



# Pension Indices by TELUS Health.

July 31, 2025

Evaluating risk management progress.



The Pension Indices by TELUS Health, released monthly, condense the journey that pension plans have experienced during the year into a few key statistics. More importantly, they also provide an early indicator of the challenges and opportunities that are yet to come for plan sponsors and administrators to help with the monitoring and management of their pension plans.



## Highlights

In July, the funded status of a typical pension plan increased on both a solvency basis and on an accounting basis.

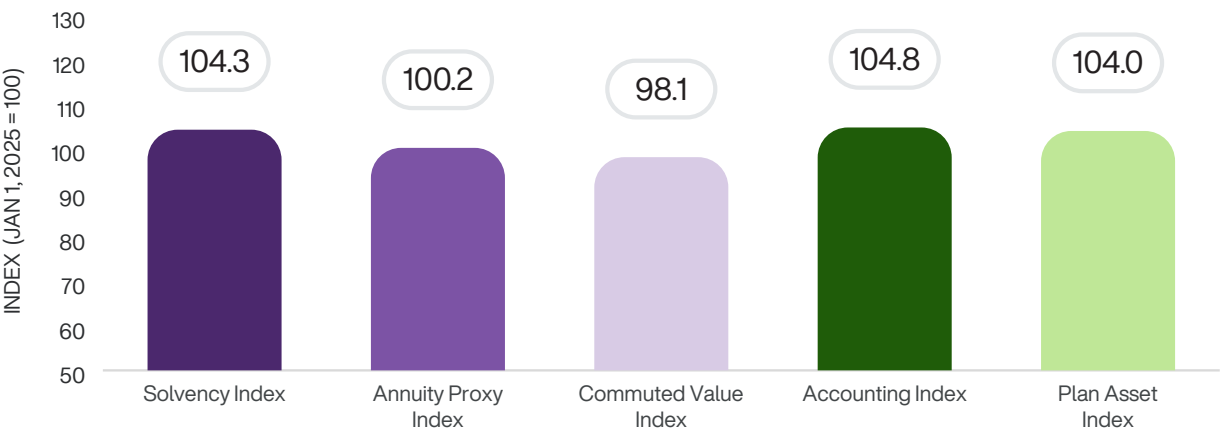
The representative pension plan portfolio returned 0.8% for the month, as positive equity market performance was partially offset by weakness in fixed income markets.

The global developed and emerging equity markets index returned 2.7% in Canadian dollar terms and Canadian equities finished the month with a return of 1.7%.

Short-term Government of Canada bond yields and long-term Government of Canada bond yields increased by approximately 0.17% to 0.19% over the month of July. Meanwhile, corporate bond credit spreads tightened across all durations, declining by 0.09% to 0.11%.

Market expectations for long-term inflation (the break-even inflation rate) were approximately 2.00% at the end of July, which represents an increase of 0.09% since the end of June.

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“As we approach the one-year anniversary of the Canadian Association of Pension Supervisory Authorities (CAPSA) releasing their new Guideline for Risk Management for Plan Administrators (Risk Guideline), it’s an opportune time for pension plan administrators to evaluate their progress on addressing the contents of the Risk Guideline” says Gavin Benjamin, Partner in TELUS Health’s Consulting team.

“Based on the Risk Guideline, administrators should establish a risk management framework that effectively identifies, evaluates, manages, and monitors the material risks to their pension plan. Furthermore, the Guideline indicates that a plan administrator should create a written statement outlining the overall risk appetite, risk tolerance, and risk limits for their plan. By tailoring the timely implementation of the Risk Guideline requirements to the specific circumstances of their plan, administrators can not only meet the expectations of pension regulators but also safeguard the pension benefits of plan members amid a period of ongoing economic and geopolitical uncertainties.”

The graphs below show the month-to-month evolution of each index.

## Definitions



Solvency index	Provides an indication of changes in the solvency funding level of an average pension plan since the start of the year.
Annuity proxy index	Provides an indication of changes in the estimated annuity purchase premium since the start of the year for obligations with a medium duration.
Commutated value index	Provides an indication of changes in commuted values for members of an average pension plan since the start of the year.
Accounting index	Provides an indication of changes in the accounting funding level of an average pension plan since the start of the year.
Plan asset index	Provides an indication of changes in asset levels for an average pension plan since the start of the year.

## Notes on methodology.

The indices show the monthly progression of various indicative pension measures since the start of the calendar year.

Each index is reset to 100 on January 1.

The monthly Asset Index is calculated based on a TELUS Health Benchmark portfolio, 50% equities and 50% fixed income (2% in 91-day T-Bills, 24% FTSE TMX Canada Universe, 24% FTSE TMX Canada LT, 15% MSCI Canada, 35% MSCI ACWI) with monthly rebalancing.

The plan liabilities are for a medium duration pension plan.

