

# ELEVEN-YEAR FINANCIAL REVIEW

(Canadian \$ billions)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>CHANGE IN NET ASSETS</b>											
<b>Income</b>											
Investment income	\$16.98	\$7.00	\$19.67	\$16.26	\$13.72	\$14.75	\$11.74	\$13.27	\$10.89	\$(19.03)	\$4.68
Contributions											
Members/transfers	1.71	1.70	1.67	1.63	1.55	1.48	1.41	1.35	1.29	1.13	1.06
Province of Ontario	1.68	1.66	1.64	1.59	1.53	1.46	1.41	1.35	1.43	1.18	1.08
<b>Total income</b>	<b>20.37</b>	<b>10.36</b>	<b>22.98</b>	<b>19.48</b>	<b>16.80</b>	<b>17.69</b>	<b>14.56</b>	<b>15.97</b>	<b>13.61</b>	<b>(16.72)</b>	<b>6.82</b>
<b>Expenditures</b>											
Benefits paid	5.93	5.72	5.54	5.31	5.15	4.92	4.66	4.50	4.39	4.20	4.02
Investment expenses	0.47	0.45	0.43	0.41	0.36	0.30	0.29	0.29	0.21	0.15	0.23
Member Services expenses	0.06	0.06	0.05	0.05	0.05	0.04	0.05	0.05	0.04	0.04	0.04
<b>Total expenditures</b>	<b>6.46</b>	<b>6.23</b>	<b>6.02</b>	<b>5.77</b>	<b>5.56</b>	<b>5.26</b>	<b>5.00</b>	<b>4.84</b>	<b>4.64</b>	<b>4.39</b>	<b>4.29</b>
<b>Increase/(decrease) in net assets</b>	<b>\$13.91</b>	<b>\$4.13</b>	<b>\$16.96</b>	<b>\$13.71</b>	<b>\$11.24</b>	<b>\$12.43</b>	<b>\$9.56</b>	<b>\$11.13</b>	<b>\$8.97</b>	<b>\$(21.11)</b>	<b>\$2.53</b>
<b>NET ASSETS</b>											
<b>Investments</b>											
Equity											
Publicly traded	\$35.13	\$38.97	\$49.85	\$48.27	\$47.62	\$48.43	\$40.35	\$36.74	\$32.86	\$26.74	\$42.38
Non-publicly traded	31.94	26.98	27.69	20.58	14.27	11.08	11.32	10.75	8.32	8.19	7.66
Fixed income											
Bonds	41.41	43.53	37.98	35.19	30.53	28.87	26.50	22.73	15.46	14.22	22.91
Real-rate products	19.96	31.72	31.13	30.36	26.37	31.14	29.29	23.24	19.88	17.41	11.06
Inflation sensitive											
Commodities	11.08	4.18	4.00	9.03	8.21	6.97	5.64	5.22	1.94	1.25	3.02
Natural resources	6.55	6.28	6.25	2.87	2.62	2.17	2.17	2.22	2.34	2.80	2.12
Inflation hedge	8.92	–	–	–	–	–	–	–	–	–	–
Real assets											
Real estate	25.51	26.47	24.86	22.09	19.24	16.86	14.96	16.86	14.21	13.48	13.41
Infrastructure	18.74	17.83	15.66	12.66	11.68	9.65	8.71	7.07	5.57	7.23	6.72
Real-rate products	1.45	–	–	–	–	–	–	–	–	–	–
Credit	13.58	–	–	–	–	–	–	–	–	–	–
Absolute return strategies	10.73	13.28	17.76	15.84	12.20	12.27	12.33	11.38	11.67	14.75	12.30
Overlay	(0.27)	0.51	–	–	–	–	–	–	–	–	–
Money market	(39.38)	(37.67)	(46.93)	(44.50)	(33.84)	(40.18)	(35.01)	(31.49)	(18.74)	(20.97)	(13.58)
<b>Net investments</b>	<b>185.35</b>	<b>172.08</b>	<b>168.25</b>	<b>152.39</b>	<b>138.90</b>	<b>127.26</b>	<b>116.26</b>	<b>104.72</b>	<b>93.51</b>	<b>85.10</b>	<b>108.00</b>
Receivable from Province of Ontario	3.31	3.27	3.21	3.10	2.97	2.83	2.72	2.63	2.52	2.19	1.84
Other assets	1.59	1.21	0.44	0.22	0.14	0.50	0.51	0.57	0.63	0.40	0.36
Other liabilities	(0.77)	(0.99)	(0.46)	(1.23)	(1.25)	(1.07)	(2.39)	(0.39)	(0.26)	(0.25)	(1.65)
<b>Net assets</b>	<b>189.48</b>	<b>175.57</b>	<b>171.44</b>	<b>154.48</b>	<b>140.76</b>	<b>129.52</b>	<b>117.10</b>	<b>107.53</b>	<b>96.40</b>	<b>87.44</b>	<b>108.55</b>
Accrued pension benefits	204.32	189.40	173.27	172.73	148.57	166.01	162.59	146.89	131.86	118.14	115.46
<b>Deficit</b>	<b>\$(14.84)</b>	<b>\$(13.83)</b>	<b>\$(1.83)</b>	<b>\$(18.25)</b>	<b>\$(7.81)</b>	<b>\$(36.49)</b>	<b>\$(45.49)</b>	<b>\$(39.36)</b>	<b>\$(35.46)</b>	<b>\$(30.70)</b>	<b>\$(6.91)</b>
<b>PERFORMANCE (percent)</b>											
Total-fund net return	9.7	4.0	12.7	11.5	10.6	12.7	10.9	14.0	12.7	(18.1)	4.3
Benchmark	8.2	3.5	10.1	10.1	9.3	11.0	9.8	9.8	8.8	(9.6)	2.3
<b>ASSUMPTIONS USED FOR FINANCIAL STATEMENT VALUATION</b>											
As at December 31 (percent)											
Discount rate	2.95	3.25	3.25	3.35	4.20	3.40	3.40	4.05	4.60	4.00	4.65
Salary escalation rate	2.70	2.80	2.50	2.70	3.00	3.00	3.05	3.40	3.55	2.35	3.20
Inflation rate	1.70	1.80	1.50	1.70	2.00	2.00	2.05	2.40	2.55	1.35	2.20
Real rate <sup>1</sup>	1.25	1.40	1.70	1.65	2.20	1.40	1.35	1.65	2.05	2.65	2.45

