



Oppenheimer Holdings Inc.
Annual Report 2015



Oppenheimer is a leading investment bank and full-service investment firm that provides financial services and advice to high net worth investors, individuals, businesses and institutions. For over 130 years, we have provided investors with the necessary expertise and insight to meet the challenge of achieving their financial goals. Our commitment to our clients' investment needs, our experienced and dedicated professionals, and our proud tradition empower us to deliver effective and innovative solutions to our clients.

Our Business Principles

Client Focus

We are deeply committed to our clients and offer the same level of service to investors of all sizes.

Tailored Advice

Our recommendations for each client are tailored and based on a deep-seated knowledge of individual goals.

Open Architecture

We foster a culture of independence and autonomy and offer clients direct access to decision-makers.

Proven Expertise

We have earned a role as a trusted advisor for our clients by consistently providing expertise, insight, and results.

Trusted Reputation

Our track record demonstrates a commitment to results-driven investments and leadership in the financial marketplace.

Flexibility at Scale

Our structure allows teams to scale to meet a client's needs, pulling together the right expertise to meet each challenge.

Heritage and Continuity

For more than 130 years we have provided our clients with the financial expertise and insight to meet their goals.

Entrepreneurial Mindset

We believe in independent thinking that leads to innovative financial solutions.

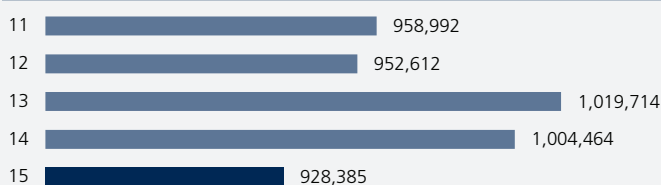
FINANCIAL HIGHLIGHTS—Annual Report 2015

(In thousands of dollars except per share amounts and number of employees)

	2015	2014	2013	2012	2011
Gross revenue	\$928,385	\$1,004,464	\$1,019,714	\$952,612	\$958,992
Profit (loss) before income taxes	\$6,711	\$25,736	\$43,909	(\$527)	\$17,848
Net profit (loss)*	\$1,962	\$8,826	\$25,061	(\$3,613)	\$10,316
Basic earnings (loss) per share*	\$0.14	\$0.65	\$1.85	(\$0.27)	\$0.76
Total assets	\$2,692,964	\$2,787,455	\$2,952,720	\$2,678,020	\$3,527,439
Shareholders' equity*	\$518,058	\$527,644	\$522,518	\$500,740	\$508,070
Book value per share*	\$38.84	\$38.71	\$38.77	\$36.80	\$37.16
Total shares outstanding	13,338	13,630	13,478	13,608	13,672
Number of employees	3,290	3,434	3,517	3,521	3,576

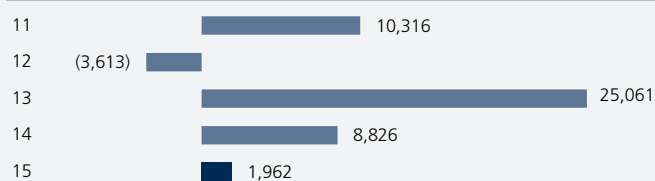
GROSS REVENUE

(\$ thousands)



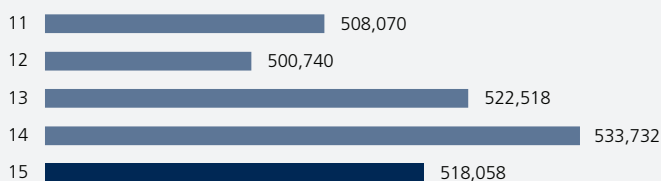
NET PROFIT*

(\$ thousands)



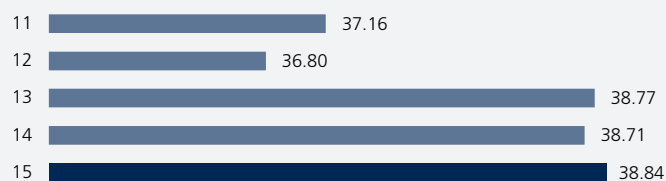
SHAREHOLDERS' EQUITY

(\$ thousands)



BOOK VALUE PER SHARE

(\$)



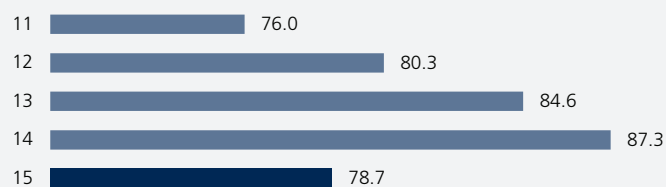
ASSETS UNDER MANAGEMENT

(\$ billions)

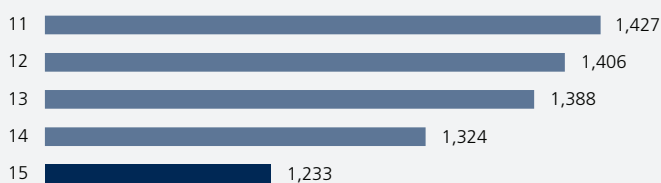


CLIENT ASSETS

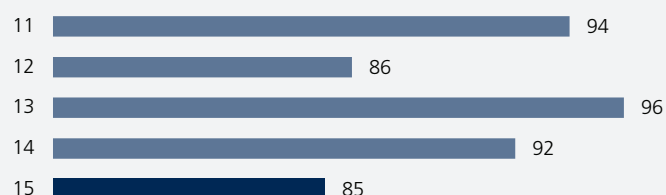
(\$ billions)



FINANCIAL ADVISORS



BRANCH OFFICES



* Attributable to Oppenheimer Holdings Inc.

