OPB

Ontario Pension Board
2025 Annual Report

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Letter from the Board Chair

As I reflect on my final year as OPB's Board Chair, I am incredibly proud of the organization's accomplishments that position OPB for a strong and sustainable future ahead.

2025 marked the first full year of our newly established executive leadership team. Darwin Bozek, OPB's President and CEO, supported by his team, completed a significant year that was grounded in clarity, collaboration and a commitment to excellence.

Plan sustainability remained the anchor of our priorities that guided the past year. We saw our funded status rise to over 87%, which was coupled with targeted initiatives and effective collaboration with the Plan Sponsor, the Government of Ontario, and our investment manager, the Investment Management Corporation of Ontario (IMCO), to help position us well for the future.

The successful implementation of the **Funding Response Plan** (FRP) – including special payments by the Plan Sponsor toward the Plan's funding shortfall and past deficit – further reinforced the steps we have taken to protect the Plan's long-term stability. On behalf of the Board, I express my appreciation to the Plan Sponsor for their continued partnership with us.

Looking ahead, OPB now has a renewed pathway to guide us: our new long-term Strategic Plan titled "**Client Focused. Future Ready. Our Path to 2035**." The plan is a result of a rigorous and inclusive process, guided by strong governance and shaped by thoughtful input from across the organization and external audiences and stakeholders – our Board, Sponsor and, of course, our members.

Complemented by refreshed organizational values, our new Strategic Plan sets out a disciplined framework for advancing Plan sustainability, operational efficiency and innovation, and outlines a clear trajectory toward key outcomes, including achieving a fully funded status, enhancing personalized member services, and expanding data-driven capabilities and the opportunities that come with them.

In partnership with IMCO, we continued to identify opportunities to enhance our investment performance. Following the **Strategic Asset Allocation** (SAA) review in 2024, this year was dedicated to careful implementation, including diversifying the portfolio across asset classes, targeting stronger delivery of returns against benchmarks and supporting the Plan's long-term funding objectives. We revisited the SAA and worked with IMCO to recalibrate our international exposure due to geopolitical activity with a view of risk management. Together with stronger, collaborative expectation-setting, and the Board's oversight of IMCO, we are well positioned for a sustainable future.

OPB's pension modernization initiatives progressed well in 2025, with the selection of Aon as our vendor. This key partner will help drive us to become future ready by evolving our core systems, allowing for improved operational efficiencies for staff and more personalized, digitally accessible touchpoints for clients.

We also launched our new **Retirement Planner** in 2025. This new planner helps members understand how their pensions factor into their overall retirement plans and adds enhanced personalized services for members to access on their own, or with the support of an Advisor.

I would like to acknowledge the Board of Directors for its ongoing contributions to effective governance. The Board remains well equipped with experienced Directors who offer expertise, steady governance and effective collaboration. I was pleased to welcome John Bai and Diane Sinhuber to the Board this past year and know that their experience will add to the strength of the Board and serve the organization well. John joined our Investment Committee of the Board, while Diane became our new Finance, Audit and Risk Committee Chair.

It has been a privilege to serve as OPB's Board Chair. My 11-year journey with OPB has afforded me the opportunity to collaborate with an outstanding Board and executive team, shaping and guiding the strategic direction of our organization. It has been my great pleasure to work with two exceptionally dedicated CEOs, Mark Fuller and Darwin Bozek, and their talented teams.

Being a part of setting OPB up for success for the next decade has been a perfect way to conclude my tenure, knowing we have worked together to drive success and ensure a smooth transition. On a personal note, my appointment as Board Chair has ended and I now make way for OPB's new Board Chair, Grant B. Walsh. Grant and I have made it a priority to ensure a smooth Board leadership transition, and I wish him well in his new role.

Sincerely,

G Markvoort

Geri Markvoort
Board Chair

Letter from the President and CEO

As I reflect on 2025, I am proud of the meaningful progress we made toward strengthening the long-term sustainability of the Public Service Pension Plan (PSPP or the "Plan") and enhancing the services we provide to our members and employers. This has been a year of transition, achievement and renewed strategic focus.

First, I want to acknowledge and extend my sincere appreciation to our outgoing Board Chair, Geri Markvoort, whose leadership, partnership and guidance have been invaluable to OPB and to me personally. Her commitment to Ontario's public service and the Plan will have a lasting impact, and I thank her for our strong working relationship during our time at OPB together.

Client Focused. Future Ready. Our Path to 2035.

This year, one of our biggest and most substantial milestones was the development of OPB's new Strategic Plan, "Client Focused. Future Ready. Our Path to 2035." This sets out a bold course for our future, championing innovation, accelerating growth and ensuring long-term sustainability for all clients. Designed to evolve within a changing world, it strengthens our resilience and positions us to provide reliable retirement security for generations to come.

Funding and Investments

Our focus on Plan sustainability remained central to every decision. In 2025, we successfully implemented the next phase of the Funding Response Plan, and I am pleased to report that the Plan's funded status improved to over 87%. Despite early-year volatility, investment performance remained resilient and strengthened significantly throughout the rest of the year, which led us to a net investment return of 7.0%. Working closely with our investment manager, IMCO, we continued to strengthen risk oversight, refine asset allocation decisions and position the portfolio for sustainable long-term results.

Organizational Highlights

Across the organization, we delivered several major projects that were essential to strengthening our operations, supporting our members and advancing OPB's strategic priorities.

On pension modernization, we made substantial progress, including the successful selection of Aon as our pension administration system (PAS) vendor, which was an important milestone for us as an organization. Aon will help us to deliver a modern and seamless pension experience. This modernization is designed to enhance our digital services for clients and mitigate the future risk posed by our legacy systems as they near end-of-life. In addition, we launched our new Retirement Planner, a tool designed to provide members with clearer insights and more personalized projections as they plan for their retirement future.

In 2025, we welcomed six new participating employers, including the onboarding and support for Members of Provincial Parliament (MPPs) as they joined the PSPP. Amongst these new employers were members of the Indigenous Police Chiefs of Ontario (IPCO) and Ontario First Nations Policing Agreement (OFNPA), who received enhanced pension benefits in parity with the Ontario Provincial Police (OPP).

This year we continued to support the government through retroactive salary adjustments for thousands of PSPP members following the repeal of Bill 124. This work included recalculating both pension estimates for our active members as well as pension retroactive payments for applicable retired PSPP members.

With an eye to the future, we also spent this year exploring how emerging tools like Artificial Intelligence (AI) can assist in modernizing service delivery, strengthen internal capabilities and support efficient, data-driven decision making. While still in the early stages, this work represents an important enabler of OPB's future service model.

Client Service Excellence

Our commitment to client service continues to guide these efforts. This year's positive client satisfaction results reaffirm the value our members place on personalized, high-quality service, and we remain focused on continuously improving their experience. We continued to evolve our service model to anticipate member needs more proactively, strengthen our digital touchpoints, and ensure that every interaction reflects the care, clarity and reliability our clients expect from us. These efforts are central to our long-term strategy and to delivering the consistent, trusted service that defines OPB.

Our Team

Internally, we continued to invest in our people. We underwent a thoughtful culture refresh to strengthen alignment with our values, renewed our commitment to collaboration and reinforced OPB as a great place to work – one that attracts and retains exceptional talent.

Earlier in 2025, our Chief Investment Officer (CIO), Chris Kautzky, retired from OPB. We were pleased to welcome his successor, Andrew Tambone, as our new CIO in July.

Later in the year, our long-time Chief Financial Officer (CFO), Armand de Kemp, retired from OPB after nearly two decades with the organization. In October, Joanna Carson was appointed as our new CFO, completing our renewed executive leadership team.

I want to thank both Chris and Armand for their substantial contributions to our organization, and wish them the best on their well-deserved retirements.

Finally, I am deeply grateful to our staff, Board, employer partners, and especially to the Plan Sponsor – the Government of Ontario – for their support and dedication throughout this transformative year.

Together, we are building an organization prepared for the future and committed to delivering certainty, stability and value for Ontario's public servants.

Sincerely,

Darwin Bozek
President and CEO

Management's Discussion & Analysis

Our mission: *Advise and Protect* for the future of the Public Service Pension Plan (PSPP or the "Plan") and its stakeholders.

Our vision: OPB is a premier pension delivery organization and a trusted advisor to all our stakeholders, whose effectiveness delivers sustainability for the PSPP.

Our purpose

Reassuring things happen when we look after each other and work together. Over the course of their working lives, our public servant clients support strong and sustainable communities across Ontario. We understand the importance of helping others build toward a strong and sustainable future.

Through our *Advise and Protect* mission, we assist our clients to effectively plan for a retirement with security and dignity – a retirement in which they can thrive and continue contributing to their communities. Our team of diverse professionals supports every stage of our clients' careers, ensuring the pensions they have earned are protected along the way through strategic and prudent fiscal oversight.

Our commitment is to be there.

There for life.

Our values

Our values are the foundation of who we are — they guide how we work, how we make decisions and how we serve our clients and each other.

- Accountability: We own our commitments, act with integrity and deliver results.
- Client-Centric: We deliver exceptional service and protect the pension promise.
- Efficiency: We drive value cost-effectively.
- Inclusion: We respect each other and draw strength from diversity.
- Innovation: We foster growth and curiosity.

Introduction

We are committed to protecting the pension promise for our clients through a fully funded pension plan that secures their benefits, not just for our 105,000 current members but for members who may join well into the future.

We prioritize Plan sustainability by focusing on several key areas: improving investment performance to ensure the Plan delivers favourable results over the long term; continuing to grow our active membership; and implementing our Funding Response Plan to secure the long-term health of the Plan.

We apply sound governance to safeguard the Plan, supported by a measured pension growth strategy complemented by comprehensive risk mitigation efforts. We actively explore opportunities to leverage our key strengths and proven successes to expand our impact within Ontario's pension landscape.

Pensions are funded through a combination of investment income and contributions made by members, employers and the Plan Sponsor.

IMCO manages Plan assets on a cost-recovery basis. As the administrator of the PSPP, and in line with our fiduciary duties, OPB continues to:

- own PSPP assets and be responsible only for PSPP liabilities;
- set our Strategic Asset Allocation (SAA) policy, which IMCO implements; and
- set our Statement of Investment Policies and Procedures (SIP&P), with which IMCO must comply.

As an agency of the Government of Ontario, OPB has an obligation to effectively manage costs. More importantly, we have a bigger responsibility to manage costs as part of OPB's fiduciary role. We operate within the objectives and guidelines on transparency established by the government. This report reflects how OPB met and progressed against government priorities set out for OPB in the Plan Sponsor's 2024–25 Letter of Direction. For more information, please refer to the Appendix starting on page 60.

This MD&A provides management's analysis of how the Plan performed in the past year, its financial condition and its prospects. It supplements the information provided in the financial statements.

Overview

This table presents 2025 highlights. See the relevant performance sections in this annual report for a detailed discussion of the factors affecting our performance.

Performance Area	2025 Results	Why It Matters
Executive succession accomplishment	Successfully appointed a new Chief Investment Officer and new Chief Financial Officer following planned retirements of long-serving executives.	Succession planning ensured that OPB successfully attracted and secured the executive talent required to meet current needs and position the organization for future success.
Plan funding	The Plan's funded status increased to 87%.	A funding valuation is a snapshot of projected assets and liabilities at a point in time. OPB implemented its Funding Response Plan throughout 2025, with a goal of improving the Plan's funded health and ensuring the PSPP's long-term sustainability.

Performance Area	2025 Results	Why It Matters
Investments	• 2025 net return of 7.0%, which was above the Plan's discount rate, and underperformed the benchmark return of 8.8%. • Net assets of $36.6 billion.	The total Fund's net return was moderately strong in 2025, benefiting from public equity market performance, which recovered notably after first quarter volatility related to U.S. tariff policy changes. While the Fund achieved a net return above the Plan's discount rate of 6.25%, relative performance versus the policy benchmark remained challenged. This divergence primarily reflects a continued lag in certain OPB private asset returns relative to public equity benchmarks, which have recently produced returns significantly exceeding their long-term averages. Historically, such differences have tended to normalize over time.

Performance Area	2025 Results	Why It Matters
Client service	• Enrolled approximately 6,300 members, increasing our contributing membership by 5.0%. • CEM Benchmarking ranked OPB first in our peer group for Client Service and fourth globally out of 45 participating pension systems. • Client service satisfaction rating of 8.7/10 overall (9.0 among retired members and 8.6 among active members). • Advisory Services result of 9.1/10.0. • Implemented changes related to the repeal of Bill 124 and retroactive payments.	Our commitment to delivering superior client service ensures our members understand the value of the Plan, make well-informed decisions and actively plan for their retirement.
Pension modernization	• Introduced a new Retirement Planner, which offers personalized and enhanced features. • Completed the selection process for a pension administration system (PAS) vendor, awarding the contract to Aon. • Additional procurements included a security arrangement to protect member data and privacy and an application management contract.	Pension modernization efforts are focused on improving operational efficiency, increasing online self-services capabilities and enhancing overall client service experience. Leveraging technology advancements is critical for OPB to meet our sustainability goals and to position the organization for future growth. The Strategic Plan aims to enhance efficiency and service delivery for OPB members by transforming information into actionable insights that drive better decisions, enable innovation and improve efficiency across the organization.

Performance Area	2025 Results	Why It Matters
Workplace culture	• We undertook a workplace culture assessment to seek input from employees on our culture, gather their feedback and refresh the organization's values. The refreshed values place emphasis on alignment to our new Strategic Plan and intentional culture-building. • We identified necessary next steps from our employee engagement survey, specifically the need for better tools to support employees and enhance collaboration between teams. • Our employee DEI Advisory Council remained engaged since its inception in 2022.	Our values are the foundation of who we are and guide how we work, how we make decisions and how we serve our clients and each other. By living our values every day, we shape our culture and create the future we want, built on trust, clarity and meaningful impact. The refreshed culture forms the foundation of our Strategic Plan, and OPB's people and culture are central to its success.
Financial management	• Overall expense ratio was 58 basis points (or 58 cents per $100 of average net assets available for benefits) excluding expenses netted against investment returns.	Through disciplined cost management, we exceeded our objective of keeping the ratio at or below 70 basis points.

STRATEGIC PLAN

Titled "Client Focused. Future Ready. Our Path to 2035," OPB's Strategic Plan is anchored by seven strategic objectives to ensure we remain resilient and future ready. The Strategic Plan draws on the foundation of OPB's mission, vision, purpose and updated values, and will be implemented in three, three-year horizons.

Plan sustainability is the cornerstone of the strategy, ensuring we protect the pension promise for current and future members while delivering long-term value through disciplined governance, prudent investments and proactive risk management.

Technological advancement is also a key component of the Strategic Plan, including ongoing modernization efforts, reinforcing OPB's commitment to innovation by leveraging new ideas and technologies to deliver exceptional services and create lasting value for our clients.

Horizon 1 (2026 to 2028) aims to enhance Plan sustainability, modernize systems for greater efficiency and maintain excellent client services, while continuously building and maintaining strategic partnerships. Alongside this work, OPB will continue to cultivate our culture and talent for success, enhance our reputation and embrace evolving technological advancements.

PLAN SUSTAINABILITY

Plan sustainability remained OPB's top priority in 2025. We are pleased to share that the year ended with a rise in OPB's funded status to 87%. This is an increase compared to the end of 2024 (86%).

This was accomplished through the successful implementation of our Funding Response Plan, developed in 2024 and supported by the Plan Sponsor, as well as positive investment returns, achieved through OPB's updated SAA.

OPB implemented a contribution rate increase for both members and employers to adequately fund the current and future costs of benefits, as determined by our Contribution Rate Adequacy Study completed in 2024. This contribution rate increase is an important aspect of protecting the value of the PSPP for our members. Two of the pension contribution rate increases were implemented in 2025 with a third planned for April 2026.

We maintained continued engagement with the Plan Sponsor, who remains committed to its responsibility to fund the past service deficits and is making special payments to the Plan. The investment portfolio generated a net return of 7.0% (compared to a return of 8.1% in 2024), exceeding the Plan's discount rate by 75 basis points (bps), supported by continued strong equity market returns, an overall positive financial market backdrop and the implementation of a new SAA.

In response to the geopolitical environment in 2025, we made strategic adjustments to the implementation and targets within the SAA. These changes are intended to enhance return potential within the Plan's target risk level while reducing reliance on any single asset class or market segment. A phased rollout will take place in 2026.

The cost-of-living adjustment (COLA) for PSPP retired members and survivors in 2025 was 2.7% and the COLA for 2026 that was announced in November 2025 is 2.0%.

The *Pension Benefits Act* (PBA) requires pension plan administrators to file a funding valuation report at least once every three years, and a filed valuation that contains a shortfall must include a plan to discharge that shortfall.

We prepared the December 31, 2024 valuation and filed it with the provincial pension regulator in 2025. The deficit is being funded by the Plan Sponsor in alignment with our Funding Response Plan.

Under PBA funding rules, movements in long-bond yields have a pronounced impact on Plan liabilities. According to the PBA, we must first calculate Plan liabilities based on the discount rate, and then add an explicit reserve, called a Provision for Adverse Deviation (PfAD). This provision is based on our target asset mix and the yields of the Government of Canada long bonds on the valuation date.

Key Assumptions

OPB adheres to a robust funding policy, which guides decisions around Plan design, funding and valuation assumptions.

In conducting funding valuations, some of the key analyses and assumptions we make in consultation with our actuaries include:

- expected investment return;
- expected rate of inflation;
- expected salary increases and increases in government limits and benefits;
- the projected number of member retirements;
- members' age at retirement; and
- member life expectancy.

DISCOUNT RATE

The discount rate is a key assumption used to calculate the present value of the future pensions expected to be paid by the Plan (the liabilities). A pension payment that is expected to be made in 20 years is "discounted" back to today's dollars at the discount rate. Over the long term, investment returns on the Plan's assets must equal or exceed the discount rate – otherwise, pension costs will grow faster than the value of the assets, which produces a shortfall.

Changes to the discount rate impact the Plan's projected liabilities: a lower discount rate means higher Plan liabilities, and vice versa. The discount rate therefore affects the Plan's funded status and can influence decisions about contribution rates and pension benefits.

Setting a realistic discount rate is a critical aspect of managing the long-term financial health of a defined benefit pension plan.

We use a rigorous process to establish our "best estimate" of the discount rate, by considering both the current SAA for the Plan and current market expectations for investment returns. The nominal discount rate has remained unchanged at 6.25%.

Our long-term inflation assumption, based on the rate of inflation implicit in current long-term Government of Canada bond yields, also remained level at 2.00%.

The effective nominal discount rate, after considering the impact of the PfAD, was 5.75%, resulting in an effective real discount rate (the effective nominal discount rate, less our inflation assumption) of approximately 3.75%, consistent with 2024.

MEMBER LONGEVITY AND PLAN MATURITY

The most significant demographic challenge facing the Plan, reflecting similar demographic trends in society, is that members are living longer and collecting pensions for longer periods.

We closely monitor demographic trends in our membership and may adjust our funding assumptions, or recommend changes to our funding strategy, to ensure that the Plan remains financially healthy.

OPB continues to see an improving active-to-retired member ratio (1:1.25 in 2025, compared to 1.20 in 2024).

Managing Funding Risk

We must ensure the Plan can withstand periodic downturns in investment returns as well as the demographic challenge noted above (members collecting benefits for longer periods).

OPB regularly updates our assumptions to reflect actual experience.

We routinely conduct studies, which help us to ensure that the Plan's funding structure is robust, capable of withstanding challenges and designed to provide consistent support for the long term. We successfully implemented our Funding Response Plan throughout 2025.

Asset mix is a critical driver of investment returns and risk. At OPB, our SAA sets out the Board's target investment allocations (weights) to each major asset class. The SAA is intended to provide the best chance of earning the risk-adjusted returns needed for the long-term health of the Plan. Our investment manager, IMCO, implements the SAA.

Our role as the administrator of the Plan is to focus on the long term. We have weathered challenging situations in the past and expect to do so again in the future.

FINANCIAL POSITION

There are two ways to value the Plan's assets and liabilities, each with a distinct purpose.

Funding valuation: OPB conducts actuarial valuations of the Plan on a regular basis. The actuarial valuation for funding purposes is to ensure there are sufficient assets to meet the Plan's pension obligations. It is also used to determine contributions to the Plan. A funding valuation provides a best estimate of the Plan's accrued pension liabilities.

Financial reporting: In determining the surplus or deficit position of the Plan for financial reporting purposes, OPB uses the latest actuarial funding valuation and extrapolates the pension obligations to the financial statement date. We then compare the extrapolated liabilities to the market value of assets on the financial statement date.

Valuation Type	Purpose and Description
Funding basis	Pension plans are legally required to file a funding valuation with the Financial Services Regulatory Authority (FSRA) once every three years. A funding valuation is used by the Plan Sponsor to make decisions about contribution rates and benefit levels. In 2025, OPB filed an actuarial valuation of the Plan as at December 31, 2024. For purposes of the funding valuation, asset gains and losses relative to the discount rate are smoothed over a five-year period. This allows OPB to consider the health of the Plan over the long term, mitigating against short-term swings in market volatility. The funding shortfall, based on the funding valuation at the end of 2024, was $4.66 billion. The Plan Sponsor is making amortized special payments to fund this deficit. The nominal discount rate used in the funding valuation was 6.25%, and after considering the impact of the PfAD, the effective nominal discount rate was 5.75%.

Valuation Type	Purpose and Description
Financial statements	For the purpose of the financial statements, the Plan's liabilities were calculated as at December 31, 2024, and extrapolated to December 31, 2025. The extrapolated liabilities were compared with the market value of assets as at December 31, 2025. By this calculation, the financial statements funding ratio increased to an estimated 87%, compared to 86% in 2024. The estimated shortfall was $5.27 billion, compared to $5.61 billion at the end of 2024. The smoothing method used in the actuarial funding valuation is not applied in financial reporting. The funded status is reported based on the market value of assets.

The Retirement Compensation Arrangement (RCA) is a separate trust; as a result, the net assets available for benefits and accrued benefits and deficit of the RCA are not included in this annual report.

INVESTMENTS

OPB's investment strategy is fundamentally anchored by our long-term pension obligations.

Historically, investment returns have funded approximately two-thirds of all pension payments, making strong investment performance critical to the long-term health of the Plan.

Our strategic approach to investing is shaped by two key objectives:

- securing and maintaining the pension benefits promised to members; and
- maintaining affordable contribution rates for members and participating employers.

In 2017, IMCO assumed responsibility for managing OPB's investment portfolio in accordance with OPB's comprehensive investment policies, including our Statement of Investment Policies and Procedures (SIP&P) and our Strategic Asset Allocation (SAA).

IMCO provides us with a comprehensive investment management solution, including best-in-class advice on portfolio construction, cost-efficient access to a diverse range of asset classes managed by strong internal and external investment management teams, leading risk management capabilities and superior reporting on investment performance.

Working with IMCO

By partnering with IMCO, OPB is able to leverage the benefits of scale to access diverse private markets and cost-effective pooling strategies. By delegating investment execution, OPB focuses its internal expertise on strategic governance, rigorous oversight of investment performance and enhancing the service experience to existing and new Plan members.

