# Metropolitan Toronto Pension Plan

General Statistics at Dec 31

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<tbody>
<tr>
<td><strong>Actives</strong></td>
<td>7</td>
<td>9</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Vested Deferreds</strong></td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
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<tr>
<td><strong>Pensioners</strong></td>
<td>1,830</td>
<td>1,934</td>
<td>2,062</td>
<td>2,168</td>
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<tr>
<td><strong>Survivors</strong></td>
<td>1,037</td>
<td>1,050</td>
<td>1,050</td>
<td>1,066</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,878</td>
<td>2,998</td>
<td>3,130</td>
<td>3,254</td>
</tr>
</tbody>
</table>

| Average Monthly Pension Payment | 1,951 | 1,897 | 1,851 | 1,821 |
| Average Monthly Survivor Payment | 1,099 | 1,059 | 1,016 | 952   |

| Total Benefits Paid in Year ($000) | 57,582 | 58,786 | 59,746 | 60,967 |
## Metropolitan Toronto Pension Plan
### Rates of Return

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Market Value ($000)</strong></td>
<td>569,518</td>
<td>553,263</td>
<td>688,253</td>
<td>740,266</td>
</tr>
<tr>
<td>Rate of Return, net of IMF</td>
<td>14.14%</td>
<td>-11.50%</td>
<td>1.15%</td>
<td>9.80%</td>
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<tr>
<td>Rate of Return, gross</td>
<td>14.30%</td>
<td>-11.40%</td>
<td>1.30%</td>
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<tr>
<td><strong>Actuarial Value ($000)</strong></td>
<td>599,848</td>
<td>645,820</td>
<td>692,666</td>
<td>707,665</td>
</tr>
<tr>
<td>Rate of Return, net of IMF</td>
<td>1.98%</td>
<td>1.86%</td>
<td>6.67%</td>
<td>8.52%</td>
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</tbody>
</table>

### Chart

![Chart of rates of return for 2009 to 2006](chart.png)
### Metropolitan Toronto Pension Plan
#### Actuarial Assets ($000)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Assets at Jan. 1</strong></td>
<td>645,820</td>
<td>692,666</td>
<td>707,665</td>
<td>711,097</td>
</tr>
<tr>
<td>Employee Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employer Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pensioner Pensions</td>
<td>(43,943)</td>
<td>(45,613)</td>
<td>(47,308)</td>
<td>(48,755)</td>
</tr>
<tr>
<td>Survivor Pensions</td>
<td>(13,639)</td>
<td>(13,159)</td>
<td>(12,438)</td>
<td>(12,212)</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>-</td>
<td>(14)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non Investment Expenses</td>
<td>(358)</td>
<td>(416)</td>
<td>(398)</td>
<td>(435)</td>
</tr>
<tr>
<td>Investment Income (Market) net of fees</td>
<td>74,177</td>
<td>(75,777)</td>
<td>8,176</td>
<td>68,785</td>
</tr>
<tr>
<td>Transfer (to)/from Smoothing Account</td>
<td>(62,227)</td>
<td>88,144</td>
<td>37,014</td>
<td>(10,815)</td>
</tr>
<tr>
<td>Change in in-transits</td>
<td>18</td>
<td>(11)</td>
<td>(45)</td>
<td></td>
</tr>
<tr>
<td><strong>Assets at Dec. 31</strong></td>
<td>599,848</td>
<td>645,820</td>
<td>692,666</td>
<td>707,665</td>
</tr>
<tr>
<td>Smoothing Account - Jan. 1</td>
<td>(92,557)</td>
<td>(4,413)</td>
<td>32,601</td>
<td>21,786</td>
</tr>
<tr>
<td>Transfer to/(from) Smoothing Account</td>
<td>62,227</td>
<td>(88,144)</td>
<td>(37,014)</td>
<td>10,815</td>
</tr>
<tr>
<td>Smoothing Account - Dec. 31</td>
<td>(30,330)</td>
<td>(92,557)</td>
<td>(4,413)</td>
<td>32,601</td>
</tr>
</tbody>
</table>
## Metropolitan Toronto Pension Plan
### Going Concern at Dec 31 ($000)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Value</td>
<td>569,518</td>
<td>553,263</td>
<td>688,253</td>
<td>740,266</td>
</tr>
<tr>
<td>Actuarial Value</td>
<td>599,848</td>
<td>645,820</td>
<td>692,666</td>
<td>707,665</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Members</td>
<td>2,331</td>
<td>3,535</td>
<td>3,782</td>
<td>4,907</td>
</tr>
<tr>
<td>Inactive Members</td>
<td>308</td>
<td>202</td>
<td>335</td>
<td>580</td>
</tr>
<tr>
<td>Vested Deferreds</td>
<td>139</td>
<td>153</td>
<td>149</td>
<td>141</td>
</tr>
<tr>
<td>Pensioners and surviving spouses</td>
<td>500,872</td>
<td>518,636</td>
<td>536,381</td>
<td>554,373</td>
</tr>
<tr>
<td>Reserve for increase in minimum pension</td>
<td>-</td>
<td>-</td>
<td>7,436</td>
<td></td>
</tr>
<tr>
<td>Reserve for possible surplus distributions</td>
<td>7,972</td>
<td>8,550</td>
<td>8,906</td>
<td>9,213</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>511,622</td>
<td>531,076</td>
<td>556,989</td>
<td>569,214</td>
</tr>
<tr>
<td><strong>Going Concern Excess</strong></td>
<td>88,226</td>
<td>114,744</td>
<td>135,677</td>
<td>138,451</td>
</tr>
</tbody>
</table>

