



The Daily

Statistics Canada

Monday, March 7, 1994

For release at 8:30 a.m.

STATISTICS
CANADA

STATISTIQUE
CANADA

MAR 7 1994

MAJOR RELEASE

LIBRARY

BIBLIOTHÈQUE

• **Trusted Pension Funds, Third Quarter 1993**

2

Canada's second largest pool of capital, the assets held by trusted pension funds, reached almost \$254 billion at the end of the third quarter of 1993. Half of the new investments made during the third quarter were in short-term securities.

DATA AVAILABILITY ANNOUNCEMENTS

Railway Carloadings, Seven-day Period Ending February 21, 1994

4

Industrial Chemicals and Synthetic Resins, January 1994

4

Specified Domestic Electrical Appliances, January 1994

4

Shipments of Rolled Steel, December 1993

4

PUBLICATIONS RELEASED

5



Statistics
Canada

Statistique
Canada

Canada

MAJOR RELEASE

Trusteed Pension Funds

Third Quarter 1993

Total assets of trustee pension funds reached almost \$254 billion by September 30, 1993. These assets represent one of the largest pools of capital in Canada, second only to the financial assets of chartered banks. Half of the new investments made during the third quarter were in short-term securities.

During the third quarter of 1993, assets grew 2.6%, the largest quarterly increase in six quarters. On a year-over-year basis, assets were up 9%, an annual rate higher than in the previous three quarters.

New investment went to short-term securities

The third quarter of 1993 was marked by continuing low interest rates and a hesitant stock market. Fund managers therefore chose to invest half of the money available during the quarter in short-term securities. Just 25% of the new money went into stocks, compared with an average of 60% during the previous three years. In those years, lower interest rates encouraged managers to seek higher returns in the capital markets, but recent economic uncertainty may have made short-term investments more attractive.

Asset mix continued to shift away from bonds

Stocks and bonds continued to be the major components of trustee pension fund portfolios. Traditionally, bonds have accounted for the largest share of total assets. But, since 1980, the proportion invested in bonds has been declining slowly to the current low of 43%, down from 49%. The proportion invested in stocks, however, has increased by fifteen percentage points to 34%, from 19%. Because almost half the new money went into short-term investments, they reached their largest proportion of assets in over two years (9%). Mortgages, real estate and some pooled investments constituted the balance of the portfolio.

Investment outside Canada reached almost \$27 billion at September 30, 1993, recording a quarterly growth rate just slightly higher than that for total assets (+3.2% versus +2.6%). The foreign content of trustee pension fund portfolios remained at about 11%. Although this proportion has been rising generally since legislative changes were proposed in

Note to users

These estimates are derived from a quarterly sample of 177 funds holding 86% of total assets, supplemented by data from an annual census of all trustee pension funds.

1990 (and implemented in 1991), it was still well below the 18% permitted.

Net income posted its third-largest annual growth rate since 1980

Third-quarter net income (i.e., income minus expenditures) rose 31% from 1992 (to \$5.8 billion), its third-largest annual growth rate since 1980. The increase was primarily due to the significant rise in both employer contributions (+24%) and profits (+68%), combined with reduced losses on the sale of securities (-80%). Investment income, still the single largest component of fund revenue (39%), decreased 4%, following two years of almost no growth. From 1988 to 1991, when interest rates were higher, investment income represented from 50% to 60% of total income.

Public and private sector funds: their assets grew at different rates

Public sector funds hold over 60% of the assets of all pension funds. Between the second and third quarters of 1993, assets in public sector funds increased by 2.8%, compared with a 2.3% increase in assets in private sector funds. Public sector funds continued to hold a larger proportion of their assets in bonds (47%) than in stocks (32%), whereas the private sector held almost equal shares in both (37% in bonds and 38% in stocks).

Quarterly asset growth has been consistently higher for public sector funds since the end of the first quarter of 1991, when these data first became available. Over this period, total income for public sector funds was 75% higher than that for private sector funds; but their expenditures were virtually equal. Employee contributions alone were over four times larger for public sector funds and investment income was 72% higher. As a result, assets held by public sector funds grew by 31%, well above the 15% growth in the assets held by private sector funds.

Available on CANSIM: matrix 5749.

The third quarter 1993 issue of *Quarterly Estimates of Trusteed Pension Funds* (74-001, \$11/\$44) will be available in March. *Trusteed Pension Funds, Financial Statistics 1992* (74-201, \$39) is now available. See "How to Order Publications".

For further information, contact Thomas Dufour (613-951-2088) or Johanne Pineau (613-951-4034), Pensions Section, Labour Division (fax: 613-951-4087).

Distribution of assets, income and expenditures of trusteed pension funds

Third quarter 1993

	Public sector		Private sector		Both sectors	
	\$ millions	%	\$ millions	%	\$ millions	%
Assets						
Bonds	72,903	46.8	35,939	36.6	108,842	42.9
Stocks	49,779	32.0	36,873	37.6	86,652	34.1
Mortgages	4,595	3.0	3,197	3.3	7,792	3.1
Real estate	6,539	4.2	2,770	2.8	9,309	3.7
Short-term investments	13,600	8.7	8,421	8.6	22,021	8.7
Other	8,253	5.3	10,932	11.1	19,185	7.6
Total	155,669	100.0	98,132	100.0	253,801	100.0
Income						
Contributions						
Employer	1,103	19.5	931	24.2	2,034	21.4
Employee	874	15.4	223	5.8	1,097	11.5
Investment income	2,430	42.9	1,292	33.6	3,722	39.2
Profit on sale of securities	1,235	21.8	1,313	34.2	2,548	26.8
Miscellaneous	24	0.4	81	2.1	105	1.1
Total income	5,666	100.0	3,840	100.0	9,506	100.0
Expenditures						
Pension payments	1,513	82.6	1,342	72.1	2,855	77.3
Cost of pensions purchased	6	0.3	54	2.9	60	1.6
Cash withdrawals	141	7.7	329	17.7	470	12.7
Administration costs	72	3.9	109	5.9	181	4.9
Net loss on sale of securities	29	1.6	9	0.5	38	1.0
Other	70	3.8	19	1.0	89	2.4
Total expenditures	1,831	100.0	1,862	100.0	3,693	100.0

