in making the best decisions to maximize their proper entitlement under the plan.

To that end, we conducted our first client satisfaction survey – a comprehensive survey that looked at the needs and expectations of our clients. The results were enlightening. For example, respondents told us they want:

- faster turnaround times;
- access to more online information and services; and
- communication that is more personalized, easier to read, and concise.

We value that input and we're taking action. We're reshaping our service-delivery model to better meet the needs and expectations of our clients. For example, during 2006, we:

- completed the transition to a new operating structure that will allow us to respond more quickly;
- moved forward with a project that will ensure OPB employees are fully equipped with the knowledge and resources needed to deliver excellent client service; and
- began upgrading our communications to make them more meaningful and accessible.

Looking ahead

Without question, 2006 was a year of solid accomplishment. And, thanks to the energy of a dedicated OPB staff, we're still building momentum. Going forward, we intend to use that momentum to achieve even higher levels of efficiency, financial security, and client service.

Donald D. Weiss, President & CEO

Disciplined and astute investing

Securing the pension promise and maintaining affordable and stable contribution rates are top priorities at OPB. It's why we've continued our long-standing emphasis on capital preservation. In 2006, our investment performance kept pace with most of the industry's top players and achieved double-digit returns for the fourth consecutive year. That said, we believe there are still opportunities to achieve additional, value-added returns while maintaining our focus on minimizing risk.

Objectives

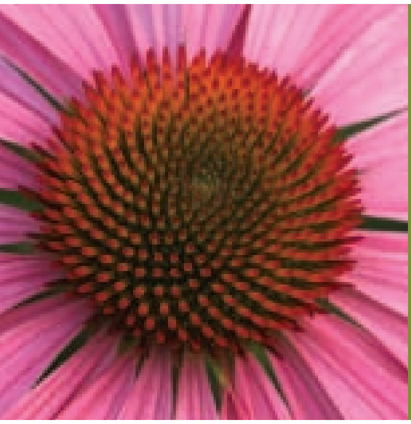
- Achieve long-term rates of return at or above the levels required to fund the Plan

- Ensure the Plan's asset mix reflects its investment strategy, funding needs and cash flow requirements

2006 Initiatives and Results

- With a return of 13.64% (our fourth straight year of double-digit returns), OPB significantly exceeded the 6.15% long-term rate needed to fund the promised benefits. As of December 31, 2006, the average rate of return for the Plan since OPB's inception (in 1990) stood at 10.64%.
- Solid investment returns will reduce the Plan's funding shortfall. There are other factors that affect the funded position of the Plan. Therefore, the extent will not be known until the funding valuation is completed later this year.
- OPB laid the groundwork for a strategic asset allocation review. As a first step, OPB established a framework for an asset/liability study. The results of this study will be used to adjust the Plan's asset mix. Adjusting the asset mix will help ensure the Plan continues to provide optimum returns and is solidly positioned to deliver the pension promise in the future.

- OPB developed a plan to explore investment opportunities in alternative investment classes (e.g., private equity, infrastructure and emerging markets). Expanding the scope of investments can help generate incremental returns while maintaining a lower-risk investment approach.



Managing better, faster, smarter

At OPB, we're committed to service excellence. To help us do just that, we conducted our first client satisfaction survey in 2006. The results were enlightening. They confirmed that if we're going to live up to the expectations and needs of our clients, we need to manage faster, better and smarter. To that end, we launched a number of short-, mid- and longer-term initiatives to streamline operations, elevate service levels and enhance communications.

Objectives

- Realize faster, more efficient case handling

- Maximize the service experience for our clients and other stakeholders by increasing access to information and providing more online service

- Better manage all of the risks facing the Plan as effectively as possible

2006 Initiatives and Results

- We completed the transition to an operating model that better aligns people and processes. We're hearing from our clients and stakeholders that our service levels and responsiveness have improved.

- We initiated a multi-year project to transform our information technology (IT) infrastructure – a project that will allow us to provide our clients with a one-stop source for personalized information, as well as greater access to online information. In addition, we also launched an easy-to-use online administration manual for employers to make day-to-day transactions easier.

- We started an enterprise-wide risk management review to further our risk management practices.
- We also took a number of immediate steps to better manage risks, such as:
  - OPB provided the Plan Sponsor with the information it needed to develop a funding strategy for the PSPP. Based on this information, the Plan Sponsor decided to start funding the shortfall through special payments to the Plan. The first payment of $60.5 million was made in 2006.
  - We began working with the Plan Sponsor to develop a reserve policy for the PSPP. When the Plan develops a funding excess, the resulting reserve is used to protect the pension promise and maintain stable contribution rates in the event of an economic downturn.

Educating and advocating

To protect the long-term health of the Plan, OPB needs to ensure that members and pensioners understand the true value of their PSPP benefits and the defined benefit pension model. We also need to ensure that other key stakeholders (the Plan Sponsor, bargaining agents and taxpayers) understand the benefits of the DB model. We believe the key to building that understanding is a proactive education and advocacy strategy. With that in mind, OPB launched a number of initiatives in 2006 to ensure our clients and other stakeholders are getting the information they need and want.

Objectives

Ensure OPB's communications and services:
- Assist our clients in making the best decisions to maximize their proper entitlement under the Plan, and
- enhance appreciation for the DB model and the true value of the PSPP pension

Protect the PSPP for future generations of members by promoting a healthy environment for defined benefit pension plans

Build PSPP's public profile

2006 Initiatives and Results

The client satisfaction survey conducted in early 2006 confirmed that members and pensioners want the communications they receive from us to be more personalized, easier to read and concise. To this end, we:

- increased the frequency and professionalism of member presentations to provide members with a full understanding of their pension plan;
- revamped annual pension statements to provide members with a plain-language document that clearly illustrates the value of the PSPP benefits; and
- began making presentations to clients and stakeholders which clearly explain the value of the PSPP.

OPB continued to:

- play an active role in the Association of Canadian Pension Management, the national voice of Canada's pension industry; and
- broaden its involvement in industry groups, so more of its people are active in the industry.

Looking forward, we will make submissions to the Ontario Expert Commission on Pensions to promote solutions that protect and advance the defined benefit model.

We strengthened our visual identity to help foster recognition and appreciation of the PSPP among clients and stakeholders.

This financial review highlights the significant events in 2006 that affected OPB's operational results and the PSPP's financial position.

A fold-out section at the beginning of this report includes statistics related to the Plan.

INVESTMENTS

OPB achieved a 13.64% return on investments in 2006 (with Special Debentures at cost), surpassing the 11.83% achieved in 2005 and marking the fourth consecutive year of double-digit returns. Since its launch in 1990, OPB has generated an average annual return of 10.64% – well above the rate needed to meet the Plan's benefit obligations.

Overall investment performance is measured against the rate of return needed to meet the Plan's funding requirements. Currently, that rate is 6.15%, net of expenses.

The Plan's net assets grew by $1.55 billion in 2006, compared to $1.12 billion in 2005. This growth is primarily the result of strong investment performance, particularly in our equity and real estate portfolios.