### Actuarial Assumptions
- **Discount Rate**: 5.50%, 5.50%, 5.50%, 5.50%
- **Salary Increases**: 4.50%, 4.50%, 4.50%, 4.50%
- **YMPE Increases**: 3.50%, 3.50%, 3.50%, 3.50%
- **Mortality Table (post retirement only)**: UP94, gen, UP94, gen, UP94, gen, UP94, gen
- **Retirement Age/Date**: 31-Dec-10, 31-Dec-09, 31-Dec-08, 61 (58 fire)
Metropolitan Toronto Pension Plan
Assumption Changes, Data Estimates

Assumption Changes

- No material changes other than discount rates for wind-up and solvency valuations.

Data Estimates

- Stepped Pension:
  - Surviving spouse’s pension payable on member’s death is roughly estimated by performing somewhat complex calculations on available data
  - Information required to calculate spouse’s pension is not available on computer files
### Metropolitan Toronto Pension Plan
#### Actuarial Going Concern Gain & Loss ($000)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Funding Excess - Jan. 1 (before upgrades)</td>
<td>114,744</td>
<td>135,677</td>
<td>138,451</td>
<td>112,352</td>
</tr>
<tr>
<td>Pensioner Upgrade (This Year)</td>
<td>(12,232)</td>
<td>(11,443)</td>
<td>(11,137)</td>
<td>(12,771)</td>
</tr>
<tr>
<td>Minimum pension upgrade</td>
<td>-</td>
<td>5,143</td>
<td>(7,436)</td>
<td></td>
</tr>
<tr>
<td>Actuarial Assumptions/Data change</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,856</td>
</tr>
<tr>
<td>Asset Smoothing Method change</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,208</td>
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<tr>
<td>Possible Retiree Distribution</td>
<td>1,048</td>
<td>846</td>
<td>814</td>
<td>812</td>
</tr>
<tr>
<td>Salaries</td>
<td>46</td>
<td>49</td>
<td>56</td>
<td>(51)</td>
</tr>
<tr>
<td>Investment Returns</td>
<td>(16,331)</td>
<td>(17,291)</td>
<td>14,868</td>
<td>17,823</td>
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<tr>
<td>Retirements</td>
<td>124</td>
<td>4</td>
<td>(94)</td>
<td>14</td>
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<tr>
<td>Mortality</td>
<td>1,221</td>
<td>2,106</td>
<td>181</td>
<td>2,634</td>
</tr>
<tr>
<td>Expenses</td>
<td>(358)</td>
<td>(416)</td>
<td>(398)</td>
<td>(435)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>(36)</td>
<td>69</td>
<td>372</td>
<td>9</td>
</tr>
<tr>
<td>Funding Excess - Dec. 31</td>
<td>88,226</td>
<td>114,744</td>
<td>135,677</td>
<td>138,451</td>
</tr>
</tbody>
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## Metropolitan Toronto Pension Plan
### Wind-Up/Solvency at Dec 31 ($000)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Wind-Up Assets</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Market Value</td>
<td>569,518</td>
<td>553,263</td>
<td>688,253</td>
<td>740,266</td>
</tr>
<tr>
<td>Estimated Expense of Winding-Up</td>
<td>(433)</td>
<td>(451)</td>
<td>(471)</td>
<td>(490)</td>
</tr>
<tr>
<td><strong>Total Wind-Up Assets</strong></td>
<td>569,085</td>
<td>552,812</td>
<td>687,782</td>
<td>739,776</td>
</tr>
<tr>
<td><strong>Wind-Up Liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td>Active Members</td>
<td>2,528</td>
<td>3,726</td>
<td>4,289</td>
<td>5,207</td>
</tr>
<tr>
<td>Inactive Members</td>
<td>329</td>
<td>233</td>
<td>403</td>
<td>667</td>
</tr>
<tr>
<td>Vested Deferreds</td>
<td>152</td>
<td>162</td>
<td>164</td>
<td>155</td>
</tr>
<tr>
<td>Pensioners and surviving spouses</td>
<td>541,333</td>
<td>542,201</td>
<td>577,069</td>
<td>593,636</td>
</tr>
<tr>
<td>Reserve for minimum pension upgrade</td>
<td>-</td>
<td>-</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>Reserve for possible surplus distributions</td>
<td>7,972</td>
<td>8,550</td>
<td>8,906</td>
<td>9,213</td>
</tr>
<tr>
<td><strong>Total Wind-Up Liabilities</strong></td>
<td>552,314</td>
<td>554,872</td>
<td>598,831</td>
<td>608,878</td>
</tr>
<tr>
<td><strong>Wind-Up Excess/(Deficit)</strong></td>
<td>16,771</td>
<td>(2,060)</td>
<td>88,951</td>
<td>130,898</td>
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<tr>
<td>Solvency Asset smoothing adjustment</td>
<td>23,527</td>
<td>86,853</td>
<td>741</td>
<td>(34,450)</td>
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<tr>
<td>Solvency Liability smoothing adjustment</td>
<td>5,356</td>
<td>(9,108)</td>
<td>11,045</td>
<td>18,073</td>
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<tr>
<td><strong>Solvency Surplus/(Shortfall)</strong></td>
<td>45,654</td>
<td>75,685</td>
<td>100,737</td>
<td>114,521</td>
</tr>
</tbody>
</table>
# Metropolitan Toronto Pension Plan

