



NORTHWARD BOUND

An economic recovery may be under way, but pension funds aren't out of the woods yet.
BY APRIL SCOTT-CLARKE

A YEAR AGO,

pension plan sponsors were reporting significant losses. In fact, total pension assets for *Benefits Canada's 2009 Top 100 Pension Funds* report fell by 16.8%. This year, the path has changed. Although the markets are still volatile, they are heading north, and many plan sponsors are starting their ascent out of the deep valley of deficit. The climb may be steeper for some funds than others, but no matter what their position is, all plans need to be cautious of what may lurk ahead.

Moving Mountains

Nobody predicted 2009 would be the year that it was. "There was a significant rally in equities markets, in particular, and with risky assets in general. It was very gratifying," says Peter Lindley, president and head of investments of State Street Global Advisors, Canada. "It gives us some confidence that we are not in such dire straits as before."

Take the Ontario Teachers' Pension Plan (Teachers'); it took the No. 1 spot in the *Top 100 Pension Funds* with a return of 13%, beating its benchmark by 4.2%—an increase of 9.9% over last year's reported numbers. According to Jim Leech, the fund's president and CEO, "That's an exceptionally strong year, one of the strongest in our history. We went into the year playing defence, but we were well positioned to take advantage of a return to traditional valuation."

The Ontario Municipal Employees Retirement System (OMERS) (No. 2) and the Healthcare of Ontario Pension Plan

(HOOPP) (No. 4) also beat their benchmarks, each reporting increases of 10.6% and 15.2%, respectively, over last year's reported numbers. That is a 10% increase over last year's numbers for OMERS and 16.1% for HOOPP.

"The biggest determining factor was that we were positioned defensively going into the market downturn," says president and CEO of HOOPP, John Crocker. "As a result, we were able to take advantage of the opportunities that presented themselves."

Jim Keohane, chief investment officer of HOOPP, adds that the plan's positive returns were specifically due to the fund shifting out of Canada bonds into provincial bonds and being overweight in equities and credit at the bottom of the market.

Michael Nobrega, CEO of OMERS, says the plan increased its returns through infrastructure, public equities and private equity, adding, "We were substantially overweight in the beginning part of the year in fixed income. We remained so throughout the year because we felt there is significant deleveraging to go on, and we wanted to keep open to opportunities. As we've seen in the Greece situation, on a global level, there is still a long way to go."

But it's not just the giant funds that are boasting gains; 66 of the Top 100 all enjoyed double-digit increases over last year. Only eight pension funds reported negative returns.

Taking in the Landscape

While this is mostly positive news, plan sponsors need to be aware this is merely a clearing in the forest; there is still some thick brush ahead. It's highly unlikely

PHOTO: VEER

TOP 100 PENSION FUNDS

Total pension assets (millions) are reported as of Dec. 31, 2009 unless otherwise indicated. ▲▼ indicates an increase or decrease in total pension assets from 2008.

1 Ontario Teachers' Pension Plan Board
Rank 2008: 1 ▲ 9.9%
2009 Pension Assets: \$93,509.0
2008 Pension Assets: \$85,101.0

2 Ontario Municipal Employees Retirement System
Rank 2008: 2 ▲ 10.0%
2009 Pension Assets: \$47,832.0
2008 Pension Assets: \$43,477.0

3 Quebec Government and Public Employees Retirement Plan
Rank 2008: 3 ▲ 9.9%
2009 Pension Assets: \$37,155.1
2008 Pension Assets: \$33,793.9

4 Healthcare of Ontario Pension Plan¹
Rank 2008: 5 ▲ 16.1%
2009 Pension Assets: \$31,116.0
2008 Pension Assets: \$26,800.0