Investment approach

OPB's primary investment objective is to achieve the returns needed to meet the Plan's funding requirements, within acceptable risk parameters.

To help achieve its investment objectives, OPB invests in various asset classes. The primary asset classes are:

- interest-bearing investments;
- public equities; and
- real estate.

OPB also draws on the professional expertise of eight external fund managers to manage its public bond and equity investments. Operating within the mandate established by OPB – and taking into account various economic, regional, industry, and currency factors – these managers look for investment opportunities that will generate maximum growth within acceptable risk parameters.

Interest-bearing investments

OPB's interest-bearing investments include:

- cash and short-term investments;
- Special Province of Ontario Debentures ("Special Debentures"); and
- marketable bonds.

These lower-risk investments account for about 43% of the Plan's total assets and provide the stable returns that anchor the Fund.

Cash and short-term investments – Cash holdings at year-end 2006 stood at $1.10 billion. This figure includes $308.1 million in transit to pay for pending trades, as well as funds earmarked to increase our holdings in U.S. and international equities.

Special Debentures – Special Debentures were issued to OPB by the Province of Ontario as an initial funding mechanism when the PSPP was established as a separately funded plan in 1990. Over the years, these debentures have provided the Plan with a stable cash flow for paying pensions. In 2006, they provided $529.2 million in cash flow, compared to $529.9 million in 2005.

Because OPB intends to hold the Special Debentures until maturity, they are recorded at cost in the financial statements, and rates of return are reported on that basis. For comparative purposes, however, OPB also calculates returns based on a market-equivalent value.

Marketable bonds – During 2006, Canadian bonds returned 4.25% and provided investment income of $107.7 million. This figure compares favourably with the Scotia Capital Universe Bond Index, which returned 4.1%.

With a year-end value of $2.73 billion, Canadian bonds made up the biggest slice of OPB's interest-bearing assets. This is up from $2.53 billion at year-end 2005.

Looking beyond our borders, OPB's U.S. and international bond holdings generated a robust return of 14.08% in 2006, due largely to the improving value of the Euro versus the Canadian dollar. Strong returns and increased investment pushed the market value of our U.S. and international bonds to $517.5 million – up sharply from $302.9 million a year earlier.

Public equities

Equities provide the Fund with an opportunity to generate value-added investment growth.

In 2006, the Fund's Canadian equity portfolio returned 18.44%, marking the fourth straight year of double-digit returns. This compares to a return of 23.69% in 2005. At year-end, the market value of the Plan's Canadian equities stood at $2.31 billion, down from $2.41 billion at year-end 2005. This drop was due to reallocation of money to other asset classes.

U.S. equities returned 16.82% on the year (up from 1.51% in 2005) and provided income of $355.6 million (all returns are stated in Canadian dollars). As at December 31, 2006, the market value of our U.S. equity assets stood at $2.50 billion, up from $1.96 billion a year earlier.

International equities returned 32.33% in 2006 and provided income of $432.0 million. This compares with a return of 12.61% in 2005. The market value of the Plan's international equities as of December 31, 2006, was $1.98 billion, up sharply from $1.34 billion at year-end 2005.

Real estate

OPB's real estate portfolio, which provides an important source of monthly cash flow, returned 15.49% in 2006, compared with 17.79% in 2005. The average return this portfolio has generated since 1994 is 10.93%.

Top-quality, revenue-producing properties have experienced sustained high demand among Canadian and international institutional investors. As a result, the appraised value of OPB's real estate portfolio had climbed by $151.2 million by year-end (see note 9 to the financial statements). The Plan's properties are appraised annually by independent appraisers.

OPB's real estate portfolio includes over 11 million square feet of retail, light industrial and office space in major centres across Canada. (A list of the Plan's property holdings can be found on page 48).

The portfolio also holds $43.6 million in participating mortgages, which are secured with undeveloped lands in the Greater Toronto Area. The value of that land, which is appraised annually, is well in excess of twice the outstanding mortgage amounts. The mortgages accrue a base interest and are designed to earn a share of profits as the lands are sold or developed over the next several years.

Fund management fees

To obtain a broad and diversified investment approach, OPB outsources the management of its public market assets to eight investment management firms. These assets are actively managed and the fees are market-based. The total of investment management fees for 2006 was $15.8 million, compared with $13.9 million in 2005. These fees and other investment-related fees are deducted from investment income.

FINANCIAL POSITION

OPB uses two distinct methods to measure the financial position of the Plan on a going concern basis: an accounting valuation and a funding valuation. Each valuation method serves a different purpose, and both are performed by an independent actuary appointed by OPB's Board of Directors.

Accounting valuation: Each year, OPB is required to calculate the Plan's accrued pension benefits (i.e., the benefits earned to date) on a best-estimate basis. This calculation is used to prepare the Plan's financial statements. The calculation methodology is set by the Canadian Institute of Chartered Accountants. The Plan's liabilities must be based on benefits for service earned only up to the valuation date. In other words, the liabilities cannot reflect any benefits that members may earn for service in the future, and the assets cannot reflect any future contributions related to that service. This approach is consistent with the purpose of the financial statements, which is to reflect the Plan's financial position as of a specific date.

Funding valuation: The objective of the funding basis valuation is to determine if the Plan will have sufficient assets to meet its future pension obligations – as they come due – based on the Plan's features and existing contribution rates. This valuation is used for the financial management of the Plan. The calculation methodology is set by the Public Service Pension Act. Unlike the accounting valuation, the funding valuation takes into account benefits based on service earned *up to* the valuation date, as well as projected benefits based on service members are expected to earn *after* the valuation date. Projected benefits are reflected in the Plan's liabilities, while contributions related to those benefits are reflected in the Plan's assets.

Contribution rates for members and employers are set by the Plan Sponsor. Based on those rates, the present value of future contributions is less than the present value of projected benefits earned after the valuation date. In fact, the funding valuation anticipates this shortfall, while the accounting valuation does not.

Funding valuation results

A funding basis valuation that was prepared as at December 31, 2005, disclosed a funding shortfall of $587 million. This valuation was filed with the Financial Services Commission of Ontario as required under the Pension Benefits Act.

In response to the valuation results, the Plan Sponsor has confirmed its commitment to the long-term health of the Plan and decided to start contributing to the shortfall. The first payment of $60.5 million was made in 2006.

Strong investment returns in 2006 brought about an improvement in the financial position of the Plan. The full extent of that improvement will not be known until a funding basis valuation prepared as at December 31, 2006 has been completed (in mid 2007).

Accounting valuation results

The Statement of Accrued Pension Benefits and Excess (on page 28) shows an excess of $915.0 million as at year-end 2006, up from $124.0 million at year-end 2005. This change is attributed primarily to investment growth. As noted above, this excess does not take into account the amount by which the present value of projected benefits earned after the valuation date exceeds the present value of future contributions.

