

Employer pension plans (trusteed pension funds), second quarter 2022

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The second quarter saw the market value of assets held by Canadian trusteed pension funds drop \$119.3 billion to \$2.1 trillion, down 5.4% from the previous quarter. Year over year, the market value fell by 2.6% (-\$55.5 billion). This is still higher than the market value of the trusteed pension funds at the end of the last pre-COVID-19 pandemic quarter (the first quarter of 2020), when the market value of assets was \$2.0 trillion. It is worth noting that in the second quarter of 2022, the Standard and Poor's 500 dropped 10.9%.

As in the previous quarter, the five largest asset categories, which together account for just over 90% of the total market value of assets, showed mixed results. The top two categories, being equities (-7.1%) and bonds (-7.2%), fell. Real estate rose 2.2%, infrastructure was up 3.1%, and other assets fell 3.6%.

Canadian bonds and equities showed downward movement both quarter over quarter and year over year. In the second quarter, Canadian bonds fell 7.3% and Canadian equities fell 7.9%, while year over year, Canadian bonds fell 8.7% and Canadian equities fell 7.2%.

Overall, domestic assets fell both in the quarter (-6.4%) and year over year (-4.7%). Foreign assets dropped 3.4% in the second quarter and 1.7% year over year.

Net income in the negatives in the second quarter

The Canadian trusteed pension funds posted a net loss of \$3.4 billion in the second quarter, compared with a net income of \$24.7 billion in the first quarter of 2022 and of \$40.4 billion in the second quarter of 2021.

Total revenue fell 51.2% (-\$26.2 billion) to \$25.0 billion, mainly because of net realized losses, which accounted for \$25.5 billion of the decrease.

Year over year, total revenue was down 62.5% in the second quarter from \$66.7 billion in the second quarter of 2021.

Second quarter expenditures rose 7.4% (+\$2.0 billion) in the quarter and 8.1% (+\$2.1 billion) year over year. The expenditures were driven by pension payments out of fund, while the remaining categories were mixed and contributed very little to the total change.

Domestic and foreign assets continue to decline

The total value of domestic holdings fell 6.4% (-\$60.4 billion) in the second quarter and by 4.7% (-\$43.4 billion) year over year.

All domestic asset classes declined in the second quarter, with the largest decrease posted by bonds, which fell 7.3% (-\$35.2 billion), followed by equities, which fell 7.9% (-\$15.9 billion). The remaining asset categories, combined, accounted for a total of \$9.3 billion drop in the total market value of domestic assets.

Foreign assets posted a decrease of 3.4% in the second quarter, which translated into a \$33.9 billion drop. Foreign equities suffered the biggest drop, falling by 6.8% (-\$44.4 billion). Although not as large a contributor, foreign bonds also fell slightly by \$5.4 billion. Real estate rose 8.4% (+\$10.5 billion) and was one of two asset categories posting an increase in the second quarter. Infrastructure also showed positive results, rising 4.8% (+\$6.4 billion). Foreign short-term investments fell 7.0% (-\$1.0 billion).

Year over year, foreign assets fell 1.7% in the second quarter and dipped back under the \$1 trillion mark achieved in the first quarter.



Assets of nationality unknown accounted for 10.9% of all assets at the end of the second quarter, down from 11.4% in the previous quarter and up slightly from 10.4% year over year.

Both public and private sector funds decline

The value of assets held by both public and private sector plans fell in the second quarter, with the public sector posting a 4.8% decrease (-\$83.0 billion). Private sector holdings fell 8.0% (-\$36.3 billion). Year over year, public sector plans posted a 0.2% increase in the second quarter, significantly outperforming the private sector, which dropped by 12.2%.

The proportion of the total assets of trustee pension funds held by the public sector had been steadily increasing, reaching 79.9% in the second quarter, up from 79.3% in the previous quarter. Public plans held 77.7% of the assets a year earlier.

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

	First quarter 2022	First quarter 2022	Second quarter 2022	Second quarter 2022	First quarter 2022 to second quarter 2022
	millions of dollars	% of total assets	millions of dollars	% of total assets	% change
Total assets	2,199,211	100.0	2,079,901	100.0	-5.4
Equities	851,722	38.7	791,446	38.1	-7.1
Bonds	566,839	25.8	526,181	25.3	-7.2
Infrastructure	172,100	7.8	177,481	8.5	3.1
Real estate	254,105	11.6	259,596	12.5	2.2
Short-term	102,857	4.7	98,557	4.7	-4.2
Assets, nationality unknown	251,588	11.4	226,641	10.9	-9.9

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
Trusteed pension funds: Revenues and expenditures

	First quarter 2022	Second quarter 2022	First quarter 2022 to second quarter 2022
	millions of dollars		% change
Total revenue	51,161	24,992	-51.2
Revenue from contributions	14,389	14,866	3.3
Investment income	15,065	13,623	-9.6
Net profit on sale of securities	19,978	-5,487	-127.5
Miscellaneous revenue	1,730	1,989	15.0
Total expenditures	26,427	28,394	7.4
Pension payments out of funds	17,031	19,060	11.9
Cash withdrawals	2,001	1,981	-1.0
Transfers to other pension plans	469	488	4.1
Administration costs	2,550	2,712	6.4
Other disbursements and losses	4,377	4,153	-5.1
Net income	24,734	-3,402	-113.8

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

Note to readers

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

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. The new design no longer utilizes the data from the biennial Census, which has been discontinued in 2016. Instead, the quarterly survey's sample has been augmented to include the top 250 trustee pension plans, equating to approximately 90% of the total value of all trustee pension assets, resulting in reduced respondent burden. Therefore, the values reported in this release refer to the 250 largest pension plans and no longer include imputation for the remainder of the trustee pension plan universe.

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.

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

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.

Data on revenues and expenditures for pension funds routinely exhibit seasonal characteristics. Readers should, therefore, view quarterly changes with some caution.

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

The data are subject to revisions for a period of 18 months from initial release.

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).