Dear Fellow Shareholders



At year-end, we are called upon to review what happened during the year and, more importantly, identify issues and challenges that shaped the year, as well as how we plan to best address them in the future.

In the financial services industry as well as at Oppenheimer, we see ahead of us great opportunities for new growth and new prosperity, even as we successfully resolve issues and challenges of the past. It has never been more important to be looking forward in our planning and priorities to stay ahead of rapidly changing economic conditions, the evolution of financial markets, regulatory initiatives, and, above all, the unknowns which lie beyond our influence and control. In this letter, we will discuss our determined approach to all of these developments and our optimism toward the future success of our firm.

The equity markets in 2015 proved to be disappointing, with the benchmark S&P 500 index down less than 1%. A sharp reduction in the price of oil (\$38 per barrel at year-end) and a strong U.S. dollar, as measured against a basket of currencies, led to modest growth in the U.S. economy (2.4%). In December, the Federal Reserve ended its 8-year commitment to low interest rates with a widely anticipated increase in the discount rate. This, in combination with a further drop in crude oil, resulted in an incredibly weak start to 2016. This appears to be a reaction to an unexpected weakening of the global economy.

Reporting on our results for 2015, client assets under administration totaled approximately \$78.7 billion, while client assets under management in fee-based programs totaled approximately \$24.1 billion, compared to \$87.3 billion and \$25.9 billion, respectively in 2014, reflecting weaker valuations and a smaller salesforce.

For the year, the Company reported revenues of \$928.3 million, a decrease of 7.6% from \$1 billion in the prior year, and reported a profit of \$2.0 million, compared to a profit of \$8.8 million in 2014, a decrease of 77.8%. The 2015 profit per share was \$0.14 (\$0.14 fully diluted) compared to a profit of \$0.65 per share (\$0.62 fully diluted) in 2014. On December 31, 2015, the Company had a total of 13,338,000 shares outstanding and the book value per share was \$38.84 as compared to \$38.71 at the end of 2014.

Our full-year results produced lower revenue, which reflected weakness across several business lines. In our private client business, we observed a sharp decrease in account turnover with commissions at the lowest level (per dollar of assets under custody) we have ever experienced. Also impacted was our institutional equity business, and although it showed flat revenue, our market share again increased this year. In investment banking, we had lower revenue, largely reflecting lower capital markets activity from IPOs and secondary offerings.

For the first time in our history, we produced fee-based revenue from asset management that exceeded our transaction business, indicating continued growth and client acceptance of fee programs over commission-based transactions. Once again, incentive fees from alternative investments were disappointing due to the inability of these investments to reach “high water mark” levels in a difficult and highly volatile equity environment.

We continue to observe redemptions of client-held auction rate securities and client holdings eligible for firm tenders were down to \$57 million at year-end compared to total client holdings of \$2.8 billion when the auction rate market failed in 2008. While this situation is not completely resolved (we hold on a proprietary basis auction rate securities totaling \$92 million),

the prospect of higher short-term interest rates in 2016 should incentivize issuers to redeem that which remains.

During the past year, we showed progress in a number of important areas:

We successfully recruited Financial Advisors across the country. We are focused on the need to recruit and retain experienced Financial Advisors with proven records in order to continue to build and preserve this important franchise. We will ensure our success by investing in existing people through professional development and succession planning programs. A strategy of growing individuals that hold a deep understanding of our operations, capabilities, and client needs and expectations will provide both a solid basis for future success, while we continue to enhance and deliver a platform with best-in-class investment ideas and outstanding services.

Our success in attracting clients to our various asset management strategies continued to show substantial progress with such fee-based programs for the first time exceeding 50% of private client revenues. While the number of clients increased, overall assets under management decreased, due largely to market value declines. Prudent asset allocation and cogent manager selection are finding wide and enthusiastic receptivity among clients that greatly appreciate our holistic view of investments.

We continue to see growth in market share of our institutional equity platform. Client meetings with company management and heavily attended industry conferences continue to reinforce the value of bringing actionable ideas and corporate representatives to institutional clients. Our equity research analysts continue to be widely respected for their thoughtful and innovative ideas. We ended the year with 40 publishing analysts across multiple industries.

Among our technology initiatives, we successfully launched a new Mobile App, and by year-end 2016, the launch of Passport, our new asset management technology platform, will bring a substantial upgrade to advisor access to client data as well as improved tools to implement and execute client investment programs. We continue to evaluate and enhance the client online experience with improved and expanded access to account information.

This year, we invested heavily in regulatory and control solutions by hiring the experienced people necessary to develop and improve the technology required by our compliance programs. We believe that such investments are necessary in order to ensure that in everything we do, we are meeting and exceeding the requirements of the regulatory environment.

We continue to build for the long term, execute on a comprehensive strategy for growth and believe in our ongoing success, even

in the face of significant challenges. The regulatory environment continues to be a concern with elevated levels of oversight and considerable industry-wide uncertainty surrounding a host of new regulatory requirements. We are investing in enhancing and strengthening our compliance regime, working with independent consultants and regulators, adding senior and experienced compliance management, and upgrading technology. We are emphasizing the critical and immediate need to combat cybersecurity threats and to protect privacy. Be assured that we are firmly committed to undertake any and all actions necessary to protect our company and, most importantly, our clients.