Contributions

Although contribution rates remained stable throughout 2006, contributions jumped to $424.9 million, up from $340.7 million in 2005. This increase can be attributed to three key factors:

- a $60.5 million Special Payment ($59 million plus interest to September 30, 2006) by the Province of Ontario towards the funding shortfall reported as at December 31, 2005;
- a 3.3% increase in Plan membership; and
- regular member salary increases.

Transfers from other plans and termination payments

The day-to-day business of the Plan includes the transfer of service and benefits between pension plans. These transfers arise as members move between plans that have arrangements facilitating the portability of service and benefits. Many of these transfers are between the PSPP and the OPSEU Pension Plan.

In 2006, 727 members moved to the PSPP from the OPSEU Pension Plan, compared to 865 in 2005. During the same period, 105 moved from the PSPP to the OPSEU Pension Plan, compared to 166 in 2005.

In 2006, 1,375 members terminated their membership in the PSPP, compared to 1,050 in 2005. Termination payments are made to those members who, when they leave the Plan, elect to receive the commuted value of their pension, rather than leave their benefits in the Plan to collect a pension at a later date.

Pensions paid

The increase in the average pension was due in part to the 2.2% Escalation Factor (inflation protection adjustment) granted on January 1, 2006.

As 2006 drew to a close, OPB was paying $65.6 million in pensions each month, up from $62.9 million a year earlier. The cash flow to meet these pension payments comes from contributions flowing into the Fund as well as investment income earned on the investments in the Fund. Approximately 55% of this monthly cash disbursement came from contributions; the balance came from investments. OPB takes cash flow requirements into account when determining where and how the Fund's assets should be invested. Pensioner statistics are provided on the inside front cover.

Operating costs

The total cost of operating the Plan in 2006 was $41.6 million, compared to $36.5 million in 2005. These costs include investment management and custodial fees, as well as operating expenses. The $41.6 million figure works out to 26 cents for every $100 of assets, which is unchanged from 2005.

Investment management and custodial fees for the year were $19.4 million, up from $17.0 million in 2005. This increase is the result of the double-digit increase in equities, as fees are a percentage of assets under management.

Operating expenses – the expenses incurred by OPB to operate and manage the Plan – were $22.2 million for the year, up from $19.5 million in 2005. The increase can be attributed to:

- the first year of a multi-year plan aimed at elevating service delivery, including information technology (IT) system upgrades and increased training and development efforts; and
- the launch of educate and advocate initiatives, including the client satisfaction survey, the launch of the employer manual, and the redesign of the Annual Pension Statements.

Five-Year Review

(in millions of dollars)	**2006**	2005	2004	2003	2002	
Opening assets	**$ 14,191.8**	$ 13,068.3	$ 12,284.0	$ 11,489.6	$ 11,945.1	
Investment income	**1,887.0**	1,502.2	1,210.7	1,201.2	41.8	
Contributions	**424.9**	340.7	308.5	270.9	135.2	
Transfers from other plans	**85.3**	93.5	81.7	108.4	144.5	
	2,397.2	1,936.4	1,600.9	1,580.5	321.5	
Pension payments	**766.1**	750.1	743.5	728.5	721.2	
Terminations	**55.4**	43.3	55.6	41.2	42.1	
Operating expenses	**22.2**	19.5	17.5	16.4	13.7	
	843.7	812.9	816.6	786.1	777.0	
Closing assets	**$ 15,745.3**	$ 14,191.8	$ 13,068.3	$ 12,284.0	$ 11,489.6	
						Cumulative Since Inception
Annual rate of return:						
With Special Debentures at cost	**13.64%**	11.83%	10.18%	10.77%	0.48%	10.64%
With Special Debentures at market	**11.59%**	9.61%	8.80%	8.87%	0.85%	10.05%

Actuaries' Opinion to the Directors of the Ontario Pension Board

Hewitt Associates 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, 2005 on a funding basis, as described in Note 7 of these consolidated financial statements, prepared in accordance with the *Public Service Pension Act* and applicable pension legislation.
- An actuarial valuation as at December 31, 2006 for purposes of these consolidated financial statements, prepared in accordance with the Canadian Institute of Chartered Accountants Handbook, Section 4100.

The actuarial valuation of the PSPP as at December 31, 2005 on a funding basis was based on membership data provided by OPB as at December 31, 2005.

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, 2005 on the basis of the accounting methodology required by the Canadian Institute of Chartered Accountants Handbook, Section 4100, as disclosed in Note 7, and extrapolated the liabilities to December 31, 2006. The valuation was based on assumptions that reflect OPB's best estimates as of December 31, 2006 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 Consolidated Statement of Changes in Accrued Pension Benefits.

We hereby certify that, in our opinion:

- The data provided to us by OPB as of December 31, 2005 are sufficient and reliable;
- The actuarial assumptions used are, in aggregate, 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.

HEWITT ASSOCIATES

Allan H. Shapira
Fellow, Canadian Institute of Actuaries

James C.C. Koo
Fellow, Canadian Institute of Actuaries

February 28, 2007

Management's Responsibility for Financial Reporting

The consolidated 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 consolidated financial statements are in accordance with Canadian generally accepted accounting principles. Of necessity, many amounts in the financial statements must be based on the best estimates and judgement of management with appropriate consideration as to materiality. Financial information presented throughout this annual report is consistent with the consolidated 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 ("Board") is ultimately responsible for the consolidated financial statements of OPB. OPB's Audit Committee assists in this responsibility by reviewing the consolidated 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.

Donald D. Weiss
President & CEO

Karen Kojima, CA
Treasurer & Director, Finance

February 28, 2007

Auditors' Report to the Directors of the Ontario Pension Board

We have audited the consolidated statement of net assets available for benefits and accrued pension benefits and excess of Ontario Pension Board ("OPB") as at December 31, 2006, and the consolidated statements of changes in net assets available for benefits, changes in accrued pension benefits and changes in excess (deficit) for the year then ended. These consolidated financial statements are the responsibility of OPB's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of OPB as at December 31, 2006 and the results of its operations and the changes in its financial position, accrued pension benefits and excess (deficit) for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada
February 28, 2007

Consolidated Statement of Net Assets Available for Benefits, and Accrued Pension Benefits and Excess

As at December 31

(in thousands of dollars)	**2006**	2005
Assets		
Investments (Note 4)	**$16,148,351**	$ 14,329,822
Investment-related receivables (Note 4)	**60,662**	21,375
Contributions receivable (Note 5)	**37,510**	41,120
Capital assets (Note 6)	**1,265**	1,160
Total assets	**16,247,788**	14,393,477
Liabilities		
Investment-related liabilities (Note 4)	**475,870**	179,106
Accounts payable and accrued charges	**15,627**	12,635
Income taxes withheld on pension payments	**9,802**	9,908
Contributions payable	**1,210**	–
Total liabilities	**502,509**	201,649
Net assets available for benefits	**15,745,279**	14,191,828
Actuarial asset value adjustment (Note 7)	**487,337**	606,523
Actuarial value of net assets available for benefits	**$16,232,616**	$ 14,798,351
Accrued pension benefits and excess		
Accrued pension benefits (Note 7)	**$15,317,628**	$ 14,674,380
Excess (Note 8)	**914,988**	123,971
Total accrued pension benefits and excess	**$16,232,616**	$ 14,798,351

