



SECTION:	Financial Statements
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Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link on the left side of each page.*

Financial Statements Involving Master Trust Arrangements - Section 76 of the Regulation

FSCO staff have been asked for an interpretation of section 76 of the Regulation with respect to pension plans investing through master trust arrangements.

The specific issue raised is:

- whether the financial statements of a pension plan or fund are required to disclose the proportion of all the underlying categories of investments, income, expenses, etc., held in the master trust fund; or,
- whether the statements may make the prescribed disclosure on the basis of the value of the master trust units held.

Under the latter alternative it has been suggested that financial statements for the master trust fund accompanying the plan's own statements would be sufficient for disclosure purposes.

The Superintendent takes the view that pension plans whose assets, or a portion of whose assets, are invested in a master trust fund and in which their interest is expressed by reference to units or

shares of the master trust itself rather than the underlying investments, may file their financial statements in the following manner:

The plan's investments in the master trust fund will be treated as a single category of investment. Where the Regulation prescribes disclosure of the book value and market value of investments (section 76(10)(a)), the statements will indicate the corresponding values of the units held in the master trust fund.

All other prescribed disclosure under sections 76(10) through (14) of the Regulation that is specific to the plan and not shared jointly with other plans through the master trust must be presented in the statements. Disclosure relating to the master trust investments will be the same as is prescribed for a pooled fund under section 76(13)(b)(ii).