



November 15, 2011

Dear Pension Industry Stakeholder:

***Re: CAPSA Pension Plan Prudent Investment Practices Guideline, Self-Assessment Questionnaire on Prudent Investment Practices, and Pension Plan Funding Policy Guideline***

The Canadian Association of Pension Supervisory Authorities (CAPSA) is pleased to announce the release of CAPSA *Guideline No. 6 Pension Plan Prudent Investment Practices Guideline*, the companion *Self-Assessment Questionnaire on Prudent Investment Practices*, and CAPSA *Guideline No. 7 Pension Plan Funding Policy*.

CAPSA believes that good pension plan governance in terms of best practices in pension plan funding and investment is essential if plan members are to receive the benefits they have been promised. These Guidelines build on CAPSA *Guideline No. 4 Pension Plan Governance Guidelines and Self-Assessment Questionnaire*.

The Guidelines reflect the expectations of pension regulators regarding the adoption by pension plan administrators of prudent investment practices and funding policies. They are intended to support the continuous development and improvement of industry practices.

Earlier this year, CAPSA released the draft guideline on *Pension Plan Prudent Investment Practices* and its companion document the *Self-Assessment Questionnaire on Prudent Investment Practices*, and the *Pension Plan Funding Policy Guideline*, for stakeholder review and comment. After considering the feedback received CAPSA has made a number of revisions to the consultation drafts and is now releasing the final versions of the guidelines. The guidelines provide guidance to pension plans of all types and sizes, in all jurisdictions of Canada, in their funding and investment activities.

The Prudent Investment Practices Guideline and companion Self-Assessment Questionnaire are intended to provide guidance to plan administrators on how to demonstrate the application of prudence to the investment of pension plan assets. The Pension Plan Funding Policy Guideline is intended to provide guidance on the development and adoption of funding policies.

CAPSA would like to thank all those who provided comments on the consultation drafts of the Guidelines. CAPSA would particularly like to thank the members of the industry advisory group whose expertise was instrumental in the success of this initiative. The contributions of pension stakeholders are critical to the success of CAPSA initiatives.

Yours very truly,

Mark Prefontaine

Chair, Canadian Association of Pension Supervisory Authorities (CAPSA)