FIXED INCOME ROUNDTABLE

123RF STOCK PHOTO / SERGEY PETERMAN

Making fixed income work harder

In the late stages of the economic cycle, with public market volatility, trade uncertainty and persistently low interest rates, pension plan sponsors have their work cut out for them. How can Canadian pension plans position their fixed income portfolios for the future? For those that have stayed close to home, is now the time to broaden the horizons for fixed income investments? And when doing so, what are the risks and opportunities that stand out?

In this roundtable, experts share insights on how pension plans can navigate the challenging world of fixed income investing.

Meet our expert panellists

CHRISTINE GIRVAN
senior managing director and head of Canadian distribution,
MFS Investment Management

FRANÇOIS PELLERIN
liability-driven investment strategist,
Fidelity Investments

SOAMI KOHLY
fixed income portfolio manager,
MFS Investment Management

TODD SCHOMBERG
senior portfolio manager,
Invesco Fixed Income

TERRY MOORE
vice-president and portfolio specialist for fixed income,
T. Rowe Price

BRUCE E. WINCH
vice-president and head of Canada,
T. Rowe Price

MICHAEL PECK
senior vice-president and head of Canada institutional,
Invesco Canada Ltd.

Moderator:
YAELLE GANG
editor,
Canadian Investment Review

Note to readers: This roundtable took place on Sept. 30, 2019. The coverage has been edited and condensed.

YAELLE GANG: **We're seeing uncertain monetary policy, persistently low interest rates and even some negative yields. What are challenges that Canadian pension plan sponsors have with their fixed income portfolios, and what are the biggest risks?**

SOAMI KOHLY: I think the risks for pension plans are the same as they've always been. I mean, it's basically the same obligation to raise assets to pay pension beneficiaries. In a low interest rate environment, it's going to be hard for them to do. Something that we've been talking about with plan sponsors is that, if you haven't de-risked now and you're underfunded, you probably have to look to start re-risking at some point. De-risking is not the solution anymore for plans that are underfunded. And, how you re-risk depends on the plan sponsor. I think the status quo will not work anymore for pension funds that have not taken care of their funding problem.

TODD SCHOMBERG: We're in an environment where we have nearly $15 trillion of negative-yielding securities globally and approximately 50 per cent of investment grade securities outside of North America have a negative yield. So, as a pension plan looks to mitigate risks and meet its yield targets, it's — no question — very challenging in the low-global yield environment that we have. And one of the risks that pension plans face is stretching, perhaps too far down in credit risk at a time where we're very late in the economic cycle. We're a big proponent of looking globally to really find the best risk-adjusted yield opportunities out there without necessarily stretching for more credit risk.

TERRY MOORE: There's been discussion of negative yields, but when you hedge that yield back to the domestic currency — the Canadian dollar — that tends to add yield back. The Canadian government bond is actually one of the lowest yielders of the developed markets and the emerging markets.

Also, I would argue that monetary policy is becoming easier around the world this year. Last year, there were 83 hikes and 44 cuts around the world; but this year, through the end of August, there were 73 cuts and only 12 hikes. Asset valuations — even though they're a bit rich today — can stay here for a little bit longer in this globally easy monetary cycle that we're in.

