

RBC Dexia survey: Canadian pensions post strong gains in third quarter

Toronto, October 21, 2010 - Global markets rallied during the September quarter, lifting pension assets by 7.3 per cent over the period, according to a survey just released by RBC Dexia Investor Services, which maintains the industry's most comprehensive universe of Canadian pension plans and money managers.

Within the CAD 340 billion RBC Dexia universe, all major asset categories produced favourable results with riskier assets leading the way. "It's been a bumpy ride, but this quarter's gains make up for last quarter's pull back and brings year-to-date totals to a respectable 5.7 per cent," noted Don McDougall, Director of Advisory Services for RBC Dexia.

Domestic stocks were the best performing asset class for Canadian pensions, increasing 10.2 per cent in the quarter and 6.7 per cent over the year-to-date. "Most sectors posted double digit returns with advances fairly wide spread but uneven during the quarter. Materials led the way on the strength of Potash Corp. (up 60.8 per cent) but the top heavy financials and energy sectors lagged," said McDougall. Pension plans nearly kept pace with the TSX Composite during the quarter but trail the index by 0.7 per cent year-to-date.

Non-Canadian equities also rebounded 9.9 per cent in the quarter, lifting year-to-date results into positive territory and ahead of the MSCI World Index by 0.9 per cent. Currencies continued to be volatile but have tended to cancel themselves out over the quarter and year-to-date, as US dollar weakness is offset by the strength of most other major currencies against the loonie.

Canadian bonds thrived thanks to a late September rally, advancing 3.4 per cent in the quarter and 8.3 per cent year-to-date. "Fixed income strength continued to come from declining long-term bond yields as the Canadian yield curve flattened over the quarter. McDougall added, "Longer duration bonds are up 5.6 per cent for the quarter and 13.9 per cent year-to-date."

About RBC Dexia Investor Services

RBC Dexia Investor Services offers a complete range of investor services to institutions worldwide, including Canadian pension funds. Our unique offshore and onshore solutions, combined with the expertise of our 5,400 professionals in 16 markets, help clients grow their business and sustain enhanced performance through efficiency improvements and robust risk management processes.

Equally-owned by RBC and Dexia, the company ranks among the world's top 10 global custodians with USD 2.4 trillion in client assets under administration.

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