DATA AVAILABILITY ANNOUNCEMENTS

Railway Carloadings

Seven-day Period Ending February 21, 1994

The number of railway cars loaded in Canada during the seven-day period increased by 5.0% from the year-earlier period; revenue-freight loaded decreased by 1.0% to 4.4 million tonnes.

Piggyback traffic tonnage, which is included in total carload traffic, increased by 17.9% during the same period.

Tonnage of revenue-freight loaded as of February 21, 1994 decreased by 1.5% from the previous year.

Cumulative data for 1993 have been revised.

For further information, contact Angus MacLean (613-951-2528, fax: 613-951-0579), Surface Transport Unit, Transportation Division. ■

Industrial Chemicals and Synthetic Resins

January 1994

Chemical firms produced 143 053 tonnes of polyethylene synthetic resins in January 1994, a 1.2% increase from 141 424 (revised) tonnes in January 1993.

Data are also available on production of three other types of synthetic resins and 24 industrial chemicals for January 1993 and January 1994.

Available on CANSIM: matrix 951.

The January 1994 issue of *Industrial Chemicals and Synthetic Resins* (46-002, \$5.60/\$56) will be available at a later date.

For further information, contact Raj Sehdev (613-951-3513), Industry Division. ■

Specified Domestic Electrical Appliances

January 1994

Electrical appliance manufacturers shipped 34,521 kitchen appliances in January 1994.

The January 1994 issue of *Specified Domestic Electrical Appliances* (43-003, \$5/\$50) will be available at a later date.

For further information, contact Laurie Vincent (613-951-3523), Industry Division. ■

Shipments of Rolled Steel

December 1993

Shipments of rolled steel for December 1993 totalled 1 102 272 tonnes, down 4.6% from 1 155 295 tonnes in November 1993 but up 3.8% from 1 062 275 tonnes in December 1992.

Year-to-date shipments at the end of December 1993 totalled 13 312 911 tonnes, up 9.1% from 12 207 144 tonnes the previous year.

Available on CANSIM: matrices 58 and 122 (series 22-25).

The December 1993 issue of *Primary Iron and Steel* (41-001, \$5/\$50) will be available at a later date.

For further information, contact Greg Milsom (613-951-9827), Industry Division. ■

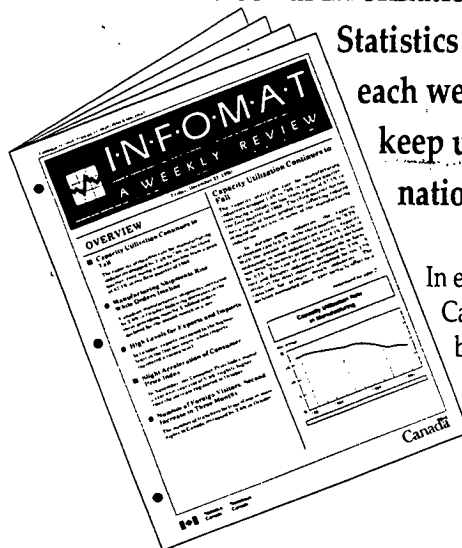


1010134789

I·N·F·O·M·A·T

Don't start your week without it

Get a jump on your work week by making sure you have the most current economic and social information in Canada. Travelling by first class mail or courier,



Statistics Canada's digest, Infomat, arrives at the beginning of each week to help you monitor key economic indicators and keep up with the most current data releases from Canada's national statistical agency.

In eight fact-filled pages, Infomat highlights the findings of Statistics Canada surveys and brings them to your desk each week, often long before detailed reports are published. Throughout the year you'll get the first results of over 100 ongoing surveys and many special surveys—from manufacturing shipments to the health of Canadians or post graduate employment to part-time workers.

Each week, Infomat presents you with,

- concise summaries of fresh facts from over 100 ongoing surveys
- charts and graphs that let you instantly scan the trends
- Overview - an outline of the subjects covered in each issue that you can scan in 30 seconds
- guidance on how to obtain special reports to assist you in your more detailed research.
- Current Trends and Latest Monthly Statistics sections that bring you up to date on the Consumer Price Index, Gross Domestic Product and 21 other key monthly series

Managers, analysts and researchers who are responsible for keeping up to date on changes in Canada's economic and social climate can count on Infomat — as a quick overview of the latest trends and as a weekly reminder of key indicators and data releases. Many subscribers use Infomat's highlights to add authority to their industry analyses, investment plans or corporate reports.

To order Infomat (11-002E), 50 issues annually for \$125 in Canada, US\$150 in the U.S. and US\$175 in other countries, write to Publications Sales and Service, Statistics Canada, Ottawa, Canada, K1A 0T6. For faster service, use your VISA or MasterCard and call toll-free in Canada, 1-800-267-6677.