5 Public Service Pension Plan²**
Rank 2008: 4 ▼ 13.4%
2009 Pension Assets: \$24,505.0
2008 Pension Assets: \$28,294.0

6 B.C. Municipal Pension Fund
Rank 2008: 6 ▲ 9.5%
2009 Pension Assets: \$24,447.5
2008 Pension Assets: \$22,317.2

7 B.C. Public Service Pension Plan
Rank 2008: 7 ▲ 7.5%
2009 Pension Assets: \$16,933.0
2008 Pension Assets: \$15,753.9

8 Ontario Pension Board*
Rank 2008: 11 ▲ 9.7%
2009 Pension Assets: \$16,021.8
2008 Pension Assets: \$14,607.0

9 B.C. Teachers Pension Fund
Rank 2008: 8 ▲ 7.1%
2009 Pension Assets: \$15,441.2
2008 Pension Assets: \$14,416.0

10 Local Authorities Pension Plan - Alberta
Rank 2008: 9 ▲ 13.7%
2009 Pension Assets: \$15,333.1
2008 Pension Assets: \$13,484.6

11 Canadian National Railways
Rank 2008: 10 ▲ 5.1%
2009 Pension Assets: \$14,172.0
2008 Pension Assets: \$13,482.0

12 Canada Post Corp.
Rank 2008: 12 ▲ 15.9%
2009 Pension Assets: \$13,466.4
2008 Pension Assets: \$11,617.6

13 BCE Master Trust Fund
Rank 2008: 13 ▲ 13.5%
2009 Pension Assets: \$13,069.0
2008 Pension Assets: \$11,510.0

14 Hydro-Quebec
Rank 2008: 15 ▲ 18.3%
2009 Pension Assets: \$12,390.0
2008 Pension Assets: \$10,475.0

15 OPSEU Pension Trust
Rank 2008: 14 ▲ 9.0%
2009 Pension Assets: \$12,036.9
2008 Pension Assets: \$11,043.3

16 General Motors of Canada Ltd.³
Rank 2008: 21 ▲ 70.1%
2009 Pension Assets: \$10,773.0
2008 Pension Assets: \$6,331.7

17 Air Canada Pension Investments
Rank 2008: 17 ▲ 10.6%
2009 Pension Assets: \$10,751.0
2008 Pension Assets: \$9,717.0

18 Quebec Construction Industry
Rank 2008: 16 ▲ 7.5%
2009 Pension Assets: \$10,556.3
2008 Pension Assets: \$9,817.0

19 Ontario Power Generation Inc.
Rank 2008: 19 ▲ 12.8%
2009 Pension Assets: \$8,187.0
2008 Pension Assets: \$7,256.0

20 Nova Scotia Pension Agency
Rank 2008: 20 ▲ 10.3%
2009 Pension Assets: \$7,412.6
2008 Pension Assets: \$6,717.9

21 Canadian Pacific Railway
Rank 2008: 22 ▲ 15.3%
2009 Pension Assets: \$7,014.0
2008 Pension Assets: \$6,083.0

22 Canadian Forces Pension Plan²**
Rank 2008: 18 ▼ 13.7%
2009 Pension Assets: \$6,758.0
2008 Pension Assets: \$7,833.0

23 Régime de retraite du personnel d'encadrement
Rank 2008: 23 ▲ 6.7%
2009 Pension Assets: \$6,432.0
2008 Pension Assets: \$6,029.0

24 Royal Bank of Canada
Rank 2008: 28 ▲ 42.9%
2009 Pension Assets: \$6,327.0
2008 Pension Assets: \$4,427.0

25 Province of Newfoundland & Labrador
Rank 2008: 24 ▲ 17.1%
2009 Pension Assets: \$5,992.0
2008 Pension Assets: \$5,115.0

26 Public Service Pension Plan - Alberta
Rank 2008: 25 ▲ 15.4%
2009 Pension Assets: \$5,483.2
2008 Pension Assets: \$4,749.5