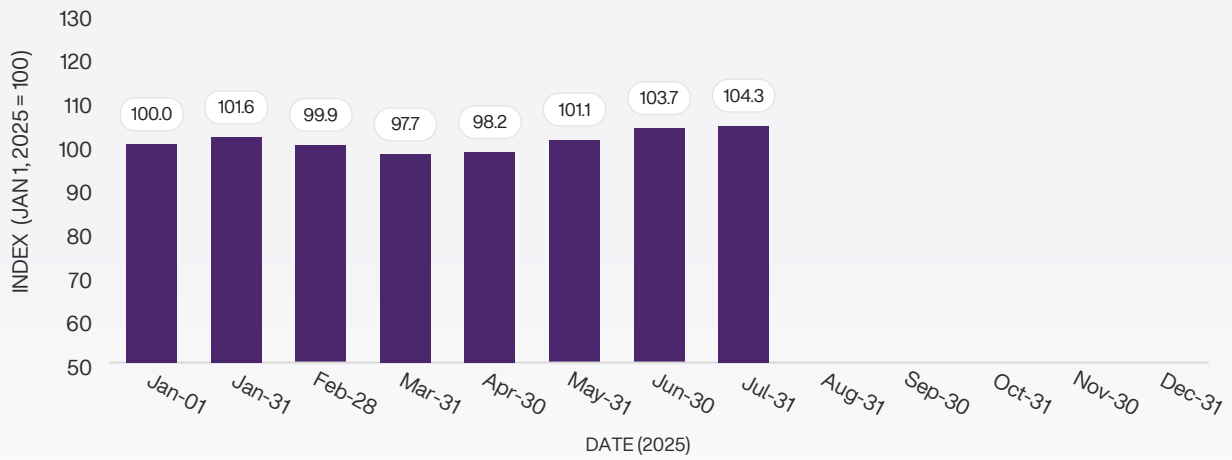
The monthly Solvency Index reflects estimates of solvency liabilities using the latest available Canadian Institute of Actuaries (CIA) annuity purchase discount rate guidance at each publication date.

The monthly Commuted Value Index reflects an estimate of a commuted value for an average plan member using the method for calculating commuted values set out in the CIA's actuarial Standards of Practice.

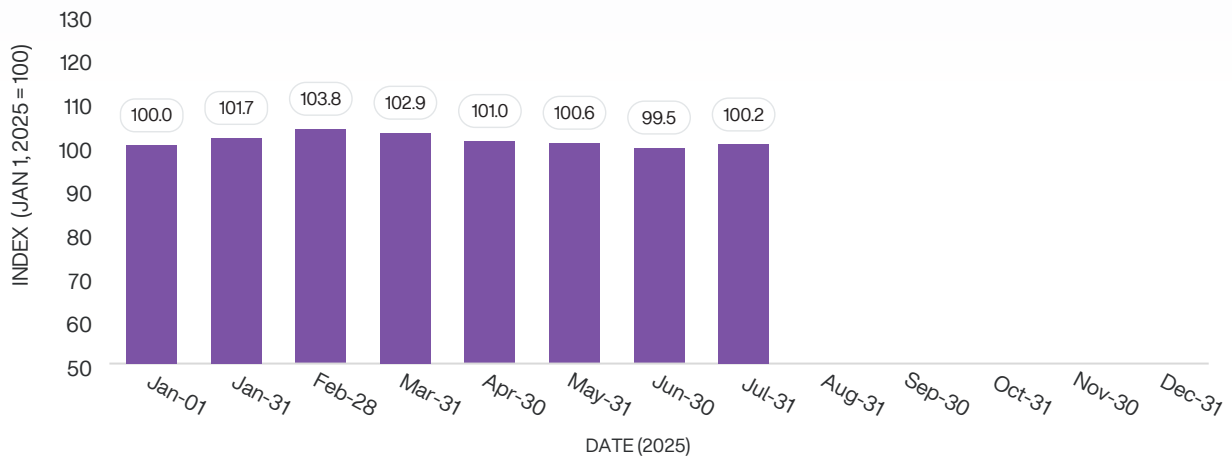
The monthly Accounting Index reflects an estimate of accounting liabilities using a discount rate derived from the TELUS Health AA Corporate Bond Yield Curve.



