

Employer pension plans (trusteed pension funds), third quarter 2021

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The market value of assets held by Canadian trusteed pension funds continued to grow in the third quarter of 2021, rising \$39.0 billion to \$2.18 trillion or up 1.8% from the previous quarter.

The growth in the quarter was driven mainly by the four top asset classes; bonds (+2.6%), equities (+1.4%), real estate (+5.4%), and infrastructure (+3.5%), followed by other assets (+1.9%). Several asset classes decreased in the third quarter with accounts receivable showing the largest decrease (-5.4%), followed by government of Canada treasury bills (-7.8%) and cash, deposits, guaranteed investment certificates (-10.4%).

Canadian bonds rose 2.2% in the third quarter, whereas Canadian equities rose 1.7%.

Domestic assets rose 1.5%, while foreign assets increased 2.6% in the third quarter.

Net income down by almost one-third

The net income of Canadian trusteed pension funds fell by 30.3%, from \$43.6 billion in the second quarter to \$30.4 billion in the third quarter.

Total revenue fell \$11.8 billion to \$60.1 billion (-16.4%), the vast majority of which was due to an \$11.1 billion decrease in net realized gains on the sale of securities. Total contributions were down 2.2%, and total non-contribution revenue declined 20.6%.

Expenditures rose 4.9% or \$1.4 billion to \$29.7 billion, due mainly to an 8.8% (or \$1.6 billion) increase in pension payments out of funds and a 10.7% increase in other disbursements and losses, which were partially offset by cash withdrawals (-26.8%) and transfers to other pension plans (-24.7%).

Domestic investments trail behind foreign investments

The total value of domestic holdings rose \$14.2 billion (+1.5%) in the third quarter.

Nearly all domestic asset categories rose, with the largest one, bonds, posting a 2.2% increase, followed by equities (+1.7%) and real estate (+4.7%). Infrastructure rose slightly (+0.6%), and short-term investments fell 6.8%.

Foreign assets rose 2.6% to \$1.0 trillion in the third quarter, with all asset categories increasing in value. Foreign equities led the gain (+1.4%), followed by infrastructure (+4.4%), real estate (+6.2%), bonds (+5.0%) and short-term investments (+8.8%).

Assets of nationality unknown accounted for 10.2% of all assets at the end of third quarter, down from 10.4% in the previous quarter.

Public sector outpaces private sector

Both public and private sector assets rose in the third quarter, with the public sector posting a 2.0% increase (\$33.6 billion) to \$1.7 trillion. Private sector assets rose 1.1% (or \$5.4 billion) to \$489.6 billion.

The proportion of public sector assets increased 0.2% to 77.6% of the total assets held by trusteed pension plans at the end of third quarter.



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

	Second quarter 2021	Second quarter 2021	Third quarter 2021	Third quarter 2021	Second quarter 2021 to third quarter 2021
	millions of dollars	% of total assets	millions of dollars	% of total assets	% change
Total assets	2,143,308	100.0	2,182,286	100.0	1.8
Equities	879,825	41.0	892,498	40.9	1.4
Bonds	577,860	27.0	593,078	27.2	2.6
Infrastructure	150,095	7.0	155,284	7.1	3.5
Real estate	215,184	10.0	226,864	10.4	5.4
Short-term	96,652	4.5	91,791	4.2	-5.0
Assets, nationality unknown	223,692	10.4	222,770	10.2	-0.4

Note(s): The sum of individual categories may not always add up to the total as a result of rounding.

Source(s): Table [11-10-0085-01](#).

Table 2
Trusted pension funds: Revenues and expenditures

	Second quarter 2021	Third quarter 2021	Second quarter 2021 to third quarter 2021
	millions of dollars		% change
Total revenue	71,920	60,097	-16.4
Revenue from contributions	16,170	15,820	-2.2
Investment income	13,222	16,112	21.9
Net profit on sale of securities	35,062	23,914	-31.8
Miscellaneous revenue	7,467	4,251	-43.1
Total expenditures	28,291	29,684	4.9
Pension payments out of funds	18,475	20,103	8.8
Cash withdrawals	2,478	1,814	-26.8
Transfers to other pension plans	458	345	-24.7
Administration costs	2,328	2,381	2.3
Other disbursements and losses	4,552	5,040	10.7
Net income	43,629	30,413	-30.3

Source(s): Table [11-10-0086-01](#).

Note to readers

Starting with the first quarter of 2021, the survey was redesigned to collect additional variables and increase the number of pension funds covered quarterly.

The new design eases data collection for respondents and data interpretability for users by reflecting the format of financial statements more closely. It also allows for higher accuracy in certain variables, such as the share of assets invested abroad. Additional detail in the reporting categories also reduces the share of assets classified in the "other assets" category.

Previously, the quarterly survey included approximately the 150 largest trustee pension funds, and the remainder of the pension amounts was imputed based on the results of the biennial Census of Trustee Pension Funds. In the new design, the quarterly sample includes the top 250 trustee pension plans, equating to approximately 90% of the total value of all trustee pension assets, and the biennial Census of Trustee Pension Funds will no longer be conducted, resulting in reduced respondent burden. Therefore, the values reported in this release refer to the 250 largest pension plans and no longer include an estimate for the remainder of the trustee pension plan universe.

Because of these changes, data for 2021 will not be compared with those of previous quarters. The first year-over-year comparison will be provided with the release for the first quarter of 2022.

Tables 11-10-0076-01, 11-10-0077-01 and 11-10-0079-01 are now terminated. They will be archived and have been replaced by tables 11-10-0084-01, 11-10-0085-01 and 11-10-0086-01.

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.

Pension funds held in total under an annuity insurance contract are excluded from the survey.

Available tables: [11-10-0084-01](#) to [11-10-0086-01](#) .

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).