

# Employer pension plans (trusteed pension funds), fourth quarter 2019

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The market value of assets held by Canadian trusteed pension funds rose 2.3% from the third quarter to \$2.09 trillion in the fourth quarter of 2019.

The market value of all investment categories increased, led by real estate (+4.9%), and followed by stocks (+4.5%), mortgages (+3.0%), other assets (+2.0%) and short-term investments (+0.7%). Bonds were relatively flat (+0.1%) in the fourth quarter.

The market value of total assets was up 11.4% compared with the fourth quarter of 2018.

The onset of COVID-19 in March has affected the market value of assets held by Canadian trusteed pension funds. The data in this release will serve as a benchmark to help evaluate the impact of COVID-19 on the investments of trusteed pension funds in Canada.

## Private sector outperforms public sector in 2019

The market value of assets held in public sector funds rose 3.8% in the fourth quarter, while the value of private sector funds edged down 0.1%. Nevertheless, the growth in private sector assets (+12.6%) outpaced that of public sector assets (+7.7%) in 2019.

## Domestic investments show strong growth in 2019

Domestic holdings exceeded \$1.3 trillion in the fourth quarter, up 1.1% from the previous quarter and up 13.7% year over year. Mortgages (+10.7%), real estate (+7.0%), miscellaneous assets (+2.1%), and bonds (+0.2%) increased, while short-term investments (-0.5%), stocks (-0.4%) and pooled assets (-0.1%) fell.

## Foreign investments rise on the strength of stocks

The value of foreign investments increased by \$32.8 billion (+4.6%) in the fourth quarter to \$747.2 billion, accounting for just over one-third (+35.8%) of total assets at the end of the quarter.

The decline in short-term investments (-6.0%) and bonds (-0.2%) was offset by growth in stocks (+8.4%) and pooled assets (+1.9%). Year over year, foreign assets rose 7.4%.

## Revenues, expenditures and net income all increase

All revenue categories were up in the fourth quarter, led by net profit on the sale of securities (+33.4%). Investment income (+28.9%) and pension fund revenue (+16.8%) also contributed to the 25.6% increase in total revenue to \$62.7 billion in the fourth quarter.

All expenditure categories also rose, with total expenditures up 23.5% from the third quarter to \$27.5 billion. The increase in total expenditures was driven primarily by other expenditures (+148.8%) and pension payments out of funds (+6.5%).

Overall, net income increased by 27.2% from the third quarter, to \$35.2 billion in the fourth quarter, up 104.3% year over year.



### 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 by the Government of Canada or the 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**  
**Trusteed pension funds: Market value of assets by type**

	Third quarter 2019 <sup>r</sup>	Third quarter 2019	Fourth quarter 2019 <sup>P</sup>	Fourth quarter 2019	Third quarter 2019 to fourth quarter 2019
	millions of dollars	% of total assets	millions of dollars	% of total assets	% change
<b>Total assets</b>	<b>2,037,829</b>	<b>100.0</b>	<b>2,085,527</b>	<b>100.0</b>	<b>2.3</b>
Bonds	660,831	32.4	661,470	31.7	0.1
Stocks	542,547	26.6	566,869	27.2	4.5
Mortgages	24,832	1.2	25,572	1.2	3.0
Real estate	235,505	11.6	247,132	11.8	4.9
Short-term	73,150	3.6	73,696	3.5	0.7
Other assets	491,830	24.1	501,657	24.1	2.0
Assets, funds under \$10 million	9,134	0.4	9,130	0.4	0.0

<sup>r</sup> revised

<sup>P</sup> preliminary

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

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

	Third quarter 2019 <sup>r</sup>	Fourth quarter 2019 <sup>P</sup>	Third quarter 2019 to fourth quarter 2019
	millions of dollars		% change
<b>Total revenue</b>	<b>49,966</b>	<b>62,733</b>	<b>25.6</b>
Revenue from contributions	14,502	16,932	16.8
Investment income	15,042	19,396	28.9
Net profit on sale of securities	17,462	23,297	33.4
Miscellaneous revenue	2,760	2,830	2.5
Revenue, funds under \$10 million	200	278	39.0
<b>Total expenditures</b>	<b>22,299</b>	<b>27,535</b>	<b>23.5</b>
Pension payments out of funds	16,388	17,447	6.5
Cost of pensions purchased	100	588	488.0
Cash withdrawals	2,095	2,150	2.6
Administration costs	1,727	2,235	29.4
Net loss on sale of securities	61	433	609.8
Other expenditures	1,833	4,561	148.8
Expenditures, funds under \$10 million	95	121	27.4
<b>Net income</b>	<b>27,667</b>	<b>35,198</b>	<b>27.2</b>

<sup>r</sup> revised

<sup>P</sup> preliminary

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

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**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)).