27 AbitibiBowater Inc.
Rank 2008: 27 ▲ 13.5%
2009 Pension Assets: \$5,241.0
2008 Pension Assets: \$4,618.0

28 Colleges of Applied Arts and Technology Pension Plan
Rank 2008: 29 ▲ 14.2%
2009 Pension Assets: \$4,845.3
2008 Pension Assets: \$4,241.9

29 Regime de rentes du Mouvement Desjardins
Rank 2008: 30 ▲ 14.7%
2009 Pension Assets: \$4,813.2
2008 Pension Assets: \$4,198.0

30 Hydro One
Rank 2008: 32 ▲ 13.0%
2009 Pension Assets: \$4,336.0
2008 Pension Assets: \$3,836.0

31 The Public Employees' Pension Plan - Saskatchewan
Rank 2008: 36 ▲ 17.4%
2009 Pension Assets: \$4,268.0
2008 Pension Assets: \$3,636.0

32 Winnipeg Civic Employees' Pension Program and The Winnipeg Police Pension Plan
Rank 2008: 33 ▲ 11.1%
2009 Pension Assets: \$4,251.2
2008 Pension Assets: \$3,826.0

33 Rio Tinto Alcan
Rank 2008: 35 ▲ 10.0%
2009 Pension Assets: \$4,179.4
2008 Pension Assets: \$3,800.0

34 Canadian Broadcasting Corp. Pension Plan
Rank 2008: 34 ▲ 9.0%
2009 Pension Assets: \$4,153.0
2008 Pension Assets: \$3,810.0

35 Alberta Teachers' Retirement Fund
Rank 2008: 38 ▲ 21.2%
2009 Pension Assets: \$4,083.4
2008 Pension Assets: \$3,369.7

36 The Civil Service Superannuation Board**
Rank 2008: 39 ▲ 21.2%
2009 Pension Assets: \$4,015.0
2008 Pension Assets: \$3,313.0

37 New Brunswick Public Service Superannuation**
Rank 2008: 26 ▼ 18.3%
2009 Pension Assets: \$3,839.3
2008 Pension Assets: \$4,700.0

38 Telus Corp. Pension Plan⁴
Rank 2008: 37 ▲ 10.4%
2009 Pension Assets: \$3,786.4
2008 Pension Assets: \$3,429.7

39 Imperial Oil Ltd.
Rank 2008: 40 ▲ 17.4%
2009 Pension Assets: \$3,753.0
2008 Pension Assets: \$3,196.0

40 Healthcare Employees Pension Plan - Manitoba
Rank 2008: 44 ▲ 16.4%
2009 Pension Assets: \$3,572.0
2008 Pension Assets: \$3,068.7

41 Bank of Montreal
Rank 2008: 48 ▲ 21.0%
2009 Pension Assets: \$3,528.7
2008 Pension Assets: \$2,915.5

42 City of Montreal
Rank 2008: 45 ▲ 15.9%
2009 Pension Assets: \$3,489.0
2008 Pension Assets: \$3,010.0

43 Scotiabank Group Master Trust Fund
Rank 2008: 49 ▲ 19.4%
2009 Pension Assets: \$3,403.0
2008 Pension Assets: \$2,851.0

44 Canadian Imperial Bank of Commerce
Rank 2008: 46 ▲ 12.5%
2009 Pension Assets: \$3,380.0
2008 Pension Assets: \$3,005.0

45 Toronto Transit Commission
Rank 2008: 47 ▲ 13.0%
2009 Pension Assets: \$3,332.5
2008 Pension Assets: \$2,948.2

46 A.B.R.P.V.M. - Montreal Police Pension Fund
Rank 2008: 41 ▲ 5.0%
2009 Pension Assets: \$3,288.0
2008 Pension Assets: \$3,130.0