We have made a number of mistakes in recent years. Some of them have been quite painful and costly. But we have learned much from our mistakes. Our core values and our culture are the most important and enduring strength of this firm. As we stay true to our principles, always doing what is right and best for our clients in the best and worst of times, we can feel justly proud of our efforts. As we make the changes necessary to evolve and to adapt, we face the future from a position of strength.

The talented and tireless efforts of our employees are yielding solid and steady gains. We have the advantage of a fully engaged and firmly committed Board, fully engaged in the evolving policies and practices of the Company and firmly committed to overseeing the necessary changes to ensure our future success. All of this reinforces my conviction that by working together, not only will we meet and master any and all past challenges, but we will seize and exploit future opportunities to ensure that Oppenheimer's best days are ahead of us.

More than 30 years with Oppenheimer have instilled in me a deep pride for what we do. We create trusted relationships with clients and one another. We also believe that we gain a competitive advantage from our size and intimate company culture—a culture firmly rooted in our values, which emphasize ethics and integrity, trust and respect. Our size, our culture, and our teamwork have always given us a competitive advantage. I am confident that will continue.

I want to express my thanks and that of our firm to the many years of dedicated service on our Board of Ken McArthur and Dick Crystal, both of whom will be retiring as directors at our upcoming Annual Meeting. We will miss them.

I express my appreciation and gratitude to you, our shareholders, for your continued support.



Albert G. Lowenthal
Chairman & CEO

Private Client Division



- 1,233 Advisors
- 85 Offices
- \$78.7 Billion Assets under Administration

AT A GLANCE

The Private Client Division is comprised of 1,233 Financial Advisors who are located in 85 offices throughout the United States. Our Financial Advisors provide comprehensive investment solutions to a variety of clients that include high net-worth individuals and their families, endowments, charities, pension plans, corporate executives and a range of businesses. Our Financial Advisors offer unmatched access to intellectual capital combined with the support of our Financial Planning Group, Trust Company, Asset Management Group, Insurance Division and both Corporate Executive and Retirement Planning services.

BUSINESS ENVIRONMENT

2015 was a year that continued with a slow growth, low interest rate environment that saw increased market volatility that adversely affected investor confidence and activity. The markets focused on continued uncertainty surrounding declines in the price of oil and other commodities, the perceived weakness in China's economy, the strengthening dollar and the timing of the Federal Reserve's decision on increasing short-term interest rates. Despite reaching a record high on May 21, the S&P ended the year slightly down.

During a year of volatile markets and client uncertainty, Oppenheimer Advisors continued to work closely with their clients in developing strategies to take advantage of these changing markets.

ACCOMPLISHMENTS

The Private Client Division has a clear strategy:

- To continue to develop comprehensive wealth management strategies to meet the investment needs of our clients.

- The continued development of our employees through Professional Development and the acquisition of additional talent and expertise to meet the ongoing needs of our clients.
- The continued investments in our compliance and operating systems to enhance our risk management controls while improving our efficiencies and productivity.

Our business is built on relationships and people are our greatest asset. During 2015, we made significant changes in our leadership ranks, our compliance team and processes, and in programs to help our advisors and their teams grow professionally. In addition, we invested resources to ensure that our business lives up to the highest levels of compliance and integrity. In meeting this goal, we realigned our model in accordance with expected industry practices and added 16 professionals to our already expanded compliance team.

Targeting Growth Opportunities

Our strategy aligns our business with two key demographic trends that are developing: Intergenerational wealth transfer which is occurring between Baby Boomers and their beneficiaries and an aging and declining advisor population.

As Baby Boomers continue to plan for the future, they increasingly are looking for solutions for overall retirement planning and advice on complex issues. Oppenheimer's platform and financial planning approach are particularly well suited to this market and our Financial Advisors are highly successful in guiding these individuals and families. Oppenheimer Life Agency, Ltd. and Oppenheimer Trust Company of Delaware provide leading trust, annuity and insurance solutions that are so important to clients.

As Millennials continue to exert both their economic force and their worldview, we are planning for changes in our advisor population as well as in our product offerings, and an enhanced delivery model, more attuned to a technology savvy population. We launched and developed an internship program that has grown and become a source of younger talent to our advisor community. Through our professional development effort, we provide a pathway for the next generation where older advisors begin the process of succession planning with their younger family members.

Professional Development

Under new leadership, we re-launched our professional development organization to help advisors continue to grow their practices using a variety of methods such as skill-based training, peer-to-peer exchanges and practice management tools. We conduct ongoing formal training programs for all Financial Advisors including providing advisors a methodology to transition their practice to a client focused fee-based model. We also provide business model

consultations and individual coaching. For newer employees, we strengthened our Associate Advisor, internship and mentoring programs. These programs are designed to help Financial Advisors grow and manage businesses oriented to attracting new clients and expanded access to client sources of wealth.

With the new *OpcoMobile* app, clients have seamless access to their accounts anytime, anywhere.

Technology and Infrastructure

Our employees and our clients also need intuitive technology and we are delivering it. Through a sounding board of client-facing advisors and support, we focus our technology enhancements on the most value-added projects. We continue to roll out an integrated platform that provides simplicity and scalability for our Financial Advisors and multi-channel delivery for our clients. As our world migrates to mobile platforms, we delivered the *OpcoMobile* app to provide clients with access to their accounts on both Apple and Android devices. Other enhancements in 2015 included a much improved enrollment process and the ability for clients to determine their preferences for delivery of information and grouping of accounts.