An Investment Management Agreement (IMA) between OPB and IMCO governs our relationship and focuses largely on investment-related matters. A Service Level Agreement (SLA) sets out a framework for dealing with matters such as reporting and expected service levels. An Implementation and Support Agreement (ISA) covers operating and governance matters such as IMCO corporate policies, asset pool development, budgeting and cost management.

To ensure we are receiving good value for money, we regularly assess the fees we pay to IMCO in multiple contexts, such as year-over-year changes and long-term trends, as well as costs compared to relevant peers.

IMCO is our exclusive investment manager, and OPB maintains an open line of communication with IMCO executives, while our Investment Committee receives regular updates on key investment developments. OPB maintains a robust oversight and monitoring program to ensure that IMCO is prudently managing Plan assets and investment risk on behalf of OPB and our members, in accordance with all relevant investment strategies and policies.

Our partnership with IMCO is built on a shared commitment to meeting OPB's long-term pension obligations. IMCO's mandate and underlying strategies prioritize the sustainability of the Plan and are aligned with our funding objectives. This is achieved through a disciplined approach to investing that avoids reactive changes, which could undermine the Plan's stability. Furthermore, IMCO builds resilient portfolios by integrating environmental, social and governance (ESG) factors into its investment decision making. We believe that responsible investing supports stronger risk-adjusted returns and protects our beneficiaries by contributing to a more stable and sustainable global economy.

IMCO is continuously strengthening its capabilities to deliver more sophisticated and value-driven investment management solutions for the Plan. We work closely with IMCO on Asset/Liability (A/L) studies, which are conducted every three to five years. By projecting the Plan's financial position across diverse economic and capital market scenarios, this cooperative process provides a comprehensive view of the range of investment strategies available to the Plan, allowing us to optimize the balance between expected returns and risk. Ultimately, these data-driven insights allow us to refine our long-term strategy, ensuring the Plan remains resilient and capable of delivering the pension promise to members into the future.

Strategic Asset Allocation (SAA)

Asset mix is the most important driver of investment performance. At OPB, asset mix is defined in our SAA, which sets out the target long-term allocations (weights) to each major asset class.

The SAA is developed to meet the Plan's long-term funding objectives, while managing investment risk through diversification across asset classes.

In 2025, OPB strategically shifted the target composition of our fixed income and public equities to reposition our interest rate sensitivity and exposure to the U.S. dollar. While the overall SAA to fixed income and public equities remained unchanged, adjustments were made within each asset class to manage risk and support long-term return objectives.

The table below illustrates the Plan's previous and new long-term SAA target weights as well as the actual mix at December 31, 2025.

Asset Class	Dec. 31, 2024 Target	Dec. 31, 2025 Actual	Dec. 31, 2025 Target
Portfolio Leverage	(10.0%)	(8.4%)	(10.0%)
Money Market	1.0%	1.4%	1.0%
Government Bonds	27.0%	25.1%	27.0%
Global Credit	12.5%	12.3%	12.5%
Public Equities	27.0%	26.6%	27.0%
Real Estate (Net of Debt)	12.5%	13.2%	12.5%
Infrastructure	15.0%	14.3%	15.0%
Private Equity	15.0%	15.2%	15.0%
Public Market Alternatives	0.0%	0.7 %	0.0%
Foreign Currency Overlay[1]		(0.4%)	
Total	**100.0%**	**100.0%**	**100.0%**

1 For the December 31, 2025 Actual, the total includes Foreign Currency Overlay of -0.4%, which is designed to reduce concentrated U.S. dollar exposure at the total Fund level and support a more balanced global currency allocation.

Key Developments in 2025

Net investment return for 2025 after all external and internal investment and pension administration expenses is 7.0%.

The total Fund's net return was moderately strong in 2025, benefiting from public equity market performance, which recovered notably after first quarter volatility related to U.S. tariff policy changes.

While the Fund achieved a net return above the Plan's discount rate of 6.25%, relative performance versus the policy benchmark remained challenged. This divergence primarily reflects a continued lag in certain OPB private asset returns relative to public equity benchmarks, which have recently produced returns significantly exceeding their long-term averages. Historically, such differences have tended to normalize over time.

Several notable private market transactions occurred across IMCO-managed portfolios during 2025:

REAL ESTATE

- IMCO continued the active management of client real estate investments, recycling capital and managing roll-offs. As part of this activity, $316 million was committed across eight new real estate investments, including recently built multi-residential and industrial properties, as well as fund commitments focused on U.S. and European life-sciences real estate and affordable housing development in Canada.
- IMCO executed $247 million in dispositions of non-core real estate holdings as part of a continued effort to reposition the portfolio toward modern, sustainable assets with stronger long-term fundamentals.

INFRASTRUCTURE

- IMCO committed £64 million alongside Macquarie into a portfolio of three U.K. airports.
- IMCO invested US$60 million alongside Brookfield in Colonial Enterprises, a U.S. pipeline operator.

PRIVATE EQUITY

- IMCO deployed over $600 million across six new direct private equity investments, including $350 million across three investments in Europe.
- IMCO committed $1.2 billion to private equity funds to support long-term portfolio diversification and access to high-quality managers.
- IMCO generated $900 million in liquidity, including a partial sale of PCI Pharma Services, with 40% of proceeds reinvested into the company's next growth phase alongside the existing partner.

External investment risks included geopolitics, AI-driven market volatility, climate impacts and energy demand.

Please refer to the Investment Risk Analysis section on page 27 for more details.

IMCO's Strategic Plan

IMCO's five-year strategic plan for the period 2023–2027 builds on the progress it has made since inception in 2017. Since its launch, IMCO's fundamental purpose has remained unchanged: To provide compelling investment management solutions and advisory services to clients such as OPB, so we can meet our financial obligations to Plan members on a long-term and sustainable basis.

IMCO's strategic plan contains four elements:

1. Investment Excellence: Enhancing investment capabilities, especially in areas where it has real advantages and can generate outperformance.
2. Client Success: Being a trusted advisor, providing clients with the counsel they need to fulfil their roles as fiduciaries for long-term liabilities.
3. Culture Evolution: Building a purpose-driven culture that is nimble, empowered, innovative and caring.
4. Cost-efficient Operations: Evolving the operational capabilities to achieve investment excellence and high levels of client service, in a cost-effective manner.

As stated in the plan, IMCO's focus areas include enhancing its SAA capabilities; increasing internal asset management in private markets; establishing ESG leadership in strategic areas such as the global energy transition; and pursuing greater investment innovation.

Sustainable Investing

OPB and IMCO believe that sustainable investing, including climate change issues, is synonymous with responsible, long-term investing. Sustainable investing is core to IMCO's strategy since awareness of ESG factors can help it manage business risks and pursue opportunities to ensure the long-term viability of clients' assets. More details about OPB and IMCO's sustainable investing progress are on pages 29–30.

INVESTMENT PERFORMANCE

In 2025, the Plan's investments produced a one-year net return of 7.0% (net of external investment management and custodial fees and OPB's operating expenses), modestly below the investment return of 8.1% in 2024.

The portfolio return underperformed our benchmark, which had a return of 8.8%.

The 2025 investment return was above our discount rate, which is the long-term investment return identified by the Plan's actuary as required to keep the Plan financially healthy.

Market conditions in 2025 were shaped by significant early-year volatility linked to U.S. tariff policy changes, followed by a strong recovery in public equity markets as conditions stabilized.

OPB's relative performance was positively impacted by strong public equity returns, driven by standout performance in CoreWeave, an AI cloud platform, that significantly outperformed the broader market.

Private market valuations generally adjust more slowly than public market indices, especially during periods of rapid public equity appreciation. This lag is expected and often results in temporary benchmark divergence, which typically normalizes as private asset valuations reflect underlying fundamentals.

In addition, movements in the U.S. dollar relative to the Canadian dollar detracted from performance during the year.

Despite short-term market dynamics, the Plan remains positioned as a long-term investor, with a diversified asset mix designed to manage risk, enhance portfolio resilience and support sustainable outcomes over time.

Rates of Return

OPB's compounded annual rates of net investment return for the one-year, five-year, 10-year and since-inception periods ending December 31, 2025 are as follows:

	1-year	5-year	10-year	Since Inception
Total Fund return	7.0%	3.8%	5.5%	7.5%
Benchmark return	8.8%	4.7%	6.1%	7.4%

Note: Returns are net of all Plan administration and investment management expenses.

Since pensions are accrued and paid out over decades, pension plans need to take a long-term perspective. The PSPP is a mature plan, which means we have a more conservative risk appetite than less mature pension plans in Canada. Our objective is to generate stable, long-term investment returns within a disciplined and acceptable risk framework. To achieve this, our investment manager focuses on minimizing uncompensated risk and managing overall volatility. By utilizing fundamental research and sourcing diversified investment opportunities that provide predictable cash flows, portfolio volatility can be effectively moderated while securing the steady income required to support a mature pension plan.

On a 10-year basis, our compounded annualized return of 5.5% has underperformed the portfolio benchmark return by 58.4 bps.

Highlights of Investment Results

OPB's investment portfolio earned a one-year net return of 7.0%, following a positive return of 8.1% in 2024. The portfolio's high level of diversification helps ensure that a decline in one asset class is often offset by stronger results in others. While relative performance versus benchmarks has been impacted by the valuation gap between private and public assets, these differences are expected to normalize over time. Public equities – driven primarily by robust growth in the technology and AI sectors – were the leading contributors to the Plan's performance. In contrast, private assets (real estate, infrastructure, private equity) have lagged the surge of public equity markets. Real estate performance has begun to stabilize, with a moderating negative impact relative to previous years.

Asset Class Returns and Benchmarks

Overall Plan returns reflect the aggregate performance of all asset classes net of all fees and expenses. For public and private markets, the returns provided are after the inclusion of external investment management fees, custody costs and IMCO's management fees. The 2024 comparative public and private market asset class returns have been restated to reflect this presentation. At the total Plan level, all fees and expenses reduced returns by 0.58% in 2025, compared to 0.62% in 2024.

Benchmarks in the SIP&P and IMCO's Investment Policy Statements measure value add. Cash and equivalents, government fixed income and inflation-linked bonds are passively managed.

		2025		2024	
Asset Categories	**Benchmark**	**Actual**	**Benchmark**	Actual	Benchmark
Cash and Equivalents	FTSE Canada 91-Day T-Bill	**3.2%**	**2.8%**	4.7%	4.9%
Total Portfolio Leverage	Custom Benchmark	**(2.8%)**	**(2.9%)**	(4.9%)	(4.7%)
Government Long-Term Fixed Income	FTSE Canada Long Government Bond	**(1.8%)**	**(1.7%)**	0.4%	0.2%
Inflation-Linked Bonds	Custom Benchmark	**5.0%**	**4.9%**	0.1%	0.2%
Global Credit	Custom Benchmark	**6.5%**	**5.7%**	8.2%	8.3%
Canadian Equities	S&P/TSX Composite Index	**31.2%**	**31.7%**	24.1%	21.7%
Global Equities	MSCI World Index (C$)	**17.0%**	**15.0%**	26.4%	29.7%
Emerging Markets Equities	MSCI Emerging Equity Index (C$)	**25.1%**	**27.3%**	14.5%	17.3%
Public Market Alternatives	Custom Benchmark	**8.1%**	**8.1%**	6.1%	5.8%
Real Estate	Custom Benchmark	**(0.9%)**	**(0.8%)**	(1.6%)	1.7%
Infrastructure	Custom Benchmark	**5.1%**	**8.4%**	8.0%	16.4%
Private Equity	Custom Benchmark	**6.3%**	**14.3%**	13.9%	18.0%

Fixed Income

Government Fixed Income – Plan assets are invested in government bonds to diversify the overall portfolio, provide liquidity and offset the changes in the value of the Plan's liabilities. The portfolio, which includes nominal and inflation-linked bonds, provided a one-year return of -1.8% for long-term fixed income (a return of 0.4% in 2024) and 5.0% for inflation-linked bonds (a return of 0.1% in 2024). The year-end market value at December 31, 2025 was $8.7 billion, versus $8.4 billion at the end of 2024.

Both the nominal and inflation-linked strategies are managed passively, with the objective of matching the benchmark return after costs. They did so effectively in 2025.

Global Credit – A portion of Plan assets are invested in a globally diversified portfolio of public and private credit securities to capitalize on market opportunities and gain exposure to a range of credit strategies. In 2025, the Global Credit portfolio returned 6.5% on a currency hedged basis (versus a return of 8.2% in 2024), with a year-end market value of $4.5 billion ($4.3 billion in 2024). This return was above the benchmark return of 5.7%.

Global credit markets continued to perform well in 2025, returning 10.3% in U.S. dollar terms. IMCO's private credit strategies benefited from elevated all-in yields and strong performance in capital solutions transactions, while public credit saw solid contributions from high-yield bonds amid tightening spreads and declining U.S. Treasury yields. U.S. Treasuries were the top-performing market in local currency terms, returning 6.3% over the course of 2025. The imposition of new tariffs did not materially boost inflation, while growing concerns about the labour market led the Federal Reserve to trim interest rates by 75 bps rate cuts, supporting mid-term bond returns.

IMCO continued to advance its Global Credit program in 2025, executing a range of direct credit opportunities across private credit, co-investments and capital solutions strategies. The program leverages IMCO's internal expertise alongside select external partners, with strategic relationships playing a key role in sourcing and executing investments.

Public Equities

A portion of the Plan assets are invested in public equities to enhance long-term returns, and these investments are expected to generate higher returns than the Fund benchmark return over the long term.

There are three components to the portfolio.

- The **Canadian equity portfolio** returned 31.2% in 2025 (24.1% in 2024) with a year-end market value of $0.9 billion ($0.9 billion in 2024).
- The **Global equity portfolio** returned 17.0% in 2025 (26.4% in 2024) with a year-end market value of $7.5 billion ($4.3 billion in 2024).
- The **Emerging Markets equity portfolio** returned 25.1% in 2025 (14.5% in 2024) with a year-end value of $1.4 billion ($1.8 billion in 2024).

Public equities delivered strong absolute returns and were the main contributor to the total portfolio return in 2025. Strong performance in Canadian equities – particularly within the commodity and financial sector – drove the Canadian market to outperform both global and emerging equity markets. The portfolio also saw high returns from U.S. equities, particularly in AI-related and technology sectors. However, among the "Magnificent Seven" mega-cap technology stocks (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, Tesla), only NVIDIA and Alphabet outperformed the S&P 500, and this trend bears watching in 2026.

Amid early market volatility, diversified factor investing played a key role in portfolio resilience and value add, with momentum contributing the most. Performance was partially offset by the depreciation of the U.S. dollar against the Canadian dollar, as well as underperformance from external managers in Canadian and Emerging Markets equities. Effective execution of IMCO's public equities strategy in 2025 reflected disciplined diversification and targeted active exposures, enabling the portfolio to capture global equity gains beyond the U.S. market.

While the Public Equities portfolio performed well, relative performance versus benchmarks was mixed in 2025. The largest single contributor to net value add (NVA) in IMCO's portfolio was our investment in AI cloud platform CoreWeave, where we realized gains following the expiration of the post-IPO lock-up in August.

Real Estate

Plan assets are invested in real estate to generate cash flows, deliver relatively stable returns and obtain a partial hedge against inflation.

OPB's Real Estate portfolio comprises:

- direct and indirect holdings in quality Canadian office and retail properties;
- direct and indirect holdings in international real estate; and
- a modest investment in mortgages.

There has been some stability in real estate holdings, but the portfolio's performance is still lagging relative to other asset classes. However, real estate assets are having a less negative effect on the portfolio than in previous years.

The Real Estate portfolio returned -0.9% in 2025 compared to a return of -1.6% in 2024. Real estate results are presented net of financing, as OPB previously issued private bonds to finance the addition of high-quality real estate assets.

The market value of the Real Estate portfolio at year-end 2025, net of the market value of the bonds issued by OPB, was $4.8 billion, compared to $5.1 billion in 2024.

Real estate performance in 2025 reflected improving fundamentals across several parts of the portfolio. Leasing activity increased, tenant-retention strategies strengthened income stability, and repositioning efforts in retail and office assets continued to reduce downside risk.

Industrial and multi-residential properties continued to demonstrate resilient demand, while the expansion of return-to-office mandates supported firmer conditions in the office sector.

Market liquidity also improved through the year, with falling interest rates and narrowing bid-ask spreads leading to higher transaction volumes and easier execution of strategic sales and acquisitions.

IMCO continued to reshape the broader real estate platform by exiting non-core holdings and allocating capital to modern assets, including recently built multi-residential and industrial properties, as well as commitments to life-sciences and affordable housing strategies.

Several real estate transactions occurred in 2025. IMCO committed $316 million across eight new investments that enhance diversification and are accretive to returns. This included investments in recently built multi-residential and industrial properties and two fund commitments: one targeting U.S. or European life-sciences properties and the second focused on affordable housing development in Canada. In addition, IMCO's real estate program advanced its repositioning strategy in 2025 by selling approximately $247 million in non-core properties. These dispositions helped to redeploy capital toward newer, income-oriented and more resilient asset types.

Infrastructure

A portion of Plan assets are invested in a diversified Infrastructure portfolio, which owns assets that provide essential services such as telecommunications, transportation and utility assets.

The Infrastructure portfolio generated a 2025 return of 5.1%, compared to 8.0% in 2024. This return was below the benchmark return of 8.4%. The portfolio had a year-end market value of $5.2 billion ($5.0 billion at the end of 2024). Infrastructure performance in 2025 was supported by strong results from IMCO's direct investment portfolio, which benefited from active asset management and continued exposure to high-growth digital and energy-related sectors, partially offset by weaker performance in some Infrastructure funds and headwinds due to foreign currency movements. The portfolio experienced limited impact from changing U.S. tariff and trade policies, continuing to benefit from inflation-linked revenues and contracted or regulated cash flows across several holdings.

In 2025, IMCO completed additional infrastructure transactions, including:

- monetization of its position in Hess Midstream Partners, generating a 2x return on invested capital; and
- the sale of three infrastructure fund positions at attractive valuations to support an increase in direct investments and enhance diversification across digital infrastructure, utilities and energy-related assets.

Private Equity

The Plan's private equity assets consist of investments in private companies or entities that are not publicly traded on a stock exchange, targeting capital appreciation over the mid-to-long-term. Private equity is not as liquid as public equities and returns are expected to be higher to compensate for the added liquidity risk. With OPB's long-term investing horizon, private equity is an important source of returns and diversification.

Our Private Equity portfolio returned 6.3% in 2025, compared to 13.9% in 2024. The portfolio had a year-end value of $5.6 billion ($5.0 billion in 2024).

Private equity markets experienced a volatile year in 2025, shaken by U.S. tariff changes early in the year. However, positive sentiment began to emerge in the second half of the year as the impact of tariff shifts on earnings and companies was assessed. Interest rate cuts in the U.S., U.K. and Europe brought down debt costs, enabling more affordable deal financing.

IMCO's internally managed portfolio made a strong contribution to returns in 2025, driven by the operating performance of underlying portfolio companies. Top contributors included clinical trials and research services provider Worldwide Clinical Trials, U.S.-based obstetrics services provider OB Hospitalist Group, and LEO Pharma.

IMCO made a number of additional direct private equity transactions as well as commitments to private equity funds during the year, including:

- IMCO deployed $350 million across three new direct investments in Europe, following an extensive European market review and supporting IMCO's strategic goal of expanding exposure in the region.
- IMCO committed $1.2 billion to private equity funds, supporting access to high-quality global general partners and enhancing portfolio diversification across sectors and vintages.

Investment Risk Analysis

Our agreement with IMCO states that IMCO will manage investment risk in accordance with the *Pension Benefits Act*'s standard of care and best practices for Canadian public sector managers.

As such, investment risk management is integrated into all investment activities and decision making at IMCO. Our investment manager has governing rules, risk committees, structures and processes to effectively manage risk. Investment risk includes risks such as market, credit, counterparty, climate, liquidity and concentration.

OPB's Chief Investment Officer (CIO), other executives and OPB's Investment Committee have ongoing dialogue with IMCO about the investment risks pertaining to OPB's investment portfolio. IMCO measures, monitors, manages and communicates investment risks on behalf of clients using approaches and metrics, which are relevant for each asset class and the total portfolio.

IMCO takes steps to identify and manage climate change risks and opportunities to enhance long-term, risk-adjusted returns. This includes continuously evaluating and improving processes around governance, strategy and advocacy.

Investment Outlook

As we move into 2026, OPB remains focused on the disciplined execution of our Strategic Asset Allocation (SAA), which continues to be the primary driver of the Plan's long-term returns. In response to the evolving geopolitical climate, we made strategic shifts to our SAA implementation targets in late 2025; a steady, measured rollout of these adjustments will continue throughout the coming year to ensure the portfolio remains optimized for the current environment.

After a period of exceptional performance in specific sectors and regions, we anticipate a transition toward more moderate market returns. While the Canadian and U.S. economies have shown notable resilience, the investment landscape is currently defined by several complex dynamics:

- Inflation: While headline figures have cooled, underlying inflation appears to be stickier than in past cycles. This persistence, combined with the potential for new trade tariffs to increase the cost of goods, introduces significant uncertainty into the economic outlook.
- Uncertain interest rate path: Given the unpredictable nature of inflation and shifting trade policies, the trajectory of interest rates remains unclear. We expect market volatility to persist as central banks navigate the delicate balance between supporting growth and maintaining price stability.
- Technological transformation: AI continues to reshape industry fundamentals; however, we must remain mindful of the risk of volatility as markets calibrate the long-term value of this technology against broader economic headwinds.
- Navigating global uncertainty: The outlook is tempered by a heightened state of global unpredictability, including:
    - Geopolitical volatility: Ongoing conflicts, alongside emerging territorial and security tensions, continue to pose risks to global supply chains and overall market stability.
    - Increased trade friction: Beyond specific agreements like CUSMA, there is a broader rise in political interference in global commerce. The use of targeted tariffs and export restrictions as policy leverage between major economies – including the U.S., Europe and Asia – threatens established trade patterns and introduces new costs.
    - Policy unpredictability: Shifts in domestic and foreign policies, particularly in the U.S., create a wait-and-see environment that can weigh on long-term investment planning and market sentiment.

SUSTAINABILITY AND OPB

At OPB, we view sustainability as a set of practices to better understand and address risks and opportunities that can affect our operations and investments.

Both OPB and our investment manager, IMCO, work to incorporate sustainability through integrating ESG considerations, including climate change, into our operations and investment approach. This supports our mission to contribute to members' financially secure retirement. We believe that by considering ESG factors in its investment approach, IMCO can better manage potential investment risks and identify opportunities to create long-term value.

For more information about OPB's corporate and sustainability commitments, read the Sustainability page on OPB.ca.

OPB's Sustainability Progress in 2025

We believe that regularly assessing our approach to diversity, equity and inclusion (DEI) makes our workplace stronger, more agile, and helps us to drive employee engagement and deliver better service to our diverse membership.

In 2025, we took the following actions to continue making progress in this space.

OPB expanded Plan membership to employers operating in First Nations communities and their members. We used this as an opportunity to reflect on the importance of strengthening internal awareness and education on reconciliation and the long and historic role of First Nations, Indigenous and Inuit people in Canada. To assist in our shared learnings, OPB partnered with an expert with extensive experience in executive leadership, strategic policy development, community engagement and communications to deliver Indigenous Cultural Competency training, offered to all employees and the Board of Directors. This ensured that the entire OPB team – Board members and staff alike – were prepared to embed reconciliation into their work and were equipped with the necessary context, understanding and education to provide appropriate and respectful service to this client group.