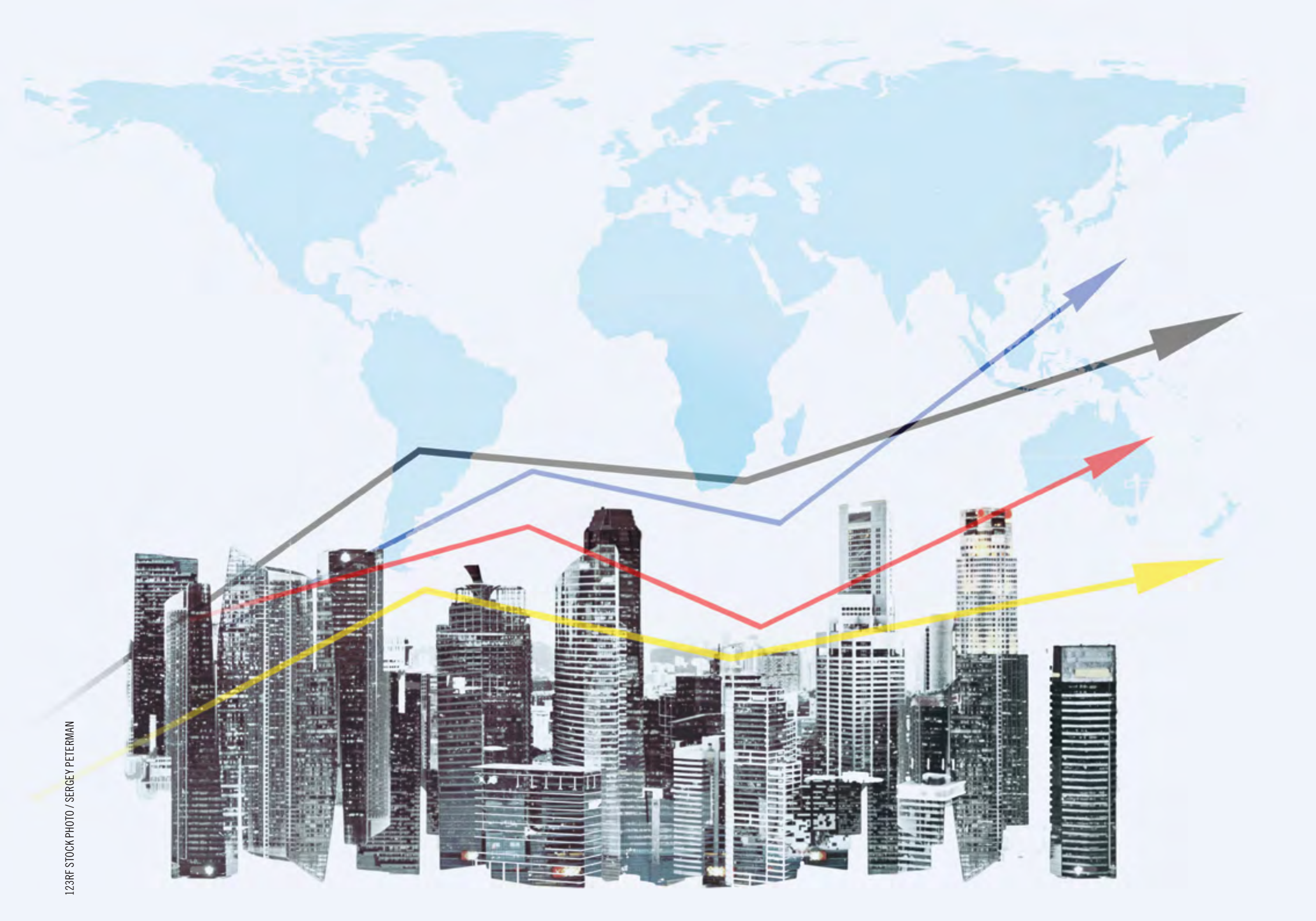
> "We're a big proponent of looking globally to really find the best risk-adjusted yield opportunities out there without necessarily stretching for more credit risk."
>
> TODD SCHOMBERG, INVESCO FIXED INCOME

YAELLE: **Todd, you were talking about how you're a big proponent of looking globally, but we know a lot of Canadian plans still have a domestic home bias in fixed income. Why do you think that is?**

TODD: There's naturally a need to match your liabilities, which are predominately in Canada, and this is one reason why pension plans are going to stay in Canada. But also, from an investment perspective, the Canadian economy has been very strong and the backdrop remains as such. I think a lot of Canadian pension investors are quite comfortable in the current environment, and not necessarily looking abroad at a time when global growth elsewhere is starting to weaken quite a bit. And, so far, the Canadian economy has been sheltered from a lot of the other global economic slowdowns. So I think investors have been very comfortable staying in the Canadian marketplace.

SOAMI: I'll just add, when it comes to global bonds and Canadian investors, I think that there's a clear place where they have a place and there's a clear place where they don't. I think if you are looking at credit, you definitely want to look on the global stage, especially if you consider that the Canadian benchmark is so concentrated. I think the top 11 names make up about 45 per cent of the index. There are so many industries that aren't even represented. I think going outside of Canada for credit makes a lot of sense.

If you want to look at the Canadian index versus the global aggregate index, it does not make sense to me. Partly, for the reasons you're saying, you need to match your liabilities. Also, the global aggregate index has less duration and it has less yield than the Canadian index. That's a terrible combination if you're a pension investor looking at that from a bond standpoint.