See accompanying notes

On behalf of the Board:

John E. Richardson
Director

Mary Tate
Director

Consolidated Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Increase in net assets		
Net investment income (Note 9)	**$ 1,887,015**	$ 1,502,231
Contributions (Note 10)	**424,909**	340,704
Transfers from other plans	**85,337**	93,502
Increase in net assets	**2,397,261**	1,936,437
Decrease in net assets		
Pension payments	**766,144**	750,107
Termination payments and transfers	**55,476**	43,352
Operating expenses (Note 11)	**22,190**	19,507
Decrease in net assets	**843,810**	812,966
Net increase in net assets for the year	**1,553,451**	1,123,471
Net assets, at beginning of year	**14,191,828**	13,068,357
Net assets, at end of year	**$15,745,279**	$ 14,191,828

See accompanying notes

Consolidated Statement of Changes in Accrued Pension Benefits

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Accrued pension benefits, at beginning of year	**$14,674,380**	$ 13,893,721
Increase in accrued pension benefits		
Interest on accrued pension benefits	**892,289**	856,193
Benefits accrued		
Service accrual	**394,872**	321,459
Transfer of service from other plans	**85,337**	93,502
Past service buybacks	**10,200**	9,744
Change in actuarial assumptions	**–**	303,826
Change in *Income Tax Act* maximum pension	**–**	18,426
Experience losses	**82,170**	–
Total increase	**1,464,868**	1,603,150
Decrease in accrued pension benefits		
Benefits paid	**821,620**	793,460
Experience gains	**–**	29,031
Total decrease	**821,620**	822,491
Net increase in accrued pension benefits	**643,248**	780,659
Accrued pension benefits, at end of year	**$15,317,628**	$ 14,674,380

Consolidated Statement of Changes in Excess (Deficit)

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Excess (deficit), at beginning of year	**$ 123,971**	$ (110,598)
Increase in net assets available for benefits	**1,553,451**	1,123,471
Change in actuarial asset value adjustment	**(119,186)**	(108,243)
Increase in actuarial value of net assets available for benefits	**1,434,265**	1,015,228
Net increase in accrued pension benefits	**(643,248)**	(780,659)
Net increase	**791,017**	234,569
Excess, at end of year	**$ 914,988**	$ 123,971

See accompanying notes

Notes to the Consolidated Financial Statements

Note 1 Public Service Pension Act

Effective January 1, 1990, the Province of Ontario ("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") 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"). Member contributions are 6.2% of the salary on which contributions to CPP are made and 8% on the balance of salary. The 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.

Contributions from members and employers are remitted to the OPB. The portion of these contributions that exceeds *Income Tax Act* 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 amounts received under 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. The Province amended the PSPP to provide for an enhanced early retirement opportunity for members of the Plan whose age and service in the Plan total at least 80 years ("Factor 80"). The Factor 80 program ended on March 31, 2002. The PSPP was again amended to permit those 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 expired March 31, 2006. 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 pensioner'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 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%.

Notes to the Consolidated Financial Statements (continued)

Note 3 Summary of Significant Accounting Policies

a) Basis of Presentation
The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles, and present the position of the PSPP as a separate entity independent of the employers and Plan members.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 of revenue and expenses during the reporting period. Actual results could differ from those estimates.

b) Principles of Consolidation
The accounts of the wholly-owned subsidiary, OPB Realty Inc., are included on a consolidated basis.

c) Investments
Investments are stated at fair value, including accrued income. 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 investments is determined as follows:

(i) Short-term money market securities are recorded at cost that, together with accrued interest or discount earned, approximates fair value.
(ii) Bonds and real estate debt are valued at quoted market prices where available. For those instruments where 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) Special Province of Ontario Debentures (the "Special Debentures"), which are non-marketable, are recorded at cost.
(iv) Equities are valued at quoted market prices.
(v) Real estate, consisting primarily of income-producing properties, is valued at estimated fair value determined annually by independent appraisals. The purchase price plus closing costs approximate the fair value of properties acquired and held for less than six months.
(vi) Participating mortgages are recorded at cost, subject to an annual assessment of recoverable value based on independent appraisals of the securitized properties.

Investment transactions are recorded as of the trade date, which is the date upon which the substantial risks and rewards have been transferred. Interest and real estate income from operations are recognized on an accrual basis. Since real estate is valued on a fair value basis, depreciation and amortization are not charged to income. Dividend income is recognized on the ex-dividend date. Income from participating mortgages is accrued at the rate stated in the instrument and any participation income is recorded when realized. Net investment income also includes 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 adjustments on real estate valuations and fair value adjustments on real estate debt.

d) Actuarial Asset Value Adjustment

The actuarial asset value adjustment reflects the amount required to adjust the Special Debentures to an actuarial value. The amount is the difference between the recorded value of the Special Debentures, at cost, and an actuarial value determined by discounting cash flows at the same investment return rate assumed in the Plan's accounting basis valuation. OPB does not use asset smoothing.

e) Accrued Pension Benefits

The value of accrued pension benefits is based on an actuarial valuation prepared by an independent firm of actuaries. This valuation uses the projected benefit method pro-rated on services and management's best estimate of various economic and non-economic assumptions.

f) Contributions

Contributions due to the PSPP at year-end are recorded as receivable. Transfers and purchases of prior service are recorded after cash is received and the case is processed.

g) Pension Payments

Payments of pensions, refunds and transfers are recorded in the year in which they are made.

h) 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

i) 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 value of investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end.

Notes to the Consolidated Financial Statements (continued)

Note 4 Investments

As at December 31 *(in thousands of dollars)*	**2006** **Fair Value**	**Cost**	2005 Fair Value	Cost
Cash and short-term investments				
Canada	**$ 803,403**	**$ 802,758**	$ 511,114	$ 510,791
United States and other international	**299,175**	**297,929**	233,212	235,025
	1,102,578	**1,100,687**	744,326	745,816
Fixed income				
Special Province of Ontario Debentures	**2,713,358**	**2,713,358**	2,922,442	2,922,442
Bonds				
Canada	**2,726,915**	**2,689,671**	2,532,134	2,469,132
United States and other international	**517,545**	**489,528**	302,906	316,010
	5,957,818	**5,892,557**	5,757,482	5,707,584
Equities				
Canada	**2,308,650**	**1,369,074**	2,405,466	1,510,786
United States	**2,502,621**	**2,188,605**	1,962,253	1,910,987
Other international	**1,979,987**	**1,546,920**	1,341,706	1,139,764
	6,791,258	**5,104,599**	5,709,425	4,561,537
Real estate	**2,253,108**	**1,771,809**	2,076,816	1,746,713
Participating mortgages	**43,589**	**43,589**	41,773	41,773
Total investments	**16,148,351**	**13,913,241**	14,329,822	12,803,423
Investment-related receivables				
Pending trades	**60,662**	**60,662**	13,846	13,846
Forward exchange contracts, net	**–**	**–**	7,529	–
	60,662	**60,662**	21,375	13,846
Investment–related liabilities				
Real estate debt	**133,082**	**129,404**	159,922	149,526
Pending trades	**308,087**	**308,087**	19,184	19,184
Forward exchange contracts, net	**34,701**	**–**	–	–
	475,870	**437,491**	179,106	168,710
Net investments	**$15,733,143**	**$13,536,412**	$ 14,172,091	$ 12,648,559

a) Asset Mix

OPB's asset mix is maintained within the following ranges:

Canadian equity	10% to 20%
Non-Canadian equity	20% to 30%
Real estate	5% to 15%
Total equity and real estate	35% to 65%
Bonds	35% to 65%
Short term	0% to 10%
Total fixed income	35% to 65%

This asset mix was adopted after evaluating the risk characteristics of alternative policies, considering the liquidity requirements and the economic assumptions employed for actuarial valuation purposes.

b) Investment Risk

The Plan is subject to risks that could impact its cash flows, income, and assets available to meet benefit obligations. Investment risk management is the process of understanding the risks associated with the Plan and its operating environment, and the strategies for dealing with those risks.

OPB has adopted a Statement of Investment Policies and Procedures, which prescribes the asset mix policy, diversification requirements, performance expectations, limits on individual investments, valuation standards, and guidelines for the management of the Plan.

(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 short-term 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, and that addresses the impact on benefit obligations. Duration and weighting for the fixed income portfolio are actively managed. See the Schedule of Fixed Income Maturities for further information.

(ii) 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, 2006, the Plan's greatest credit exposure is with the Province of Ontario, with Special Debentures valued at $2.713 billion and bonds and short-term investments valued at $361 million. At December 31, 2006, 98% of bonds held had at least an "A" rating.

(iii) Foreign Currency Risk – Exposure arises from the Plan's holdings of foreign currency denominated investments. Fluctuations in the value of the Canadian dollar against foreign currencies can have an impact on the fair value of investments. In Canadian dollars, the net currency exposure is as follows:

As at December 31
(in thousands of dollars)

Currency	**2006**		2005	
Canadian dollar	**$11,712,235**	**74.4%**	$ 11,036,407	77.9%
United States dollar	**2,798,899**	**17.8**	2,186,938	15.4
Euro	**528,767**	**3.4**	369,030	2.6
Japanese yen	**256,188**	**1.6**	172,482	1.2
British pound sterling	**253,490**	**1.6**	286,723	2.0
Swiss franc	**109,560**	**0.7**	60,406	0.5
Other	**74,004**	**0.5**	60,105	0.4
	$15,733,143	**100.0%**	$ 14,172,091	100.0%

The OPB has entered into various forward exchange contracts to limit exposure to foreign currency fluctuations. The total fair value of contracts payable is $1.676 billion (2005 – $1.271 billion) and the total fair value of contracts receivable is $1.641 billion (2005 – $1.279 billion).

(iv) 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. Cash sources include investment income, proceeds of sales of investments, and member and employer contributions. The largest single source of cash was the interest and principal payments from the Special Province of Ontario Debentures, which provided $529.2 million (2005 – $529.9 million) to the Plan.

c) Cash and Short-Term Investments

As at December 31 *(in thousands of dollars)*	**2006 Fair Value**	**2006 Cost**	2005 Fair Value	2005 Cost
Canada				
Cash	**$ 90,207**	**$ 90,207**	$ 14,099	$ 14,099
Short-term notes and treasury funds	**666,275**	**665,666**	464,709	464,386
Term deposits	**44,186**	**44,150**	30,839	30,839
Accrued interest	**2,735**	**2,735**	1,467	1,467
	$ 803,403	**$ 802,758**	$ 511,114	$ 510,791
United States and other international				
Cash	**$ 46,537**	**$ 46,537**	$ 8,580	$ 8,580
Short-term notes and treasury funds	**32,049**	**31,872**	176,034	177,473
Term deposits	**60,153**	**60,153**	28,247	28,247
Pooled funds	**160,334**	**159,265**	19,902	20,276
Accrued interest	**102**	**102**	449	449
	$ 299,175	**$ 297,929**	$ 233,212	$ 235,025

d) Fixed Income and Equities

The Special Debentures are recorded at their aggregate cost of $2.713 billion (2005 – $2.922 billion). By discounting cash flows based on year-end market yields of comparable bonds, a value of $3.420 billion (2005 – $3.813 billion) could be determined. There are currently eight Special Debentures maturing over the next eight years with a weighted average interest rate of 11.96% (2005 – 12.10%).

Included in the fixed income and equities totals are the following amounts related to pooled funds:

As at December 31 *(in thousands of dollars)*	**2006 Fair Value**	**2006 Cost**	2005 Fair Value	2005 Cost
Bonds – Canada	**$ 252,759**	**$ 255,222**	$ 208,384	$ 208,551
Equities – Canada	**117,139**	**62,288**	137,132	90,361
Equities – United States	**–**	**–**	8,029	8,113

See the schedules of Fixed Income Maturities and Investments over $20 Million for further information.

e) Real Estate

As at December 31 (in thousands of dollars)	2006 Fair Value	2006 Cost	2005 Fair Value	2005 Cost
Real estate properties	**$ 2,215,108**	**$ 1,733,809**	$ 2,040,769	$ 1,710,666
Other assets	**38,000**	**38,000**	36,047	36,047
Total assets	**2,253,108**	**1,771,809**	2,076,816	1,746,713
Debt on real estate properties	**(133,082)**	**(129,404)**	(159,922)	(149,526)
Net investment in real estate	**$ 2,120,026**	**$ 1,642,405**	$ 1,916,894	$ 1,597,187

Debt includes mortgages and other secured debt with various terms to maturity up to 2018 and a weighted average interest rate of 6.56%. A specific asset secures each debt instrument.

The following schedule shows the total principal payments related to this debt:

For the Year Ending December 31 (in thousands of dollars)	
2007	**$ 4,899**
2008	**11,174**
2009	**33,735**
2010	**7,646**
2011	**16,843**
2012 and thereafter	**55,107**

f) Securities Lending

At year-end, $1.476 billion (2005 – $815 million) 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 comparable securities.

Note 5 Contributions Receivable

As at December 31 (in thousands of dollars)	2006	2005
Members	**$ 15,181**	$ 14,685
Employers	**22,329**	26,435
Total contributions receivable	**$ 37,510**	$ 41,120

Note 6 Capital Assets

As at December 31 (in thousands of dollars)	Cost	Accumulated Depreciation	2006 Net Book Value	2005 Net Book Value
Computer equipment	**$ 2,656**	**$ 2,166**	**$ 490**	$ 224
Leasehold improvements	**2,067**	**1,738**	**329**	548
Furniture and fixtures	**1,150**	**704**	**446**	388
Total capital assets	**$ 5,873**	**$ 4,608**	**$ 1,265**	$ 1,160

Notes to the Consolidated Financial Statements (continued)

Note 7 Accrued Pension Benefits

a) Accounting Basis

The value of accrued pension benefits is an estimate of pension benefit obligations of the PSPP accrued to date for members and pensioners of the PSPP. The accounting valuation uses the projected benefit method (pro-rated on service), which is required under Canadian generally accepted accounting principles. Under this method, the accrued pension benefits are based on service earned up to the reporting date.

