



**RBC INVESTOR & TREASURY SERVICES QUARTERLY SURVEY:  
PENSION ASSETS POST SOLID RETURNS TO CLOSE OUT 2014**

**TORONTO, January 29, 2015** — Despite a volatile fourth quarter marked by falling oil prices and geopolitical tensions, the latest survey from RBC Investor & Treasury Services shows that Canadian pension plans returned 11.9 per cent in 2014.

According to the \$520 billion RBC Investor & Treasury Services All Plan universe – the industry’s most comprehensive universe of Canadian pension plans – defined benefit (DB) pension plans continued to generate positive returns for a sixth consecutive quarter, returning 2.7 per cent during the fourth quarter 2014 and bringing the annual return to 11.9 per cent.

“While Pensions overall continued to have solid returns against a backdrop of challenging macroeconomic factors, the decline in long-term interest rates has likely increased plan liabilities,” said Scott MacDonald, managing director, Pensions, RBC Investor & Treasury Services. “This puts pressure on many Canadian DB plans despite strong performance in all asset classes.”

The best performing asset class in 2014 was Foreign Equities, returning 13.5 per cent as well as 14.4 per cent for the benchmark MSCI World Index. “With the U.S. dollar appreciating 9.0 per cent against the loonie, U.S. equities returned 22.9 per cent for the year and were the largest contributor of foreign equity gains for Canadian DB Plans,” said MacDonald.

Canadian equities returned 10.5 per cent for year, in line with the benchmark TSX Composite Index. “Canadian DB Plans were better positioned to withstand the fall in oil and commodity prices in the second half of 2014 as they were underweight in both the Energy and Materials sectors,” said MacDonald.

“Domestic bonds surprised investors in 2014, returning 9.9 per cent as yields fell across the curve. Long-duration bonds continued to be the best performing segment, with the FTSE TMX Canada Long Term Overall Bond Index returning 5.3 per cent for the quarter and 17.5 per cent for the year,” said MacDonald.

- 2 -

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RBC Investor & Treasury Services (RBC I&TS) is a leading specialist provider of asset servicing, custody, payments and treasury services for financial and other institutional investors worldwide. We serve clients from 18 locations across North America, Europe, Asia and Australia. We deliver custodial, advisory, financing and other services to safeguard clients' assets, maximize liquidity and manage risk in multiple jurisdictions. RBC I&TS is ranked among the world's top 10 global asset servicing businesses, with CAD 3.54 trillion (USD 3.25 trillion) in client assets under administration (as at July 31, 2014).

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- 30 -

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