123RF STOCK PHOTO / SERGEY PETERMAN

And I say that because I believe, there's only one reason to invest in bonds: to offset equity volatility or mark-to-market risk. If you don't care at all about mark-to-market risk or volatility, you should be 100 per cent risk assets. You should be in the equity markets; you shouldn't own any bonds. And so something like a global aggregate-type product, which has too little duration, less negative correlation to the equity market and a lower starting yield, is not where I think Canadian pensions want to be. So they've made the right decision and historical performance has supported this view.

> "I think if you are looking at credit, you definitely want to look on the global stage, especially if you consider that the Canadian benchmark is so concentrated."
>
> Soami Kohly, MFS Investment Management

CHRISTINE GIRVAN: I was looking at the annualized returns of Canadian bonds between 1989 and 2009, and there was little reason for investors to look outside of Canada because one, they were matching their liabilities; and two, they were getting actually pretty good returns from Canadian fixed income exposure. I think that has changed and that's probably why we're having more of those conversations around "What else can I add to my fixed income portfolio to make the most out of the units of risks that I'm taking?" I think that's really what's changed. In the past, investors were getting seven to 10 per cent on their Canadian fixed income, and doing nothing on this was probably the right course of action. But I think it's not the case anymore.

BRUCE WINCH: Based on a plan sponsor perspective, I think there's a lot of inertia right now. Plan sponsors are saying the return is not worth the effort. There's also a lack of knowledge and a need for more education with defined benefit plans. And there's concern or unfamiliarity with currency hedging policies.

FRANÇOIS PELLERIN

MICHELLE QUANCE

> "For the fixed income that will help produce returns and be incorporated as a portfolio diversifier, that's where we can be a little bit more creative and a little bit less Canadian-focused, and give a manager the right to express their best ideas."
>
> François Pellerin, Fidelity Investments

FRANÇOIS PELLERIN: To answer the question, I think one has to define what type of fixed income they have in their portfolios. And, to make it as simple as possible: you can have fixed income to hedge your liability or you can have fixed income to help produce returns. It's not that clear-cut, but that will help the conversation.

When we talk about long bonds that are there to hedge, these hedge liabilities that are Canadian-dollar denominated and that, ultimately, will be based on high-quality corporate yields. That's probably the main reason why people tend to invest in Canadian bonds. Now, I agree that, because the index is so concentrated, allowing a big dose of out-of-benchmark securities will help expand the universe. But it should be hedged back to Canadian dollars, and the corporates you invest in should have at least some correlation with the corporate world in Canada. The obvious answer is to go to the U.S. first when you want to expand the universe, and the market is so deep that — just right there — you can do a very good job going outside of Canada.

For the fixed income that will help produce returns and be incorporated as a portfolio diversifier, that's where we can be a little bit more creative and a little bit less Canadian-focused, and give a manager the right to express their best ideas. You may trust your manager to use currency to add value if they've proven the ability to do it, for example.

MICHAEL PECK: I think that natural home bias that we've seen from Canadian investors makes a lot of sense, for the reasons that everybody has articulated. But there are chinks in the armour now where you are seeing some more plans taking a look outside of Canada. Again, it goes back to "How do I make those fixed income assets work a little bit harder?" We saw this moving global trend. It's happened already here in Canada in global equities and we're seeing it happening now in non-domestic real estate, where people are starting to look afield, but I think, for all of the reasons that we've articulated, that the move towards global fixed income has been slow — probably slower than a lot of people would like to see. I think there are very clear benefits there. But I think, to Bruce's point, it's a bit of an education

MICHELLE QUANCE

MICHAEL PECK

process for people to get used to non-domestic fixed income. And one thing to keep in mind, that the other asset classes don't have is: foreign exchange volatility is bigger than the fixed income returns can be. The volatility on the currency can swamp your fixed income returns. And so, if you're not doing that hedging back to Canadian dollars, where your liabilities are, you can be set up for a world of pain.

