

# Employer pension plans (trusteed pension funds), fourth quarter 2017

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, June 5, 2018

---

The market value of assets held by Canadian trustee pension funds increased 4.3% from the third quarter of 2017 to \$1.84 trillion in the fourth quarter. The year-over-year increase from the fourth quarter of 2016 was 7.2%.

Investments in short-term securities saw the largest increase in the fourth quarter, up 8.8% to \$79.0 billion, followed by investments in stocks, up 6.9% in the fourth quarter to \$562.4 billion. Over that same period, the value of bond holdings grew 4.1% to \$585.2 billion, accounting for the largest component of trustee pension fund investments.

## Stocks the main driver of growth in foreign investments

Foreign investments grew 5.7% in the fourth quarter to \$678.8 billion, a year-over-year gain of 14.5%. Foreign stock investments led this growth, climbing 9.6% to \$334.0 billion in the fourth quarter. There was a slight decline in foreign bond holdings, down 0.8% to \$76.6 billion.

## Pension fund revenue up

Pension fund revenue increased 19.8% in the fourth quarter to \$60.9 billion. In comparison to the same period in 2016, pension fund revenue was down 1.4%. Profit on the sales of securities grew to \$23.7 billion, totalling \$81.0 billion for the year. Investment income rebounded from a decline the previous quarter, increasing by 41.0% to \$17.8 billion.

## Net income up

Expenditures grew 19.5% in the fourth quarter to \$24.5 billion. Pension payments increased 4.1% to \$15.9 billion, totalling \$62.2 billion for the year. Overall, the net income grew 20.1% to \$36.5 billion during the quarter.

Over 6.2 million Canadian workers belonged to employer-sponsored pension plans in the fourth quarter. Of this group, 5.2 million or 82.7% belonged to pension plans with assets managed by trustee funds, while the remainder had assets managed by insurance company contracts.

### **Note to readers**

*For the purposes of this survey, trustee pension funds include the assets of one or more registered pension plans: those held under a trust agreement, those held by a pension corporation or pension fund society, those administered under legislation of the Government of Canada or government of a province of Canada, and those held by an insurance company for investment management only.*

*Excluded from the survey are pension funds held in total under an annuity insurance contract.*



**Table 1**  
**Trusted pension funds: Market value of assets by type**

	Third quarter 2017 <sup>r</sup>	Third quarter 2017 <sup>r</sup>	Fourth quarter 2017 <sup>P</sup>	Fourth quarter 2017 <sup>P</sup>	Third quarter to fourth quarter 2017
	millions of dollars	% of total assets	millions of dollars	% of total assets	% change
<b>Total assets</b>	<b>1,768,388</b>	<b>100.0</b>	<b>1,843,976</b>	<b>100.0</b>	<b>4.3</b>
Bonds	562,246	31.8	585,203	31.7	4.1
Stocks	525,864	29.7	562,383	30.5	6.9
Mortgages	26,487	1.5	27,428	1.5	3.6
Real estate	172,301	9.7	176,319	9.6	2.3
Short-term	72,659	4.1	79,019	4.3	8.8
Other assets	400,845	22.7	405,381	22.0	1.1
Assets, funds under \$10 million	7,985	0.5	8,243	0.4	3.2

<sup>r</sup> revised

<sup>P</sup> preliminary

Source(s): Table [11-10-0076-01](#).

**Table 2**  
**Trusted pension funds: Revenue and expenditures**

	Third quarter 2017 <sup>r</sup>	Fourth quarter 2017 <sup>P</sup>	Third quarter to fourth quarter 2017
	millions of dollars		% change
<b>Total revenue</b>	<b>50,820</b>	<b>60,905</b>	<b>19.8</b>
Revenue from contributions	14,907	15,966	7.1
Investment income	12,648	17,831	41.0
Net profit on sale of securities	20,418	23,737	16.3
Miscellaneous revenue	2,620	3,021	15.3
Revenue, funds under \$10 million	228	350	53.5
<b>Total expenditures</b>	<b>20,457</b>	<b>24,451</b>	<b>19.5</b>
Pension payments out of funds	15,298	15,929	4.1
Cost of pensions purchased	96	224	133.3
Cash withdrawals	1,992	4,233	112.5
Administration costs	1,488	1,763	18.5
Net loss on sale of securities	664	587	-11.6
Other expenditures	825	1,576	91.0
Expenditures, funds under \$10 million	93	139	49.5
<b>Net income</b>	<b>30,363</b>	<b>36,454</b>	<b>20.1</b>

<sup>r</sup> revised

<sup>P</sup> preliminary

Source(s): Table [11-10-0079-01](#).

**Available tables:** [11-10-0076-01](#), [11-10-0077-01](#) and [11-10-0079-01](#).

**Definitions, data sources and methods:** survey number [2607](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).