Our DEI Advisory Council has remained active and engaged since its inception in 2022, providing advisory support to OPB's executive leadership to maintain an organizational lens on DEI.

In 2025, we expanded the gender and title options available in our systems as part of OPB's commitment to inclusiveness in our interactions with members and stakeholders. These changes are a way for OPB to ensure our communication system and practices are respectful of a range of gender identities and titles.

We also launched a #SayMyName campaign, inviting employees to include phonetic pronunciation in their email signatures to support respectful and accurate name use. By promoting this small but impactful practice, we are fostering stronger relationships and a more welcoming culture across the organization.

OPB's executive leadership and employees participated in the Toronto Pride Parade for the second year, demonstrating support for 2SLGBTQIA+ employees, families and our diverse client communities.

IMCO's Sustainability Progress in 2025

In 2025, IMCO continued to strive to improve this integration of sustainability considerations in its investment approach. IMCO launched a refreshed Climate Action Plan, enhanced its approach to integrating climate-related risks and opportunities into investment decisions, and formalized its engagement strategy.

Below are key highlights of IMCO's 2025 sustainability and climate-related achievements:

- Scored 96% in the Global Sovereign Wealth Fund 2025 Governance, Sustainability and Resilience (GSR) Scorecard. As a result, IMCO was recognized as a top 10 pension fund globally. The GSR Scorecard is an independent annual assessment that evaluates global public investors on governance quality, sustainability practices and long-term resilience.
- Conducted IMCO's first materiality assessment.
- Developed IMCO's Indigenous Rights strategy.
- ~$924 million deployed to climate solutions.[1]
- 50+ sustainability due diligence studies conducted. IMCO conducts sustainability-focused due diligence as part of evaluating specific investment opportunities early in the investment life cycle, incorporating ESG considerations to identify risks and value-creation opportunities before capital is deployed.
- Voted on 31,900 management and shareholder proposals. Of those, IMCO supported 60% of environmental-related shareholder proposals and 65% of social shareholder proposals.
- Participated in 13 Climate Engagement Canada engagements.
- Saw a 53% reduction in portfolio financed emissions intensity[2] from 2019 baseline.[3]

1 Climate solutions are investments in companies that contribute positively related to climate change mitigation or provide adaptation services that limit the impacts of climate change. IMCO's Climate Solutions Taxonomy is aligned with the categories of activities defined by the International Capital Markets Association (ICMA) in their Green Bond Principles and with eligible assets under each category taken from ICMA, as well as the Climate Bond Initiative (CBI) taxonomy.

2 Portfolio financed emissions are the Category 15 Scope 3 emissions associated with IMCO's investments excluding sovereign debt emissions. If emissions figures include sovereign debt contributions this will be stated explicitly.

3 The most recent data available for IMCO's portfolio financed emissions is to December 31, 2024. Calculation of these emissions was carried out in 2025, but all references to emissions in this report refer to 2024 emissions data, unless otherwise specified.

IMCO's Refreshed Climate Action Plan and Progress Against Climate Targets

IMCO updated its Climate Action Plan in 2025 to reflect the evolution of its approach to managing climate-related risks and opportunities within the investment portfolio.

The refresh included an updated commitment to deploy $10 billion in climate solutions between 2020 and 2030. IMCO defines climate solutions as investments in companies that contribute positively related to climate change mitigation – preventing the release of or reducing the concentration of greenhouse gases (GHGs) into the atmosphere – or provide adaptation services that limit the impacts of climate change. In 2025, IMCO deployed approximately $924 million:

- Deployed ~€30 million to NeXtWind to continue its strategy of acquiring and rejuvenating older wind parks.
- Deployed ~£25 million to Pulse Clean Energy to develop solutions to help balance, optimize and secure the renewable energy network in the U.K.
- Deployed ~US$70 million to Sandbrook Climate Infrastructure Fund, which is dedicated to investing in solutions that contribute to the economy's transition away from fossil fuels.

IMCO also reaffirmed its interim target of a 50% reduction in financed emissions intensity by 2030 and its commitment to achieving a net-zero emissions portfolio by 2050. In 2025, IMCO continued to make progress toward this target, and reduced the portfolio's financed GHG emission intensity by 51% against its 2019 baseline.

IMCO's Materiality Assessment: Identifying What Matters Most

This year, IMCO completed its first materiality assessment. The assessment gathers input from a broad range of stakeholders to identify the sustainability topics that pose the greatest investment risks and opportunities. The results of the materiality assessment will guide where IMCO focuses its expertise and its engagements with portfolio companies and strategic partners.

IMCO: A Focused Approach to Engagement

IMCO's engagement strategy provides a framework for constructive, forward-looking dialogue with portfolio companies to support sustainable value creation. In 2025, IMCO updated its priority sustainability issues relevant to its investments to ensure the portfolio remains resilient to change. IMCO has prioritized three key areas of focus:

- Climate change and biodiversity: including emissions reduction, disclosures by high-emitting companies, physical risk and biodiversity.
- Human capital management: including health and safety, fair pay, and diversity and inclusion.
- Governance: including Board effectiveness, executive compensation, and cybersecurity and data privacy.

Looking Forward

OPB believes that integrating sustainability considerations into both our corporate operations and investment activities is essential to delivering stable, long-term returns and safeguarding our members' pensions for future generations. This responsibility guides our ongoing efforts to ensure that the actions we take today support the pension promise of tomorrow.

We are committed to focusing on strong governance, advancing DEI within our organization, and working with IMCO to effectively address climate-related risks and opportunities – as well as other ESG factors – across our investment portfolio.

SERVICE EXCELLENCE

We believe that delivering on the pension promise goes beyond simply paying pensions and processing transactions. With our *Advise and Protect* model, we offer the expertise, information, services and tools our members need to make sound pension decisions in the context of their unique financial needs and retirement goals.

We met the challenge of dramatically increased service demands over the past several years. Since 2018, OPB has supported active membership growth in the PSPP of more than 25% and onboarded 16 new employers. Membership in the Plan has grown by 10% in the past two years, through regular membership growth and Plan consolidations.

In 2025, OPB welcomed more than 6,300 members through organic membership growth and onboarded six new employers to the Plan. It marked the fourth year in a row in which our enrolment numbers were significantly higher than the average in previous years of 3,000 to 4,000 new members. The gain in enrolments was coupled with high demand for other services.

We completed over 17,000 client life-cycle transactions, responded to 52,900 incoming calls (with 93% of those calls answered within 30 seconds) and 7,500 email inquiries, and successfully managed changes relating to the repeal of Bill 124, which involved an unprecedented number of employment records being processed.

Despite the stress on our service delivery systems, our yearly client satisfaction survey results improved compared to the previous year.

Client Service Performance

At OPB, we offer a wide array of proactive services to support clients through life and career changes. We also provide personalized advisory services tailored to each member's unique financial needs and retirement goals, including through the support of our Client Service Advisors, all of whom are Certified Financial Planners®.

Under our Strategic Plan, we aim to enhance efficiency and service delivery for OPB members by enabling additional online services and transforming information into actionable insights that drive better decisions, enable innovation and improve efficiency across the organization.

In response to the repeal of Bill 124, we collaborated closely with employers to enhance the coordination required to manage and process an unprecedented number of retroactive adjustments. We ensured adjusted information was made available to active members online and made strides in processing recalculated entitlements for retired members before year-end.

We implemented the Ontario First Nations Policing Agreement (OFNPA) to provide pension parity with the Ontario Provincial Police (OPP), which included enrolling new members, introducing systems enhancements to manage complex plan transitions and providing assistance to members to inform decision making. We also provided employees with immersive educational opportunities to understand the cultural and historical context of the agreement, to increase knowledge and to enhance the service we provide our First Nations members.

To support Members of Provincial Parliament (MPPs) joining the Plan, we developed a comprehensive communication and engagement strategy and introduced administrative changes that would support the onboarding and service delivery for our new members.

We launched the Online Pensions Foundation Program for OPB employees, an internal interactive e-learning platform covering PSPP life-cycle topics, replacing manual training delivery processes and improving accessibility for learners.

METRICS

We measure our service by two key metrics: our CEM Benchmarking service score and ranking, and our client satisfaction survey score.

In the CEM Benchmarking survey for 2024, reported in mid-2025, OPB was ranked first in our peer group for client service, up from second place in 2023, and fourth globally out of 45 participating global pension systems, compared to seventh in the previous survey. This was driven by industry-leading outbound communication campaigns, exceptional contact centre performance, with 96% first-contact resolution (vs. 89% peer average), and real-time assisted estimates offered by phone and 1-on-1 sessions – services provided by only 40% of peers.

Our overall client service satisfaction score – as measured by an independent external survey firm – was 8.7 in 2025, and our Advisory Services scored 9.1 out of 10. This is up compared to our 2024 satisfaction scores, which were 8.6 and 9.0 respectively. Our employer satisfaction score was 7.9 compared to 8.1 in 2024.

What We Did	Why It Matters
Client service satisfaction overall was 8.7 out of 10 (8.6 in 2024).	Providing excellent service ensures our members have the information they need to understand the value of participating in the Plan and informs financial decision making and retirement planning. Understanding client service experience confirms we are meeting client expectations and gives us insights on how we can improve service delivery to help members achieve their retirement goals with confidence and security.
Earned a total service score of 89 out of 100 from CEM Benchmarking, ranking OPB first among Canadian peer pension plans.	OPB was ranked #1 amongst its peers. We are consistently recognized as a world-class service leader.
Met online and in person with over 3,500 (3,800 in 2024) members to help them navigate key pension and retirement decisions.	We provide expert, unbiased advice on how pension benefits fit into members' larger financial picture. We lead the industry in being the only defined benefit (DB) pension plan that employs in-house experts with the Certified Financial Planner® (CFP) designation. Our CFPs help inform decision making and provide retirement planning advice to members.
Answered 93% of Client Care Centre calls within 30 seconds (84% in 2024). Average call response time was 15 seconds (24 seconds in 2024).	We are committed to maintaining excellent service to members, even as Plan membership grows and demand for our service increases.

Advisory Services

We lead the industry in being the only DB pension plan that employs in-house experts with the CFP designation. Our CFPs help inform decision making and provide retirement planning advice to members. In 2025, 3,500 members met 1-on-1 with our CFPs online and in person to help them make informed pension and retirement decisions.

Feedback from members who have used our Advisory Services and tools continues to be very positive. In 2025, clients ranked Advisory Services as 9.1 out of 10.0.

We also have Registered Retirement Consultant® (RRC) and Registered Retirement Analyst® (RRA) certified employees in our Client Care Centre providing front-line support for incoming calls and general inquiries. RRC and RRA programs are offered by the Canadian Institute of Financial Planning.

Educating Our Members

OPB's client education sessions have evolved in recent years, from providing basic information about the Plan and its benefit to helping members improve their retirement knowledge and financial literacy. This includes expansion of our pension education sessions in 2025 to help members better understand their Annual Pension Statement (APS), pension basics and pre-retirement options. We published a Q&A for members in October, Cybersecurity Awareness Month, on cybersecurity and AI-enabled tools. We marked Financial Literacy Month in November, centring financial literacy as part of our *Advise and Protect* mission.

We continue to offer advisory articles in our newsletters and website to help active and retired members better understand personal finance topics such as savings, tax considerations, debt and budgeting.

OPB set a record for member education in 2025. We hosted a total of 202 (151 in 2024) presentations (webinars and in-person events) that reached 11,038 members in 2025, compared to 8,349 members in 2024. These sessions were rated "very good" or "excellent" by 96.1% of the participants.

Our Multi-Year Accessibility Plan (MYAP) for 2025–2027 went into effect, the result of direct consultations with members with disabilities and accessibility needs. We gained valuable insights on how we can improve our service to them and reduce barriers to access.

Digital and Online Services

In the financial services industry today, clients expect to access information about their accounts and execute transactions online anywhere and anytime. OPB has select online self-service options available for clients and an employer portal through which employers can do business with OPB. Our current member and employer portals are secure and accessible. OPB will explore additional online self-service transactions and tools through our modernization program.

In 2025, we advanced business activities for the organization under new, more modern technology standards, supporting a faster delivery of service.

We improved information security for our members' data without adding significant burden to employees. As part of this initiative, we improved our capabilities in privileged access management and identity and access management, which will simplify and streamline such functions as onboarding and offboarding employees.

We continued reviewing and planning for the use of AI in our systems and operations, so we have a balanced approach to efficiency, continuous advancement and improvements to the client experience while not introducing unnecessary risks in security and privacy.

Our online member portal allows members to choose their communication preference for Retired Member Statements (RMS) and APS. In 2025, we delivered 92% of APS digitally. Over time, we plan to expand the number of documents available for paperless delivery.

Among active Plan members, 63% were registered for e-services in 2025, an increase from 58% in 2024. Among retired members, 49% were registered, up from 44% in 2024. We expect these rates to continue growing as we add new functionality, tools and features and promote the benefits of registration to our members.

Members continued to use our digital and online services to seek information and conduct self-service transactions. Our e-services traffic rose 7% from the previous year to 137,046 logins in 2025. Greater use of online self-services is expected to free up OPB's resources to meet the growing demand for our advisory services.

STAKEHOLDER ENGAGEMENT

OPB works closely with the Plan Sponsor to ensure that it has the information needed on issues to make decisions that impact the Plan. We also conduct regular and ongoing discussions with bargaining agent groups to keep them informed about the health of the Plan and emerging trends and issues, and to ensure they understand the value of the Plan.

OPB's third-party administration responsibilities have grown in recent years. In 2025, we began the onboarding of Members of Provincial Parliament (MPPs) into the PSPP, looking toward their membership in the Plan, effective January 1, 2026. This undertaking required significant effort across OPB in close collaboration and partnership with the Legislative Assembly, the Plan Sponsor and the Ministry of Finance.

In 2024, the Indigenous Police Chiefs of Ontario (IPCO) and the Government of Ontario signed the Minutes of Settlement to address inequalities between the Ontario Provincial Police (OPP) and IPCO. In 2025, we completed efforts to bring Members of IPCO services and First Nations Officers and Civilians employed through the Ontario First Nations Policing Agreement (OFNPA) to pension parity with the OPP.

In 2025, we also facilitated 37 employer onboarding sessions for PSPP employers, a 37% increase compared to 2024.

Overall, transactions through the employer portal rose by 7% compared to 2024, resulting in a total of 14,972 transactions.

PENSION MODERNIZATION

Our pension modernization program is a business transformation program, enabled by technology, which will advance client and stakeholder experiences, as well as generate business efficiencies. This comprehensive program is designed to enhance our digital services for clients and mitigate the future risk posed by our legacy systems as they near end-of-life.

In 2025, major procurements were completed, including a security arrangement to protect member data and privacy, and an application management contract. Technology improvements are set to enhance service delivery and operational efficiency for members and employees.

New Retirement Planner

Launched in 2025, OPB's new Retirement Planner, powered by Planworth, offers personalized and enhanced features, helping members create an effective plan for their retirement. The planner helps them understand how their pension fits into their overall financial picture, including their projected retirement expenses, so they can make well-informed decisions about their pension throughout their career.

Aligned with OPB's *Advise and Protect* mission, it combines intuitive digital features with personalized insights to ensure financial planning is more accessible and engaging and allows members to take a more active role in their financial journey. This was an important milestone in OPB's pension modernization strategy.

The new tool, which was made available to Advisors in 2025 and will be accessible to members in 2026 via e-services, simplifies the planning experience for the member. Members can use the tool on their own or book a 1-on-1 session with one of our Advisors, who can use the Retirement Planner to build a robust retirement plan that reflects a member's financial and personal circumstances and goals.

The new system has several advantages. For instance, data is integrated from our system into the Retirement Planner so that members can rework estimates and save information.

Pension Administration System (PAS)

OPB conducted a competitive procurement process compliant with directives, policies and legislation, to procure and implement a commercial off-the-shelf solution for the core PAS functionality, to address the operational risk presented by our aging legacy systems. A cross-functional team participated in this procurement, undergoing a comprehensive evaluation process to find the best vendor to meet OPB's long-term needs and provide us with the flexibility to continue to improve our client experience as their needs and the pension industry changes. We successfully completed the selection process for a PAS vendor in 2025, awarding the contract to Aon.

The new solution will provide improved security and enables us to make more rapid enhancements and changes in conjunction with the needs of the Plan Sponsor, the employers, and members and employees. It will also provide regular upgrades to maintain technical 'currency' and offer greater automation, enhancing the efficiency of our business operations.

Pension Modernization: Looking Ahead

Technology advancements in 2025 have helped to lay the groundwork for OPB to meet industry standards through the modernization process, positioning the organization for future growth. This included selecting specific industry items such as integrating an advanced security tool and Microsoft Copilot to support individual capacities.

Over the next four years the organization will work closely with our vendor partners to configure the pension administration solution to incorporate OPB's business requirements, and to prepare our organization for the transition to the new solution. This important program will require the commitment of a dedicated team of temporary resources to support the vendor's development, including subject matter expertise, user testing and quality assurance, to ensure the solution delivers improved business efficiency as well as enhanced employee and client experience.

We will continue to manage risk in our modernization program by thoughtfully pacing and sequencing our projects and rollout in manageable development and testing phases, and by employing robust reporting and project governance practices. The year 2025 saw data initiatives and testing strategy, prioritized to align to PAS implementation requirements.

WORKPLACE CULTURE

People are at the heart of OPB. We rely on the expertise, professionalism and dedication of our employees to fulfil the pension promise.

As we implement our new Strategic Plan, we will continue to build on our strong culture and support our team in adapting to new ways of working, including leveraging data and new technologies to improve both the employee and client experience.

We conducted a culture assessment to check in with our employees on culture and gather their feedback to refresh the organization's values, which can be found on page 6 of this document. The refreshed values place emphasis on alignment to our new Strategic Plan and intentional culture-building.

Human resources is central to OPB's Strategic Plan, focusing on people and culture as enablers for success. We continued to review the results of our recent employee engagement pulse survey and planned for a new survey in 2026.

Diversity, Equity and Inclusion (DEI)

OPB is dedicated to keeping DEI at the forefront of the work we do. Fostering a culture of equity, inclusiveness and psychological safety is critical, because we recognize that diversity promotes innovation, productivity and growth. Our commitment to advancing DEI helps us to best serve our stakeholders while protecting the future of the PSPP and empowering our employees.

We share information and resources on DEI topics through the year, encouraging ongoing learning and awareness-building. In addition, our DEI Advisory Council plays a key role in recommending opportunities for the advancement of DEI in our policies and practices, providing updates to all employees.

For more information about our DEI initiatives, please see the Sustainability and OPB section beginning on page 29 of this document.

Attracting and Retaining Talent

In 2025, OPB continued to attract and retain top talent through effective talent acquisition and workforce planning strategies that support an engaged, inclusive and high-performing culture for sustained success.

Talent attraction and retention remained a central focus throughout the year, during which we made meaningful strides in strengthening the organization's commitment to people. We enhanced recruitment efforts to secure high-quality candidates, reinforced a positive and inclusive workplace culture, completed a compensation review initiative to ensure continued competitiveness, successfully launched a new onboarding program that improved the employee experience, and expanded professional development opportunities to support long-term growth and retention of top talent.

Managing human resources is central to OPB's Strategic Plan, focusing on people and culture as enablers for success. We rely on the expertise, professionalism and dedication of our employees to fulfil the pension promise.

As we implement our new Strategic Plan, we will continue to build on our strong culture and support our team in adapting to new ways of working, including leveraging data and new technologies to improve both the employee and client experience.

We will support employees in cultivating the skills and competencies they need to thrive in a client-centric, innovative and inclusive culture. These actions will strengthen OPB's position as an employer of choice, protect the sustainability of the Plan and ensure we continue delivering exceptional service to our clients.

In 2025, we successfully attracted top talent and supported internal promotions and lateral career moves, reinforcing OPB's strong employer brand.

Succession planning remains a priority. In 2025, Andrew Tambone joined OPB as Chief Investment Officer, and Joanna Carson was appointed Chief Financial Officer.

RISK MANAGEMENT

OPB's risk framework is set out in our principle-based Enterprise Risk Management (ERM) Policy, supported by a refreshed ERM framework, which enhances OPB's governance approach by establishing clearer structures, defined accountabilities and consistent processes for managing risk.

Our approach to risk management is to assess strategic and operational mission-critical risks and to take actions that mitigate or limit downside risk exposures. In a rapidly changing environment characterized by technological disruption, geopolitical volatility, cyber-threats and changing societal demands, risk management is critical in enabling OPB to meet its responsibilities to Plan members and other stakeholders.

Enterprise Risk Management (ERM)

The goal of ERM is to enable OPB to make good decisions in the face of uncertainty, evolving external information or circumstances and competing demands.

While OPB tries to anticipate material risks, unforeseen and unprecedented events will occur. We have matured our ERM program to ensure significant current and emerging risks and opportunities are identified and managed; appropriate risk mitigations are developed and implemented; regular monitoring is conducted to evaluate the mitigation measures; and risk activities are reported on a regular basis.

OPB adopts an enterprise-wide approach that involves all areas of our organization and all levels of staff. Our goal is to ensure key risks are identified in a timely manner and managed within acceptable levels.

RISK MITIGATIONS

OPB has taken significant steps to bolster cybersecurity and manage risks effectively.

Technology advancements in 2025 have helped to lay the groundwork for OPB to meet industry standards through the modernization process, positioning the organization for future growth.

OPB's responsible AI Framework is designed to both facilitate AI adoption while demonstrating regulatory compliance with the Ontario Responsible Use of AI Directive and related policy instruments. In 2025, OPB began to assess the opportunities that leveraging AI within our operations can provide the organization, including more efficient ways to assist employees with productivity and knowledge management. This includes implementing Copilot across all OPB user devices, among other AI-enabled processes that went live to support employee efficiencies throughout the organization, including:

- documentation of job descriptions;
- business requirements;
- data dictionary;
- translations;
- management of IT infrastructure; and
- a pilot program for the policy database.

To build a stronger ERM foundation, we took the following steps in 2025:

- Advanced our risk governance framework and reinforced operational resilience in alignment with our long-term strategic objectives through the creation of a dedicated ERM Policy and supporting ERM framework.
- Established a refreshed risk appetite framework to enhance risk oversight and reporting to improve transparency and support data-driven informed decision making at all levels of the organization, ensuring it enables sustainable growth, innovation and digital transformation while preserving resilience and responsiveness.
- Refreshed OPB's Business Continuity and Resilience Policy and Business Continuity Plans and successfully conducted several resilience exercises.
- Created opportunities to learn about risk management and key emerging trends, both global and local in nature. We did this by utilizing our Global Risk Institute (GRI) membership to conduct bespoke sessions and risk workshops.
- Launched riskLIT across OPB, an online platform provided by GRI, designed to teach risk management concepts to non-risk professionals. During Risk Awareness Month (October), all OPB employees are given access to virtual risk workshops where they can learn about topics including risk identification, risk assessment and mitigation, project risk management, decision making, strategy planning and psychology of risk.
- Shared curated materials with staff on risk management to help elevate their knowledge on this topic.

Key Risks and Mitigation Activities

Our top three overarching risk themes and mitigation activities are as follows.