THE WAY FORWARD

We are committed to providing our clients with superior solutions and financial advice best suited to their stage in life and their goals. With new leadership and structures in place, we will concentrate all our efforts on unlocking the full potential of our business through meeting client needs and expectations, supporting our advisors as they build and nurture their businesses and executing on a strategy to grow our business while carefully managing risk.



Asset Management



- \$24.1 billion in Assets Under Management
- 61,415 client accounts
- 10 programs

AT A GLANCE

Oppenheimer Asset Management (OAM) is committed to its mission to provide investment advice and investment management services that best meet the needs and objectives of our clients. Our guiding principles for advising high net worth individuals, endowments, foundations and other institutional clients focus on understanding our client's definitions of risk and reward, coupled with recognition that the key benchmark to meet is helping our clients achieve their stated goals through prudent diversification.

ACCOMPLISHMENTS

2015 was a year of transitions for OAM. New leadership and the implementation of initiatives will transform our business and position the group well for future growth. Key initiatives such as: implementation of a state of the art advisor-centric technology; the buildout of additional sales and marketing resources; integration into actionable investment ideas of the firm's global investment strategy, and continuous support of our key constituencies both advisers and clients. We continued to source innovative investment strategies within both traditional and alternative asset classes in order to provide a solid foundation from which to build.

Technology

The introduction of PASSPORT, OAM's new wealth management platform, marks a significant commitment by the firm to improve the Financial Advisor and client technology experience. PASSPORT will provide "power at the desktop", delivering tools to view, trade and manage client advisory accounts with both efficiency and scale.

As PASSPORT is launched to our advisor network, we will retire 14 operating systems in order to streamline the data collection process and reduce administrative overhead. Additionally, in 2016, OAM will take on the Unified Managed Account ("UMA") overlay portfolio management responsibility for over \$4.5 billion in client assets, creating both more efficiency and improving our operating margins, while providing enhanced reporting to our clients. This integrated platform will empower advisors to continue to customize their advisory services offering and create administrative efficiencies. It will also free up our advisors to focus on client attention and relationships, their most important role.

Sales and Marketing

OAM expanded its sales and marketing footprint by 75% in 2015, hiring talented associates to help meet the growing demand of the firm's U.S. based wealth management effort. With a 10:1 Financial Advisor to OAM personnel ratio, Financial Advisors and clients are afforded the resources one would come to expect

from a full service advisory platform such as ours, delivered with a level of personal engagement and support rarely seen in today's marketplace.

Throughout 2015, the Sales and Marketing group reinforced existing advisor relationships and forged new relationships by focusing on an effort to educate Financial Advisors and their clients on OAM's investment and wealth management capabilities. Our increased manpower enables us to provide support to a wider geographic distribution of offices as well as high visibility training and investment seminars, sponsored client events and direct client engagement, all of which are critical to our unique approach to client support and education.

The ability to engage with clients is further strengthened by the integration of the firm's financial planning resources, key to providing proper context for client investment strategy. Financial Advisors have adopted the financial planning process as a key component of their ability to assist clients in the proper review of their current financial profile and meeting their financial goals both now and in the future.

PASSPORT will provide 'power at the desktop'

Thematic Trends

The Market Strategy Group was formally incorporated into OAM in 2015. Working in conjunction with our traditional and alternative investment research teams, the Group provides actionable, markets-based advice through its weekly "The Market Strategy Radar Screen" publication. OAM's work inspired the creation of

the OAM Market Strategy Portfolio, an efficient means through which clients can invest in the trends and themes the Group believes are relevant to investment success. These beliefs are expressed through the careful selection of highly liquid ETFs that vary in investment style, market capitalization ranges and geographic regions and provide access to high quality underlying equity investments. The OAM Market Strategy Portfolio launched in 4th quarter 2015.

Manager Sourcing

Discovering emerging talent remains a focus for OAM. Whether traditional or alternative, the firm's history of identifying specialized niches of the capital markets in which to invest in continues to be where the best investment opportunities are to be found. Identifying those managers with specialized knowledge, strong pedigrees and unique and differentiated investment approaches that best align with our views on appropriate allocation and diversification are the foundation of OAM's manager platform. OAM has identified forty such discovered/emerging manager strategies across both traditional and alternative investments.

While 2015 ended with most major market indices experiencing losses, the platform produced relatively strong risk-adjusted performance, particularly in alternative investments with most strategies outperforming their primary benchmarks. Our belief in preservation of capital and better performance through diversification gave ample testimony this past year to our philosophy of the importance of manager selection.

THE WAY FORWARD

We believe our expanded reach along with the investment products and services available through OAM will help us to navigate and weather whatever the markets may bring in 2016.



Equity Capital Markets



- A research department with more than 100 research professionals providing in-depth coverage of over 570 companies across a wide range of industries, with a particular focus on mid- and small-cap companies
- Over 100 institutional sales professionals operating throughout the U.S., U.K., Israel, Asia and Europe through our various offices and affiliates
- A global trading and execution platform that provides execution in all venues and on numerous exchanges throughout the world
- An Equity Capital Markets Group that offers innovative and comprehensive capital markets solutions

AT A GLANCE

The Equities Group is committed to creating exceptional value for our corporate and institutional clients. Our goal is to be the premier research, trading and capital solutions firm for the markets we choose to serve.