<sup>1</sup> Effective December 31, 2015, real rate shown as the geometric difference between the discount rate and the inflation rate. Previously, the real rate shown was based on the arithmetic difference between the discount rate and the inflation rate.



Investments Overview

**Performance**

Major Investments

Benchmarks

Investment Strategy

Responsible Investing

Asset Groups

Investment Teams

Partners in Opportunity

Investor Relations

## Performance

Investing to Ensure Retirement Security for Ontario's Teachers – Today and Tomorrow

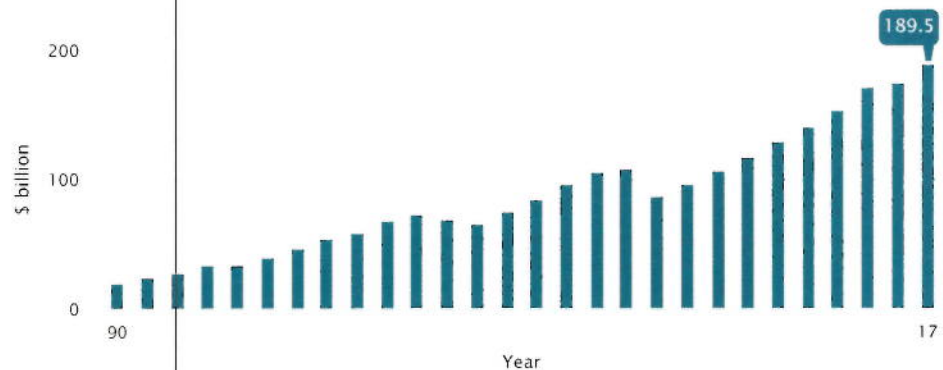
Ontario Teachers' invests around the world, in virtually every sector of the investment universe. Wherever we invest our goal is clear: to increase the value of our assets so the plan can pay pensions and meet its long-term funding needs. To do this, we use [investment strategies](#) and our experience as [responsible investors](#), gained in markets around the world.