1. **Plan sustainability.** Defined benefit pension plans face the risk that they may be unable to meet all current and future obligations while remaining affordable over the long term. We conduct various studies and analysis to better understand the funding risks facing the Plan and to develop recommendations to mitigate these risks.
2. **Investment performance.** We rely on our investment manager, IMCO, to execute OPB's SAA with the objective of achieving performance that can meet or exceed our target returns. We have a robust oversight and monitoring framework to actively oversee our relationship with IMCO, including regular reporting on requirements under the Investment Management Agreement, IMCO's risk management activities and detailed Fund performance. See the Investments section beginning on page 16 for more information on investment risk management.

3. **Modernization of core systems.** Pension modernization presents a significant opportunity while at the same time introducing enterprise-wide, program-level risks such as unexpected program costs or delays, breakdowns in change management and data governance processes, or failure to deliver expected outcomes. Our pension modernization program will update our service offerings, introduce efficiencies and address at-risk legacy technology. We address potential risks by using a combination of our enterprise program management framework and a deliberate, incremental and modular approach to pension modernization.

OPERATIONAL RISK MANAGEMENT

Operational risk management (ORM) provides a practical, business objective-based approach to identifying, assessing, mitigating and continuously reporting on risk inherent in OPB's day-to-day operations. ORM focuses on how we apply management controls in areas such as compliance and conduct, business continuity, project delivery and service quality.

SYSTEMS RISK

We regularly review our IT systems for operational performance and scalability to meet future requirements. We also work very closely with our managed service providers, IT advisors and independent research firms.

OPB's IT and security infrastructure remained strong and digital enhancements are ongoing. Security education and awareness measures continued with organization-wide phishing exercises and online information security training on a regular basis.

LEGAL RISK

Occasionally, OPB is involved in legal proceedings arising from the ordinary course of business. All significant legal matters are reported to the Finance, Audit and Risk Committee of the Board of Directors.

INTERNAL AUDIT

The Board of Directors, through the Finance, Audit and Risk Committee, provides oversight of the internal audit function, including approval of the audit plan and review of significant findings. Internal audit activities are conducted in accordance with professional internal auditing standards. The internal audit function supports continuous improvement by identifying opportunities to strengthen internal controls, enhance operational efficiency and support effective risk management.

PRIVACY PROTECTION

OPB recognizes the importance of protecting the privacy of its members, stakeholders and employees. Safeguarding personal information in our care is core to the trusted delivery of our mandate. In 2025, we continued to update and revise key internal controls to support ongoing transparency, risk mitigation and efficiency in the collection and use of personal information in increasingly complex digital environments. Our Privacy Office maintains an organization-wide program to ensure ongoing training, awareness and vigilance in the handling and use of personal information.

INFORMATION SECURITY AND COMPLIANCE

Like other public institutions and financial services organizations, OPB carefully manages risks related to information/cybersecurity and compliance. We continue to invest in and monitor controls and maintain an enterprise-wide compliance program, using a combination of policy training and ongoing review of reputational reporting and attestations.

PROJECT DELIVERY

A large program or individual projects can introduce both business and financial risks. We monitor projects using governance processes and regular reporting. This helps provide assurance that internal controls and project procedures are being followed. We also conduct project-specific risk assessments throughout a project's life cycle to identify and mitigate potential uncertainties, threats and vulnerabilities.

In 2025, we continued to expand our program management capabilities in support of the pension modernization program. We also continued assessing the use of AI in various functions, to prevent the introduction of unnecessary risks in security and privacy.

FINANCIAL MANAGEMENT

OPB is committed to efficient management and to offering value-added service at a cost-effective price. As an agency of the Province of Ontario, we operate in an environment of cost constraint, and we judiciously manage the Plan's expenses. In recent years, we have expanded our range of member services and added new members by consolidating other pension plans, yet our overall expense ratio remains very competitive in the industry.

To efficiently manage the Plan, we routinely:

- focus on priorities and work smart;
- re-engineer and redeploy resources where appropriate;
- enhance our abilities, through staffing and training, to perform more value-added services in-house rather than pay premiums in the open markets; and
- increase our digital offerings.

Our overall consolidated (investments and pension administration) expense ratio for 2025 was 0.58% (or 58 cents per $100) of average net assets available for benefits. This compares to 0.62% in 2024.

Our objective is to keep our consolidated expense ratio at or below 70 basis points, with OPB's operating expenses at or below 20 basis points and IMCO costs at or below 50 basis points, which we accomplished in 2025.

Managing Costs

At OPB, we are committed to disciplined cost management. Our goal is to ensure we spend strategically where it is in the best interests of our members and stakeholders. The Plan's expenses are a combination of investment management costs and operating costs for pension administration.

Investment Fees: IMCO incurs investment management and custodial fees on OPB's behalf. In addition, a share of the cost of IMCO's operations is charged to OPB on a cost-recovery basis. In 2025, these costs were 0.41% (or 41 cents per $100 of average net assets available for benefits), compared to 0.45% in 2024. These fees are deducted from total investment income.

Operating Expenses: OPB has direct operating expenses, which are the internal costs associated with managing the Plan, the pension administration and the investment monitoring/oversight activities. These costs were 0.17% (or 17 cents per $100 of average net assets available for benefits) in 2025, unchanged from 2024.

The above sets of costs result in a 0.58% expense ratio in 2025, compared to 0.62% in 2024.

CONTRIBUTIONS

Contribution rates for the PSPP are set by the *Public Service Pension Act, 1990* (PSP Act). They are adjusted as needed to keep pension benefits affordable and sustainable over the long term.

Contribution rates for all members are integrated with the Year's Maximum Pensionable Earnings (YMPE), with a lower rate used for salary up to the YMPE (which was $71,300 for 2025 and is $74,600 for 2026), and a higher rate for all salary above the YMPE. Employers contribute a matching amount.

During 2025, contributions for all OPB members and employers, including special payments from the Plan Sponsor, totaled $1.875 billion, compared to $1.445 billion in 2024.

PENSIONS PAID

OPB made pension payments totaling $1.81 billion in 2025, up from $1.74 billion in 2024.

The increase is partly attributable to a 2.7% inflation protection adjustment (Escalation Factor) that was applied to pensions on January 1, 2025. The remainder is attributable to increases in the average pension amounts and the number of new retired members.

Staffing

OPB has taken a measured and incremental approach over the period to request, through the approved business planning process, the necessary resources to respond to Plan Sponsor-initiated directives and requests, including our pension modernization initiative. This staffing strategy is in keeping with our Letter of Direction from the President of the Treasury Board in order to mitigate the risk of legacy systems failure, expand and enhance digital service delivery, improve operational efficiencies and provide ongoing support for government-requested initiatives.

In 2025, OPB, along with other provincial agencies, was made subject to hiring controls, which were implemented, effectively capping our complement and freezing additional hiring.

Over the last several years, OPB has communicated the impending need to scale resources in order to staff the pension modernization program, through the addition of time-limited resources over the next four years to ensure timely delivery and risk mitigation, and to maximize return on investment. Our existing workforce is facing significant workload pressures with competing demands to fulfil ongoing Plan administration and client service deliverables while balancing additional responsibilities associated with high-priority initiatives. As a small organization, OPB is already constrained in delivering its mandate, managing complex pension administration and high volumes of client interactions. Employees have always been expected to manage their primary responsibilities while also contributing to priority initiatives. Existing resources are already operating at full capacity, and in the absence of additional resourcing, workload pressures would be exacerbated, risking our ability to fulfil Plan administration obligations and meaningfully advance priority initiatives.

OPB is working with the Province to ensure that we have the necessary resources to meet our pension administration obligations, as well as to support critical priority initiatives and our modernization program. We will ensure that our hiring controls and complement align to our approved Business Plan.

LEADERSHIP TRANSITIONS

Andrew Tambone joined OPB as Chief Investment Officer (CIO), following the retirement of Chris Kautzky. As CIO, Andrew is responsible for overseeing OPB's relationship with IMCO and its investment performance to ensure OPB continues to deliver the pension promise.

Andrew brings significant experience as an investment executive along with a collaborative approach to working with stakeholders to develop and manage effective investment strategies. He most recently served as VP, Investments & Funding at the Alberta Teachers' Retirement Fund (ATRF).

Prior to his role with ATRF, Andrew was CIO at the Special Forces Pension Plan Corporation (SFPP Corporation), where he was responsible for investment strategy and investment manager oversight. He also served as Chief Risk Officer with AIMCo and held senior roles at the Workers' Compensation Board – Alberta, including CIO and Head of Fixed Income Investments.

In 2025, Joanna Carson joined OPB as Chief Financial Officer (CFO), following the retirement of Armand de Kemp. Joanna is responsible for OPB's corporate finance, procurement, enterprise risk management and pension payroll functions. Joanna is highly experienced in regulated, fiduciary environments. Prior to joining OPB, she served as CFO at the British Columbia Financial Services Authority (BCFSA) and at TRIUMF (Canada's nuclear research laboratory). She has overseen investment accounting and reporting for pension and insurance funds, including the Credit Union Deposit Insurance Corporation (CUDIC) of British Columbia, and served as a board director for the UBC Staff Pension Plan.

In addition, she has advanced ERM initiatives, integrating risk registers into senior-level decision-making frameworks, and led transformation programs that elevated compliance functions as strategic enablers through technology modernization, process redesign and workforce development.

She brings a proven track record of financial stewardship, operational transformation and collaborative leadership in both pension and public sector contexts. Joanna's values-driven leadership approach, strategic mindset, excellent communication skills and deep commitment to the pension promise make her a strong addition to our organization and our members and stakeholders.

OPB Full-Time Equivalents (Complement)

	2021	2022	2023	2024	**2025**
Total complement[1]	203	208	227	239	**249**[2]
OPB executives	7	7	8	7	**7**

1 Total complement includes OPB executives.

2 Approved complement per the Business Plan, but OPB was capped at a lower number per Direction on Hiring Controls.

Executive Compensation

OPB recognizes compensation as a key component in achieving its long-term strategies and organizational effectiveness. As an agency of the Government of Ontario, OPB is committed to providing excellent service and value for money to our clients and stakeholders while operating in a public sector fiscal environment.

Executive compensation is carefully overseen and approved by the Board's Human Resources Committee and follows the Province's direction on broader public sector wages. Effective February 28, 2018, OPB implemented its Executive Compensation Program, which was compliant with the government's direction and regulation per the Executive Compensation Framework. The regulation sets out how all employers designated under the *Broader Public Sector Executive Compensation Act, 2014*, including OPB, must establish and publish compensation programs for executives. In August 2018, Regulation 406/18: Compensation Framework was introduced, which set out new requirements for compensation for those in designated executive positions. OPB is in compliance with the regulation.

Executives receive an annual base salary that is within the salary range assigned for the corresponding classification. In addition to base salary, executives are eligible to participate in the annual compensation plan (short-term incentive). OPB conducts annual performance and salary reviews for executives, and the rate of salary adjustment for performance-based incentives is in line with appropriate market-based ranges.

Base salaries and incentive pay for executives in designated positions are within OPB's approved Executive Compensation Program. The table below sets out the compensation for the President and CEO and the other named executives at the year ended on December 31, 2025. The figures in the table include the components of compensation and the total compensation (excluding only retirement benefits) paid to the listed executives.

Position	Year	Base Earnings[1]	Short-Term Incentive[2]	Taxable Benefits & Allowances[3]	Total
President & CEO[4]	2025	$ 526,163	$ 341,861	$ 572	$ 868,596
	2024	$ 467,375	$ 234,149	$ 524	$ 702,048
Executive Vice-President & Chief Client Services Officer[5]	2025	$ 341,826	$ 153,278	$ 392	$ 495,496
	2024	$ 298,993	$ 126,176	$ 347	$ 425,516
Chief Financial Officer	2025	$ 247,094	$ 104,988	$ 299	$ 352,381
	2024	$ 247,094	$ 101,502	$ 299	$ 348,895
Chief Investment Officer[6]	2025	$ 158,992	$ 73,313	$ 162	$ 232,467
Executive Vice-President & Chief Pension Officer[5]	2025	$ 341,826	$ 158,638	$ 392	$ 500,856
	2024	$ 297,270	$ 128,570	$ 347	$ 426,187

1 Base earnings are based upon amounts paid during the year. In 2024 and 2025, there were 26 bi-weekly pays.

2 Short-term incentive earned is paid in March of the following year and is within the established Executive Compensation Envelope as per Regulation 406/18: Compensation Framework.

3 Includes life insurance. There are no car allowances or other perquisites.

4 The current incumbent was appointed President & Chief Pension Officer, effective February 1, 2024, and President & CEO, effective August 6, 2024. Amounts shown in 2024 reflect part of the year as President & CPO and the rest of the year as President & CEO. The transition to CEO was in support of the executive succession plan put in place for the retirements of OPB's previous CPO and CEO.

5 The current incumbents in the Executive Vice-President & Chief Client Services Officer position and Executive Vice-President & Chief Pension Officer position were appointed to their new positions effective August 6, 2024. Amounts shown in 2024 include pro-rated salary at that level.

6 The current incumbent was appointed Chief Investment Officer effective July 2, 2025. Amounts shown reflect compensation from that date.

The above-noted individuals are entitled to pension benefits on their base salary from both the PSPP and the RCA. Having the executives as members of the same pension plans as the clients that they serve builds strong alignment.

In accordance with Government of Ontario directives, OPB executives do not receive any perquisites, such as automobile entitlements or allowances, club memberships, personal use equipment or personal services.

GOVERNANCE

A robust governance structure keeps OPB strong and is the foundation of our continued success. OPB's governance structure meets – and in many cases exceeds – industry standards and best practices. Our steadfast commitment to industry-leading governance practices ensures full accountability, effective decision making, prudent oversight of investment management, fiscal responsibility, legal compliance and smart risk-taking. In short, it ensures that we are – at all times – protecting and promoting the best interests of the Plan and its beneficiaries.

A series of documents define our organizational structure, roles and responsibilities, and governance practices. Collectively referred to as the Governance Documents, they include a Statement of Governance Principles, a General By-law, Statements of Mandate and Authority, and a Code of Conduct & Ethics.

Our Governance Documents draw a clear link between responsibility and accountability, set expectations for ethical behaviour and entrench conflict-of-interest guidelines. They also establish a well-defined system of checks and balances on all power and authority.

Role of the Board

OPB's Board of Directors holds the ultimate responsibility for the Plan's stewardship. The Board has delegated to management the responsibility for the day-to-day operations required to administer the Plan and manage the Fund.

The Board has also delegated specific responsibilities to five committees of the Board: Governance; Investment; Finance, Audit and Risk; Pensions; and Human Resources.

The Board retains overall responsibility for supervision of OPB's business affairs. Specifically, it:

- approves OPB's strategic plan, business plan and budget;
- ensures that management has identified and is managing risks;
- approves any recommendations made to the Plan Sponsor regarding Plan amendments and funding;
- conducts performance and compensation reviews for the President & CEO;
- oversees and monitors the performance of IMCO;
- approves the SAA, which drives investment management asset mix decisions;
- conducts an annual review of OPB's SIP&P;
- approves non-ministerial appointments to the IMCO Board of Directors;
- approves material amendments to investment management and service agreements;
- supervises and approves all audit and risk management matters;
- ensures that management maintains a culture of integrity;
- is accountable for leadership succession;
- monitors talent management and employee engagement;
- monitors client service; and
- monitors compliance with OPB's Governance Documents, including government directives and policies.

In fulfilling their duties, members of the Board are directly accountable to:

- the Plan's beneficiaries (i.e., active and retired members);
- the Financial Services Regulatory Authority (the organization that oversees registered pension plans in Ontario); and
- the Government of Ontario (the Plan Sponsor).

IMCO is OPB's sole and exclusive investment manager, managing the investment and reinvestment of the Fund. It also acts as OPB's non-exclusive investment advisor. The Board has delegated to management (primarily to the CIO) the responsibility to monitor, assess and report on IMCO in respect of its investment products, returns and risk management, and its performance in fulfilling its duties, responsibilities and obligations.

Sustainability issues are a strong focus for the Board and management as OPB continues to strengthen practices and collaborate with peers. A Board-approved policy for sustainable investment issues articulates how OPB addresses these issues, including climate risk. IMCO has committed to reach net-zero GHG emissions by 2050 or sooner, has published interim targets to reach this goal, and is disclosing climate risks in alignment with the Task Force on Climate-related Financial Disclosures (TCFD).

OPB is consistently recognized as an example of good governance within Ontario's public service. The Board is committed to maintaining a best-in-class governance model and ensuring OPB can continue to drive innovation and build a strong future for all PSPP stakeholders. The Board and its committees and respective working groups met a total of 42 times in 2025.

Board of Directors

Members of OPB's Board of Directors are appointed based on their expertise, commitment, integrity and vision. Working together, they ensure the Plan's governance structure and practices reflect the highest standards.

In addition, Board members must continue to develop skills to ensure that the Board collectively is well equipped to govern in a rapidly changing world. The Board invites external experts to present education sessions throughout the year. In 2025, the Board invited subject matter experts to provide sessions on topics including Indigenous cultural competency, Copilot AI and IMCO's investment strategy, sustainability and asset management.

OPB Board members are appointed by the Ontario Lieutenant Governor in Council.

There were notable changes to the Board in 2025, including:

- John Bai – appointed January 28, 2025
- Diane Sinhuber – appointed May 1, 2025

Biographies of all Board members as of December 31, 2025 are below.

BOARD MEMBERS

Geri Markvoort (Chair)

Geri Markvoort is a retired senior human resources executive, with more than 40 years' experience in large, complex organizations. She has aligned the delivery of human resources with the needs of business in various sectors (natural resources, manufacturing, banking and professional services). Significant organizational change, global service models, total rewards delivery, effective client relationships and the evolution of the human resources function have challenged and engaged her throughout her career. A passionate champion for change and strong human resources leadership, Geri's board experience has included governance roles as Chair of the Board of Governors, George Brown College; Chair of the Board, Dress for Success Toronto; and board member of Lawn Summer Nights and the Cystic Fibrosis Toronto Chapter. Geri holds an ICD.D designation from the Institute of Corporate Directors.

Richard B. Nunn (Vice-Chair)
Richard Nunn has been involved in senior governance roles in the public sector for over 20 years, serving as a Governor at the University of Toronto from 2004–2013 and as Chair of the Governing Council between 2011–2013. He is currently a director of Halton Health Care and served as Chair of the Board between 2019–2023. He is currently Chair of University of Toronto Asset Management Corporation (UTAM), which manages assets on behalf of the University of Toronto. He is also a Council member of the Institute of Chartered Accountants in England and Wales (ICAEW), an international accounting organization based in London.

Richard retired as a partner from Deloitte in 2023 having completed a 34-year career in professional accounting. He led the Financial Services Audit and Assurance practice for Canada and served on the Global Financial Services Audit leadership team. He specialized in banking, asset management and pension industries while at Deloitte, serving some of the largest financial organizations in Canada.

Richard is a past member of the OSFI Advisory Committee and a past Chair of the Panel Auditors' Committee of the Investment Industry Regulatory Organization.

Richard holds a degree in banking and finance from Loughborough University in the U.K. Richard was appointed to the ICAEW Board in 2024.

John Bai
John Bai is currently the Chief Financial Officer and Chief Risk Officer of Aviso Wealth Inc. Previously, John held progressive leadership roles at one of Canada's largest banks and was most recently the Chief Financial Officer and Chief Transformation Officer at a U.S. regional bank. He was also an institutional portfolio manager at one of Canada's leading independent asset managers. John sits on the Foundation Board of the Georgian Bay General Hospital and the Board of EnCorps in California. He holds a Bachelor of Arts in Economics from Western University and is a CPA, CFA and member with the Institute of Corporate Directors.

Dave Bulmer
Dave Bulmer has been the President and Chief Executive Officer of AMAPCEO – Ontario's Professional Employees (15,000 members) since 2015. He previously held the offices of Chief Financial Officer, Board Chair, Director-at-Large, Finance Committee Chair and Pension Committee Chair. His home position in the Ontario Public Service is within the Emergency Health Services Branch of the Ministry of Health. Dave has attained his ICD.D designation from the Institute of Corporate Directors at Rotman School of Management, and he has completed SHARE's Pension Investment and Governance certification and Trustee Master Class certification. Dave lectures on labour relations at several Ontario universities and is a long-time community activist who has volunteered his time as a coach in elite-level sports and as a volunteer with PFLAG and Crohn's & Colitis Canada.

Earl Dumitru

Earl Dumitru has been a legal and policy advisor with the Government of Ontario for more than 20 years. He brings breadth and depth in legal practice attained in increasingly complex and senior portfolios under five governments with diverse missions. Some notable files include liability reform, amendments to the *Class Proceedings Act*, developing a new *Legal Aid Services Act*, agency and industry governance, and oversight of capital projects. Earl has also served on the Board of the Association of Law Officers of the Crown (ALOC) for over 10 years and was President of ALOC from 2014–2018. As President, his responsibilities included collective bargaining, managing staff, budgets and audits, day-to-day operations, and developing a sustainable organization capable of meeting its fiduciary responsibilities to its members. Earl holds the ICD.D designation from the Institute of Corporate Directors.

Shawn Leis

Shawn Leis is the Executive Officer – Finance at Ontario Provincial Police Association. His career spans more than 25 years, including senior financial and operational leadership roles at several manufacturing companies, a sawmill distribution company and a sub-prime automotive financing company. Shawn is a part-time finance instructor at Georgian College and serves as Treasurer on the Georgian Bay Cancer Support Centre. Past board experience includes Penetang Minor Hockey (four years), School Board Trustee (eight years), Church Trustee (eight years) and Church Stewardship (14 years). He attended the University of Waterloo to obtain an Honours Degree in Co-op Accountancy Studies and subsequently earned a CPA designation, as well as a master's degree in management. Shawn also completed four modules of the Director's College at DeGroote School of Business and holds the ICD.D designation from the Institute of Corporate Directors.

Geoffrey Melbourne

Geoffrey Melbourne is a Partner and Toronto Wealth Practice Leader with Mercer. As an experienced actuary, retirement consultant and client relationship manager, Geoffrey has more than 30 years of experience advising clients on pension plan strategies, plan design, plan governance and administration, and merger and acquisition due diligence. He is passionate about supporting colleagues and clients in optimizing their potential. Geoffrey is a trustee at Wycliffe College, a Fellow of the Canadian Institute of Actuaries and a Fellow of the Society of Actuaries. He holds a Bachelor of Mathematics from the University of the West Indies and the ICD.D designation from the Institute of Corporate Directors.

Suzann Pennington

Suzann Pennington is a retired senior finance executive with over 30 years' experience in strategic planning, complex investments, M&A, risk management and ESG in public and private companies. As Managing Director and Chief Investment Officer of CIBC Global Asset Management, Suzann was responsible for over $110 billion in financial assets. She has held a number of senior finance positions, including Vice-President of Mackenzie Financial, and was a founding partner of a mutual fund company. Suzann holds a Bachelor of Mathematics from the University of Waterloo, a Chartered Financial Analyst designation and the ICD.D designation from the Institute for Corporate Directors.

Diane Sinhuber

Diane Sinhuber is a risk, governance and controls professional with over 35 years of experience in providing accounting and auditing services to all types of financial institutions. She is a retired Deputy Chief Auditor of TD Bank Group and former leader of EY Canada's Financial Services Organization.

