



## Among the most successful in the world, the total value of Canada’s ten largest public pension funds has tripled since 2003

*While offering Canadians excellent value, the Top Ten pension funds make a significant contribution to Canada’s retirement income system*

**TORONTO, Dec 10, 2015:** According to a [new study](#) conducted by The Boston Consulting Group (BCG), Canada’s ten largest public pension funds (Top Ten) continue to drive impressive investment returns and remain key players on the global stage during a period of challenging economic conditions both domestically and in major markets globally. The funds now manage over \$1.1 trillion in assets, which is the equivalent of over 45 per cent of Canada’s GDP. An infographic highlighting key results and investments is available [here](#).

“The Top Ten have shown impressive growth in investment capabilities and scale to manage the realities of a post-financial crisis world,” said Craig Hapelt, a Toronto-based partner at BCG. “Not only do the funds represent an important aspect of Canada’s retirement income landscape, but their investments also have a broader positive impact on Canada’s prosperity.”

The study indicates that three pension investment funds<sup>1</sup> are listed among the top 20 public pension funds globally. Additionally, the Top Ten remain prominent global players in the alternative asset management industry, with seven funds<sup>2</sup> named among the top 30 global infrastructure investors and five<sup>3</sup> listed as part of the top 30 global real estate investors.

### Top Ten funds important to Canada’s prosperity

The Top Ten are a significant component of Canada’s retirement income system, helping to provide financial security in retirement to over 18 million Canadians. Their total assets under management tripled between 2003 and the end of 2014 and 80 per cent of this increase in value was driven by investment returns.

As investors behind several Canadian landmark assets and flagship companies, the Top Ten have invested approximately \$600 billion across various asset classes in Canada and directly employ almost 11,000 professionals. In addition to monetary contributions, the Top Ten are responsible for creating

<sup>1</sup> CPPIB is ranked 8<sup>th</sup>; CDPQ is ranked 14<sup>th</sup> and, OTPP is ranked 20<sup>th</sup>

<sup>2</sup> CPPIB is ranked 3<sup>rd</sup>; OTPP is ranked 4<sup>th</sup>; OMERS is ranked 6<sup>th</sup>; CDPQ is ranked 8<sup>th</sup>; PSP Investments is ranked 11<sup>th</sup>; bcIMC is ranked 17<sup>th</sup>; and, AIMCo is ranked 27<sup>th</sup>

<sup>3</sup> CDPQ is ranked 8<sup>th</sup>; CPPIB is ranked 11<sup>th</sup>; OMERS is ranked 17<sup>th</sup>; OTPP is ranked 18<sup>th</sup>; and, bcIMC is ranked 26<sup>th</sup>

talent clusters in multiple Canadian cities – attracting Canadian talent currently working abroad or providing home-based talent with opportunities to gain global experience.

### **Investment strategy promotes portfolio diversification to maximize long-term returns**

While each fund’s strategy is designed to meet its unique mandate, the Top Ten similarly focus on creating well-diversified portfolios that align with the funds’ relatively long-term payout profiles. Enabled by their scale, approximately one third (32 per cent) of the Top Ten’s investments are in alternative asset classes such as infrastructure, private equity, and real estate in Canada and abroad. This figure contrasts to a less than 11 per cent allocation in alternative asset classes by most other Canadian pension plans.

Some of these investments include Canada’s TMX Group, Ontario’s Yorkdale Mall, and BC’s TimberWest Forest Corporation and Brentwood Town Centre. Globally, the Top Ten have invested in such assets as ING Life Korea; Globalvia, a portfolio of infrastructure assets in Europe and Latam; Port of Brisbane, one of Australia’s fastest growing container ports; Open Grid Europe, a gas transmission network operator responsible for approximately 70 per cent of Germany’s total national shipping volume; and, Camelot Group, the UK’s national lottery operator.

### **About Measuring Impact of Canadian Pension Funds Report**

This is the second time that BCG has been commissioned to conduct this survey on behalf of the Top Ten. The study focused on the ten largest public sector pension funds (ranked here by size of net pension assets under management<sup>4</sup>): The Canada Pension Plan Investment Board (\$265 billion), The Caisse de dépôt et placement du Québec (\$192 billion), The Ontario Teachers' Pension Plan Board (\$154 billion), PSP Investments (\$112 billion), The British Columbia Investment Management Corporation (\$104 billion), The Ontario Municipal Employees Retirement System (\$73 billion), The Healthcare of Ontario Pension Plan (\$61 billion), The Alberta Investment Management Corp. (\$50 billion), The Ontario Pension Board (\$22 billion) and The OPSEU Pension Trust (\$18 billion).

### **About The Boston Consulting Group**

The Boston Consulting Group (BCG) is a global management consulting firm and the world's leading advisor on business strategy. We partner with clients from the private, public, and not-for-profit sectors in all regions to identify their highest-value opportunities, address their most critical challenges, and transform their enterprises. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization. This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. Founded in 1963, BCG is a private company with 82 offices in 46 countries. For more information, please visit [bcg.com](http://bcg.com).

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<sup>4</sup> As of December 31<sup>st</sup> for 2014 for all funds except for CPPIB, bcIMC and PSP Investments (March 31<sup>st</sup> 2015)

*Disclaimer: These materials excerpted by the Top Ten from the Study referenced are provided for discussion purposes only and may not be relied on as a stand-alone document. The Study was prepared by BCG at the request of several members of the Top Ten using public and/or confidential data and assumptions provided to BCG by the Top Ten. BCG has not independently verified the data and assumptions and changes in the underlying data or operating assumptions will affect any analyses and conclusions set out in the Study. BCG shall have no liability whatsoever to any third party with regard to these materials or the Study, including the accuracy or completeness thereof.*

**For more information, contact:**

Jannine Rane  
FleishmanHillard  
[jannine.rane@fleishman.ca](mailto:jannine.rane@fleishman.ca)  
O: 416-645-3662  
M: 647-987-4457

**For inquiries pertaining to PSP Investments' participation in this study:**

Anne-Marie Durand  
Senior Manager, External Communications  
[amdurand@investpsp.ca](mailto:amdurand@investpsp.ca)  
514-218-3748