BUSINESS ENVIRONMENT

Many market participants closed out their books at the end of 2015 with a sigh of relief. Despite the headline averages ending the year virtually unchanged, it felt like a long, long journey to get there. Action was mostly driven by macro events on the global stage, although at home the expected cycle of Fed rate rises became a nerve-wracking game of chicken with the markets. An epic collapse in the price of oil and other commodities caused a great deal of pain for investors, especially in the energy sector and related industries. In turn those dramatic events generated significant volatility in markets generally, with the VIX volatility index spiking from a low point of 11 to a high of 40 during the course of the year.

Volatility, as well as continued lower than normal volume, made for a challenging year for the equities industry as a whole, as both institutional and retail participants remained side-lined. Despite

several high profile IPO names coming to the market, the IPO calendar was a disappointment, driven by concerns around valuations and heavily impacted by market volatility and a considerably more selective attitude on the part of institutional investors, scarred by the triple-digit dips and sharp rallies that occurred throughout the year.

ACCOMPLISHMENTS

Oppenheimer's Equity division delivered a solid result for the year, with core agency commissions coming in about on par with the prior year. Our salesforce was able to hold market share gains from 2014, and in a number of cases we saw continued improvement in market share as our clients came to appreciate the full depth and breadth of our research product. Bolstered by our highly regarded Investor Conference series, we continue to achieve client recognition especially in our key verticals: Technology, Telecom & Internet, Healthcare and the Consumer Industry. In 2015, we also experienced

renewed growth in our Event Driven and Merger Arbitrage business line, as that group capitalized on a surge in M&A activity in the U.S. and around the globe. Additionally, we were very pleased to see another significant increase in revenue from clients of our options desk. The jump in volatility combined with the need for investors to hedge their portfolios led to both new and existing clients engaging with this specialized sales team.

The Equity Research Department ended 2015 with over 600 stocks under coverage and 40 senior research analysts. There was continued interest across our client base in all of the core verticals: Technology, Internet & Communications, Consumer, Healthcare, Industrials, and Financial Institutions. At our conferences in 2015, we hosted close to 450 companies and arranged over five thousand individual meetings for investors. Access to company managements

Oppenheimer grew its healthcare financings by 35% from 26 transactions in 2014 to 40 transactions in 2015.

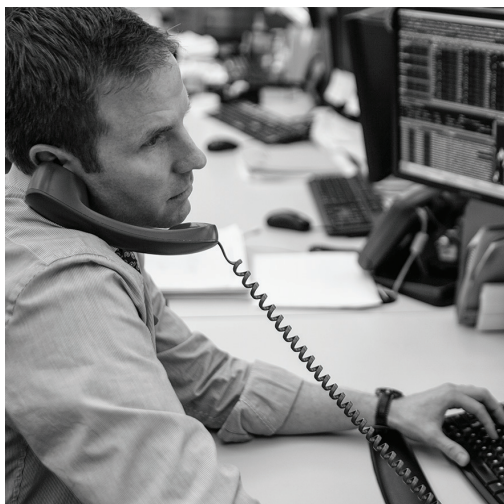
remained a strong bulwark of our strategy as we took over 400 companies on the road and hosted over 3,000 individual meetings. In the second half of the year, we entered a new sector, Sustainable Growth & Resource Optimization, which should be a large and growing industry over the next few years. On the technology side, our analysts continue to focus on the convergence that is rapidly occurring between technology and communication, and we hosted several cross-sector events for investors to help provide insight into the changing technology landscape. Our Healthcare franchise experienced a solid year, capitalizing on investor interest in the war on cancer. We concluded the year with our 26th Annual

Healthcare Conference, and also created a smaller, more intimate scientific event series, called *Oppenheimer's On-Site Insight Series*, which focused specifically on immuno-oncology.

The Equity Capital Markets group completed 84 transactions raising \$17 billion in 2015. With a primary focus on mid- and small-cap growth companies, Oppenheimer's median deal size was \$80 million with a market cap of \$425 million. The backdrop for the year was one in which we had a very healthy capital raising environment for the first two quarters of the year and then a more challenging environment in the last two quarters. The IPO market saw 159 IPOs raising \$30 billion and 611 follow-on transactions raising \$165 billion according to Dealogic. The dominant sector for the year was healthcare, with life sciences comprising the majority of the transactions. Healthcare IPOs accounted for 43% of the market by issuer and 37% of the follow-on market by issuer. Oppenheimer grew its healthcare financings by 35% from 26 transactions in 2014 to 40 transactions in 2015. The technology, consumer, financials and energy sectors were also active for parts of the year and Oppenheimer engaged in a number of financings in those areas as well. We served as bookrunner or lead manager on 23 transactions throughout the year, including being a joint bookrunner on a successful U.S. listing for Summit Therapeutics plc and a joint bookrunner on the successful uplisting of Pieris Pharmaceuticals. In addition, we had multiple other book-run and lead assignments in the technology, financial and industrial space.

THE WAY FORWARD

Oppenheimer's Equity business is well positioned for 2016. We are digging deeper and working harder and smarter. We have focused resources on areas where our domain strengths and our clients' need coincide. By consistently delivering the highest level of service in each segment, market share will continue to grow in the coming fiscal year.



Investment Banking



- 100 Professionals
- Completed over 100 transactions representing approximately \$20 billion in value

AT A GLANCE

Oppenheimer's Investment Banking professionals are committed to providing strategic advisory services and capital market strategies for emerging growth and mid-sized businesses. With our deep industry expertise and broad product capabilities, we are uniquely positioned to assist companies achieve their strategic and financial goals through a variety of market conditions.