The accounting valuation at December 31, 2006 is computed by extrapolating data used for the December 31, 2005 funding valuation.

(i) Actuarial Assumptions – The assumptions used for the accounting valuation reflect management's best estimates of future events. They include such non-economic assumptions as mortality and retirement rates as well as economic assumptions such as investment returns and inflation.

The key economic assumptions used for accounting valuation purposes are as follows:

	2006	2005
Investment return	**6.15%**	6.15%
Inflation	**2.50%**	2.50%
Real rate of return	**3.65%**	3.65%
Salary increases	**3.50% +promotional scale**	3.50% +promotional scale

(ii) Actuarial Asset Value Adjustment – The Special Debentures discounted at the assumed investment return rate are valued at $3.201 billion, resulting in an actuarial asset value adjustment of $487.3 million (2005 – $606.5 million).

b) Funding Basis

The funding valuation of the PSPP is based on methods required under the *PSPAct.* The *Pension Benefits Act (Ontario)* and the *Income Tax Act* require that an actuarial funding valuation of the PSPP be completed, and filed with the regulatory authorities, at least every three years.

The funding valuation is used as a basis for funding and plan design decisions.

OPB filed a funding valuation as at December 31, 2005 with the Financial Services Commission of Ontario ("FSCO"). That valuation disclosed a funding shortfall of $587 million.

Note 8 Excess

The primary difference between the accounting and funding valuations is the cost allocation method that is prescribed for each. The accounting valuation reflects only the accrued pension benefits on service earned, as well as assets accumulated, up to the reporting date. By contrast, the funding valuation also considers future service. The funding valuation includes the amount by which the present value of liabilities for future service accruals exceeds the present value of future contributions, whereas the accounting valuation does not reflect this additional funding obligation of the Plan.

In these financial statements, the amount by which the actuarial value of net assets available for benefits exceeds the accrued pension benefits based on accounting valuation is represented by the Excess, which as at December 31, 2006 is $915.0 million (2005 – $124.0 million).

Note 9 Net Investment Income

For the year ended December 31 *(in thousands of dollars)*	2006 Investment Income[1]	2006 Realized Gain (Loss)	2006 Unrealized Gain (Loss)	2006 Total	2005 Investment Income[1]	2005 Realized Gain (Loss)	2005 Unrealized Gain (Loss)	2005 Total
Cash and short-term investments								
Canada	$ 30,993	$ (1,532)	$ 323	$ 29,784	$ 21,625	$ (2,135)	$ 1,751	$ 21,241
United States and other international	5,469	(44,713)	(39,171)	(78,415)	3,232	74,813	42,214	120,259
	36,462	(46,245)	(38,848)	(48,631)	24,857	72,678	43,965	141,500
Fixed income								
Special Province of Ontario Debentures	320,089	–	–	320,089	343,800	–	–	343,800
Bonds								
Canada	130,789	2,663	(25,758)	107,694	120,762	36,069	(20,607)	136,224
United States and other international	20,410	(5,670)	41,121	55,861	11,188	10,509	(52,703)	(31,006)
	471,288	(3,007)	15,363	483,644	475,750	46,578	(73,310)	449,018
Equities								
Canada	44,136	301,982	44,895	391,013	42,624	228,798	215,025	486,447
United States	40,962	51,861	262,751	355,574	35,483	(5,794)	(5,469)	24,220
Other international	43,938	156,981	231,125	432,044	35,841	108,856	11,147	155,844
	129,036	510,824	538,771	1,178,631	113,948	331,860	220,703	666,511
Real estate	133,014	–	157,915	290,929	114,977	–	145,448	260,425
Participating mortgages	1,817	–	–	1,817	1,817	–	–	1,817
Total investment income	$ 771,617	$ 461,572	$ 673,201	$1,906,390	$ 731,349	$ 451,116	$ 336,806	$1,519,271
Investment management and custodial fees				(19,375)				(17,040)
Net investment income				$1,887,015				$ 1,502,231

[1] Investment income includes interest on cash and short-term investments, fixed income and participating mortgages, dividend income on equities, and real estate operating income.

Notes to the Consolidated Financial Statements (continued)

a) Interest Income

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Cash and short-term investments		
Canada		
Cash	**$ 1,577**	$ 1,281
Short-term notes and treasury funds	**28,123**	19,088
Term deposits	**1,293**	1,256
	$ 30,993	$ 21,625
United States and other international		
Cash	**$ 163**	$ 52
Short-term notes and treasury funds	**3,527**	1,242
Term deposits	**1,779**	1,938
	$ 5,469	$ 3,232

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

Canadian bond interest includes $11.295 million (2005 – $11.169 million) from pooled bond funds.

b) Dividend Income

Canadian dividend income includes $1.853 million (2005 – $1.083 million) from pooled equity funds. United States dividend income includes $118 thousand (2005 – $90 thousand) from pooled equity funds.

c) Real Estate

The following is selected information from the operations of the subsidiary OPB Realty Inc.:

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Revenue		
Rental	**$ 246,317**	$ 211,275
Other income	**5,534**	5,121
	251,851	216,396
Expenses		
Operating expenses	**93,481**	84,330
General, administrative and other	**18,286**	15,408
	111,767	99,738
Operating income, before interest	**140,084**	116,658
Interest expense	**9,148**	2,964
Net operating income	**130,936**	113,694
Appraisal adjustment	**151,196**	155,844
Fair value adjustment on debt	**6,719**	(10,396)
	157,915	145,448
Net income of OPB Realty Inc.	**$ 288,851**	$ 259,142

d) Investment Management and Custodial Fees

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Portfolio fund management	**$ 15,836**	$ 13,904
Custody	**1,872**	1,750
Real estate	**1,354**	1,083
Consulting	**313**	303
	$ 19,375	$ 17,040

Note 10 Contributions

For the Year Ended December 31 *(in thousands of dollars)*	**2006**	2005
Members		
Current service	**$ 178,521**	$ 166,863
Prior service	**7,082**	6,337
	185,603	173,200
Employers		
Current service		
Regular contributions	**180,943**	167,288
PSSBA transfer	**(10,010)**	(8,352)
Long Term Income Protection	**4,740**	5,161
	175,673	164,097
Prior service	**3,117**	3,407
Special Payments	**60,516**	–
	239,306	167,504
Total contributions	**$ 424,909**	$ 340,704

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

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

The Province contributes Special Payments towards the funding shortfall identified in the filed funding valuation as at December 31, 2005.