We report publicly on our investment performance on an annual basis following the end of each calendar year. Our most recent [annual report](#) was for the year ended December 31, 2017.

The graphs and tables below summarize key aspects of our assets and performance.

### Strong Net Asset Growth Since Inception

As at December 31



	2017	2016	4-year	5-year	10-year	Since Inception
Total-fund net return	9.7	4.0	9.4	9.6	7.6	9.9
Benchmark return	8.2	3.5	7.9	8.2	6.9	8.0
Return above benchmark	1.5	0.5	1.5	1.4	0.7	1.9

### Net Investments and Rates of Return by Asset Class

As at December 31

	2017	Net Investments (Canadian \$ billions)		Rates of Return (percent)					
				1-year		4-year		5-year	
				Actual	BM*	Actual	BM*	Actual	BM*
Equity				17.6	15.4	13.3	12.0	16.0	14.8
Publicly traded	35.2			15.9	15.9	10.3	11.4	13.5	13.9
Non-publicly traded	31.9			18.8	14.6	19.1	13.6	20.6	17.4
Fixed Income				2.6	2.6	5.2	5.3	2.5	2.5
Bonds	41.4			3.6	3.6	4.0	4.1	2.6	2.6
Real-rate products	20.0			0.6	0.6	6.5	6.5	2.3	2.3

	Net Investments (Canadian \$ billions)	Rates of Return (percent)					
		1-year		4-year		5-year	
		Actual	BM*	Actual	BM*	Actual	BM*
Inflation sensitive		(3.2)	(4.0)	(4.4)	(6.3)	(2.8)	(4.3)
Commodities	11.1	(4.3)	(4.3)	(11.6)	(11.7)	(9.3)	(9.3)
Natural resources	6.6	1.3	(1.4)	11.0	7.2	12.0	8.8
Inflation hedge	8.9	(6.7)	(6.7)	-	-	-	-
Real Assets		10.9	7.1	10.7	6.8	11.5	7.6
Real Estate	25.5	6.9	7.3	9.6	7.5	10.3	8.4
Infrastructure	18.7	18.2	8.0	12.5	6.3	13.3	7.2
Real -rate products	1.5	-	-	-	-	-	-
Credit	13.6	1.7	1.1	-	-	-	-
Absolute Return Strategies	10.7						
Overlay	(0.3)						
Money Market	(39.4)						
Total-fund net return	185.4	9.7	8.2	9.4	7.9	9.6	8.2
Benchmark							

Diversified Assets Reflect Our Asset Mix Strategy

As at December 31 2017

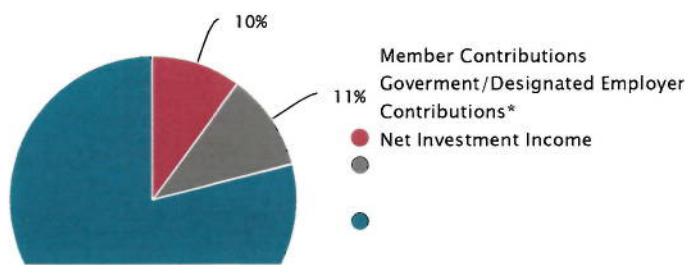


\*Money market provides funding for investments in other asset classes, including the Liability Driven Investment program.

[Learn more about Asset Mix Strategy](#)

Active Management Adds to the Plan's Assets

As at December 31



Additional 1% above the 10% member contributions is related to funding of the original plan deficit

[Learn more about Active Management](#)



[Français](#) [Site Map](#) [Resources](#) [Legal & Privacy](#) [Careers](#) [Contact](#) [Home](#)