BUSINESS ENVIRONMENT

Geopolitical risks and uncertainty related to monetary policy caused pockets of volatility throughout the year. While U.S. economic numbers were positive in aggregate, weak data out of China raised concerns over global growth. Corporate earnings also came under pressure due to pricing compression in the oil industry, a continued strong dollar and increased borrowing costs for many, as credit spreads increased.

These factors contributed to a difficult 2015 for U.S. equity and equity-linked markets. Equity volume was down 11% year over year, with volatility in the healthcare market and the lowest level of technology IPO volume since 2009. The equity-linked market saw convertible issuance down 20% from the prior year. The U.S. M&A market was a silver lining. A five-year run of increased volume continued with 2015 finishing as the biggest year on record for U.S. targeted M&A, driven largely by transactions in the healthcare and technology sectors.

Select M&A Transactions

<p>\$800,880,000</p>  <p>Sale to</p> <p>UPHILL INVESTMENT</p> <p>Exclusive Financial Advisor</p> <p>December 2015</p>	<p>Undisclosed</p>  <p>Sale to</p> <p>INVESTCORP</p> <p>Exclusive Financial Advisor</p> <p>December 2015</p>	<p>Undisclosed</p>  <p>Sale to</p> <p>Blue Cross Blue Shield Blue Care Network of Michigan</p> <p>Exclusive Financial Advisor</p> <p>November 2015</p>	<p>Undisclosed</p>  <p>Sale to</p> <p>NAUTIC PARTNERS • LLC</p> <p>Exclusive Financial Advisor</p> <p>July 2015</p>	<p>\$92,000,000</p>  <p>Sale to</p> <p>ACTON MOBILE</p> <p>Exclusive Financial Advisor</p> <p>May 2015</p>	<p>Undisclosed</p>  <p>Sale to</p> <p>facebook</p> <p>Exclusive Financial Advisor</p> <p>March 2015</p>
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ACCOMPLISHMENTS

Oppenheimer Investment Banking results mirrored broad trends. Our Healthcare and Technology groups led division activity, together contributing a majority of our revenues. M&A continued to be our strongest product and helped to offset the effects of a slowed public financing environment. During the year, we served as financial advisor on announced and completed M&A transactions totaling more than \$2.0 billion in value. Despite market instability, we were able to raise approximately \$17.0 billion of equity and equity-linked capital for clients via 84 offerings. A continued appetite for life science equities dedicated to promising drug discoveries and increased public interest in the technology space contributed significantly to equity activity.

While 2015 presented challenges for our industry, management's strategy continued to center on three core business initiatives to better position our firm as a multi-product, multi-sector platform within the evolving market environment:

- expanding the breadth and depth of solutions for our clients;
- refining our ability to execute on behalf of our clients; and,
- attracting and retaining talented professionals with deep industry sector domain expertise, transaction experience and relationships in the emerging growth and middle markets

The division added product specialist and industry coverage bankers including the creation of the Alternative Capital Finance Group and Industrial Technology Group. These additions allow Oppenheimer to be an increasingly relevant provider of financing solutions to micro and small capitalization companies across a number of sectors. The Alternative Capital

Finance Group advises public companies regarding capitalization strategies and raising capital in situations where regular-way, broadly marketed offerings are often not the optimal solution—in particular, quickly accessing capital for small, less liquid public companies. The Industrial Technology Group provides strategic advisory services to clients in the alternative energy, renewables and clean technology sectors as well as to companies with applied technologies to the industrials sector.

Investment Banking also developed its franchise in Europe, Middle East and Africa (EMEA) and Asia and Pacific (APAC) to better complement U.S. equity and debt capital markets capabilities. In EMEA, the bank has Consumer, Healthcare, Technology and Communications investment banking capabilities. In APAC, a coverage group focused on financial sponsors and sovereign funds is designed to assist European and U.S. clients in accessing capital within the region.

We improved recruiting and retention. Over 25 professionals joined the team, including five senior hires, to maintain a current total headcount of approximately 100 individuals. We also launched a program to retain and develop our current Executive Directors as they assume greater accountability for client coverage and revenue generation.

THE WAY FORWARD

Despite a volatile 2015, focus on these core business initiatives contributed to the success of the Investment Banking Division. We look forward to continuing to bring our clients best-in-class service and effective solutions as we move forward into a new year.

Select Financings

<p>\$150,000,000</p>  <p>Senior Unsecured Notes Offering</p> <p>Co-Manager</p> <p>December 2015</p>	<p>\$400,000,000</p>  <p>Initial Public Offering</p> <p>Co-Manager</p> <p>November 2015</p>	<p>\$126,800,000</p>  <p>Equity Follow-on Offering</p> <p>Co-Manager</p> <p>October 2015</p>	<p>\$51,000,000</p>  <p>Equity Follow-on Offering</p> <p>Lead Bookrunner</p> <p>September 2015</p>	<p>\$22,500,000</p>  <p>Private Placement</p> <p>Placement Agent</p> <p>September 2015</p>	<p>\$35,000,000</p>  <p>Placed with Fortress</p> <p>Private Placement</p> <p>Sole Placement Agent</p> <p>June 2015</p>
<p>\$343,735,000</p>  <p>Equity Follow-on Offering</p> <p>Co-Manager</p> <p>June 2015</p>	<p>\$136,562,500</p>  <p>Initial Public Offering</p> <p>Lead Manager</p> <p>May 2015</p>	<p>\$3,687,190,000</p>  <p>Equity Follow-on Offering</p> <p>Co-Manager</p> <p>March 2015</p>	<p>\$228,250,000</p>  <p>Equity Follow-on Offering</p> <p>Co-Manager</p> <p>March 2015</p>	<p>\$68,770,000</p>  <p>Equity Follow-on Offering</p> <p>Co-Lead Manager</p> <p>March 2015</p>	<p>\$39,280,000</p>  <p>Equity Follow-on Offering</p> <p>Bookrunner</p> <p>March 2015</p>

