

Canadian equities rebound in Q2 2018, driving Canadian pension returns higher: RBC Investor & Treasury Services

Q2 total returns gain 2.2 per cent while Canadian equities return 6.8 per cent

TORONTO, August 2, 2018 - Canadian defined benefit pension plans posted a mild uptick in Q2 2018, returning 2.2 per cent, up from [Q1 returns](#) of 0.2 per cent, according to [RBC Investor & Treasury Services](#) All Plan Universe.

ADDITIONAL RESULTS

- Strong results in the energy sector propelled Canadian equities to return 6.8 per cent, reversing the Q1 2018 loss of -3.9 per cent
- The TSX Composite Index posted a 6.8 per cent return, compared to a -4.5 per cent loss in Q1 2018
- Global equities, impacted by trade war fears, along with central banks' drive towards normalization of monetary policy, returned 2.6 per cent, up from Q1 2018 return of 2 per cent
- The MSCI World Index gained 3.8 per cent this quarter, versus 1.6 per cent in Q1 2018, while the Emerging Markets index dropped 6.1 per cent in Q2 2018
- Escalating tensions with the U.S., the impact of taxing imports and the volatility associated with policy uncertainty placed pressure on fixed income markets, which ended the quarter almost unchanged with a 0.6 per cent return compared to 0.1 per cent in Q1 2018
- The FTSE TMX Universe Canadian bond index also returned a modest 0.5 percent return, up from 0.1 per cent in Q1 2018

QUOTE

"Despite ongoing volatility at home and abroad, Canadian defined benefit pension plans have posted positive returns during the first half of 2018. The Canadian market rallied this quarter partly due to the energy sector rebound, as well as strong returns from other segments, including the Materials sector. As we head into the second half of the year, asset managers must remain vigilant. NAFTA trade tensions, U.S. – China trade friction and ongoing geopolitical issues will continue to reverberate through the markets, forcing asset managers to remain attentive to the ongoing volatility and its impact on portfolios and risk exposure."

- **Ryan Silva, Director, Head of Pension and Insurance Segments, Global Client Coverage RBC Investor & Treasury Services**

HISTORIC PERFORMANCE

Period	Return (%)	Period	Return (%)
Q2 2018	2.2	Q1 2016	0.0
Q1 2018	0.2	Q4 2015	3.1
Q4 2017	4.4	Q3 2015	-2.0
Q3 2017	0.4	Q2 2015	-1.6
Q2 2017	1.4	Q1 2015	6.6
Q1 2017	2.9	Q4 2014	2.7
Q4 2016	0.5	Q3 2014	1.1
Q3 2016	4.2	Q2 2014	3.0
Q2 2016	2.9	Q1 2014	4.8

About the RBC Investor & Treasury Services All Plan Universe

For the past 30 years, [RBC Investor & Treasury Services](#) (RBC I&TS) has managed one of the industry's largest and most comprehensive universes of Canadian pension plans. The "All Plan Universe" currently tracks the performance and asset allocation of a cross-section of assets under management across Canadian defined benefit (DB) pension plans, and is a widely-recognized performance benchmark indicator. The RBC Investor & Treasury Services "All Plan Universe" is produced by RBC I&TS' Risk & Investment Analytics (R&IA) service. R&IA work in partnership with best-in-class technology to deliver independent and cost effective solutions designed to help institutional investor clients monitor investment decisions, optimize performance, reduce costs, mitigate risk and increase governance capability.

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