Notes to the Consolidated Financial Statements (continued)

Note 11 Operating Expenses

For the Year Ended December 31 *(in thousands of dollars)*		**2006**		2005
Salaries and benefits	**$**	**10,909**	$	10,415
Agency services		**388**		340
		11,297		10,755
Information technology and project management		**3,891**		2,941
Office premises and operations		**3,130**		2,833
Professional services		**1,294**		1,120
Staff development and support		**891**		320
Communication		**649**		466
Depreciation		**508**		580
Audit		**213**		195
Board remuneration		**154**		145
Travel		**88**		77
Registration and filing fees		**75**		75
Total operating expenses	**$**	**22,190**	$	19,507

a) Audit Fees

Fees for services provided by the firm of Ernst & Young LLP include:

For the Year Ended December 31 *(in thousands of dollars)*		**2006**		2005
Audit and related services provided to Ontario Pension Board	**$**	**175**	$	195
Audit and related services provided to OPB Realty Inc.		**149**		153
Total fees	**$**	**324**	$	348

Note 12 Compensation

Compensation to the senior management team includes base salary, bonuses, insured benefits and supplementary retirement incentives. Compensation totals, excluding retirement benefits, for the five highest-paid members of the senior management team were as follows:

For the year ended December 31, 2006		Base Salary		Bonus		Taxable Benefits & Allowances[1]		Total
1. Donald D. Weiss, President & CEO	$	333,742	$	125,625	$	15,915	$	475,282
2. Mark J. Fuller, Executive Vice-President & COO		299,032		112,551		13,561		425,144
3. Linda J. Bowden, Senior Vice-President, Corporate Services		232,976		87,715		9,965		330,656
4. Peter Shena, Vice-President, Policy & Communications		189,256		57,000		2,615		248,871
5. Thomas Choi, Vice-President, IT Services & PMO		165,426		49,811		275		215,512

[1] Includes life insurance, car allowance and parking

The above-noted individuals are entitled to benefits from both the PSPP and the PSSBA.

The President & CEO, the Executive Vice-President & COO, the Senior Vice-President, Corporate Services and the Senior Vice-President, Investments also participate in a Supplemental Executive Retirement Plan ("SERP") that provides additional retirement benefits equal to 1.5% of the best five-year average annual base salary for each year of service with the Ontario Pension Board. All the other provisions of the SERP mirror the provisions of the PSPP, including the exclusion of bonuses from the pension entitlement calculation. The SERP is an unregistered arrangement that is non-contributory and not funded.

Note 13 Comparative Figures

Certain comparative figures have been restated to conform with the financial statement presentation adopted in the current year.

Fixed Income Maturities

As at December 31 *(in thousands of dollars)*	**2006 Fair Value**	**2006 Effective Yield %**	2005 Fair Value	2005 Effective Yield %
Special Province of Ontario Debentures				
0 – 1 year	**$ 163,772**	**15.38**	$ 141,575	11.16 – 13.33
1 – 5 years	**1,157,406**	**11.55 – 13.33**	1,039,540	12.79 – 15.38
5 – 10 years	**1,235,096**	**10.38 – 11.19**	1,571,324	10.38 – 11.55
Accrued interest	**157,084**		170,003	
	2,713,358		2,922,442	
Bonds				
Canada				
0 – 1 year	**34,774**	**3.01 – 6.74**	87,742	3.01 – 9.76
1 – 5 years	**682,711**	**3.58 – 8.22**	638,743	2.81 – 7.75
5 – 10 years	**959,483**	**3.93 – 7.41**	936,085	3.93 – 8.15
> 10 years	**771,704**	**4.04 – 6.32**	638,679	3.03 – 6.93
PH&N Bond Fund: 1 – 30 years	**252,759**	**4.62**	208,384	4.40
Accrued interest	**25,484**		22,501	
	2,726,915		2,532,134	
United States and other international				
0 – 1 year	**84,575**	**2.64 – 7.12**	64,083	2.00 – 7.29
1 – 5 years	**163,281**	**3.08 – 6.00**	151,334	2.63 – 6.86
5 – 10 years	**211,082**	**2.81 – 6.80**	40,951	2.67 – 6.38
> 10 years	**49,589**	**4.30 – 5.28**	41,972	3.95 – 6.47
Accrued interest	**9,018**		4,566	
	517,545		302,906	
	$ 5,957,818		$ 5,757,482	

Investments over $20 Million

As at December 31, 2006

(in thousands of dollars)	Maturities	Coupon %	Fair Value[1]
Cash and short-term investments			
Canada			
Government of Canada			$ 466,466
Royal Bank of Canada			31,322
Bay Street Trust			30,676
Bank of Montreal			28,476
United States and other international			
GE Short Term Investment			160,334
Barclays Bank			58,311
Boston Safe Deposit and Trust			32,049
Fixed income			
Special Province of Ontario Debentures[2]	2007 – 2014	10.38 – 15.38	2,556,274
Bonds			
Canada			
Government of Canada	2007 – 2037	3.00 – 10.35	919,636
Province of Ontario	2009 – 2037	4.40 – 9.50	350,769
Phillips, Hager & North High Grade Corporate Bond Fund	2007 – 2036	3.70 – 8.00	252,759
Province of Quebec	2010 – 2036	4.50 – 6.25	99,998
Royal Bank of Canada	2009 – 2053	4.18 – 7.10	61,751
Bank of Montreal	2009 – 2021	4.30 – 6.90	54,553
Bank of Nova Scotia	2008 – 2013	3.99 – 6.62	54,213
Toronto-Dominion Bank	2009 – 2105	4.31 – 7.60	50,654
Sun Life Financial Inc.	2015 – 2036	4.80 – 6.65	50,319
Manulife Financial Corporation	2012 – 2016	4.67 – 6.70	44,321
Merrill Lynch	2008 – 2037	2.69 – 5.00	37,627
Woodbine Entertainment Group	2011	8.58	36,256
Canadian Imperial Bank of Commerce	2008 – 2014	4.40 – 5.89	35,952
Enbridge Inc.	2010 – 2036	3.95 – 6.90	29,677
Power Corporation	2011 – 2033	6.14 – 7.11	27,735
Milit-Air Inc.	2019	5.75	25,457
Loblaw Companies Limited	2010 – 2036	5.90 – 7.10	24,700
Ontario Hydro	2014 – 2025	8.50 – 10.00	24,546
Citigroup	2011 – 2036	4.65 – 5.36	24,244
Wells Fargo Financial	2009 – 2015	3.60 – 6.05	23,523
Province of British Columbia	2013 – 2028	5.15 – 8.50	23,304
GE Capital	2011 – 2016	4.65 – 6.25	22,263
Greater Toronto Airports Authority	2008 – 2030	4.40 – 7.05	21,210
United States and other international			
U.K. Treasury	2007 – 2014	5.00 – 8.00	196,184
Federal Republic of Germany	2007 – 2034	2.62 – 5.62	93,301
Government of France	2007 – 2025	3.00 – 6.00	85,439
Kingdom of Belgium	2010 – 2015	3.00 – 8.00	58,871
Santander International Debt	2011	3.81	21,460