Diane's board experience includes her current role as Chair for the Board of Scarborough Health Network. Previously she has been on volunteer boards, including as Chair of the YMCA of Greater Toronto, the Kidney Foundation of Canada in Toronto and First National Financial LP.

Diane is a recipient of the Queen's Golden Jubilee Award for community service as well as the 2020 Ontario Volunteer Service Award. She holds a Bachelor of Business Administration from Wilfrid Laurier University, a GCB.D certification and is a Fellow of Chartered Professional Accountants of Ontario (FCPA). Diane holds the ICD.D designation from the Institute of Corporate Directors.

Tom Valks

Antonius ("Tom") Valks is a seasoned business professional with more than 30 years of institutional investment and pension fund experience.

He retired in 2024 as Chief Investment Officer of the University of Ottawa Pension Fund and Investment Management. In that role, he managed all aspects of the pension fund, as well as its endowments and other investments. His career also includes senior investment and leadership roles with Canada Mortgage and Housing Corporation where he managed the asset allocation and private market investments for its pension fund and insurance portfolios.

Earlier in his career, Tom managed United States and global equity portfolios with Montrusco Bolton and its predecessor company, Bolton Tremblay. He is a Certified Financial Analyst and a Chartered Professional Accountant. He holds a bachelor's degree from the HEAO-School in the Netherlands, and holds an ICD.D designation from the Institute of Corporate Directors.

BOARD TERMS AND REMUNERATION

Appointee Name	Appointment Start Date	Appointment End Date	Position	2025 Total Remuneration
Geri Markvoort	01/05/2015	01/02/2026	Chair of the Board	$101,103.50
Richard Nunn	07/13/2023	07/12/2026	Vice-Chair	$69,111.00
Suzann Pennington	06/25/2020	08/16/2028	Member	$48,574.00
Dave Bulmer[1]	11/16/2016	12/15/2027	Member	–
Shawn Leis[1]	03/04/2022	05/07/2028	Member	–
Geoffrey Melbourne	12/22/2021	12/04/2027	Member	$47,632.00
Earl Dumitru[1]	07/09/2020	08/16/2028	Member	–
Tom Valks	05/30/2024	05/29/2027	Member	$44,802.00
John Bai	01/28/2025	01/27/2028	Member	$38,469.00
Diane Sinhuber	05/01/2025	04/30/2028	Member	$31,350.00

1 Members employed by the Government of Ontario or employed by Bargaining Agents who receive their normal salaries while participating as an OPB Board member do not receive any additional compensation.

The Management Board of Cabinet Agencies & Appointments Directive (the "Directive") sets out the principles and high-level criteria for the compensation of Board members. By *Order in Council 1150/2007*, the per diem compensation rates payable to OPB Board members are set at the rates payable to appointees to Regulatory and Adjudicative Agencies specified in the Directive, as may be amended from time to time. The current per diem compensation rates payable to the Chair, the Vice-Chair and members are:

Chair: $867

Vice-Chair: $680

Member: $550

The number of days compensated is based upon attendance at Board and management meetings as well as preparation, training and debriefing activities.

2025 ACTIVITIES

In 2025, there were 7 meetings of the OPB's Board of Directors.

Appointee Name	2025 Board Meeting Attendance
Geri Markvoort	6 of 7 meetings
Richard Nunn	7 of 7 meetings
Suzann Pennington	7 of 7 meetings
Dave Bulmer	6 of 7 meetings
Shawn Leis	7 of 7 meetings
Geoffrey Melbourne	6 of 7 meetings
Earl Dumitru	7 of 7 meetings
Tom Valks	7 of 7 meetings
Diane Sinhuber[1]	6 of 6 meetings
John Bai	7 of 7 meetings

1 Indicates new director appointed mid-year and meetings held since their appointment.

Five-Year Review

(in millions of dollars)	**2025**	2024	2023	2022	2021
Opening net assets	**$ 34,089**	$ 31,738	$ 31,031	$ 33,834	$ 31,000
Investment income (loss)	**2,410**	2,594	955	(2,560)	2,871
Contributions	**1,875**	1,445	1,325	1,245	1,496
Transfers from other plans	**255**	262	265	254	134
	4,540	4,301	2,545	(1,061)	4,501
Pension payments	**1,810**	1,737	1,625	1,496	1,427
Terminations	**150**	159	162	200	196
Operating expenses	**61**	54	51	46	44
	2,021	1,950	1,838	1,742	1,667
Closing net assets	**$ 36,609**	$ 34,089	$ 31,738	$ 31,031	$ 33,834

Annual net rate of return	**7.0%**	8.1%	3.1%	(7.8%)	9.4%

Annual net rate of return includes all Plan administration and investment management expenses.

Appendix: Progress Against 2025–26 Government Priorities

The chart below lists the action items of the government's priorities from the 2025–26 Letter of Direction. The Key Activities & Results Achieved column details OPB's successes with these initiatives in 2025.

Letter of Direction: Action Items	Key Activities & Results Achieved
1. **Competitiveness, Sustainability and Expenditure Management**	Plan sustainability remained OPB's top priority in 2025, and the year ended with a rise in OPB's funded status to 87%. This is an increase compared to the end of 2024 (86%). This was accomplished through the successful implementation of our Funding Response Plan, including the implementation of a contribution rate increase for both members and employers to adequately fund the current and future costs of benefits. Two of the pension contribution rate increases were implemented in 2025 with a third planned for April 2026. Further details are found on page 12. OPB maintains prudent expenditure management. OPB's operating expenses and investment fees decreased in 2025 to 0.58%, compared to 0.62% in 2024. Further details are found on page 45. Costs of the operation of this pension plan are borne by the Plan's assets. On an annual basis, OPB's Board of Directors approves an operating budget put forth by management, which also receives approval by the President of the Treasury Board Secretariat (TBS). OPB managed within this budget in 2025. Further details of our financial management can be found on page 45. Executive compensation is carefully overseen and approved by the Board's Human Resources Committee and follows the Province's direction on broader public sector wages. The program must include the Compensation Philosophy, salary and performance-related pay caps, comparative analysis details and a description of other elements of compensation. OPB is in compliance with the executive compensation regulation. Further details about our executive compensation can be found on page 48.

Letter of Direction: Action Items	Key Activities & Results Achieved
2. **Transparency and Accountability**	OPB displays transparency and accountability in our financial reporting by using accounting policies that are in accordance with Canadian accounting standards for pension plans. OPB's 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. OPB's Finance, Audit and Risk Committee reviews the financial statements in detail with management and the external auditors before such statements are recommended to the Board for approval. Please see page 43 for further details. In addition to resources dedicated to monitor and annually report upon the compliance with the agency accountability directive, each executive is responsible to ensure that their functional area has the appropriate skills, knowledge and experience to support the Board of Director's role in agency governance. In addition to the Independent Auditor's Report that can be found on page 73, our approach to governance can be found on page 50. To support accountability and transparency, OPB adopted a number of key performance indicators (KPIs) that reflect the outcomes most important to Plan stakeholders as we execute our strategies. OPB's performance against the KPIs as set out in the 2025 Business Plan can be found on page 65.

Letter of Direction: Action Items	Key Activities & Results Achieved
3. **Risk Management**	OPB adopts an enterprise-wide approach that involves an integrated view of key risks and their interdependencies across all areas of our organization and all levels of staff. The goal of Enterprise Risk Management (ERM) is to preserve OPB's reputation, strengthen operational resilience and enable OPB to make informed decisions in the face of uncertainty, evolving external environment or circumstances, and competing demands. Our approach to risk management is to assess strategic and operational mission-critical risks and to take actions that mitigate or limit downside risk exposures. More information about our risk management activities in 2025 can be found on page 40.
4. **Workforce Management**	Workforce management remained a central focus throughout the year, during which we made meaningful strides in strengthening the organization's commitment to people. This included welcoming Andrew Tambone as Chief Investment Officer, and Joanna Carson as Chief Financial Officer. To strengthen and support its workforce in 2025, OPB executed a full, comprehensive employee engagement survey in December, which saw a staff participation rate of 89%, compared to 95% in 2024. Results of the survey showed an overall engagement score of 85.2%, compared to 86.3% in 2024. Further details on the survey are found on page 69. As a small organization, we thoughtfully manage our resources to prioritize and balance the needs of our clients, Plan Sponsor and stakeholders, to ensure the effective administration of the Plan. During our annual business cycle, we consider where resources and skills need to be prioritized based on the short- and long-term needs of the business and carefully reprioritizing and redeploying resources in response to emerging needs. OPB ensures that its resources are aligned with its approved Business Plan. Further details about our staffing and talent management can be found on page 46.

Letter of Direction: Action Items	Key Activities & Results Achieved
5. **Diversity and Inclusion**	We believe that regularly assessing our approach to diversity, equity and inclusion (DEI) makes our workplace stronger, more agile, and helps us to drive employee engagement and deliver better service to our diverse membership. In 2025, OPB, on behalf of the Plan Sponsor, expanded Plan membership to employers and members in First Nations communities, prompting a renewed focus on strengthening internal awareness and education on reconciliation. OPB partnered with an experienced expert to deliver Indigenous Cultural Competency training to all employees and the Board, ensuring the entire organization was equipped with the understanding needed to embed reconciliation into its work and provide respectful, informed service to this client group. Further details of our DEI activities in 2025 can be found on page 39.
6. **Data Collection**	In 2025, a security arrangement was introduced to protect member data and privacy. Further details of our data handling and planning initiatives in 2025 are found on page 37.

Letter of Direction: Action Items	Key Activities & Results Achieved
7. **Digital Delivery and Customer Service**	OPB is undertaking a multi-year pension modernization program that aligns with the government's digital-first priorities for enhanced delivery of service to our members. The new pension administration solution will include regular upgrades to maintain technical 'currency' and offer greater automation, enhancing the efficiency of our business operations. Details are found on page 37. In 2025, OPB launched a new Retirement Planner, offering personalized and enhanced features, helping members create an effective plan for their retirement. Aligned with OPB's *Advise and Protect* mission, it combines intuitive digital features with personalized insights to ensure financial planning is more accessible and engaging and allows members to take a more active role in their financial journey. Please view page 37 for further details. In the CEM Benchmarking survey for 2024, reported in mid-2025, OPB earned a total client service score of 89 out of 100 from CEM Benchmarking, ranking OPB first among Canadian peer pension plans, compared to second place in 2023. More details can be found on page 33.

Key Performance Indicators and Metrics

OPB has adopted a number of key performance indicators (KPIs) to measure progress as we execute our strategies. The KPIs represent the outcomes relating to the Plan that are most important to the Plan stakeholders. The KPIs are set forth in the following table.

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Investment execution	OPB's investment return versus the SAA benchmark	Outperformance, after fees, of Fund benchmark return over rolling five-year periods Key activities: Oversight of IMCO ultimately leading to sufficient investment performance as measured by: • effective and comprehensive monitoring of, and engagement with, IMCO • maintenance of, or improvement in, strong governance of investment strategy through policies and procedures • contribution to ongoing improvement in IMCO's capabilities and results • proactive and effective response to investment performance issues	While the Fund's total net return exceeded the Plan's discount rate, performance trailed the benchmark by 0.82% primarily due to lagged performance of certain private assets relative to exceptionally strong public equity-based benchmarks Effective oversight of IMCO was maintained through performance reviews, risk monitoring, compliance reporting and ongoing engagement	Performance monitoring and investment strategy reviews occurred throughout 2025

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Investment risk management	OPB's actual risk versus risk budget for the total portfolio and each investment strategy	Total Fund risk metric – ex-post tracking error at the total Fund level for the past five years within the limit and consistent with the target level as stated in the Client Account Mandate Strategy-level risk metrics – rolling ex-ante tracking error or total volatility (as applicable per IMCO's Investment Policy Statement) within the stated limit and consistent with the target level over the past five years Independently, or with IMCO, engage in activities to keep risk at or below an acceptable level: • effective evaluation of risks associated with SAA • thoroughly document, measure and understand investment risks • effective and comprehensive risk reporting • satisfactory consideration of emerging and indirect risks (e.g., ESG, regulatory and socio-economic)	The rolling five-year tracking error of the Plan was within the Fund's limit	Successfully met
Investment strategy	Updated SIP&P	Complete a long-term asset allocation review	Updated SIP&P and developed a new long-term SAA	Completed

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Contribution rate adequacy	Monitor and assess contribution rate adequacy	Complete a long-term funding study and present it to the Board	The completion of a Contribution Rate Adequacy Study in 2024 determined that in order to fund future service benefits, a contribution rate increase would be required. The contribution rate increase was to be implemented in three phases beginning July 1, 2025, and the last increase effective April 1, 2026.	Completed study and began implementation of recommendations
Member and pensioner service	Overall satisfaction with client services	8.5 or higher	8.7	Above performance benchmark target
Employer service	Employer satisfaction scores	8.5 or higher	7.9	Below performance benchmark target[1]
Advisory services	Overall satisfaction with advisory services	8.5 or higher	9.1	Above performance benchmark target
Digital services	Number of members registered for the member portal (e-services)			Exceeded registration targets
	Active members registered	29,000 members registered or higher	33,997 members registered	
	Retired members registered	17,900 members registered or higher	21,030 retired members registered	
Plan Sponsor service	Completion of Plan Sponsor requests	Successfully meets Plan Sponsor requirements/ requests that arise during the year	We responded successfully to Plan Sponsor initiatives during 2025. These included the repeal of Bill 124, IPCO/OFNPA policing changes and planning for the introduction of MPPs into the PSPP.	Successfully met

1 The employer satisfaction score represents the complex and demanding work undertaken by PSPP employers in 2025. In addition to the necessary changes to systems required by the two contribution rate changes, some agency employers needed to adjust their payroll for a 27-period pay cycle and associated contribution remittance. This is also in addition to the substantial data reporting related to retroactive salary adjustments related to the repeal of Bill 124.

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Business Plan achievement	Advancement of strategies and initiatives (both planned and emergent). In particular: • Security – advance OPB's security maturity • Pension modernization – complete the procurement process for the PAS; select and onboard the vendor • Retirement Planner – complete procurement of new tool	Substantial delivery/achievement of Business Plan initiatives: • achieve security maturity of 3.15 as rated in the annual cybersecurity maturity assessment • Pension modernization – complete procurement and onboard vendor for pension administration • select the vendor, complete legal negotiations and begin development work for the retirement planning tool	Substantial achievement of initiatives outlined in the 2025–27 Business Plan, including: • achieving a security maturity score of 3.31 • selection of Aon as our new pension administration vendor • development and launch of the new Retirement Planner tool	Successfully met
Managing change	Management adapts and responds to emerging priorities through the year	Substantial delivery/achievement of other priority initiatives that emerge	Managed through significant organizational changes and priority initiatives	Successfully managed change, including the five-day in-office standard, and substantial delivery of priority initiatives that emerged, including Bill 124 and introduction of MPPs to the PSPP
Managing to budget	Actual versus budgeted expenses	Within budget	Operating expenses were 3% below budget	Achieved performance target

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Cost-efficiency	Expense management ratios (cost per net assets available for benefits):			Expense management ratios are below target
	1. OPB operating expenses (pension administration and internal investment expenses)	1. 18 basis points or lower	1. 17 basis points	
	2. IMCO investment management and custodial costs	2. 50 basis points or lower	2. 41 basis points	
	3. Consolidated expense ratio	3. 66 basis points or lower	3. 58 basis points	
Financial health of PSPP	Level of, and year-over-year change in, going-concern funded status	Maintain or improve going-concern funded status	In 2025, the funded status of the Plan has improved from 86% to 87%	The implementation of the 2025 Funding Response Plan will continue to have a positive impact on our funding status in the years ahead
Attraction and retention	n/a	Active employees maintained at 90% or more of the approved Business Plan complement	Met	Successfully met
Employee engagement	Undertake a full organizational employee engagement survey Evolve OPB's purpose statement and employee value proposition into key HR programs	80% or higher on response rate 87% or higher engagement Substantial achievement	89% response rate 85.2% engagement	Results were relatively consistent with the 2024 comprehensive survey, which is important to note given the recent changes and complexity the organization is facing, and more specifically, with the announcement of the shift to a five-day in-office standard

Business Objective	Defined Output	Performance Metric	2025 Outcome	Discussion of Outcome
Diversity, equity and inclusion (DEI)	Achievement of 2025 key DEI commitments, including: • progressing OPB's DEI Advisory Council's roadmap • continued evolvement of formal and informal learning	Substantial achievement/ delivery of DEI initiatives Inclusion index of 75% or more, as measured through our employee engagement survey	85% inclusion index	Exceeded target

Actuaries' Opinion to the Directors of the Ontario Pension Board

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

- An actuarial valuation prepared on a funding basis as at December 31, 2024, as described in Note 11 of these financial statements, prepared in accordance with the *Public Service Pension Act* and applicable pension legislation.
- The actuarial valuation prepared on a funding basis as at December 31, 2024 was then rolled forward to December 31, 2025 to determine the pension obligations as at December 31, 2025 for financial statement purposes.

The actuarial valuation of the PSPP prepared on a funding basis as at December 31, 2024 was based on membership data provided by OPB as at December 31, 2024.

We have prepared a valuation of the liabilities as at December 31, 2024 on the basis of the accounting methodology required by the *CPA Canada Handbook*, Section 4600, Pension Plans, as disclosed in Note 11, and extrapolated the liabilities to December 31, 2025. The valuation and extrapolation were based on assumptions that reflect OPB's best estimates of future events as at December 31, 2025, such as future rates of inflation, future retirement rates and future rates of return on the pension fund. The valuation reflects Ontario Regulation 250/18 that requires the funding of a reserve in the plan, referred to as a Provision for Adverse Deviation ("PfAD"). 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 at December 31, 2024 is 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

Andrew Hamilton
Fellow of the Canadian Institute of Actuaries

Nathan LaPierre
Fellow of the Canadian Institute of Actuaries

March 5, 2026

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 Finance, Audit and Risk 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 Finance, Audit and Risk 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.

Darwin Bozek
President & Chief Executive Officer

Joanna Carson
Chief Financial Officer

March 5, 2026

Independent Auditor’s Report

To the Directors of Ontario Pension Board

Opinion

We have audited the financial statements of Ontario Pension Board (“OPB”), which comprise the statement of financial position as at December 31, 2025, the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OPB as at December 31, 2025, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of OPB in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing OPB’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate OPB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing OPB’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 OPB’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on OPB’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause OPB to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 5, 2026

Statement of Financial Position

As at December 31 (in thousands of dollars)	**2025**	2024
Assets		
Cash	**$ 14,164**	$ 8,851
Investments (Note 4)	**39,738,970**	36,023,865
Investment-related assets (Note 4)	**187,313**	170,573
Contributions receivable		
Members	**38,897**	52,674
Employers	**76,917**	69,901
Accounts receivable and prepaid expenses (Note 16)	**10,947**	8,214
Capital assets, net (Note 10)	**224**	261
Total assets	**40,067,432**	36,334,339
Liabilities		
Investment-related liabilities (Note 4)	**3,389,294**	2,164,537
Accounts payable and accrued charges	**67,861**	80,539
Total liabilities	**3,457,155**	2,245,076
Net assets available for benefits	**36,610,277**	34,089,263
Pension obligations, excluding Provision for Adverse Deviation	**39,193,491**	37,188,240
Provision for Adverse Deviation	**2,687,227**	2,509,370
Pension obligations (Note 11)	**41,880,718**	39,697,610
Deficit	**$ (5,270,441)**	$ (5,608,347)

See accompanying notes

On behalf of the Board:

Grant B. Walsh
Chair, Board of Directors

Diane Sinhuber
Chair, Finance, Audit and Risk Committee

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31 (in thousands of dollars)	**2025**	2024
Net assets available for benefits, beginning of year	**$ 34,089,263**	$ 31,738,094
Increase in net assets		
Net investment income (Note 6)	**2,411,719**	2,593,793
Contributions (Note 12)		
Members	**626,325**	608,164
Employers and sponsor	**1,248,790**	837,307
Transfer of service from other plans (Note 15)	**255,330**	261,804
Total increase in net assets	**4,542,164**	4,301,068
Decrease in net assets		
Retirement pension benefits	**1,809,921**	1,736,502
Termination and other benefits (Note 14)	**149,870**	159,040
Operating expenses (Note 13)	**61,359**	54,357
Total decrease in net assets	**2,021,150**	1,949,899
Change in net assets available for benefits during the year	**2,521,014**	2,351,169
Net assets available for benefits, end of year	**$ 36,610,277**	$ 34,089,263

See accompanying notes

Statement of Changes in Pension Obligations

For the year ended December 31 (in thousands of dollars)	**2025**	2024
Pension obligations, beginning of year	**$ 39,697,610**	$ 37,362,469
Increase in pension obligations		
Interest on pension obligations (including PfAD)	**2,466,587**	2,299,912
Benefits accrued		
Service accrual (mid-year including PfAD)	**1,180,005**	971,101
Transfer of service from other plans (Note 15)	**255,330**	261,804
Prior service buybacks	**60,020**	128,430
Net impact of change in assumptions other than discount rate (Note 11)	**-**	518,290
Net loss on PfAD	**-**	167,704
Other experience losses (Note 11)	**237,262**	110,728
Bill 124 remedies and related agreements loss (Note 11)	**-**	71,009
Total increase in pension obligations	**4,199,204**	4,528,978
Decrease in pension obligations		
Benefits paid	**1,959,791**	1,895,542
Indexation gain (Note 11)	**-**	62,930
Net impact of change in discount rate (Note 11)	**-**	235,365
Net gain on PfAD	**56,305**	-
Total decrease in pension obligations	**2,016,096**	2,193,837
Net increase in pension obligations during the year	**2,183,108**	2,335,141
Pension obligations, end of year	**$ 41,880,718**	$ 39,697,610

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 R.S.O.*, 1990 ("PSP Act") 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 PSP Act. Ontario Pension Board ("OPB") is the administrator of the PSPP. The Government of Ontario is the sponsor of the PSPP (the "Plan Sponsor"), acting through the member of the Executive Council to whom the responsibility for the administration of the PSP Act is assigned under the *Executive Council Act, R.S.O., 1990*.

Note 2: Description of the Plan

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

GENERAL

The PSPP is a contributory defined benefit pension plan. Membership is mandatory for persons or classes of persons who satisfy the eligibility requirements provided in the PSP Act. Persons who are entitled, but not required, to join the Plan, including Deputy Ministers and contract employees, may elect to participate. Under the PSPP, both the members and the employers make contributions. The PSPP is registered with the Financial Services Regulatory Authority of Ontario ("FSRA"), and the Canada Revenue Agency (Registration Number 0208777) as a registered pension plan not subject to income taxes.

In 2015, the *Investment Management Corporation of Ontario Act* was proclaimed by the Province, creating the Investment Management Corporation of Ontario ("IMCO"), a new investment management entity providing investment management and advisory services to participating organizations in Ontario's broader public sector, with the ownership of the investment assets remaining with the participants. IMCO has responsibility for OPB's day-to-day investment management functions. OPB retains responsibility for setting its Strategic Asset Allocation ("SAA") of the Plan's investments and for oversight of IMCO.