47 New Brunswick Teachers' Plan**
Rank 2008: 31 ▼ 20.0%
2009 Pension Assets: \$3,153.4
2008 Pension Assets: \$3,941.1

48 IBM Canada Ltd.
Rank 2008: 52 ▲ 13.6%
2009 Pension Assets: \$3,141.0
2008 Pension Assets: \$2,764.0

49 Telecommunication Workers Pension Plan
Rank 2008: 43 ▲ 1.5%
2009 Pension Assets: \$3,126.6
2008 Pension Assets: \$3,081.7

50 Montreal Transit Corp.
Rank 2008: 50 ▲ 6.2%
2009 Pension Assets: \$2,969.0
2008 Pension Assets: \$2,795.0

51 Shell Canada Ltd.*
Rank 2008: 57 ▲ 24.6%
2009 Pension Assets: \$2,932.0
2008 Pension Assets: \$2,353.0

52 Saskatchewan Healthcare Employees' Pension Plan
Rank 2008: 55 ▲ 17.3%
2009 Pension Assets: \$2,916.8
2008 Pension Assets: \$2,487.0

53 NAV Canada
Rank 2008: 59 ▲ 20.8%
2009 Pension Assets: \$2,900.0
2008 Pension Assets: \$2,400.0

54 NSAHO Pension Plan
Rank 2008: 63 ▲ 31.1%
2009 Pension Assets: \$2,884.0
2008 Pension Assets: \$2,200.0

55 Co-operative Superannuation Society Pension Plan
Rank 2008: 53 ▲ 13.6%
2009 Pension Assets: \$2,851.0
2008 Pension Assets: \$2,509.8

56 Bombardier Trust (Canada)
Rank 2008: 62 ▲ 25.2%
2009 Pension Assets: \$2,763.4
2008 Pension Assets: \$2,208.0

57 IWA - Forest Industry Pension Plan
Rank 2008: 54 ▲ 10.3%
2009 Pension Assets: \$2,760.5
2008 Pension Assets: \$2,501.8

58 Teachers' Retirement Allowances Fund Board - Manitoba
Rank 2008: 58 ▲ 7.9%
2009 Pension Assets: \$2,609.3
2008 Pension Assets: \$2,418.7

59 Toronto Dominion Bank
Rank 2008: 72 ▲ 40.9%
2009 Pension Assets: \$2,569.7
2008 Pension Assets: \$1,823.9

60 Pulp and Paper Industry Pension Plan
Rank 2008: 56 ▲ 3.1%
2009 Pension Assets: \$2,553.8
2008 Pension Assets: \$2,477.4

61 Bell Aliant Regional Communications Income Fund
Rank 2008: 61 ▲ 7.7%
2009 Pension Assets: \$2,482.2
2008 Pension Assets: \$2,304.0

62 Xstrata
Rank 2008: 64 ▲ 12.3%
2009 Pension Assets: \$2,447.2
2008 Pension Assets: \$2,179.8

63 B.C. College Pension Fund
Rank 2008: 65 ▲ 11.3%
2009 Pension Assets: \$2,419.8
2008 Pension Assets: \$2,173.4

64 RCMP Pension Plan²**
Rank 2008: 51 ▼ 13.3%
2009 Pension Assets: \$2,419.0
2008 Pension Assets: \$2,791.0

65 University of Montreal
Rank 2008: 66 ▲ 12.2%
2009 Pension Assets: \$2,400.0
2008 Pension Assets: \$2,139.0

66 Saskatchewan Teachers' Retirement Plan
Rank 2008: 60 ▼ 0.1%
2009 Pension Assets: \$2,337.8
2008 Pension Assets: \$2,339.0

67 Management Employees Pension Plan - Alberta
Rank 2008: 69 ▲ 17.7%
2009 Pension Assets: \$2,307.6
2008 Pension Assets: \$1,960.6

68 Universities Academic Pension Plan - Alberta
Rank 2008: 68 ▲ 15.4%
2009 Pension Assets: \$2,279.5
2008 Pension Assets: \$1,974.7

