



**RBC DEXIA**  
INVESTOR SERVICES

## **CANADIAN PENSIONS POST THIRD SUCCESSIVE DOUBLE-DIGIT YEAR**

### **RBC Dexia Investor Services releases 4th quarter investment results of Canadian balanced fund managers**

**TORONTO, January 26, 2006** — Canadian equities remained the top-performing asset class in 2005 and helped lift Canadian pension plans to another strong showing for the year, according to a quarterly survey just released by BENCHMARK®, the investment analytics arm of RBC Dexia Investor Services, which maintains the industry's most comprehensive universe of Canadian pension plan and money managers.

Within the \$340 billion BENCHMARK universe, balanced pension funds earned 2.1 per cent in the quarter ending December 2005, bringing year-end performance to a solid 11.7 per cent gain. “That’s three consecutive years, since the tech bubble in 2002, that longer-term assets have performed extremely well,” observed Don McDougall, Director, BENCHMARK, RBC Dexia Investor Services.

Canadian equities led the way for a third consecutive year, on the strength of a whopping 63.4 per cent return in energy stocks, which accounted for nearly half of the market’s 24.1 per cent gain in 2005. Surprisingly, active managers kept pace with the market despite remaining under-exposed to the high-flying energy sector over the course of the year.

Global stock markets also continued to do well, pushing the annual MSCI World index to 15.8 per cent in local currency. For Canadian-based investors, however, continued appreciation of the loonie slashed foreign equity returns to a meagre 6.0 per cent for the year, once currency was taken into account. “The loonie has been a major factor over the past three years, first against the US dollar in 2003 and 2004 and this year against the Yen and Euro,” McDougall said.

In Canadian fixed income, managers averaged 6.5 per cent over the year, matching the Scotia Capital Universe Bond Index, despite significant opportunities in real return bonds and longer duration bonds to add value, according to McDougall.

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### **About RBC Dexia Investor Services**

RBC Dexia Investor Services offers an integrated suite of products, including global custody, fund and pension administration, securities lending, shareholder services, analytics and other related services, to institutional investors worldwide. With approximately US\$2.0 trillion (€1.65 trillion) in client assets under custody\*, RBC Dexia Investor Services ranks among the world's top 10 global custodians. Headquartered in London, the company has 3,800 employees who serve clients from offices in 15 countries on four continents. RBC Dexia Investor Services is a joint venture equally owned by Royal Bank of Canada and Dexia. Visit the RBC Dexia Investor Services website at [www.rbcdexia-is.com](http://www.rbcdexia-is.com).

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\*Includes in-house assets of Royal Bank of Canada (as of October 31, 2005) and Dexia (as of September 30, 2005).