



Canadian Defined Benefit Pension Plans Post Modest Gains in Q2 2019: RBC Investor & Treasury Services

- **Returns for the first six months of 2019 sit at 10.2 per cent**

Toronto, Ontario – August 7, 2019 – Canadian defined benefit pension plans returned 2.7 per cent in Q2 2019, down from [Q1 2019](#) returns of 7.2 per cent, according to the [RBC Investor & Treasury Services](#) All Plan Universe. Q2 2019 return metrics calculated in the RBC Investor & Treasury Services All Plan Universe were down quarter-over-quarter, however, six-month returns sit at 10.2 per cent.

Growth in the TSX Composite Index slowed in Q2 2019, posting a return of 2.6 per cent compared to 13.3 per cent in Q1 2019. Canadian equity returns for Canadian pension plans were also measured in Q2 2019, returning 2.3 per cent versus 12.4 per cent a quarter earlier.

ADDITIONAL RESULTS

- The MSCI World Index returned 1.7 per cent, down from 10.0 per cent a quarter earlier, while global equity returns also slowed to 1.8 per cent in Q2 2019 compared to 9.9 per cent in Q1 2019.
- Canadian fixed income returns sat at 3.7 per cent in Q2, down from 5.6 per cent in Q1 2019.
- The FTSE Canada Universe bond index returned 2.5 per cent in Q2 2019 compared to 3.9 per cent in Q1 2019. Canadian bond yields also fell during Q2 2019.
- Seven of 11 sectors in the TSX Composite Index were positive in Q2 2019. All 11 sectors posted gains in Q1 2019.

QUOTE

“The first half of 2019 has been positive for Canadian defined benefit pension plans and all indicators show that the Canadian economy is healthy, but small cracks are beginning to appear. Geopolitical and trade unrest as well as slowing global economies continue to persist, and Canadian investors are growing increasingly aware of their impact on our markets and economy. Second quarter growth can be considered healthy, but modest, and managers will need to maintain their cautious approach and actively manage their 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 2019	2.7	Q3 2017	0.4
Q1 2019	7.2	Q2 2017	1.4
Q4 2018	-3.5	Q1 2017	2.9
Q3 2018	0.1	Q4 2016	0.5
Q2 2018	2.2	Q3 2016	4.2
Q1 2018	0.2	Q2 2016	2.9
Q4 2017	4.4	Q1 2016	0.0

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.

About RBC Investor & Treasury Services

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- 30 -

For more information, please contact:

Briana D'Archi
+1 416 955 5658
briana.darchi@rbc.com

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