RETIREMENT COMPENSATION ARRANGEMENT

Effective January 1, 2022, OPB was appointed the trustee of the Retirement Compensation Arrangement Trust Fund ("RCA"), which continues the Public Service Supplementary Benefits Account. The purpose of the RCA is to provide additional pension benefits to members and former members whose contributions and benefits under the PSPP are limited by the *Income Tax Act (Canada) R.S.C., 1985* ("ITA") and regulations under it. The right to Supplementary Benefits is effective January 1, 1992. The RCA is a separate trust arrangement and is not governed by the *Pension Benefits Act (Ontario)* ("PBA") or FSRA and is not a registered pension plan under the ITA. The RCA is governed by the PSP Act, the ITA and other applicable legislation.

As trustee, OPB acts as administrator of the RCA, trustee of the RCA assets and oversees the investments of the RCA. IMCO was appointed by OPB as investment manager for the RCA.

Governed by the RCA Plan Text, as set out in *Order in Council 1484/2025*, the RCA Trust Fund Agreement and the federal ITA, the RCA is supported by a trust agreement that is separate from the PSPP Fund. As a result, the RCA is therefore not included in these financial statements of the PSPP. The RCA assets are invested and accounted for separately from the PSPP, and the accrued pension obligation of the RCA is valued separately from the PSPP accrued pension obligations. Expenses for the RCA are paid from the RCA assets.

The Government of Ontario is the sponsor of the RCA and must, along with other employers of members, remit required contributions in respect of the RCA. A PSPP member must contribute to the RCA for that portion of their annual salary that exceeds the annual threshold that corresponds to the ITA benefit limit for that year.

FUNDING POLICY

The PSPP is a contributory defined benefit pension plan covering eligible employees of the Ontario Public Service and other designated employers. It is funded by contributions from members, deducted from their salaries and remitted by their employers, and by matching contributions from employers. The benefits and contribution rates of the PSPP are set, and may be amended, by the Plan Sponsor through an Order-in-Council.

CONTRIBUTIONS

All members must contribute to the Plan. Employers must match their employees' regular contributions. Members contribute a certain percentage of their annual salary up to the year's maximum pensionable earnings ("YMPE"), with another percentage above the YMPE. The portion of these contributions that exceeds the ITA limits is remitted to the RCA, separately administered by OPB and funds benefits previously paid from the Public Service Supplementary Benefits Account.

A member may elect to continue to work and make contributions to the Plan beyond age 65, but must terminate Plan membership on or before November 30 of the year in which the member reaches age 71.

Ontario Provincial Police officers, and from July 1, 2025, officers of Indigenous Police Chiefs of Ontario services and First Nations Officers employed through the Ontario First Nations Policing Agreement (collectively, the "Police") are required to make additional contributions, which are matched by the employer. These additional contributions are used to fund an unreduced early retirement provision available to Police officers meeting a minimum 50 years of age and 30 years of service and to fund the change in the final average salary to the best consecutive 36-month period.

Police civilians are also required to make additional contributions, which are matched by the employer. These additional contributions are used to fund a Factor 85 unreduced early retirement benefit and to fund the change in the final best consecutive 48-month period.

During the year, a phased contribution rate increase was implemented to help support the long-term sustainability of the benefits of the PSPP.

	As of December 31, 2024	As of July 1, 2025	As of October 1, 2025
PSPP	**7.40%** of salary up to the YMPE **Plus** **10.50%** of the salary above the YMPE	**7.85%** of salary up to the YMPE **Plus** **11.00%** of the salary above the YMPE	**8.30%** of salary up to the YMPE **Plus** **11.50%** of the salary above the YMPE
Police	**9.70%** of salary up to the YMPE **Plus** **12.80%** of the salary above the YMPE	**10.00%** of salary up to the YMPE **Plus** **13.20%** of the salary above the YMPE	**10.30%** of salary up to the YMPE **Plus** **13.60%** of the salary above the YMPE
Police civilians	**8.545%** of salary up to the YMPE **Plus** **11.645%** of the salary above the YMPE	**8.92%** of salary up to the YMPE **Plus** **12.10%** of the salary above the YMPE	**9.30%** of salary up to the YMPE **Plus** **12.55%** of the salary above the YMPE

PRIOR SERVICE

When a member joins the PSPP, they may be able to transfer credit from a pension plan that has a transfer agreement with the PSPP or buy additional pension credit for an eligible period of prior service. The PSPP allows members to continue, if they choose, to earn pension credit when they go on an authorized leave of absence or qualify for long-term income protection, provided contributions continue.

PENSIONS

A lifetime pension is payable at age 65, based on the number of years and months of credit that members contributed to the PSPP multiplied by 2% of the average annual salary during the best consecutive 60-month period, less a bridge benefit, which ends at age 65. An unreduced pension can be received before age 65 if the member's age and pension credit total 90 ("Factor 90") or when the member reaches age 60 and has 20 or more years of pension credit ("60/20 Provision"). If a pensioner does not qualify for an unreduced retirement, they can still retire as early as age 55. However, an age reduction factor is applied to their pension. Pension payments must begin no later than the end of the calendar year in which the member attains age 71.

Police officers are eligible for a pension based on the average of the highest 36 consecutive months of pensionable salary and are eligible for a 50/30 unreduced early retirement benefit if they reach at least 50 years of age with at least 30 years of pension credit. Police civilians are eligible for a pension based on the average highest 48 consecutive months of pensionable salary, including the special pay allowance, and are eligible to retire with an unreduced pension if the member's age plus pension credit equals a minimum of 85 years ("Factor 85").

DEATH BENEFITS

Upon the death of a 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.

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 annual salary.

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 a life income fund, to another registered pension plan, or to purchase a life annuity.

TRANSFERS

Members joining the Plan may be eligible to transfer their entitlement to/from another pension plan. OPB participates in transfer agreements with several public and private sector pension plans. Transfer agreements allow eligible members to move their pension credit from one participating plan to another. To be eligible for a transfer, there must be a transfer agreement or provision with the former pension plan, the transfer must be applied for within the time limit and the pension credit must still be in the former plan. OPB participates in the Major Ontario Pension Plans ("MOPPs") Pension Portability Agreement, the National Public Service Pension Transfer Agreement, the Ontario Public Service Employees Union Pension Plan ("OPSEU") transfer provision, and various bilateral Reciprocal Transfer Agreements.

INFLATION PROTECTION

Current pensions and deferred pension benefits increase annually based on the Consumer Price Index ("CPI"), up to a maximum of 8% per year. If CPI exceeds 8% in a year, the excess is carried over to a future year when the CPI is below 8%. Should the CPI be a negative number, pension amounts will remain unchanged.

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 financial statements of the PSPP as a separate entity independent of the employers, Plan Sponsor and Plan members.

In accordance with Section 4600, Pension Plans, of the *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.

All the entities that OPB has an ownership interest in, regardless of whether OPB can control or exercise significant influence, are investment assets, which are presented on a non-consolidated basis.

All amounts are expressed in thousands of Canadian dollars, unless expressed otherwise.

Certain comparative amounts have been reclassified in the prior period comparative financial information to conform to the current year's presentation.

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 as 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 relate to the determination of the pension obligations (Note 11) and the fair values of the Plan's Level 3 investments (Note 4b).

INVESTMENTS

Valuation

Investments are stated at their fair values, including accrued income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments is determined as follows:

i. Cash and cash in trust are recorded at cost, which approximates fair value.

ii. Short-term money market investments, such as commercial paper, T-Bills, banker's acceptances and certificate of deposits (excluding corporate bonds), are recorded at cost, with accrued interest or amortized discount or premium, which approximates fair value.

iii. Repurchase agreements and reverse repurchase agreements are recorded at cost, which together with accrued interest or amortized discount or premium, approximates fair value.

iv. Fixed income instruments and bonds are valued at quoted market prices where available. Where there are no quoted prices on an active market, fair value is determined using a variety of pricing methodologies including evaluated bid-ask pricing, evaluated broker pricing, discounted cash flows based on current market yields for comparable securities (e.g., similar credit ratings, duration, etc.), or calculated using discounted cash flows based on market yield curves and credit spreads of the issuer.

v. Private debt is valued using discounted future cash flows based on year-end market yields and credit spreads of the issuer (e.g., similar credit ratings of the borrower or financial incentives associated with the instrument).

Private debt funds are valued using the most recently available financial information provided by the investment managers and adjusted for any relevant information during the interim period up to the reporting date.

vi. Public equities are valued at quoted closing market prices in an active market where available. Where quoted market prices in an active market are not available, other industry pricing conventions that are used by market participants, such as ask price are used to estimate the values.

vii. Pooled funds are valued using the most recently available financial information including net asset values or estimates provided by the general partners, and based upon fair value quotations.

viii. Exchange-traded derivatives are valued at quoted closing market prices if actively traded. Over-the-counter derivative instruments for which there is no active market are valued using appropriate valuation models based on industry-recognized methodologies, including discounted cash flows, Black-Scholes pricing models and Monte-Carlo simulation models. The inputs used in the valuation models depend on the type of the derivative and the nature of the underlying instrument, and are specific to the instrument being valued. Inputs can include, but are not limited to, interest rate yield curves, foreign exchanges rates, dividend yield projections, commodity spot and forward prices, recovery rates, volatilities, spot prices and correlation.

ix. Real estate investments are either wholly or partially owned, directly or indirectly.

Directly owned income-producing real estate properties and related investments are valued based on the appraisals performed by qualified independent appraisers, performed at least annually, with quarterly updates. The appraisals use industry accepted valuation methodologies, including discounted cash flows, capitalization of revenue, and other valuation techniques. Inputs can include, but are not limited to, discount rates and capitalization rates, unless in limited circumstances where an appraisal is not required in order to arrive at the fair value (e.g., assets acquired during the year where cost is determined to approximate fair value, or when an asset is in a sale process with a strong indicative price which the sale will be closed at).

Non-operating real estate investments, such as vacant land and real estate assets under construction, are carried at cost or their latest independently appraised values, plus any additional development costs incurred since the appraisal date until such time as a change in fair value can be supported by external evidence.

Real estate related investment funds are valued based on the most recent net asset values provided by investment managers and adjusted for any relevant information during the interim period up to the reporting date of these financial statements.

x. Private equity investments are valued using independent valuations or the most recently available information and adjusted for any transactions during the interim period up to the reporting date based on industry accepted valuation methodologies, including discounted cash flows, market comparables, and other valuation techniques. Inputs can include, but are not limited to, discount rates, and multiples of revenue, EBITDA or earnings, unless in limited circumstances where valuation using a valuation technique is not required in order to arrive at fair value (e.g., assets acquired during the year where cost is determined to approximate fair value, or when an asset is in a sale process with a strong indicative price, which the sale will be closed at).

Private equity related investment funds are valued based on the most recent financial information provided by investment managers and adjusted for any relevant information during the interim period up to the reporting date of these financial statements.

Net investment income (loss)
Investment transactions are recorded on the trade date. Interest is recognized on an accrual basis. Dividend income is recognized on the ex-dividend date. Distributions from investments in pooled funds and limited partnerships are recognized when declared by the fund managers and general partners. Since real estate is valued on a fair value basis, depreciation and amortization are not recorded. Interest on participating mortgages is accrued at the rate stated in the instrument, and any participation income is accrued based on an estimate of OPB's participation in the change in the estimated fair values of the properties.

Net investment income (loss) includes fair value changes. Fair value changes represent both realized and change in unrealized gains and losses. Realized gains or losses 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.

Investment management and related fees
Transaction costs are costs attributable to the acquisition, issue, or disposal of investments and are expensed as incurred. External investment management fees, custodial fees and IMCO investment management fees are recognized on an accrual basis.

Transaction costs, external investment management fees and IMCO investment management fees are reported as a component of net investment income (loss).

Foreign currency translation
Foreign currency transactions impacting income and expenses 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. Realized exchange gains and losses from investment transactions are included in realized gains and losses at the time of sale of the investments. Unrealized exchange gains and losses from investments are included in the change in unrealized gains and losses on investments.

PENSION OBLIGATION
The pension obligation for the financial statements is prepared annually by an independent actuarial firm using an actuarial valuation consistent with the accounting methodology required by the *CPA Canada Handbook*, Section 4600. The pension obligation is the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. The projected benefit method prorated on services is a commonly used accrued benefit method. Under this method an equal portion of the total estimated benefit (i.e., with salary projection, when appropriate) is attributed to each year of service. The actuarial present value of accrued pension benefits is derived after the benefits are attributed to the years of service up to the date of determination.

CASH

Cash includes balances in bank accounts, in trust for the PSPP, held directly by OPB. Cash held by IMCO, in trust for PSPP, is included in cash in trust under investments (Note 4).

CONTRIBUTIONS RECEIVABLE

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

RETIREMENT PENSION, TERMINATION AND OTHER BENEFITS

Retirement pension payments, commuted value transfers, refunds to former members and transfers to other pension plans are recorded when paid.

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

Note 4: Investments

The Plan's investments consist of the following:

As at December 31 (in thousands of dollars)	2025 Fair Value	2024 Fair Value
Cash in trust and short-term investments (Note 4d)		
Canada	$ 577,418	$ 373,576
Global	8,035	5,791
	585,453	379,367
Fixed income		
Canada	4,723,983	4,266,214
Global	4,695,463	4,483,698
	9,419,446	8,749,912
Pooled funds (Note 4h)	27,896,203	21,929,330
Real estate (net of financing) (Note 4e)	1,583,035	4,695,603
Private equity	254,833	269,653
Total investments	39,738,970	36,023,865
Investment-related assets		
Pending trades	104,848	101,382
Reverse repurchase agreements	–	49,805
Derivatives receivable (Note 5a)	82,075	18,623
Tax reclaim receivable	390	763
Total investment-related assets	187,313	170,573
Investment-related liabilities		
Pending trades	303,096	60,811
Repurchase agreements	3,064,249	1,968,381
Derivatives payable (Note 5a)	21,949	135,345
Total investment-related liabilities	3,389,294	2,164,537
Net investments	$ 36,536,989	$ 34,029,901

a) INVESTMENT ASSET MIX

The Plan's actual and target investment asset mix is summarized below as at December 31:

	2025		2024		
	Asset Allocation[1] %		Asset Allocation[1] %		2025
	Total Plan	**Target**	Total Plan	Target	SIP&P Range
Asset categories[1]					
Money market	**1.4%**	**1.0%**	0.2%	1.0%	0.0%–11.0%
Fixed income[2]	**37.4%**	**39.5%**	37.1%	39.5%	24.5%–54.5%
Public equity[3]	**26.6%**	**27.0%**	21.6%	27.0%	22.0%–32.0%
Real estate (net of financing)[4]	**13.2%**	**12.5%**	14.9%	12.5%	7.5%–17.5%
Infrastructure	**14.3%**	**15.0%**	14.8%	15.0%	10.0%–20.0%
Private equity[4]	**15.2%**	**15.0%**	14.7%	15.0%	10.0%–20.0%
Public market alternatives[5]	**0.7%**	**0.0%**	2.3%	0.0%	0.0%–5.0%
Total investments	**108.8%**	**110.0%**	105.6%	110.0%	
Portfolio leverage[6]	**(8.4)%**	**(10.0)%**	(5.6)%	(10.0)%	(5.0%–15.0%)
Foreign Currency Overlay[7]	**(0.4)%**	**-**	–	–	
Net investments	**100.0%**	**100.0%**	100.0%	100.0%	

1 The asset categories and asset allocations reflect the employment of portfolio leverage and allocations of derivative positions, pooled funds, investment-related receivables and investment-related liabilities.

2 Fixed income includes mid-term government and inflation-linked bonds and global credit pooled funds.

3 Public equity includes pooled funds primarily investing in Canadian public equities, global public equities and emerging markets public equities.

4 This asset category includes directly held investments and pooled funds.

5 Public market alternatives include pooled fund investing in a broad range of assets, including equities, fixed income, credit and currencies, as well as derivatives, seeking to offer low correlation to public equities.

6 Portfolio leverage is the amount of borrowed funds and synthetic financing used to increase the amount of physical and synthetic invested assets, through derivatives, borrowed cash, repurchase agreements, or reverse repurchase agreements.

7 This is designed to reduce concentrated U.S. dollar exposure at the total fund level and support a more balanced global currency allocation.

OPB's Statement of Investment Policies and Procedures ("SIP&P") was amended and approved on December 3, 2025. The SIP&P was updated for changes in the Strategic Asset Allocation ("SAA"), asset benchmarks and expected average rate of return. The Plan is permitted to make investments through mutual funds, exchange-traded funds, pooled funds and segregated fund structures to achieve allocations to the investment categories indicated above. As at December 31, 2025 and 2024, the asset mix of the Plan's investments is within the target ranges as specified in the SIP&P, except for the 2024 allocation of public equities, which was slightly below the minimum of the target range, although this is permitted following a change in the SAA.

b) FAIR VALUE HIERARCHY

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 year-end 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 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 in real estate properties, infrastructure, private equity, and securities that have liquidity restrictions.

The following tables present the level within the fair value hierarchy for investments and derivatives, excluding pending trades, for which a fair value hierarchy is not required.

As at December 31, 2025 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Cash in trust and short-term investments				
Canada	$ 7,095	$ 570,323	$ –	$ 577,418
Global	8,035	–	–	8,035
Fixed income				
Canada	–	4,686,399	37,584	4,723,983
Global	–	4,477,821	217,642	4,695,463
Pooled funds	–	9,963,584	17,932,619	27,896,203
Real estate	32,270	–	1,550,765	1,583,035
Private equity	87,365	–	167,468	254,833
Forwards	–	82,075	–	82,075
	$ 134,765	$ 19,780,202	$ 19,906,078	$ 39,821,045
Financial liabilities				
Repurchase agreements	$ –	$ 3,064,249	$ –	$ 3,064,249
Forwards	–	19,708	–	19,708
Futures	2,241	–	–	2,241
	$ 2,241	$ 3,083,957	$ –	$ 3,086,198

As at December 31, 2024 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Cash in trust and short-term investments				
Canada	$ 31,406	$ 342,170	$ –	$ 373,576
Global	5,791	–	–	5,791
Fixed income				
Canada	–	4,227,138	39,076	4,266,214
Global	–	4,178,865	304,833	4,483,698
Pooled funds	–	7,793,535	14,135,795	21,929,330
Real estate	32,021	–	4,663,582	4,695,603
Private equity	102,002	–	167,651	269,653
Forwards	–	18,623	–	18,623
Reverse repurchase agreement	–	49,805	–	49,805
	$ 171,220	$ 16,610,136	$ 19,310,937	$ 36,092,293
Financial liabilities				
Repurchase agreements	$ –	$ 1,968,381	$ –	$ 1,968,381
Forwards	–	134,342	–	134,342
Futures	1,003	–	–	1,003
	$ 1,003	$ 2,102,723	$ –	$ 2,103,726

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period. During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2. Transfers in and out of Level 3 are shown in the Level 3 investment reconciliation below.

c) LEVEL 3 INVESTMENT RECONCILIATION

The following tables present a reconciliation of Level 3 assets and liabilities measured at fair value.

(in thousands of dollars)	Fair Value as at January 1, 2025	Net Transfers In/(Out)[1,2]	Acquisitions	Dispositions	Retirement of Debt	Fair Value Changes[3]	Fair Value as at December 31, 2025
Financial assets							
Fixed income							
Canada	$ 39,076	$ -	$ 17	$ (1,119)	$ -	$ (390)	$ 37,584
Global	304,833	-	2,027	(48,738)	-	(40,480)	217,642
Pooled funds	14,135,795	-	3,412,184	(420,755)	-	805,395	17,932,619
Real estate	4,663,582	-	101,580	(2,651,663)	-	(562,734)	1,550,765
Infrastructure	-	-	8	-	-	(8)	-
Private equity	167,651	-	280	(486)	-	23	167,468
	$19,310,937	$ -	$ 3,516,096	$(3,122,761)	$ -	$ 201,806	$19,906,078

1 Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

2 Gross transfers in and out of Level 3 amounted to $nil.

3 Fair value changes include $170,946 net realized losses and $372,752 change in unrealized gains.

(in thousands of dollars)	Fair Value as at January 1, 2024	Net Transfers In/(Out)[4,5]	Acquisitions	Dispositions	Retirement of Debt	Fair Value Changes[6]	Fair Value as at December 31, 2024
Financial assets							
Fixed income							
Canada	$ 32,288	$ –	$ 28	$ (3,237)	$ –	$ 9,997	$ 39,076
Global	291,515	–	2,554	(20,875)	–	31,639	304,833
Pooled funds	7,560,672	–	5,624,560	(762,389)	–	1,712,952	14,135,795
Real estate	4,864,481	–	439,085	(386,741)	–	(253,243)	4,663,582
Infrastructure	11	–	16	–	–	(27)	–
Private equity	4,848,898	–	29,959	(3,605,148)	–	(1,106,058)	167,651
	$ 17,597,865	$ –	$ 6,096,202	$(4,778,390)	$ –	$ 395,260	$ 19,310,937

4 Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

5 Gross transfers in and out of Level 3 amounted to $

6 Fair value changes include $264,369 net realized losses and $659,629 change in unrealized gains.

d) CASH IN TRUST AND SHORT-TERM INVESTMENTS

The following table provides a breakdown of the cash in trust and short-term investments.

As at December 31 (in thousands of dollars)		2025		2024
Canada				
Cash in trust	**$**	**7,095**	$	31,406
Short-term notes and treasury funds		**570,323**		342,170
	$	**577,418**	$	373,576
Global				
Cash in trust	**$**	**8,035**	$	5,791

e) REAL ESTATE

The following table provides a breakdown of the real estate portfolio by its major components.

As at December 31 (in thousands of dollars)		2025		2024
Assets				
Wholly directly owned real estate	**$**	**162,200**	$	447,500
Partially owned investments[1]		**2,699,115**		5,519,403
Participating mortgages[2]		**184,711**		192,610
Total assets		**3,046,026**		6,159,513
Liabilities				
Debentures[3]		**1,462,574**		1,461,963
Other liabilities, net[4]		**417**		1,947
Total liabilities		**1,462,991**		1,463,910
Net investment in real estate	**$**	**1,583,035**	$	4,695,603

1 Investments held through partially owned non-controlling co-ownerships, funds, or similar investment vehicles consist of real estate properties and any related assets and liabilities.

2 Participating mortgages are held directly by OPB.

3 The debentures represent securities issued by OPB Finance Trust and are guaranteed by OPB. See Note 9.

4 Working capital held in wholly owned real estate investments.

f) OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The following table presents the financial instruments subject to enforceable master netting arrangements and other similar agreements but not offset. The Plan presents these financial instruments as a gross amount in the investment breakdown presented in Note 4. The column "net amount" shows the impact on the Plan's statement of financial position if all set-off rights were exercised.