69 Suncor Energy Inc.⁵
 Rank 2008: 85 ▲ 12.7%
 2009 Pension Assets: \$2,179.8
 2008 Pension Assets: \$1,934.1

70 B.C. Hydro and Power Authority Pension Fund
 Rank 2008: 70 ▲ 13.5%
 2009 Pension Assets: \$2,171.5
 2008 Pension Assets: \$1,914.0

71 University of Toronto c/o University of Toronto Asset Management
 Rank 2008: 67 ▲ 3.9%
 2009 Pension Assets: \$2,160.7
 2008 Pension Assets: \$2,079.0

72 University of Quebec
 Rank 2008: 71 ▲ 16.2%
 2009 Pension Assets: \$2,141.0
 2008 Pension Assets: \$1,842.0

73 Labourers' Pension Fund of Central and Eastern Canada
 Rank 2008: 74 ▲ 19.1%
 2009 Pension Assets: \$2,113.0
 2008 Pension Assets: \$1,774.7

74 Laval University*
 Rank 2008: 73 ▲ 8.6%
 2009 Pension Assets: \$1,954.0
 2008 Pension Assets: \$1,799.0

75 National Bank of Canada
 Rank 2008: 75 ▲ 18.0%
 2009 Pension Assets: \$1,908.0
 2008 Pension Assets: \$1,617.0

76 ArcelorMittal Dofasco
 Rank 2008: 77 ▲ 12.6%
 2009 Pension Assets: \$1,738.9
 2008 Pension Assets: \$1,544.5

77 George Weston Ltd.
 Rank 2008: 79 ▲ 19.4%
 2009 Pension Assets: \$1,677.5
 2008 Pension Assets: \$1,405.0

78 Workplace Safety & Insurance Board Employees Pension Plan
 Rank 2008: 78 ▲ 13.8%
 2009 Pension Assets: \$1,628.0
 2008 Pension Assets: \$1,431.0

79 Pension Plan for Management & Professional Employees of Telus Corp.⁴
 Rank 2008: 81 ▲ 10.4%
 2009 Pension Assets: \$1,507.6
 2008 Pension Assets: \$1,365.6

80 Canadian Utilities Ltd. Pension Plan
 Rank 2008: 80 ▲ 9.3%
 2009 Pension Assets: \$1,503.0
 2008 Pension Assets: \$1,375.0

81 Cominco Pension Fund Co-ordinating Society (Teck Cominco Metals Ltd.)
 Rank 2008: n/a ▲ 8.6%
 2009 Pension Assets: \$1,500.0
 2008 Pension Assets: \$1,381.0

82 Via Rail Canada Inc.
 Rank 2008: 82 ▲ 9.2%
 2009 Pension Assets: \$1,469.0
 2008 Pension Assets: \$1,345.0

83 Sun Life Assurance Company of Canada*
 Rank 2008: 83 ▲ 3.7%
 2009 Pension Assets: \$1,420.6
 2008 Pension Assets: \$1,370.3

84 Gestion FÉRIQUE
 Rank 2008: 93 ▲ 22.7%
 2009 Pension Assets: \$1,401.0
 2008 Pension Assets: \$1,142.0

85 Enbridge Inc.
 Rank 2008: 88 ▲ 16.7%
 2009 Pension Assets: \$1,400.0
 2008 Pension Assets: \$1,200.0

86 Pratt & Whitney
 Rank 2008: n/a ▲ 22.4%
 2009 Pension Assets: \$1,388.5
 2008 Pension Assets: \$1,134.2

87 McGill University*
 Rank 2008: 97 ▲ 19.4%
 2009 Pension Assets: \$1,337.1
 2008 Pension Assets: \$1,119.6

88 International Union of Operating Engineers Local 793 in Ontario
 Rank 2008: 91 ▲ 13.4%
 2009 Pension Assets: \$1,333.0
 2008 Pension Assets: \$1,175.0

89 Special Forces Pension Plan - Alberta
 Rank 2008: 90 ▲ 11.6%
 2009 Pension Assets: \$1,322.7
 2008 Pension Assets: \$1,185.4

