



April 13, 2026

**From:** Keith Ambachtsheer  
**To:** Canadian Pension Observers  
**Re:** WHY IS ONTARIO SPURNING BIG PENSION MANAGERS FOR ITS NEW INVESTMENT FUND?

---

The government of Ontario recently announced its intention to create an Ontario Investment Fund which would finance the building of durable assets in minerals, life sciences, AI, defence, and “new economy” manufacturing in the province.

The fund, announced in this month’s budget, will have a war chest of \$4 billion.

Strangely, the government said the fund would be managed by a private-sector general partner and that it would launch a “competitive process” to find one.

Why do we say it is strange that the Ontario government is going for a private-sector partner? Because over the past three decades, Canada has become home to the world-renowned “Maple Eight” pension funds, which include The Ontario Teachers’ Pension Plan, the Ontario Municipal Employees Retirement System, and the Hospitals of Ontario Pension Plan. These large public-sector pension funds are known for, among other things, the fact that they are largely managed in-house.

When the federal government wanted to create a \$15-billion national growth fund a few years ago, it asked the federal Public Service Pension investment organization to manage it.

Similar arrangements have been made between the Province of Quebec and the La Caisse de dépôt et placement du Québec and between the Province of Alberta and the Alberta Investment Management Corporation.

Why is Queen’s Park not considering offering the Ontario Investment Fund mandate to one or more of the three large Ontario-based Maple Eight pension funds?

The origins of the Maple Eight go back to a 1988 pension fund management study commissioned by the Province of Ontario titled In Whose Interest?

Following advice from management philosopher Peter Drucker’s 1976 book *The Unseen Revolution*, the 1988 Ontario study recommended restructuring its public sector pension funds based on three pillars: 1. Legitimacy, 2. Good Governance, 3. Scale.

By 2012, *The Economist* described the resulting Maple Eight as a group feared by Wall Street, and to be emulated by their peers around the world.

A unique characteristic of the Maple Eight is that they in-source a good part of their investment management activities, including private equity, real estate, and infrastructure.

Why has this been so successful? Because the Maple Eight fund managers have been able to match the returns delivered by private sector counterparts, but at materially lower costs.

For example, a CEM Benchmarking study shows that while private-sector investment fees averaged in the range of 3.3 percent to 4.9 percent of assets, the average in-house management cost was just 0.4 percent. These findings came from a large international database extending over 22 years.

The findings indicate that net of investment management costs, private markets strategies implemented by internal management teams of the Maple Eight outperformed their outsourced counterparts by some three to four percentage points a year over the last two decades.

The choice to partner with government investment funds made sense for the federal, Quebec, and Alberta governments. Why not for Ontario?

Given it is their money, the Ontario government intends to spend, Ontario’s taxpayers deserve an answer to that question.

---

*Keith Ambachtsheer is director emeritus of the International Centre for Pension Management and executive in residence at the Rotman School of Management, University of Toronto.*

*To send a comment or leave feedback, click [here](#).*

*The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.*

*A version of this Memo first [appeared](#) in *The Globe and Mail*.*