								2025
			Related Amounts Not Offset					
As at December 31 (in thousands of dollars)		Gross Amounts Presented in the Statement of Financial Position		Amounts Subject to Master Netting Arrangements		Financial Collateral (Received)/ Pledged[1]		Net Amount
Financial assets								
Derivatives	$	82,075	$	(6,902)	$	(75,173)	$	-
Securities lending[2]		1,791,893		-		(1,791,893)		-
Total financial assets	$	1,873,968	$	(6,902)	$	(1,867,066)	$	-
Financial liabilities								
Repurchase agreements		(3,064,249)		-		3,064,249		-
Derivatives		(21,949)		6,902		-		(15,047)
Total financial liabilities	$	(3,086,198)	$	6,902	$	3,064,249	$	(15,047)

1 Refer to Note 8 for information relating to collateral received and pledged.

2 Included within fixed income investment assets in Note 4.

As at December 31 (in thousands of dollars)		Gross Amounts Presented in the Statement of Financial Position		Related Amounts Not Offset: Amounts Subject to Master Netting Arrangements		Related Amounts Not Offset: Financial Collateral (Received)/ Pledged[1]		2024 Net Amount
Financial assets								
Reverse repurchase agreements	$	49,805	$	(49,805)	$	–	$	–
Derivatives		18,623		(2,464)		–		16,159
Securities lending[2]		1,693,699		–		(1,693,699)		–
Total financial assets	$	1,762,127	$	(52,269)	$	(1,693,699)	$	16,159
Financial liabilities								
Repurchase agreements		(1,968,381)		49,805		1,918,576		–
Derivatives		(135,345)		2,464		110,638		(22,243)
Total financial liabilities	$	(2,103,726)	$	52,269	$	2,029,214	$	(22,243)

1 Refer to Note 8 for information relating to collateral received and pledged.

2 Included within fixed income investment assets in Note 4.

g) SIGNIFICANT INVESTMENTS

The following table summarizes where the fair value of an individual investment, excluding derivatives, exceeds 1% of the fair value of the Plan. As at December 31, 2025, 1% of the Plan is approximately $366,103 (2024: $340,893).

As at December 31 (in thousands of dollars)	**2025 Fair Value**	2024 Fair Value
Pooled funds (Note 4h)	**27,389,473**	21,929,330
Real estate, gross of financing[3]	**1,659,148**	3,936,800

3 Includes the following holding companies in 2025, which are 100% owned: OPB (TDC) Inc., OPB (155 Wellington) Inc., OPB Real Estate Investments Inc. The last valuation of each real estate investment was as at December 31, 2025. Includes the following holding companies in 2024, which are 100% owned: OPB Realty Inc., OPB (TDC) Inc., OPB (Van Centre) Inc., OPB (155 Wellington) Inc., OPB Real Estate Investments Inc., OPB Real Estate Investments (US) 2 Ltd. and OPB Real Estate Investments (US) Limited. The last valuation of each real estate investment was as at December 31, 2024.

h) POOLED FUNDS

A pooled fund unit gives its holder a proportionate share in the value of the net assets of the pooled fund. Each pooled fund has a specific mandate; however, the fund may hold cash, short-term investments, accrued interest income and pending trades of investments.

On October 1, 2024, IMCO launched the IMCO Real Estate LP. On the execution of this pooled fund, there was an in-kind transfer at fair value of cash, direct and indirect real estate investments held by OPB into the pooled fund. A fair value of $408 million of assets held by OPB was transferred into the pool and 4,078,963 units were issued to OPB in return.

On January 2, 2025, there was an in-kind transfer at fair value of indirect real estate investments held by OPB into the IMCO Real Estate LP pooled fund. A fair value of $993 million of assets was transferred into the pool and 9,681,894 units were issued to OPB in return.

On January 2, 2025, IMCO launched the IMCO Real Estate AIV 1 LP. On the execution of this pooled fund, there was an in-kind transfer at fair value of direct and indirect real estate investments held by OPB into an IMCO Real Estate pooled fund. A fair value of $414 million of assets held by OPB was transferred into the pool and 4,324,790 units were issued to OPB in return.

On January 2, 2025, IMCO launched the IMCO Real Estate AIV 2 LP. On the execution of this pooled fund, there was an in-kind transfer at fair value of direct and indirect real estate investments held by OPB into the pooled fund. A fair value of $232 million of assets held by OPB was transferred into the pool and 2,315,401 units were issued to OPB in return.

On July 2, 2025, there was an in-kind transfer at fair value of cash, direct and indirect real estate investments held by OPB into the IMCO Real Estate LP pooled fund. A fair value of $1,103 million of assets held by OPB was transferred into the pool and 11,296,629 units were issued to OPB in return.

IMCO Fund Category	Investment Objective
Canadian Public Equity	To provide long-term growth through capital appreciation and dividend income by investing directly or indirectly in entities that are publicly traded in Canada and mostly based in Canada.
Global Public Equity	To provide long-term growth through capital appreciation and dividend income by investing directly or indirectly in entities that are publicly traded in developed market economies.
Emerging Markets Public Equity	To provide long-term growth through capital appreciation and dividend income by investing directly or indirectly in entities that are publicly traded in developing market economies.
Public Market Alternatives	To enhance risk-adjusted expected returns by providing exposure to alternative risk premiums and active investment mandates that offer low correlation with public equities.
Infrastructure	To generate long-term inflation-linked total returns comprising a combination of stable income yield and some capital appreciation over time by investing in a diversified portfolio of global infrastructure assets.
Global Credit	To invest in a globally diversified portfolio of public and private credit securities with an actively managed and return-seeking strategy adding value relative to its benchmark, while maintaining a long-term exposure to credit.
Private Equity	To generate long-term capital appreciation and outperform public equities by investing in a portfolio of primarily private operating companies, directly or indirectly, where strong value creation potential exists through strategic, operational and financial improvements.
Real Estate	To generate long-term inflation sensitive total returns comprised principally of stable and recurring annual cash flows, together with some capital appreciation over time by investing in a diversified portfolio of real estate investments.

	December 31, 2025		December 31, 2024	
(in thousands of dollars)	**Ownership**	**Market Value**	Ownership	Market Value
IMCO Fund Category				
Canadian Public Equity	**51.82%**	**$ 866,814**	64.20%	$ 939,868
Global Public Equity	**44.53%**	**7,486,374**	27.72%	4,294,585
Emerging Markets Public Equity	**53.33%**	**1,354,453**	58.92%	1,764,992
Public Market Alternatives	**46.64%**	**255,943**	46.64%	794,090
Infrastructure	**44.91%**	**5,215,186**	44.54%	5,036,204
Global Credit	**43.33%**	**4,175,188**	47.08%	3,960,401
Private Equity	**49.23%**	**5,306,748**	53.12%	4,720,710
Real Estate	**49.24%**	**3,235,497**	33.29%	418,480
Total pooled funds		**$ 27,896,203**		$ 21,929,330

i) SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following table presents the Plan's assets recognized at fair value and classified as Level 3, together with the significant inputs used in the valuation technique that are considered unobservable, and a range of values for those unobservable inputs. The range of values represents the highest and lowest inputs used in calculating the fair value. The change in significant inputs and increase or decrease to fair value illustrates the impact to fair value when the significant inputs are changed to reasonable alternative assumptions.

As at December 31, 2025 (in thousands of dollars)	**Significant Unobservable Inputs**	**Range of Inputs**	**Change in Significant Inputs**	**(Decrease) / Increase to Fair Value**
Real estate	Discount rate	4.6% – 10.3%	+/- 0.25%	$ (32,821) / 34,100

As at December 31, 2024 (in thousands of dollars)	**Significant Unobservable Inputs**	**Range of Inputs**	**Change in Significant Inputs**	**(Decrease) / Increase to Fair Value**
Real estate	Discount rate	4.6% – 10.0%	+/- 0.25%	$ (51,996) / 53,468

The above sensitivity excludes investment funds where fair values are based on net asset values reported by the general partners or external fund managers, unless there is a specific and objectively verifiable reason to vary from the value provided. In addition, it excludes investments where cost, direct comparisons or proceeds from sale is used as an approximation for fair value. For other investments included in Level 3 that were not sensitized, management's judgment is that changing one or more of the inputs to a reasonable alternative assumption would not change the fair value of the Plan significantly.

Note 5: Derivative contracts

Derivatives are financial or commodity contracts, whose market price, value, delivery obligations, payment obligations or settlement obligations are derived from, referenced to or based on, an underlying interest that may include stocks, bonds, commodities, currencies, interest rates and market indices. Derivative strategies can be implemented using a wide range of instruments including, but not limited to, forwards, futures, swaps and options.

Derivatives may be used for various purposes including to:

- Hedge (fully or partly) any investment risk, including market, interest rate, credit, liquidity or currency risk;
- Alter the risk and return profile of investments, replicate investments in the underlying assets or groups of assets (e.g., indices) so as to achieve some advantage of lower cost, transactional ease, or market exposure;
- Improve the efficiency of achieving investment objectives;
- Create unique risk and return payoffs; or
- Implement systematic and/or active (i.e., transient) leverage.

The Plan utilizes the following types of derivative contracts:

FUTURES CONTRACTS

Futures contracts are standardized agreements that can be purchased or sold on a futures exchange market at a predetermined future date and price specified at origination of the contract, in accordance with terms specified by the regulated futures exchange, and are subject to daily cash margining. These types of derivatives are used to efficiently modify exposures without purchasing or selling the underlying assets.

FORWARD CONTRACTS

Currency forward contracts are negotiated agreements between two parties to exchange a notional amount of one currency for another at an exchange rate specified at origination of the contract, with settlement at a specified future date. Currency forward contracts are used by OPB to modify currency exposure for both passive and active hedging.

SWAPS

In an interest rate swap, the parties exchange cash flows based on a notional principal amount (this amount is not actually exchanged) in order to hedge against interest rate risk.

In a total return swap, the total return from an asset is exchanged for another defined asset or portfolio of assets. This gives the party exposure to the underlying asset without having to expend the capital to hold it.

Credit default swaps are a type of credit derivative used to transfer credit risk of an underlying financial instrument or group of securities from one party to another. In a credit default swap, the buyer of the swap pays a regular premium to the seller in return for protection against any loss of the notional amount of the underlying securities if a credit event, such as a default, occurs.

OPTIONS

Options are contractual agreements under which the buyer has the right, but not the obligation, to either buy (call option) or sell (put option) an underlying asset at a predetermined price on or before a specified future date. Conversely, the seller has the obligation to sell (call option) or buy (put option) an underlying asset at a predetermined price if the option is exercised by the buyer on or before a specified future date.

a) DERIVATIVE NOTIONAL AND FAIR VALUES

The following schedule summarizes the notional amounts and fair values of the Plan's directly held derivative positions.

	2025			2024		
		Fair Value			Fair Value	
As at December 31 (in thousands of dollars)	**Notional Value**	**Assets**	**Liabilities**	Notional Value	Assets	Liabilities
Equity						
Futures	**$ -**	**$ -**	**$ -**	$ –	$ –	$ –
Currency						
Forwards	**12,947,597**	**82,075**	**19,708**	13,501,500	18,623	134,342
Futures	**-**	**-**	**-**	69,192	–	1,003
Fixed Income						
Futures	**168,762**	**-**	**2,241**	–	–	–
Total	**$ 13,116,359**	**$ 82,075**	**$ 21,949**	$ 13,570,692	$ 18,623	$ 135,345

b) DERIVATIVE NOTIONAL VALUES BY TERM TO MATURITY

The maturities of the Plan's notional values for the Plan's derivative positions are as follows:

	2025				2024			
As at December 31 (in thousands of dollars)	**< 1 year**	**≥ 1-3 years**	**> 3-5 years**	**Total**	< 1 year	≥ 1-3 years	> 3-5 years	Total
Currency forwards	**$12,947,597**	**$ -**	**$ -**	**$12,947,597**	$ 13,501,500	$ –	$ –	$ 13,501,500
Currency futures	**-**	**-**	**-**	**-**	69,192	–	–	69,192
Fixed income futures	**168,762**	**-**	**-**	**168,762**	–	–	–	–
Total	**$13,116,359**	**$ -**	**$ -**	**$13,116,359**	$ 13,570,692	$ –	$ –	$ 13,570,692

Note 6: Net investment income (loss)

The Plan's net investment income (loss) is as follows:

For the year ended December 31 (in thousands of dollars)	**2025**			2024		
	Income[1,2]	**Fair Value Changes[3]**	**Investment Income (Loss)**	Income[1,2]	Fair Value Changes[3]	Investment Income (Loss)
Cash in trust and short-term investments						
Canada (Note 6a)	**$ 12,283**	**$ 287**	**$ 12,570**	$ 25,759	$ 704	$ 26,463
Global (Note 6a)	**83**	**2,382**	**2,465**	62	(469)	(407)
	12,366	**2,669**	**15,035**	25,821	235	26,056
Fixed income						
Canada	**162,429**	**(223,261)**	**(60,832)**	170,808	(191,142)	(20,334)
Global	**94,604**	**(3,862)**	**90,742**	56,963	371,356	428,319
	257,033	**(227,123)**	**29,910**	227,771	180,214	407,985
Pooled funds (Note 6c)	**678,673**	**1,763,317**	**2,441,990**	305,956	2,994,301	3,300,257
Real estate	**453,798**	**(515,756)**	**(61,958)**	320,902	(278,381)	42,521
Infrastructure	**–**	**(8)**	**(8)**	667	(50)	617
Private equity	**15,247**	**(14,615)**	**632**	1,203,308	(1,203,545)	(237)
Investment-related assets/liabilities						
Reverse repurchase agreements	**1,868**	**71**	**1,939**	15,689	4,098	19,787
Repurchase agreements	**(92,277)**	**69,255**	**(23,022)**	(139,953)	(98,932)	(238,885)
Derivatives	**-**	**150,461**	**150,461**	–	(812,963)	(812,963)
Tax reclaims	**-**	**30**	**30**	(2,635)	–	(2,635)
	(90,409)	**219,817**	**129,408**	(126,899)	(907,797)	(1,034,696)
Total investment income (loss)	**$1,326,708**	**$ 1,228,301**	**$ 2,555,009**	$ 1,957,526	$ 784,977	$ 2,742,503
Investment management and related fees (Note 6b)			**(143,290)**			(148,710)
Net investment income (loss)			**$ 2,411,719**			$ 2,593,793

1 Income includes interest on cash and short-term investments, fixed income and participating mortgages, dividend income on equities, reverse repurchase agreements, repurchase agreements, and distributions from pooled funds and limited partnerships.

2 Net of management fees incurred on investments in real estate, private equity and private debt included in fixed income that are deducted from the managed assets.

3 Includes net realized losses of $269,719 and change in unrealized gains of $1,498,020 in 2025 (2024: realized losses of $1,343,620 and change in unrealized gains of $2,128,597).

a) CASH IN TRUST AND SHORT-TERM INVESTMENTS

Earnings from pooled short-term investment funds are included within short-term notes and treasury funds. Interest income from cash in trust and short-term investments is as follows:

For the year ended December 31 (in thousands of dollars)		**2025**		2024
Canada				
Cash in trust	**$**	**2,876**	$	1,452
Short-term notes and treasury funds		**9,407**		24,307
	$	**12,283**	$	25,759
Global				
Short-term notes and treasury funds		**83**		62
	$	**83**	$	62

b) INVESTMENT MANAGEMENT AND RELATED FEES

The following table provides a breakdown of the investment management and related investment fees.

For the year ended December 31 (in thousands of dollars)		**2025**		2024
IMCO management fees[1]	**$**	**141,544**	$	145,811
External investment management fees[2]		**1,182**		1,771
Transaction costs[2,3]		**57**		254
Custodial fees[2]		**408**		779
Other fees[2,4]		**99**		95
	$	**143,290**	$	148,710

1 IMCO management fees represent OPB's share of IMCO's operating expenses, which are charged back to IMCO's clients on a cost recovery basis (Note 17).

2 The external investment management fees, custodial fees and other fees were invoiced by third parties, paid by IMCO and reimbursed by OPB (Note 17).

3 Transaction costs consist primarily of commissions and fees on futures trades.

4 Other fees include professional services and benchmarking fees.

c) POOLED FUNDS NET INVESTMENT INCOME (LOSS)

The following schedule summarizes the net investment income (loss) of the Plan's pooled funds by IMCO fund category:

For the year ended December 31 (in thousands of dollars)	**2025**	2024
Canadian Public Equity	**$ 207,783**	$ 186,898
Global Public Equity	**955,443**	910,553
Emerging Markets Public Equity	**386,026**	245,994
Public Market Alternatives	**18,988**	220,830
Infrastructure	**324,101**	526,731
Global Credit	**214,788**	540,107
Private Equity	**335,538**	658,765
Real Estate	**(677)**	10,379
Total pooled funds net investment income (loss)	**$ 2,441,990**	$ 3,300,257

Note 7: Risk management

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, currency risk and other price risk), credit and counterparty risk, liquidity risk, and other risks as applicable. As Plan administrator, OPB is responsible for the management of the Plan and the policies that govern the Plan. OPB manages these risks in accordance with the SIP&P, which prescribes the SAA, performance measurement, permitted investments, shareholder rights and environmental, social and governance issues, conflicts of interest and related party transactions, and valuation of infrequently traded assets. OPB has delegated the investment of substantially all of the Plan assets to IMCO, which may further sub-delegate to other investment managers and service providers. IMCO must act in accordance with any written directions of OPB, certain specified policies of OPB, as well as all applicable IMCO policies. In investing the assets of the Plan, IMCO must comply with the SIP&P, IMCO's internal policies and all relevant laws and regulations.

MARKET RISK

Market risk is the risk resulting from adverse movements in the level or volatility of market rates or price, or correlations between them. Market risk comprises the following:

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.

Management

The Plan has established an asset mix policy that balances interest-rate-sensitive investments with other investments. OPB's fixed income investments, real estate debentures, interest rate derivatives, repurchase agreements and reverse repurchase agreements have exposure to interest rate risk. Duration and weighting for the fixed income portfolio are actively managed.

Measurement

Effective duration is a measure of the sensitivity of the price of a financial instrument to a change in interest rates. Given the effective duration of 9.89 years as at December 31, 2025 (2024: 9.6 years) and a total net fair value of $9,440 million (2024: $9,755 million), a parallel shift in the interest rate curve of +/-1% would result in an approximate impact of +/- $925 million (2024: +/-$933 million) on net investments with all other variables held constant. This calculation includes fixed income investments, real estate debentures, interest rate derivatives, repurchase agreements and reverse repurchase agreements. In practice, actual results may differ materially from this sensitivity analysis.

Currency risk

Currency exposure arises from the Plan holding foreign currency denominated investments and entering 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.

Management

Currency risk is managed by IMCO through currency hedging. Implementation of any currency hedging strategy is accomplished through the use of instruments such as forwards, futures, options and swaps. The Plan also employed additional currency forwards to hedge a portion of indirect currency exposure through holding units of the pooled funds. The net exposure in the following table includes direct exposure at the Plan level as well as indirect exposure through the pooled funds.

Measurement

The impact to the Plan of a 5% absolute change in foreign exchange rates relative to the Canadian dollar is as follows:

As at December 31, 2025 (in thousands of dollars)	**Gross Exposure**	**Currency Contracts Receivable**	**Currency Contracts Payable**	**Net Exposure**	**Impact of +/- 5% Change**
U.S. dollar	**$ 2,628,023**	**$ 1,201,592**	**$ (9,505,279)**	**$ (5,675,664)**	**+/- $283,783**
Euro	**749**	**12,132**	**(1,246,708)**	**(1,233,827)**	**+/- 61,691**
Australian dollar	**10**	**7,601**	**(479,924)**	**(472,313)**	**+/- 23,616**
Pound sterling	**–**	**985**	**(390,417)**	**(389,432)**	**+/- 19,472**
Other	**469**	**893**	**(39,932)**	**(38,570)**	**+/- 1,929**
Total foreign	**2,629,251**	**1,223,203**	**(11,662,260)**	**(7,809,806)**	**+/- $390,491**
Canadian dollar	**33,845,371**	**11,724,511**	**(1,223,087)**	**44,346,795**	
	$ 36,474,622	**$ 12,947,714**	**$(12,885,347)**	**$ 36,536,989**	

As at December 31, 2024 (in thousands of dollars)	Gross Exposure	Currency Contracts Receivable	Currency Contracts Payable	Net Exposure	Impact of +/- 5% Change
U.S. dollar	$ 3,534,401	$ 1,347,043	$ (10,392,392)	$ (5,510,948)	+/- $275,547
Euro	663	5,440	(1,071,673)	(1,065,570)	+/- 53,279
Australian dollar	–	–	(430,738)	(430,738)	+/- 21,537
Pound sterling	–	317	(333,170)	(332,853)	+/- 16,643
Other	465	457	(32,816)	(31,894)	+/- 1,595
Total foreign	3,535,529	1,353,257	(12,260,789)	(7,372,003)	+/- $368,601
Canadian dollar	30,610,091	12,146,655	(1,354,842)	41,401,904	
	$ 34,145,620	$ 13,499,912	$ (13,615,631)	$ 34,029,901	

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. Equity price risk is a type of other price risk OPB is exposed to through investments in pooled funds holding public equities.

Management

IMCO manages other price risk through diversification and regular monitoring of the performance of the Plan against approved benchmarks.

Measurement
An absolute change in the fair value of OPB's investments that are exposed to equity price risk will have a direct proportional impact on the fair value of the investments. OPB's investments in pooled funds holding public 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:

(in thousands of dollars)			Change in Net Assets as at	
	Benchmark[1]	Change in Price Index	**December 31, 2025**	December 31, 2024
Canadian	S&P/TSX Composite Total Return Index	+/- 10%	**+/- $ 86,681**	+/- $ 93,987
Global	MSCI World ex Canada Net Total Return Index (C$)	+/- 10%	**+/- 748,676**	+/- 464,356
Emerging	MSCI Emerging Markets Net Total Return Index (C$)	+/- 10%	**+/- 135,495**	+/- 176,551
			+/- $ 970,852	+/- $ 734,894

1 Benchmarks are as of the most recent SIP&P but may have changed from prior year. Legacy benchmarks apply to prior periods.

The sensitivity analysis is performed using the total Plan actual investment asset mix weights summarized in Note 4a as at December 31, 2025 and 2024.

CREDIT AND COUNTERPARTY RISK
Credit risk is the risk of loss resulting from a borrower's failure to repay or meet contractual obligations. The Plan is exposed to credit risk through investments in fixed income instruments as there is a risk of default. Counterparty risk is the risk of loss arising from a counterparty defaulting on its obligations, the insolvency of a counterparty, or the risk of a market decline resulting from the deterioration in the credit quality of a counterparty. The Plan is exposed to counterparty risk through investments in derivatives, reverse repurchase agreements and securities lending transactions.

Management
IMCO manages credit risk by creating a diversified portfolio of investments and employing a multi-sector strategy. In creating a diversified portfolio, IMCO will invest according to a risk strategy outlining specified target allocation ranges by risk strategy (i.e., investment grade), geographical focus and investment vehicle.

In mitigating counterparty risk, IMCO will initiate counterparty transactions with parties on its approved counterparty list, which meet a minimum credit rating requirement. IMCO is responsible for monitoring the credit ratings of counterparties and reviewing those who suffer a downgrade.

Derivatives
Counterparty risk from derivatives is managed through due diligence on potential counterparties, use of appropriate legal documentation, such as, International Swaps and Derivatives Association ("ISDA") master agreements, by imposing counterparty risk exposure limits, or by the use of a Credit Support Annex ("CSA") under an ISDA master agreement. IMCO maintains and reviews a list of approved counterparties which, at a minimum, have a long-term credit rating of A or higher as rated by S&P (or equivalent Moody's or Fitch long-term rating) and a short-term rating of A1 or higher as rated by S&P (or equivalent). IMCO also reviews counterparties who suffer a credit rating downgrade, even if they continue to meet the minimum credit ratings noted, and maintains and reviews counterparty exposure limits, considering current exposure, with limits commensurate with the credit rating of the counterparty. Liquidity and collateral management processes are also in place by IMCO. See Note 8 for details of collateral held or pledged pertaining to derivatives.