## Assumptions and Contributions

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Discount Rate - Solvency</td>
<td>4.625%</td>
<td>4.625%</td>
<td>4.75%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Discount Rate - Wind-Up</td>
<td>4.49%</td>
<td>4.85%</td>
<td>4.50%</td>
<td>4.60%</td>
</tr>
<tr>
<td>Retirement Age</td>
<td>immediate</td>
<td>immediate</td>
<td>immediate</td>
<td>immediate</td>
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## Funding Requirements

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<tbody>
<tr>
<td>Current Service Cost</td>
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<tr>
<td>Funding Deficiency Payments</td>
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<tr>
<td>Solvency Deficiency Payments</td>
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<tr>
<td>Total</td>
<td>-</td>
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<tr>
<td>--------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Recommendations for COLA Jan 1 next year</td>
<td>0.30%</td>
<td>2.37%</td>
<td>2.14%</td>
<td>2.01%</td>
</tr>
<tr>
<td>Cost of COLA (Next Year) Going Concern</td>
<td>1,494</td>
<td>12,232</td>
<td>11,443</td>
<td>11,137</td>
</tr>
<tr>
<td>Cost of COLA (Next Year) Solvency</td>
<td>1,598</td>
<td>12,787</td>
<td>12,081</td>
<td>11,926</td>
</tr>
<tr>
<td>Going Concern Excess after upgrade</td>
<td>86,732</td>
<td>102,512</td>
<td>124,234</td>
<td>127,314</td>
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<tr>
<td>Solvency Excess after upgrade</td>
<td>44,056</td>
<td>62,898</td>
<td>88,656</td>
<td>102,595</td>
</tr>
<tr>
<td>Indexation Reserve before upgrade</td>
<td>45,654</td>
<td>75,685</td>
<td>100,737</td>
<td>114,521</td>
</tr>
<tr>
<td>Indexation Reserve after upgrade</td>
<td>44,056</td>
<td>62,898</td>
<td>88,656</td>
<td>102,595</td>
</tr>
<tr>
<td>Unallocated Funding Excess</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</table>
Metropolitan Toronto Pension Plan
Going Concern Projection

Going Concern Position at December 31, 2009

Discount Rate: 5.50%
Going Concern Excess/(Deficit) after COLA: 87 $million

Projected Going Concern Excess/(Deficit) at December 31, 2010

<table>
<thead>
<tr>
<th>Discount Rate/Asset Return</th>
<th>5.00%</th>
<th>5.50%</th>
<th>6.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5.50%</td>
<td>34</td>
<td>50</td>
<td>67</td>
</tr>
<tr>
<td>0.00%</td>
<td>41</td>
<td>58</td>
<td>75</td>
</tr>
<tr>
<td>5.50%</td>
<td>49</td>
<td>65</td>
<td>82</td>
</tr>
<tr>
<td>11.00%</td>
<td>56</td>
<td>73</td>
<td>90</td>
</tr>
</tbody>
</table>
Metropolitan Toronto Pension Plan
Solvency Projection

Solvency Position at December 31, 2009

Discount Rate (actual): 4.490%
Discount Rate (smoothed): 4.625%
Solvency Excess/(Deficit) after COLA: 44 $million

Projected Solvency Excess/(Deficit) at December 31, 2010

<table>
<thead>
<tr>
<th>Actual Discount Rate/Asset Return</th>
<th>4.50%</th>
<th>5.00%</th>
<th>5.50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5.50%</td>
<td>10</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>0.00%</td>
<td>18</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>5.50%</td>
<td>25</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>11.00%</td>
<td>32</td>
<td>36</td>
<td>40</td>
</tr>
</tbody>
</table>