



Canadian pensions deliver second consecutive quarter of positive returns in Q3: RBC Investor & Treasury Services

Global and Canadian equities continue to generate solid returns

Toronto, November 3, 2016 – Canadian defined benefit pension plans remained in positive territory in Q3 2016, according to the \$650 billion [RBC Investor & Treasury Services](#) All Plan Universe, the industry's most comprehensive universe of Canadian pension plans. The plans returned 4.2 per cent in Q3 2016, up from [Q2 returns](#) of 2.9 per cent, and returns are up 7.3 per cent year-to-date.

Global equities and Canadian equities continued their winning ways in Q3 2016. Global equities returned 6.7 per cent, compared with 1.6 per cent in Q2 2016, and are up 1.8 per cent year-to-date. Canadian equities also returned 6.7 per cent in Q3 2016, compared to 4.0 per cent a quarter earlier, and are up 15.9 per cent year-to-date. This represents a notable turnaround from a year ago when global equities posted a loss of -2.2 per cent in [Q3 2015](#) while Canadian equities posted a -7.8 per cent loss in the same quarter of 2015, primarily due to weakness in the materials and energy sectors.

Domestic bonds continue to be a source of steady returns for Canadian plans, returning 1.6 per cent in Q3 and 6.2 per cent year-to-date. With the persistence of the low-interest rate environment, long duration bonds have been the best performing fixed income segment, with the benchmark FTSE TMX Canada Long Overall index returning 2.4 per cent in Q3 and 12.6 per cent year-to-date.

"Canadian pension plans continue to post improved quarter-over-quarter returns this year," said James Rausch Head of Client Coverage, Canada and Global Head of Transaction Banking - Banks, Brokers & Exchanges, RBC Investor & Treasury Services. "The resources, materials and energy sectors continued to fuel the gains in Canadian equities, while global markets adapted to the post UK referendum landscape and emerging economies realized gains. Global volatility remains a reality as several markets, including China, experience anemic growth despite low or negative interest rate policies. Managing risk will remain a priority for the remainder of 2016."

ADDITIONAL INFORMATION

- Canadian equity returns of 6.7 per cent outperformed the TSX Composite Index returns of 5.5 per cent in Q3. 15.9 per cent versus 15.8 per cent year-to-date.
- Global equity returns of 6.7 per cent outpaced the MSCI World Index returns of 6.1 per cent in Q3. 1.8 per cent versus -0.1 per cent year-to-date.
- Canadian fixed income returns of 1.6 per cent outperformed the FTSE TMX Universe Canadian bond index returns of 1.2 per cent in Q3. 6.2 per cent versus 5.3 per cent year-to-date.

HISTORIC PERFORMANCE

Period	Return (%)	Period	Return (%)
Q3 2016	4.2	Q3 2014	1.1
Q2 2016	2.9	Q2 2014	3.0
Q1 2016	0.0	Q1 2014	4.8
Q4 2015	3.1	Q4 2013	6.1
Q3 2015	-2.0	Q3 2013	3.6
Q2 2015	-1.6	Q2 2013	0.0
Q1 2015	6.6	Q1 2013	4.4
Q4 2014	2.7	Q4 2012	2.5

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About the RBC Investor & Treasury Services All Plan Universe

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