Reverse repurchase agreements
In a reverse repurchase agreement, OPB is the buyer/lender and gives a third party (the seller/borrower) cash in exchange for collateral and a promise to repurchase the assets in the future. Credit risk exists in a reverse repurchase agreement even if the collateral is of very high quality. There is a risk that the seller/borrower will not have sufficient funds to repay the loan (repurchase the securities) at the end of the term. To mitigate this risk, IMCO diversifies across no less than three counterparties, and has legal agreements that set out the remedies in the event of default and requires additional margin collateral to be exchanged if the value of the collateral increases or declines resulting in the loan being over or under collateralized.

Securities lending
On behalf of the Plan, IMCO may lend investments in accordance with its securities lending program. The IMCO securities lending program is managed pursuant to written agreements with securities lending agents. The securities lending agents shall have a minimum long-term credit rating of A, or equivalent, as rated by a recognized credit rating service. The lending agents monitor counterparty credit risk and collateral, negotiate individual callable loans, and charge competitive fees. The lending agent will also provide indemnification from losses due to factors such as a borrower default, failure of security recall, or operational and settlement risks. There is a maximum percentage of assets that may be on loan at any given time. All loans are secured by readily marketable securities having a market value greater than the outstanding market value of the loaned investments. The value of collateral held shall not be less than 102% of the market value of loaned securities and must be in the form of readily marketable securities. Securities on loan must be able to be recalled in sufficient time to permit timely delivery on trade settlement if the loaned securities are sold or timely delivery if the loaned security must be pledged as collateral. See Note 8 for collateral received pertaining to the securities lending program.

Measurement

Counterparty and credit risk exposure is measured by the fair value of contractual obligations less any collateral or margin received from the counterparties. The use of credit ratings allows the Plan to assess the creditworthiness of counterparties using an independent source. As at December 31, 2025, the Plan's greatest credit exposure to a single securities issuer is with the Government of United States in the form of interest-bearing securities for $4.5 billion (2024: with the Government of the United States for $4.2 billion).

The credit risk exposure, without considering any collateral held, is as follows:

As at December 31 (in thousands of dollars)	**2025** **Total Risk** **Exposure**	2024 Total Risk Exposure
Credit risk		
Fixed income		
AAA	**$ 1,684,682**	$ 5,320,620
AA	**7,341,764**	3,085,383
A	**123,029**	–
Not rated	**269,971**	343,909
Total fixed income	**$ 9,419,446**	$ 8,749,912
Short-term investments		
AAA	**568,323**	342,170
A	**2,000**	–
Total short-term investments	**$ 570,323**	$ 342,170
Counterparty risk		
Derivative assets		
AA	**40,248**	4,485
A	**41,827**	14,138
Total derivative assets	**$ 82,075**	$ 18,623
Reverse repurchase agreements		
A	**–**	49,805
Total reverse repurchase agreements	**$ –**	$ 49,805
Securities lending		
AA	**54,380**	84,307
A	**1,726,504**	1,607,793
Not rated	**11,009**	1,599
Total securities lending	**$ 1,791,893**	$ 1,693,699

Note 4f illustrates the maximum net exposure to counterparty risk in derivatives, repurchase agreements, reverse repurchase agreements and securities lending by summarizing the amount of collateral held or pledged as security and their financial effect to mitigate credit risk exposure.

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 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.

Management

OPB manages liquidity risk by maintaining a physical cash reserve and performing regular cash flow projections to ensure the Plan can meet obligations. Most cash requirements are typically met through member, employer and Plan Sponsor contributions. Additional cash requirements can be met through investment liquidity. In 2025, OPB increased the overdraft credit facility from $130 million to $168 million to reduce potential liquidity risks, and ensure client and operational disbursements are made in instances where there is a delay in funds made available from the investment portfolio. No amounts were drawn on this credit facility during 2025 or 2024.

IMCO manages liquidity risk by determining how much liquid assets should be maintained, the portion of liquid assets to be held as cash, day-to-day management of cash inflows and outflows, monitoring and reporting of measures including a liquidity coverage ratio and acknowledging and responding to crisis environment conditions. An IMCO liquidity committee is also responsible for overseeing a crisis environment plan and approving any breach remediation plans.

Measurement

The remaining contractual maturities of the Plan's investment-related liabilities are as follows:

					2025
(in thousands of dollars)	**< 1 year**	**≥ 1–5 years**	**> 5–10 years**	**> 10 years**	**Total**
Debentures[1]	**$ 250,000**	**$ 750,000**	**$ –**	**$ 500,000**	**$ 1,500,000**
Derivatives payable	**21,949**	**–**	**–**	**–**	**21,949**
Repurchase agreements	**3,064,249**	**–**	**–**	**–**	**3,064,249**
Total	**$ 3,336,198**	**$ 750,000**	**$ –**	**$ 500,000**	**$ 4,586,198**

					2024
(in thousands of dollars)	< 1 year	≥ 1–5 years	> 5–10 years	> 10 years	Total
Debentures[1]	$ –	$ 1,000,000	$ –	$ 500,000	$ 1,500,000
Derivatives payable	135,345	–	–	–	135,345
Repurchase agreements	1,968,381	–	–	–	1,968,381
Total	$ 2,103,726	$ 1,000,000	$ –	$ 500,000	$ 3,603,726

1 Refer to Note 9 for additional information.

Note 8: Collateral

Collateral management is the process of exchanging collateral in the form of securities or cash transferred as security between two counterparties in financial transactions, such as futures, credit default swaps, interest rate swaps, currency forwards, repurchase agreements and securities lending. The collateral requirements for these financial transactions are governed by the terms of the negotiated CSA agreements, which outline permissible assets to pledge or receive as collateral, minimum transfer amounts and haircut schedules. The ultimate objective of collateral management is to mitigate counterparty credit risk exposure, described in Note 7. For any collateral pledged, the counterparty has the right to re-pledge, loan, or use it under securities lending, derivatives, or repurchase and reverse repurchase agreements in the absence of default by the owner of the collateral.

DERIVATIVES

Initial margin for centrally cleared derivatives (futures and credit default swaps) is the minimum collateral required to be posted at the outset of a derivatives transaction and is typically based on a percentage of the notional contract value or a fixed amount based on the number of contracts. Non-centrally cleared derivatives (currency forwards or interest rate swaps) are private deals governed by the terms of the ISDA and CSA agreement negotiated with each counterparty.

Securities pledged under derivatives arrangements continue to be recognized as OPB's investments, as OPB retains the risks and rewards associated with these securities. Securities received under derivative arrangements are segregated from OPB's investments and OPB has the obligation to return the collateral to the owner on termination of the agreement. OPB does not have the risk and rewards associated with these securities. Cash is not eligible collateral for non-centrally cleared derivatives.

SECURITIES LENDING

As outlined in Note 7, credit and counterparty risk, it is the responsibility of the securities lending agents to ensure all loans are secured by readily marketable securities collateral that have a market value in excess of the value of the loaned securities ("margin") in amounts that represent the greater of prevailing market practice and the minimum margin imposed by IMCO of 102%. Collateral received from brokers shall be delivered in the form of readily marketable securities, or such other forms of readily marketable securities, as IMCO deems appropriate and in which IMCO strategies are permitted to invest.

Securities loaned to third parties under lending arrangements continue to be recognized as OPB's investments as OPB retains the rewards and risks associated with these securities. Securities received as collateral from third parties are not recognized as OPB investments, as the rewards and risks have not been transferred.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

Securities owned that are sold subject to a repurchase agreement are treated as collateral and not as sales, and therefore continue to be recognized as OPB's investments with the amount of the repurchase agreement reflected as a liability. A reverse repurchase agreement is the purchase of a security at a specified amount with an agreement to resell the same or substantially identical security at a definite amount at a specific future date. For financial reporting, the transaction is treated as a receivable collateralized by the security purchased.

Permissible assets for collateral include, with some exceptions, Canadian Treasury Bills, Canadian Government and Provincial Bonds up to 40 years, USD Treasury Notes up to 10 years, USD Treasury Bonds up to 30 years, Real Return Bonds, US Treasury Inflation Protected Securities or other forms of collateral as agreed by both parties.

With respect to investments the Plan holds directly, the fair value of collateral received and pledged as at December 31 is as follows:

(in thousands of dollars)		**2025**		2024
Derivatives[1]				
Collateral received	**$**	**137,332**	$	–
Collateral pledged		**-**		110,638
Securities lending[1]				
Securities loaned		**1,791,893**		1,693,699
Collateral received[2]		**1,958,545**		1,848,247
Reverse repurchase agreements[1]				
Associated assets from reverse repurchase agreements		**-**		49,805
Net collateral received		**-**		48,824
Repurchase agreements[1]				
Associated liability from repurchase agreements		**3,064,249**		1,968,381
Net collateral pledged		**3,064,651**		1,973,374

1 Note 4f illustrates how OPB's net exposure on derivatives, securities lending, reverse repurchase agreements and repurchase agreements is reduced by collaterals.

2 Securities lending collateral received provides a 9.3% (2024: 9.1%) cushion against the potential credit risk associated with these securities lending activities.

Note 9: Commitments and guarantees

As at December 31, 2025, OPB has unfunded commitments for certain private market investments of $6,117 million (2024: $5,640 million).

OPB Finance Trust was established for the benefit of OPB and its related entities. It raises funds through the issuance of debentures. These debentures are recorded at fair value. The proceeds of the Series A, B, D, E and F debentures were loaned to several OPB wholly owned real estate subsidiaries. In turn, these real estate companies used the proceeds to repay amounts owed to OPB and/or to acquire real estate investments. The proceeds from the issuance of the Series C 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.

OPB has provided a guarantee for the payment of principal and interest on $1,500 million in debentures that were issued by OPB Finance Trust. Four series of debentures are outstanding as at December 31, 2025 and 2024:

1. $350 million, Series A, 30-year debentures due 2042, with a 3.89% coupon payable semi-annually.
2. $150 million, Series B, 50-year debentures due 2062, with a 3.87% coupon payable semi-annually.
3. $250 million, Series E, 10-year debentures due 2026, with a 2.95% coupon payable semi-annually.
4. $750 million, Series F, 10-year debentures due 2027, with a 2.98% coupon payable semi-annually.

No letters of credit were guaranteed by OPB as at December 31, 2025 (2024: $5.4 million).

The Plan leases its office premises with minimum future lease payments as follows:

(in thousands of dollars)	Minimum Lease Payments
2026	$ 3,867
2027	3,919
2028–2029	7,839
Total	$ 15,625

Note 10: Capital assets

Capital assets as at December 31 consist of the following:

(in thousands of dollars)	2025 Cost	2025 Accumulated Depreciation	2025 Net Book Value	2024 Cost	2024 Accumulated Depreciation	2024 Net Book Value
Computer equipment	**$ 5,033**	**$ (4,948)**	**$ 85**	$ 5,031	$ (4,861)	$ 170
Furniture and fixtures	**2,199**	**(2,060)**	**139**	2,130	(2,039)	91
Leasehold improvements	**1,891**	**(1,891)**	**–**	1,891	(1,891)	–
Total capital assets	**$ 9,123**	**$ (8,899)**	**$ 224**	$ 9,052	$ (8,791)	$ 261

Note 11: Pension obligations

FINANCIAL STATEMENT VALUATION

For the purposes of these financial statements, Aon, the Plan’s actuary, used the actuarial valuation as at December 31, 2024 on the basis of the accounting methodology required by the *CPA Canada Handbook*, Section 4600 and extrapolated those liabilities to December 31, 2025. The liabilities as of December 31, 2024 have been extrapolated to December 31, 2025, based on the estimated service cost during the period, actual benefit payments, asset transfers from other plans, and prior service buybacks. The pension obligation, excluding PfAD, as at December 31, 2025 is $39.2 billion (2024: $37.2 billion). The pension obligation, including PfAD, as at December 31, 2025 is $41.9 billion (2024: $39.7 billion).

During 2025, no changes were made to actuarial assumptions. In 2025, the other experience losses of $0.2 billion are primarily due to actual salary increases higher than expected. The accrued pension benefits as at December 31, 2025 reflect the actual cost-of-living adjustment of 2.00% effective January 2026.

During 2024, changes were made to actuarial assumptions to reflect updated capital market assumptions, the target asset mix and inflation plus productivity growth. In 2024, the other experience losses of $0.1 billion are primarily due to actual salary increases higher than expected, losses from retirement and mortality experience. Bill 124 remedies and related agreements loss of $71 million is net of $150 million reserve for Bill 124 remedies held as at December 31, 2023. As at December 31, 2024, no reserves were held in respect of the impact of future Bill 124 remedies or other related agreements. The indexation gain of $63 million was net of $100 million reserve for future indexation held as at December 31, 2023 and a result of reflecting the actual cost-of-living adjustment of 2.70% effective January 2025.

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

	2025	2024
Nominal discount rate before the application of the PfAD[1]	**6.25%**	6.25%
Real rate of return before the application of the PfAD[1]	**4.25%**	4.25%
PfAD, a percentage of non-indexed liabilities and service cost	**8.29%**	8.28%
Effective real discount rate[2]	**3.75%**	3.75%
Indexation		
2025	**-**	2.70%
2026 and thereafter	**2.00%**	2.00%
Salary increases[3]	**2.75%**	2.75%

1 Net of investment and operating expenses.

2 The effective real discount rate is the rate that includes the impact of a margin for adverse deviation, rather than splitting out the PfAD as a percentage of liabilities, as required by legislations.

3 Prior to merit and promotional scale increases in salaries.

FUNDING VALUATION

An actuarial valuation has been prepared for the primary purpose of establishing a funding range in accordance with legislative requirements for the Plan. This actuarial valuation is based on methods required under the PSP Act and the PBA. The PBA and the ITA require that a funding valuation of the PSPP be completed and filed with the regulatory authorities at least every three years.

The most recent regulatory filing of a funding valuation was for an effective date of December 31, 2024, which disclosed pension obligations of $37.449 billion, adjustments of $2.973 billion, and an unfunded liability of $4.664 billion on a going-concern basis. Adjustments include a provision for adverse deviation and prior year credit balance. The actuarial cost method used was projected unit credit. The asset valuation method was a smoothing of the market value of assets with investment gains and losses relative to the assumed rate of return recognized over five years. The actuarial valuation for funding purposes used the actuarial value of assets of $35.759 billion, which factors in a $1.670 billion asset smoothing adjustment in addition to the market value of assets used for the financial statement valuation of $34.089 billion.

The funding valuation was prepared by Aon. The next actuarial valuation for the purpose of developing funding requirements must be prepared with an effective date no later than December 31, 2027.

Note 12: Contributions

The contribution requirements are set out in the PSP Act and summarized in Note 2. The Government of Ontario, as sponsor of the Plan, contributed $638,628 in 2025 (2024: $293,628) in special payments towards the funding shortfall identified in the filed funding valuation as at December 31, 2024. The contributions to the Plan were made in accordance with the funding requirements as specified by the most recently filed actuarial funding valuation.

There is $1,049 in required contributions past due as at December 31, 2025 (2024: $488).

For the year ended December 31 (in thousands of dollars)		**2025**		2024
Members				
Current service	**$**	**570,811**	$	483,513
Prior service		**55,094**		123,519
Long-Term Income Protection benefits		**420**		1,132
		626,325		608,164
Employers				
Current service		**574,276**		481,218
Prior service		**4,926**		4,911
Long-Term Income Protection benefits		**26,558**		25,250
		605,760		511,379
Sponsor				
Special payments		**638,628**		293,628
Additional current service		**4,402**		32,300
		643,030		325,928
Total contributions	**$**	**1,875,115**	$	1,445,471

Note 13: Operating expenses

For the year ended December 31 (in thousands of dollars)		2025[1]		2024[1]
Staffing	**$**	**34,517**	$	30,867
IT and project management		**13,933**		13,073
Office premises and operations		**6,270**		5,994
Professional services		**4,568**		2,231
Depreciation		**107**		95
Staff development and support		**519**		420
Communications		**475**		781
Audit		**575**		630
Board remuneration		**395**		266
Total operating expenses	**$**	**61,359**	$	54,357

1 Included in the above operating expenses are actuarial services provided to OPB amounting to $619 (2024: $892) and external audit services provided to OPB amounting to $282 (2024: $273).

Note: external audit services provided to and recorded by subsidiaries amount to $159 (2024: $159).

Note 14: Termination and other benefit payments

Terminations and other benefit payments consists of the following amounts:

For the year ended December 31 (in thousands of dollars)		2025		2024
Transfers to other plans	**$**	**43,318**	$	62,847
Commuted value payments and death benefits		**106,552**		96,193
Total termination and other benefits	**$**	**149,870**	$	159,040

Note 15: Transfers of service from other plans

Transfers of service from other plans consist of the following amounts:

For the year ended December 31 (in thousands of dollars)		2025		2024
Transfers from OPSEU Pension Plan	**$**	**198,167**	$	215,364
Transfers from MOPPs		**48,083**		40,707
Transfers from other plans		**9,080**		5,733
Total transfers of service from other plans	**$**	**255,330**	$	261,804

Note 16: Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following amounts:

As at December 31 (in thousands of dollars)		**2025**		2024
Prepaid expenses	**$**	**6,373**	$	6,638
HST recoverable		**217**		197
Other receivables		**4,357**		1,379
Total accounts receivable and prepaid expenses	**$**	**10,947**	$	8,214

Note 17: Related party transactions

In the normal course of business, OPB transacted with various ministries, agencies and Crown corporations over which the Government of Ontario has control or significant influence. The Government of Ontario is the sponsor of the Plan. OPB purchased investments with IMCO, the Government of Ontario and related entities at normal commercial terms. As at December 31, 2025, OPB held Province of Ontario bonds valued at $1,069 million (2024: $1,652 million). Refer to Note 4h for details on IMCO pooled funds.

OPB provides additional employee benefit administrative services for the Province under Service Level Agreements. These services are all provided on a cost-recovery basis and have no net impact on OPB's operating expenses budget.

In 2018, IMCO entered into an arrangement to lease office space in a building partially owned by OPB and the lease commenced in 2021. The lease agreement was negotiated on an arm's length basis. As at December 31, 2025, OPB has funded capital expenditures in respect of capital assets at 16 York Street, which are reported as prepaid expenses in the statement of financial position in the amount of $4,447 (2024: $5,467).

OPB administers the PSPP, in which all eligible IMCO employees participate. In relation to this service, IMCO remits to OPB the employee contributions and employer matching portion. IMCO has been managing OPB's investment assets since July 2017. OPB pays its share of IMCO's operating and capital expenditure on a cost-recovery basis (Note 6b). External investment manager and custodial fees are paid by IMCO on OPB's behalf (Note 6b).

Note 18: Capital management

The funding surpluses or deficits determined periodically through the funding valuations prepared by the independent actuary are defined as the Plan's capital and can be found on the Statement of Financial Position. The actuary's funding valuation is used to measure the long-term health of the Plan (Note 11). 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 (Note 4a) to assist with the management of any funding excesses or shortfalls. The Plan's expected average 30-year annualized rate of return has been set in the SIP&P at approximately 6.5% (2024: 7.0%).

Note 19: Subsequent events

OPB regularly reviews contribution rates to ensure that they are sufficient to fund future pension benefits. In 2026, the Plan Sponsor approved a contribution rate increase, which will take place on April 1, 2026. For PSPP contributing members, contribution rates will be increased to 8.70% of the salary on which contributions are made up to the YMPE and 12.00% of the salary above the 2026 YMPE. For Police civilians, contribution rates will be increased to 9.65% of the salary on which contributions are made up to the YMPE and 12.95% of the salary above the 2026 YMPE. For Police officers, contribution rates will be increased to 10.60% of the salary on which contributions are made up to the YMPE and 13.90% of the salary above the 2026 YMPE.

Directory of Key Personnel

Leadership Team:

Darwin Bozek
President & Chief Executive Officer

Marc Rondeau
Executive Vice-President & Chief Pension Officer

Mila Babic
Executive Vice-President & Chief Client Services Officer

Joanna Carson
Chief Financial Officer

Andrew Tambone
Chief Investment Officer

Valerie J. Adamo
Chief Technology Officer

Jasmine Kanga
Chief Human Resources & Corporate Services Officer

Chris Kautzky
Chief Investment Officer – retired in 2025

Armand de Kemp
Chief Financial Officer – retired in 2025

Glossary

Asset class: A group of securities that exhibit similar characteristics.

Asset mix: The categorization of asset classes within the pension plan portfolio (e.g., cash, Canadian equities, real estate, etc.). Each category is measured as a percentage of the total pension plan portfolio's fair value.

Assumptions: Estimates of what certain variables – such as interest rates, investment returns and mortality rates – will be in the future. Assumptions are used to estimate the future cost of pensions and the future value of pension assets.

Benchmark: A point of reference that is used to compare portfolio performance and risk. The S&P/TSX Composite Index is a commonly used benchmark to compare Canadian equity portfolio performance and risk. OPB's Strategic Asset Allocation (SAA) is a benchmark against which the overall Plan is assessed from a risk and return perspective.

CEM Benchmarking Inc.: An international pension administration benchmarking company.

Counterparty risk: The risk of a counterparty not fulfilling its contractual financial obligations.

Debenture: A long-term debt security normally yielding a fixed rate of interest, not secured against assets.

Discount rate: The expected rate of future investment return used to calculate the present value of pensions.

Funded status: A measure of the amount of assets the pension plan currently holds to pay out its future pension benefits (present value of projected future pension benefits). The funded status is regarded as the "health check" of a pension plan, and is determined by undertaking a funding valuation of the pension plan.

IMCO: Investment Management Corporation of Ontario.

Implementation and Support Agreement (ISA): The ISA deals with operating and governance matters such as employee transition in the short term, shared services, IMCO governance policies, and cost allocation and cost containment principles.

Investment Management Agreement (IMA): The IMA governs the investment management relationship between IMCO and OPB, and focuses largely on investment-related matters.

Options: Options are contractual agreements under which the buyer has the right, but not the obligation, to either buy (call option) or sell (put option) an underlying asset at a predetermined price on or before a specified future date.

Pension modernization: A program we are initiating to re-engineer our business processes and review and upgrade our pension administration system to allow us to meet the evolving needs of our clients and stakeholders, and ensure our technology remains current and secure.

PMA: Public market alternatives include a broad range of assets, including pooled funds, equities, fixed income, credit, and currencies, as well as derivatives, seeking to offer low correlation to public equities.

PSPP: The Public Service Pension Plan.

Responsible Investing (RI): The integration of environmental, social and governance (ESG) factors into the investment decision-making and monitoring process, which supports long-term investment performance.

Risk-adjusted return: A measurement used to analyze an investment's return based on how much risk is involved in producing that return. Risk-adjusted returns can be used to compare the return of a portfolio against a benchmark with a known return and risk profile.

Strategic Asset Allocation (SAA): A long-term strategy that involves setting target allocations of the Plan's asset mix with the purpose of achieving highest returns on investment to meet current and projected future pension benefits given the Plan's risk tolerance and investment horizon.

Total risk: The volatility or fluctuations of portfolio returns over a defined period of time.