# [No Subject]

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**Attachments:** OTPP Pension Returns - Sept 2016.pdf (131.23 kB)

For background purposes only, attached is an historical overview of TPP's rates of return.

Two key points:

1. The provincial assumption for TPP rate of return is significantly lower than the historical actuals from the TPP. In other words, TPP rates of return are, on average, better than what the government assumes;
2. The TPP assumes a much more cautious rate of return (i.e., lower than the government's assumption) when they do their valuations.

According to the AG, while this may be true, she is clear that unless the government has unilateral access to this surplus, the province is not allowed to record a "asset" (ie., a negative expense – see page 284 in the 2016 Ontario Budget).

We can discuss further today at FPC.