90 Kraft Canada Inc.
 Rank 2008: n/a ▲ 9.1%
 2009 Pension Assets: \$1,319.7
 2008 Pension Assets: \$1,210.1

91 Hudson's Bay Company
 Rank 2008: 87 ▲ 7.3%
 2009 Pension Assets: \$1,301.0
 2008 Pension Assets: \$1,212.0

92 Saskatchewan Municipal Employees' Pension Plan
 Rank 2008: 92 ▲ 11.5%
 2009 Pension Assets: \$1,283.0
 2008 Pension Assets: \$1,151.0

93 Queen's University
 Rank 2008: 95 ▲ 14.7%
 2009 Pension Assets: \$1,273.8
 2008 Pension Assets: \$1,110.5

94 Manitoba Telecom Services Inc.
 Rank 2008: n/a ▲ 16.6%
 2009 Pension Assets: \$1,264.3
 2008 Pension Assets: \$1,084.3

95 Sears Canada Inc.
 Rank 2008: 86 ▼ 0.1%
 2009 Pension Assets: \$1,248.7
 2008 Pension Assets: \$1,250.3

96 University of British Columbia Faculty Pension Plan
 Rank 2008: 96 ▲ 13.8%
 2009 Pension Assets: \$1,248.0
 2008 Pension Assets: \$1,097.0

97 United Food and Commercial Workers Union Pension Plan
 Rank 2008: 89 ▲ 3.9%
 2009 Pension Assets: \$1,240.0
 2008 Pension Assets: \$1,193.0

98 York University
 Rank 2008: 99 ▲ 15.1%
 2009 Pension Assets: \$1,222.0
 2008 Pension Assets: \$1,062.0

99 Domtar Inc.
 Rank 2008: n/a ▲ 30.3%
 2009 Pension Assets: \$1,212.2
 2008 Pension Assets: \$930.1

100 MolsonCoors Canada⁶
 Rank 2008: 84 ▼ 6.0%
 2009 Pension Assets: \$1,200.0
 2008 Pension Assets: \$1,277.0

2009 Top 100 Total: \$660,962.6
2008 Top 100 Total: \$598,684.7
% Variance: ▲ 10.4%

Notes: 1. Formerly listed as Hospitals of Ontario Pension Plan (HOOPP). 2. The 2009 results are presented in a different fashion than previous years. Historical data have not been adjusted to new accounting presentation standards. 3. Increase due to company contribution. 4. Estimated 10.4% increase based on the total returns of 98 out of 100 pension plans. 5. Effective Aug. 1, 2009, Petro-Canada merged with Suncor Energy Inc. 6. Formerly listed as Molson Canada. *2008 figure has been restated. **2008 and 2009 figures reported as of March 31, 2009.

Source: Companies participating in the 2009 CII/N Pension Fund Survey or annual reports.

Figures in this report are based on responses provided by the survey participants. *Benefits Canada* assumes no responsibility for the accuracy of the data provided. All totals are subject to a +/- variance due to rounding.

these results are the start of a year-over-year trend, so careful plan analysis is key. “Those plans that haven’t stepped back and looked at their asset mix or done any soul-searching on what they are doing, that should be a cautionary flag to them,” says Duane Green, senior vice-president with Franklin Templeton Investments. “Yes, staying invested is good, and yes, things will come back, but you don’t want to rely on broad market rallies to bring it all back into line. Plan sponsors should be really looking at where their plans are invested to ensure that they invest in the necessary asset classes that have appropriate levels of risk.”

According to the Financial Services Commission of Ontario, at the end of 2009, the median pension fund was 85% funded, which was significantly up from where funds were (77% funded) at the end of 2008. But despite the late market rally in 2009, plans are still a far cry from the peak in 2007 when plans were 93% funded.

