

Employer pension plans (trusteed pension funds), fourth quarter 2020

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The market value of assets held by Canadian trusteed pension funds continued its strong growth in the second half of 2020, rising \$100 billion in the fourth quarter to \$2.22 trillion. This was up 4.7% from the previous quarter and up 6.6% year over year.

In the fourth quarter, four of the five largest asset classes rose from the previous quarter, with Canadian pooled assets (+2.0%) contributing the most to the overall increase, followed by foreign stocks (+18.4%), foreign pooled assets (+6.2%) and domestic real estate (+4.0%). Canadian bonds decreased 1.8%.

Domestic assets rose 2.3% from the third quarter and were up 7.8% year over year, while foreign assets increased 9.5% from the third quarter and were up 4.5% year over year.

Net income up by three-fifths

The net income of Canadian trusteed pension funds rose from \$31.1 billion in the third quarter to \$50.2 billion in the fourth quarter.

Total revenue rose \$25.1 billion to \$80.1 billion (+45.7%), driven mainly by higher profits on the sales of securities (+64.3%) and investment income (+39.0%). Total contributions were up 11.1%, with employee contributions (+13.9%) increasing at a faster pace than employer contributions (+9.5%).

Expenditures were up by one-quarter, or \$6.0 billion, to \$29.9 billion, mainly because of an increase in cash withdrawals (+182.1%) and pension payments (+9.2%), which, combined, accounted for 83.3% of expenditures in the fourth quarter. Total expenditures were up 8.7% year over year.

Foreign investments outpace domestic investments

The total value of domestic holdings rose 2.3% from the third quarter and was up 7.8% year over year.

Two of the three largest categories of domestic assets were up—pooled assets (+2.0%) and real estate (+4.0%)—while bonds were down (-1.8%). The values of the remaining asset categories went up, with the exception of mortgages (-1.5%). Short-term investments rose at the fastest pace (+10.2%) in the fourth quarter, followed by stocks (+6.8%) and miscellaneous (+6.2%).

Foreign assets rose 9.5% to \$781 billion in the fourth quarter on the strength of the two largest asset categories, pooled assets (+6.2%) and stocks (+18.4%). Short-term investments were up 21.4%. Foreign bonds were down 16.2%. Year over year, foreign assets were up \$33.5 billion, or 4.5%.

Both sectors show healthy growth

The market value of assets held by both private and public sector trusteed pension funds combined rose 4.7% in the fourth quarter. Public sector assets were up by 5.9%, or \$86.3 billion, in the fourth quarter, and 6.5% year over year. Private sector assets rose 2.1% in the fourth quarter and were up 7.0% year over year. Public sector assets accounted for 70.0% of overall assets.

Note to readers

For the purposes of this survey, trusteed 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
Trusted pension funds: Market value of assets by type

	Third quarter 2020 ^P	Third quarter 2020	Fourth quarter 2020 ^P	Fourth quarter 2020	Third quarter 2020 to fourth quarter 2020
	millions of dollars	% of total assets	millions of dollars	% of total assets	% change
Total assets	2,123,409	100.0	2,223,401	100.0	4.7
Bonds	687,998	32.4	672,340	30.2	-2.3
Stocks	525,244	24.7	593,191	26.7	12.9
Mortgages	27,226	1.3	27,462	1.2	0.9
Real estate	254,967	12.0	263,269	11.8	3.3
Short-term	82,155	3.9	89,965	4.0	9.5
Other assets	536,227	25.3	567,256	25.5	5.8
Assets, funds under \$10 million	9,592	0.5	9,918	0.4	3.4

^P preliminary

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

Table 2
Trusted pension funds: Revenue and expenditures

	Third quarter 2020 ^P	Fourth quarter 2020 ^P	Third quarter 2020 to fourth quarter 2020
	millions of dollars		% change
Total revenue	54,989	80,097	45.7
Revenue from contributions	15,608	17,340	11.1
Investment income	11,630	16,161	39.0
Net profit on sale of securities	26,139	42,934	64.3
Miscellaneous revenue	1,345	3,275	143.5
Revenue, funds under \$10 million	268	387	44.4
Total expenditures	23,908	29,918	25.1
Pension payments out of funds	17,114	18,687	9.2
Cost of pensions purchased	102	160	56.5
Cash withdrawals	1,821	5,137	182.1
Administration costs	1,798	2,097	16.7
Net loss on sale of securities	158	165	3.9
Other expenditures	2,813	3,516	25.0
Expenditures, funds under \$10 million	102	157	53.9
Net income	31,082	50,179	61.4

^P 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](#).

The [Income, pensions, spending and wealth](#) portal, which is accessible from the *Subjects* module of the Statistics Canada website, provides users with a single point of access to a wide variety of information related to revenue, pensions, spending and wealth.

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) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).