Debt Capital Markets



- A global trading and execution platform
- Over 100 institutional sales and over 60 trading professionals operating throughout the U.S., U.K., Israel, Asia and Europe
- Serving over 1,500 institutional accounts in over 60 countries
- A research department with 7 research professionals covering more than 250 companies across a wide range of industries, with a particular focus on high-yield and emerging markets corporates and sovereigns

AT A GLANCE

The Fixed Income Group is committed to creating exceptional value for our corporate, municipal and institutional clients. Our goal is to be a premier research, trading and capital solutions firm for the markets we serve.

BUSINESS ENVIRONMENT

The fixed income market in 2015 saw a continuation of themes that negatively impacted the credit markets in 2014. The Federal Reserve continued to create market uncertainty throughout the year by delaying a rise in the benchmark Fed Funds rate until the final weeks of December. Growth in China continued to disappoint investor expectations. The U.S. dollar appreciated against all major currencies. Oil prices continued to decline to levels not seen in over a decade. Volatility in the stock market, particularly in August, continued to destabilize investor confidence. Credit spreads continued to widen for High Yield and Emerging Market bonds.

These trends accompanied tremendous volatility, whereby investors witnessed dramatic swings in benchmark treasury rates and major stock market averages. However, there was little year-over-year change in treasury yields and stock market indexes were also largely unchanged for the full year. The 10-year treasury yield started the year at 2.11% and ended at 2.27%

The debate between passive and active portfolio management remained a timely subject, particularly for investment products that faced liquidity constraints in distressed markets. In 2015, we saw both ETFs and actively managed bond funds faced with varying degrees of structural challenges. A single market event, the gating by The Third Avenue Credit Fund startled investors, significantly affecting once easily traded fixed income ETFs which saw their prices slide further than the underlying bonds they own, causing them to trade at a significant discount to fair value.

ACCOMPLISHMENTS

Openheimer continued to invest in a strategy of providing timely ideas and advice to our clients, while remaining conservative with our deployment of capital. Our fixed income research analysts cover high yield corporate credit, emerging market corporate and sovereign credit, as well as tax-exempt municipal bonds and mortgage backed securities.

Our Debt Capital Markets group expanded to include origination personnel in New York and London. This complements our global sales and trading team, with over 1,500 accounts in 60 countries. Oppenheimer is uniquely positioned to lead-manage deals for both sovereign and corporate issuers looking to raise debt capital from institutions around the world. Our syndicate desk participated in 16 deals in a variety of industries, including financial, telecom, logistics and travel and leisure. This is up from 14 deals in 2014.

Our Fixed Income division performed well in 2015. Revenues were up slightly from 2014, and despite dramatic price moves in High Yield and Emerging Bond Markets, we were able to remain extremely active with clients, while not increasing our risk profile. Our capabilities continue to differentiate us in an environment where bulge bracket players are reducing staff and removing capital committed to the fixed income business. Oppenheimer's Fixed Income business is an increasingly attractive business model that presents career opportunities for our talented associates and provides us with a unique ability to add experienced people.

We continue to invest in the buildout of our Fixed Income business and anticipate future opportunity in a market with fewer full service providers.

Municipal Bond Sales & Trading

The municipal market was highlighted by a strong second half resulting in a 3.55% overall return in 2015. Lower supply and high demand for municipal bonds helped fuel the drop in yields

from the previous year. Both the 10-year and 30-year municipal yields ended 2015 with ratios below 90% of treasury yields after starting the year over 100%.

Total municipal bond issuance rose to \$435 billion in 2015. However, net issuance ended the year at about negative \$15 billion. While there was some headline risk in municipals throughout 2015, investors continued to flock to the market. Municipal bond funds saw \$16.3 billion of positive inflows in 2015.

Oppenheimer senior-managed 200 deals totaling approximately \$1.7 billion. Most notably, we increased our position in the number of school districts we priced in Texas under the Permanent School Fund Program. In addition, we senior-managed multiple issues of charter schools located in various states, including California, Massachusetts and Texas. In the competitive new issue arena, Oppenheimer participated in 654 issues totaling over \$17 billion, providing new issue municipal bonds for our investors.

THE WAY FORWARD

2016 promises to be another exciting year in the markets. Investors are hoping for a bottom to the decline in oil prices and see a modest recovery in the energy sector. However, the market seems likely to put further pressure on over-levered issuers with insufficient cash flow to support their debt obligations. In addition, record low commodity prices and the continued strength of the U.S. dollar will threaten once high-flying emerging economies faced with potential capital flight.

We will continue to recruit experienced and knowledgeable staff as large scale layoffs and capital retrenchment hinder larger players. We will target opportunities for product expansion and growth in the number of Institutional client relationships covered by the firm.