“[Last year] was a good year. On the asset side, it did recover a lot of the 2008 losses; it was a godsend for pension plans,” says Stephen Donald, a consulting actuary with Buck Consultants. “But, it didn’t make up for all of the 2008 losses. At the end of 2009, the asset levels were about equal to what they were at the end of 2007. But the liability side kept growing.” Based on market expectations, some speculate it may take up to four years for plans to get back to those 2007 levels.

Lindley adds, “People were certainly better off at the end of 2009 than they were a year earlier, but we are still 20% below our peak. And even at the peak, some plans were already in some form of deficit. We’re not entirely out of the woods; we are just in a less dense patch than [where] we were.”

Blazing New Trails

The financial markets are never easy to orienteer, but plan sponsors can better situate themselves if they update their maps as they trek through the markets. This recent economic journey has taught plan sponsors that they should know where they are invested and ensure that it’s a proper fit for their portfolios. “When you have a crisis, what you thought was liquid yesterday is not liquid today,” explains Leech. “It’s important that you position yourself so you never have to sell something you don’t need to sell. Liquidity is king in any financial crisis.”

HOOPP learned that lesson when the tech sector melted back in 2001/02. “That was

a wake-up call to us as to how to structure things, and it started us on the asset liability driven journey that continues to this day,” says Crocker, adding that the organization took a few years to assess its asset liability structure and put thought into its systems. “We started to implement them in the fall of 2007 with a significant move from equities to fixed income, which paid off big time in the latter part of 2008.”

Greg Malone, a principal with Eckler Ltd., feels this crisis tested the risk management techniques plan sponsors had in place, which many found weren’t as stable as they thought. He adds that new ways to manage risk and use derivative strategies may emerge because of this downturn. And, now that the pension plans have moved out of crisis management mode, Malone says, “There has been a marked increase in the attention paid to pension funds, investment strategy and diligent, ongoing monitoring of all aspects of pension funds. I think this is going to be something that continues, especially if the ongoing market volatility is any indication of what’s in store.”

Many plan sponsors are asking, Is now the time to hold back and cautiously protect the gains we’ve made, or should we try to maximize opportunities by taking on more risk, which may help us come from behind at greater pace? Money managers and consultants alike have noticed that plans are split between these two camps.

“The markets have been volatile,” says Scott Clausen, partner and professional leader for the retirement risk and finance business with Mercer. “With the combination of the market volatility, the spread between corporate and government bonds bouncing around and all the discussion about possible pension reform, there is a lot of uncertainty in the pension environment.”

However, Clausen’s colleague, Jaqui Parchment, partner and director of consulting for Mercer’s investment consulting business, knows one thing that is certain. “Risk is real,” she says. “That may sound kind of trite. But, for many plans, in the past, there was a sense that risk was a concept or theory. [Now], having really lived the pain, sponsors can more clearly assess their true risk tolerance.”

The economy has been on a tumultuous journey since the end of 2007, and with no certain economic growth on the horizon—despite last year’s rally—plan sponsors need to mind any challenges that lie ahead. **BC**

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THE NUMBERS

- At the end of 2009, assets for the Top 100 pension funds totalled \$661 million. Last year’s total was \$598.6 million. That’s a 10.4% increase.
- Last year, we saw 94 of the Top 100 report losses; this year, only eight pension funds reported a loss.
- Sixty-six pension plans reported double-digit increases in the 2009 report.
- There are five new funds on this year’s list: Cominco Pension Fund Co-ordinating Society (Teck Cominco Metals Ltd.) (No. 81), Pratt & Whitney (No. 86), Kraft Canada Inc. (No. 90), Manitoba Telecom Services Inc. (No. 94) and Domtar Inc. (No. 99).
- General Motors (No. 16) had the largest increase, 70.1%, moving up from the No. 21 spot last year.
- Saskatchewan Teachers’ Retirement Plan (No. 66) and Sears Canada (No. 95) had the smallest change, decreasing 0.1%.