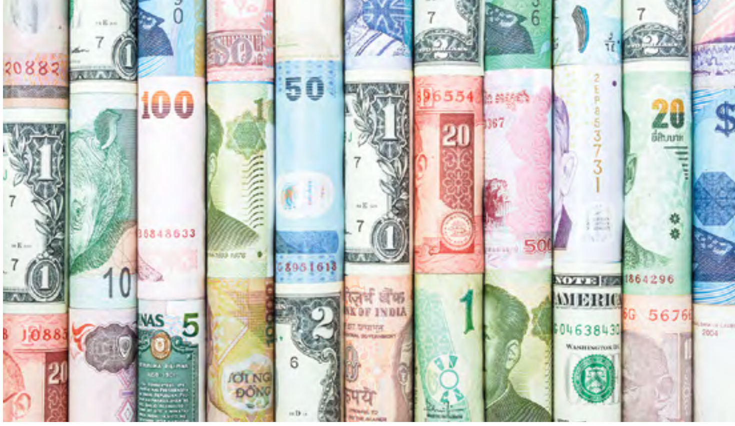
> "The volatility on the currency can swamp your fixed income returns. And so, if you're not doing that hedging back to Canadian dollars, where your liabilities are, you can be set up for a world of pain."
>
> Michael Peck, Invesco Canada Ltd.

YAELLE: **You mentioned the education process. What advice would you have to convince funds, or to educate them, about why they shouldn't be so wary about moving outside of Canada?**

SOAMI: First of all, it's been the right decision, return-wise, to stay within Canada; and two, I think that if you're looking at matching liabilities versus risk-seeking — if you're going to go outside of Canada — to me, it should be for corporate bonds and that is it. So for me, the education is: you've done the right thing, but you really need to look at the corporate side. It's where the opportunity is and it's where we're lacking in the Canadian market, frankly. There just are not enough corporate bonds to buy or different types of bonds to buy.

TERRY: Regarding the currency aspect — when we work with Canadian investors, we advise to hedge most global fixed income exposure to Canadian dollars, but we also think that we can add some value in taking small amounts of currency risk that are very targeted. Additionally, there are some currencies that are hedges. For example, the Japanese yen, the Swiss franc — those can be considered risk hedges. You can add these currencies to the portfolio to protect against a risk-market sell-off in many cases.

Regarding interest rates — when we buy a foreign bond, hedging it back to the domestic investors' currency, we're not necessarily holding it for 30 years.



123RF STOCK PHOTO / SAMRANSAK LOMLIM

Obviously, we have a view on what we think that yield is going to do on that point of the yield curve, and then if that yield rallies or if we're short and it sells off, then we might trade it tactically over some time frame that might be six to 18 months. We're often looking for these opportunities. I just wanted to clarify that we're just not buying, hedging and holding forever.

And then on the credit side, we strongly believe in credit opportunities, although valuations currently are quite stretched. The European Central Bank's quantitative easing program effectively forces investors — particularly in the eurozone — to go down in credit or to go out in duration to try to hit their yield bogeys. But at the same time, even though valuations look a little bit stretched, we feel that with the ECB and the Fed being quite easy — and when we look back, historically, at periods before recessions — that these valuations can typically last for six to 18 months before we actually enter recession.

To wrap it all up, we think that for a global fixed income portfolio, particularly for Canada, you can actually increase the return and reduce the risk, reduce the volatility of a portfolio relative to the FTSE Canada Universe Bond Index, by adding a global element to the overall domestic plan — that global element including currency, rates and credit.

> "To wrap it all up, we think that for a global fixed income portfolio, particularly for Canada, you can actually increase the return and reduce the risk, reduce the volatility of a portfolio relative to the FTSE Canada Universe Bond Index, by adding a global element to the overall domestic plan — that global element including currency, rates and credit."
>
> Terry Moore, T. Rowe Price

YAELLE: **For those who do want to go abroad, what opportunities are looking attractive? Are there particular types of fixed income or areas of the world that are standing out?**

TODD: We don't have a stylistic bias for any particular region or asset class, so we're looking across the globe, trying to find the best risk-adjusted yield opportunities out there. And, in the same framework, we think of the fixed income market as being three-dimensional, where we can buy in different currencies, different parts of the capital structure, different parts of the curve; and, right now, we think there's some really great opportunities in very high-quality emerging market sovereigns. You know — buy single A, AA-rated emerging market bonds that are very fiscally strong that can pick up a very attractive yield versus developed market governments, whether it be in Canada or the U.S., or other developed markets across the globe.