Public Finance and Municipal Trading

Significant Financings by the Municipal Capital Markets Group in 2015

\$785,795,000[†]

New York City Transitional Finance Authority
Future Tax Secured Subordinate Bonds

\$548,185,000^{††}

California State Public Works Board
Lease Revenue Refunding Bonds
(Various Projects)

\$275,055,000^{}**

Metropolitan Transportation Authority
Transportation Revenue Bonds

\$97,985,000^{*}

Waco (Texas) Independent School District
Unlimited Tax Refunding Bonds

\$86,315,000^{*}

New Caney (Texas) Independent
School District
Unlimited Tax School Building Bonds

\$75,501,000^{*}

Hudson County (New Jersey)
Improvement Authority
County-Guaranteed Pooled Notes
(Local Unit Loan Program)

\$43,140,000^{*}

City of Springfield, Missouri
Special Obligation Bonds
(Sewer System Improvement Projects)

\$37,005,000^{*}

St. Clair County, Illinois
Taxable General Obligation Refunding Bonds

\$35,775,000^{*}

Massachusetts Development
Finance Authority
Revenue Bonds
(Western New England University)

\$35,388,228^{*}

City of Ithaca, New York
Bond Anticipation Notes

\$25,540,000^{*}

California Statewide Communities
Development Authority
Educational Facilities Revenue Bonds
(Independence Support, LLC Project)

* Book Runner

** Co-Senior Manager

† Senior Co-Manager

†† Co-Manager

- Senior manager of \$1.7 billion of bonds and notes
- Municipal notes – among top ten underwriters by volume

AT A GLANCE

Oppenheimer's Public Finance Group provides underwriting and advisory services to a wide variety of borrowers in the municipal bond market, including government issuers and private companies that serve a public benefit.

BUSINESS ENVIRONMENT

Low and relatively stable interest rates marked 2015, which saw new issue volume surge in the first quarter before gradually retreating over the remainder of the year. All told, total long-term volume for 2015 was \$397.7 billion, a 17% increase from 2014. Much of this increase can be attributed to bond re-fundings, which increased 28% from 2014.

ACCOMPLISHMENTS

In 2015, Oppenheimer remained very active in both the competitive and negotiated markets and continued its mission to profitably expand its reach and remain innovative in a market bereft of innovative financings.

Oppenheimer's negotiated underwriting increased substantially in 2015, with the firm book-running approximately \$1.1 billion of bonds and notes in over 60 transactions. In doing so, Oppenheimer's long-term negotiated rankings jumped from 41st to 29th in the league tables. Much of this increase can be attributed to our banking team in Dallas, which senior-managed over \$500 million of bonds on behalf of school districts in Texas, up from \$89 million in 2014. Notable in this sector were a \$98 million deal for Waco Independent School District, three deals underwritten for New Caney Independent School District totaling \$148 million, and five deals underwritten for Mesquite Independent School District totaling \$175 million.

Our banking team in the Northeast continues to grow its presence among some of the country's largest issuers and has added professionals to develop and further our relationships. Additionally, in 2015, Oppenheimer closed its first sole-managed negotiated deal in Rhode Island and was added as a senior manager for one of that state's most frequent issuers.

2015 also saw the introduction of a new product in the municipal market. Our Northeast public finance team has collaborated with Oppenheimer Multifamily Housing & Healthcare Finance and one of Oppenheimer's lending partners to provide bridge financing for property developers that will be receiving loans from FHA sponsored government programs. Two such deals were consummated in 2015, and several more are expected in the year ahead.

One sector of the market in which Oppenheimer was particularly active in 2015 involves charter schools. While these transactions may be relatively small in issuance size, they require experienced practitioners with expert advice on structure and timing. Oppenheimer was successful in providing senior-managed bond offerings on behalf of six charter schools in Texas and California, as well as one of the largest charter schools issued in Massachusetts.

Oppenheimer's short-term underwriting desk continues to be a leader in the industry, reclaiming its position in the top 10 by volume and ranking fourth in number of issues. Our desk bids daily on transactions in the competitive market and frequently commits capital to underwrite entire issues while simultaneously seeking investors for the issues.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)

Our Annual Report on Form 10-K for the year ended December 31, 2015 also serves as our 2015 Annual Report to Stockholders. It is available to view and print online on our website at www.opco.com on [the Investor Relations page](#). A stockholder who wants to receive a paper or email copy of our Annual Report on Form 10-K for the year ended December 31, 2015 must request one. The report is available, without charge, except for exhibits to the report, by (i) writing to Oppenheimer Holdings Inc., 85 Broad Street, 22nd Floor, New York, New York 10004, Attention: Secretary, (ii) calling 1-800-221-5588, or (iii) emailing us with your request at info@opco.com. Exhibits will be provided upon request and payment of a reasonable fee.

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(State or other jurisdiction of
incorporation or organization)
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98-0080034
(I.R.S. Employer
Identification No.)
10004
(Zip Code)

Registrant's Telephone number, including area code: (212) 668-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Class A non-voting common stock

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

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Chairman of the Board and
Chief Executive Officer

J.J. Alfano
Executive Vice President and
Chief Financial Officer

D.P. McNamara, Esq.
Executive Vice President and
Secretary

Board of Directors

R. Crystal[◊]
W. Ehrhardt^{*◊◊}
P. Friedman^{◊◊}
M. Keehner^{*◊◊}
K.W. McArthur^{**}
A.W. Oughtred^{◊◊◊}
E.K. Roberts
A.G. Lowenthal
R.S. Lowenthal

- * members of the audit committee
- ◊ members of the compensation committee
- ◊ members of the nominating/corporate governance committee
- members of the special committee
- ◆ members of the compliance committee

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Deloitte & Touche LLP

Registrar and Transfer Agent

Computershare Shareholder
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Jersey City, NJ 07310

The Company's financial information and press releases are available on its website, www.opco.com, under "Investor Relations".

A copy of the Company's Annual Report on Form 10-K is available by request from info@opco.com

Oppenheimer Holdings Inc.
85 Broad Street
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