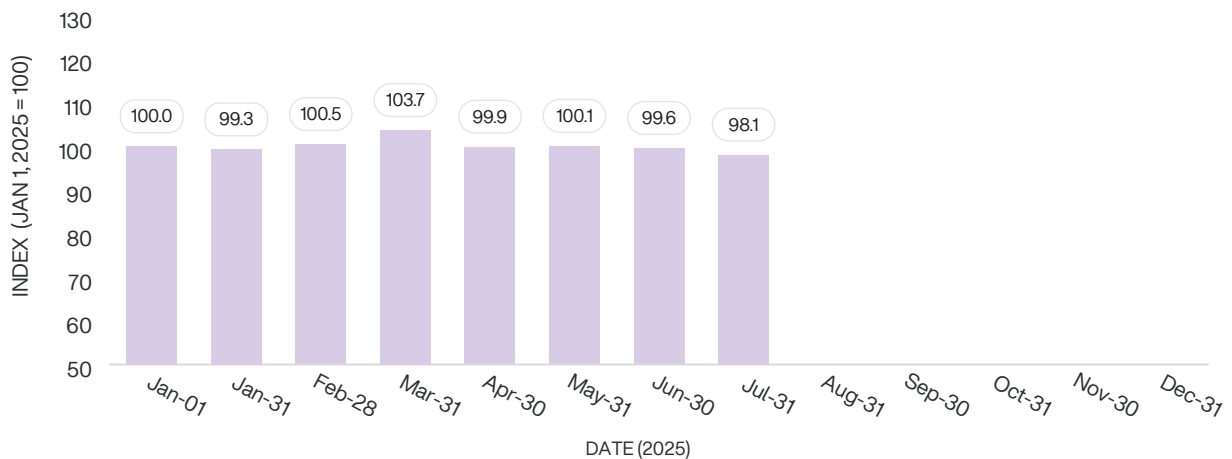
### Solvency index



### Annuity proxy index

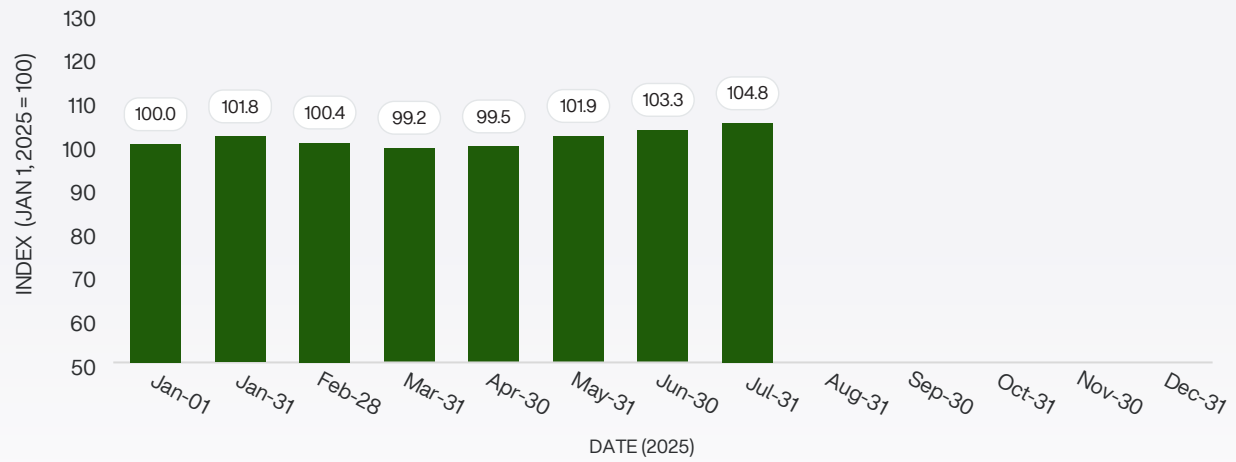


### Commuted value index

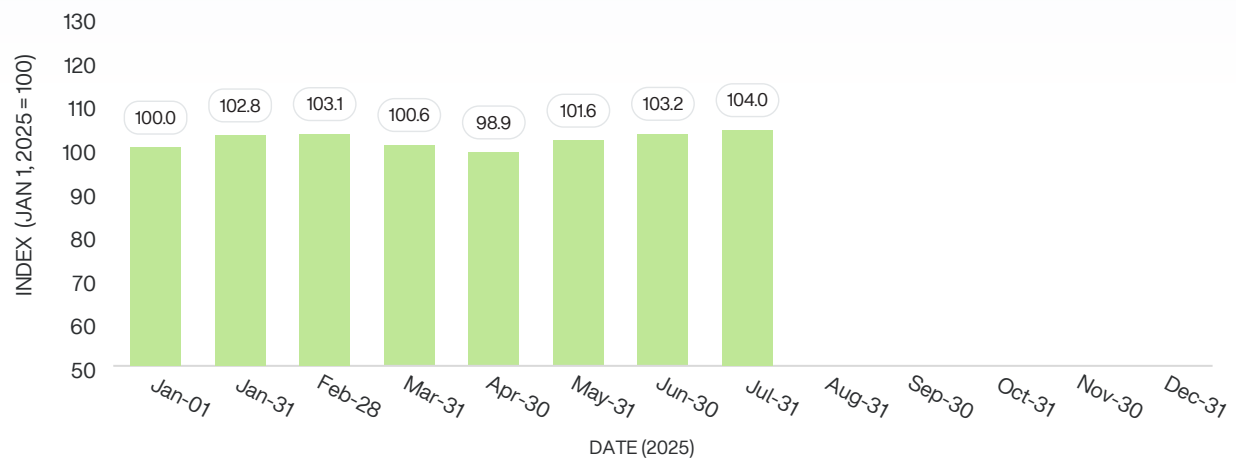




### Accounting index



### Plan asset index





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