MICHELLE QUANCE
TODD SCHOMBERG

We also think there are opportunities in euro-denominated bonds. You can buy, for instance, a high-quality single A, 30-year corporate bond in Europe that may only be yielding 1.5 per cent in euros; but again, when you hedge it back into Canadian dollars, you can pick up over two per cent of additional yield on that hedge, making that a very attractive opportunity versus other alternatives in the Canadian marketplace.

TERRY: There are interesting opportunities today. You can find high-quality corporates in emerging markets. They may be domiciled in emerging markets, but they may sell their products or services to the entire world. You can easily find EM corporates yielding about five per cent. Short-duration, Asia investment-grade corporates are also attractive to us. They have long-term attractive information ratios. As the ECB continues to quantitively ease, we think that that will push investors further down the capital structure there, so you can find some attractive BBs in the European high-yield space, hedged back to Canadian dollars. On the EM rates side, you can find attractive real yields — this would be inflation-adjusted — in countries like Mexico, Brazil, Indonesia. All have greater than three per cent real yields, and all three of those have fairly stable political situations, as well as reform opportunities in Indonesia and Brazil.


123RF STOCK PHOTO / SURIYAPONG THONGSAWANG

BRUCE: And on EM corporates, this asset class is being more widely embraced by institutional investors as the U.S. high-yield market shrinks and the depth of the EM corporate opportunity becomes better understood. EM corporate debt is now a larger market than U.S. high yield or EM sovereigns, with over $2 trillion of bonds across 50 countries.

> "And on EM corporates, this asset class is being more widely embraced by institutional investors as the U.S. high-yield market shrinks and the depth of the EM corporate opportunity becomes better understood."
>
> Bruce E. Winch, T. Rowe Price

MICHAEL: I think everybody sees some pretty interesting unique investment opportunities somewhere in the world that investors can capitalize on.

We've certainly seen Canada and the U.S. having positive yields, and money from overseas is flowing. I think the more interesting question, though, is "How does a Canadian pension plan investor take advantage of this?" There are a couple ways to approach this. Do you do something like a core-plus, where you're using Canadian, maybe some government, some provincial, but more importantly some investment-grade credit, maybe some high-yield, maybe some EM, and wrapping that into a portfolio and taking a global approach to it? Or do you jump Canadian core-plus and actually go into something global? Do you do global investment grade, like a global aggregate? Or do you do multi-sector credit? I think that's the next decision point that a lot of plan sponsors are going to have to take a look at is how do you actually approach this? And I think a lot is going to go back to what are the resources at the pension plan. How much education and knowledge do they have? And how does it fit into their policies overall?

YAELLE: Speaking of core-plus, what would be some advantages of plans giving their manager a core-plus mandate?

SOAMI: I manage a core-plus mandate and there are a couple of reasons why I think they are good. First of all, core-plus portfolios behave as a risk-off asset, even though they may structurally be a little bit overweight to credit compared to a core portfolio. Two, I think the advantage is that you get to go into sectors that don't even exist in Canada and you get to access more corporate bonds, maybe get some diversification benefits as well. Three: long-term, what's going to outperform? It's corporate bonds. So a bond portfolio that is overweight to corporates provides incremental return while offsetting equity volatility is a reason to invest in core plus. And then, lastly, it's important to structure this type of portfolio properly. And what that means to me is it's not a fund of funds approach. You're actually picking each security, you can really take advantage of the inefficiency in the market — in the BB part of the high-yield market. You can also take advantage of rating agencies mis-rating securities.

MICHELLE QUANCE

SOAMI KOHLY

CHRISTINE: I think core-plus is a great way to get diversification but still have a portfolio that behaves like a fixed income portfolio. As you diversify, the key question is "What's going to be the behaviour of your fixed income portfolio?" There are a lot of discussions around unconstrained or global opportunistic, but not everything is created equal. Some of those strategies have much higher correlation with equities. So I think it really becomes about what are you trying to achieve through that diversification and what type of risk do you want? Core-plus is a great way for plans that still want a Canadian fixed income experience, but taking advantage of more diversification, while still matching their liabilities.

> "Core-plus is a great way for plans that still want a Canadian fixed income experience, but taking advantage of more diversification, while still matching their liabilities."
>
> Christine Girvan, MFS Investment Management

FRANÇOIS: Something that we feel pretty strongly about is, for a mandate that's investment-grade only, to at least give your active manager the ability to hold onto fallen angels so that they're not forced buyers; they can use their skills to hold onto them or sell when they see fit. So, with most of the mandates we have, we try not to be forced to be sellers immediately when a bond of investment-grade quality is downgraded.

