



February 11, 2019

Re: Communiqué Regarding Review of Leverage Use within Pension Plans

On behalf of the Canadian Association of Pension Supervisory Authorities (CAPSA), we are pleased to announce the release of CAPSA's Communiqué on its Review of Leverage Use within Pension Plans.

CAPSA's 2016-19 Strategic Plan included a strategic initiative to conduct research, engage stakeholders and examine emerging issues such as risk management including the use of leverage.

In December 2016, CAPSA established the Leverage Working Group (the Working Group) to study the use of leverage by pension plans. The mandate of the Working Group was to:

- conduct research, review existing rules, evaluate guidance and reporting requirements relating to the use of leverage;
- engage with industry experts and plan administrators that actively employ leverage; and,
- provide pension regulators with a better understanding of pension plans' use of leverage, including the extent of its use, and its potential benefits and risks.

The Working Group conducted research and held discussions with pension industry experts and administrators of select pension plans to understand the use of leverage. The Working Group's findings are summarized in the Communiqué.

CAPSA would like to thank everyone that participated in discussions with the Working Group for their valuable input and insights.

Sincerely,

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