As at December 31, 2006 *(in thousands of dollars)*	Maturities	Coupon %	Fair Value[1]
Real estate			
OPB Realty Inc. (holding company, 100% owned)			$ 2,082,026
Participating mortgages	2009 – 2019	5.00	36,331

(in thousands)	Shares/Units[3]	Fair Value[3]
Equities		
Canada		
Royal Bank of Canada	2,706	$ 150,181
Manulife Financial Corporation	3,387	133,282
Toronto-Dominion Bank	1,738	121,201
Bank of Nova Scotia	1,973	102,767
Sceptre Small Cap Fund	867	100,966
EnCana Corporation	1,763	94,590
Canadian Imperial Bank of Commerce	859	84,400
Power Corporation of Canada	2,339	83,077
Bank of Montreal	1,044	72,067
Suncor Energy Inc.	710	65,149
Canadian National Railway Company	1,284	64,304
Alcan Inc.	1,005	57,041
Talisman Energy Inc.	2,818	55,789
Rogers Communications Inc.	1,606	55,742
BCE Inc.	1,632	50,763
Petro-Canada	997	47,621
TELUS Corporation	888	47,069
Teck Cominco Limited	531	46,687
Great-West Lifeco Inc.	1,314	44,401
Nexen Inc.	664	42,616
Potash Corporation of Saskatchewan, Inc.	228	38,076
TransCanada Corp.	934	37,923
Thomson Corporation	780	37,724
Sun Life Financial Inc.	633	31,240
Cameco Corporation	647	30,548
Shoppers Drug Mart Corporation	506	25,361
Loblaw Companies Limited	477	23,263
Goldcorp Inc.	701	23,202
Brookfield Asset Management Inc.	389	21,935
Shaw Communications Inc.	594	21,917
Magna International Inc.	232	21,759
CanWest Global Communications Corp.	1,960	21,658
Canadian Pacific Railway Ltd.	348	21,392

Investments over $20 Million (continued)

As at December 31, 2006
(in thousands)

	Shares/Units[3]	Fair Value[3]
United States		
American International Group, Inc.	1,048	$ 87,412
Pfizer Inc	2,307	69,524
Procter & Gamble Co.	862	64,451
General Electric Co.	1,472	63,739
Wal-Mart Stores Inc.	1,067	57,329
Exxon Mobil Corp.	615	54,798
Citigroup Inc.	791	51,297
CVS Corp	1,284	46,182
Microsoft Corp.	1,280	44,491
Chevron Corporation	511	43,682
Bank of America	588	36,501
JPMorgan Chase & Co.	624	35,073
Altria Group, Inc.	342	34,175
Emerson Electric Co.	637	32,673
The Allstate Corporation	423	32,058
Johnson & Johnson	389	29,871
Alcoa Inc.	855	29,855
Cisco Systems, Inc.	921	29,295
Berkshire Hathaway Inc.	7	28,882
Fannie Mae	416	28,778
Illinois Tool Works, Inc.	519	27,918
PepsiCo, Inc.	383	27,893
The Home Depot, Inc.	590	27,568
Wachovia Corp.	414	27,455
Kimberly-Clark Corporation	343	27,098
Wells Fargo & Co.	654	27,059
3M Company	295	26,715
Comcast Corp.	540	26,605
Colgate-Palmolive Company	334	25,380
Time Warner Inc.	997	25,279
ConocoPhillips	301	25,169
Intel Corp.	1,067	25,153
The Hartford Financial Services Group, Inc.	230	24,964
Abbott	432	24,487
CDW Corp.	285	23,346
Anheuser-Busch Cos., Inc.	396	22,673
Merrill Lynch & Co., Inc.	206	22,329
Fifth Third Bancorp	459	21,848
St. Paul Travelers Cos. Inc.	349	21,805
UnitedHealth Group	345	21,571
Aramark Corp.	532	20,693
Sprint Nextel Corp.	940	20,666
Liz Claiborne Inc.	399	20,179

As at December 31, 2006 *(in thousands)*	Shares/Units[3]	Fair Value[3]
Other international		
Total S.A.	620	$ 51,961
Roche Holdings	233	48,446
Royal Bank of Scotland	949	43,057
ING Groep N.V.	797	41,073
Barclays	2,010	33,417
Eni	785	30,712
Toyota Motor Corporation	384	29,826
Renault S.A.	201	28,073
Vodafone Group Plc	8,675	27,957
E.ON AG	165	25,997
Fortis Inc.	524	25,978
HSBC Holdings	1,223	25,940
AstraZeneca	407	25,458
Mittal Steel Company N.V.	510	25,042
sanofi-aventis	232	24,946
Nestlé	60	24,669
BNP Paribas	189	24,008
Royal Dutch Shell plc	282	23,247
Nokia	977	23,207
Bayer	368	22,980
Credit Suisse Group	270	21,902
Munchener Ruckversicherungs-G	105	21,094
Siemens	180	20,852
Banco Santander Central	927	20,117

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

[2] At cost

[3] Includes all share classes and American Depository Receipts

Real Estate Properties

As at December 31, 2006

All properties are 100% owned by Ontario Pension Board either directly or through its subsidiary OPB Realty Inc.

(in thousands of square feet)	Location	Area
Retail		
Hillside Centre	Victoria	425
Brentwood Town Centre	Burnaby	516
Lougheed Town Centre	Burnaby	654
Aberdeen Village Centre	Kamloops	104
Christy's Corner	Edmonton	111
170 Street Plaza	Edmonton	23
Marlborough Mall	Calgary	510
Portland Place	Calgary	149
Gaetz Avenue Crossing	Red Deer	177
St. Vital Centre	Winnipeg	918
Pen Centre	St. Catharines	1,009
Pickering Town Centre	Pickering	886
Carlingwood Shopping Centre	Ottawa	511
Halifax Shopping Centre	Halifax	526
Halifax Shopping Centre Annex	Halifax	421
2003 Gottingen Street	Halifax	25
215 Chain Lake Drive	Halifax	65
		7,030
Office		
Marlborough Professional Bldg.	Calgary	51
One Queen Street East/20 Richmond Street East	Toronto	502
Halifax Office Complex	Halifax	114
		667
Industrial		
Mississauga Industrial	Mississauga	2,885
Burnside Industrial Park	Halifax	498
		3,383
Land held for development		36
Total properties		11,116

CORPORATE DIRECTORY

Donald D. Weiss
President & CEO

Mark J. Fuller
Executive Vice President & COO

Linda J. Bowden
Senior Vice-President, Corporate Services

Anne-Marie Thomas*
Senior Vice-President, Investments

Peter Shena
Vice-President, Policy & Communications

Thomas Choi
Vice-President, IT Services & Project Management Office

Karen Kojima
Treasurer & Director, Finance

*joined OPB in December 2006

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Ontario Pension Board
One Adelaide Street East, Suite 1100,
Toronto, Ontario M5C 2X6
Telephone: 416.364.8558
www.opb.ca