123RF STOCK PHOTO / KOSTSOV

YAELLE: **We'll shift gears quickly. Have you seen the role of fixed income changing in plan sponsors' portfolios from defensive or liability-matching to return-seeking? And how have you observed that plans have shifted, or not shifted, their views over the years?**

CHRISTINE: Over the last eight to ten years, many closed corporate plans have been trying to de-risk as much as they could, and that trend accelerated when yields went back up. I think there were a lot of triggers being hit and a strong drive to liability matching.

I think where you have a slightly different conversation is with public plans that are open plans, with different liability-matching constraints. That's where you see more of those discussions around return-seeking. There is a bifurcation on the conversation you're having, depending on the type of pension plans with whom you're actually having those conversations.

FRANÇOIS: Further on that note, if you're an endowment or a public plan, you have a bogey that you need to meet and that bogey doesn't change. If it was six, it's been six for a long time, but the expectation of returns have come down a lot. So something's got to give. And because giving up or reducing bogey is very difficult, we need to have your assets work harder. And assets working harder boils down to one thing: it's taking more risk or getting the portfolio more efficient. You have to understand that, if you want to maintain your bogey, you've got to take more risk. For a pension plan, it's different. When rates are lower — liabilities being like bonds — your carry is lower. Your discount rate is the carry, so if rates are coming down, it becomes that much easier to beat your liability. The hurdle rate to keep up is lower. So from that standpoint, whether the rates are seven or eight per cent, or only three or four per cent, a good portfolio will tie up to the liability because the carry of the liability is also the same. So that's what we try to remind clients: that when rates are low, they are low for both assets and liabilities, so it's still a fair game.

"And because giving up or reducing bogey is very difficult, we need to have your assets work harder. And assets working harder boils down to one thing: it's taking more risk or getting the portfolio more efficient."

François Pellerin, Fidelity Investments

TODD: There's no question there's a desire to achieve more and more returns from your fixed income within your pension portfolios, and I think that's why it makes a lot of sense to partner with an investment manager that has global expertise and can help provide you tailored solutions to help meet your needs, whether it be a pure yield target or a more active total return target. So there's different objectives that different clients are going to have, and I think you want to make sure that you partner with a manager that's got the global expertise to deliver them all.

MICHAEL: It's almost like sometimes they're looking for a bit of a silver bullet. What's on that continuum between liability-matching and return-seeking? One area of the fixed income market that we haven't yet discussed today is private debt. And I think private debt is one of those areas where, okay — it's Canadian-dollar denominated, maybe there's some information advantage, maybe it's a little bit inefficient — but I think people are doing that because it gives them, maybe, a little bit of both. They can get some of that liability-matching that they're seeking from an actuarial perspective, but it can also make that fixed income allocation work a little bit harder perhaps as well — a little bit of incremental return. They're trading off one type of risk — in this case liquidity risk with private credit, because you're not going to get liquidity or you're not going to get it easily.

BRUCE: The one common theme is the ability for the fixed income managers to be flexible and work with their clients to customize a solution that meets their needs.

MICHELLE QUANCE

BRUCE E. WINCH

YAELLE: **Overall, what is your biggest piece of advice for a pension plan looking to position its fixed income portfolio for the future?**

CHRISTINE: It's really about alignment between what the main priority for the pension plan is, and how the design of the fixed income portfolio matches with that. And I also think there are a lot of short-term pressures coming from the market, there's a lot of information that's coming, which causes a lot of worry. How do you go beyond the next three to six months and how do you create a governance structure in your plan where you can map your future in a more systematic way? I think I remember having discussions around credit back in 2009 and, at the time, I could tell you not many pension plans wanted to take the plunge and that was the perfect time; or on equities, for that matter. So, just really, mapping those trigger points for either de-risking or re-risking in a way that helps look beyond the short term, and that looks further out than that. Lengthening your time horizon when you're making these decisions as well.

"It's really about alignment between what the main priority for the pension plan is, and how the design of the fixed income portfolio matches with that."

Christine Girvan, MFS Investment Management

MICHAEL: Everybody talks about the power of diversification as one of the few free lunches that are out there when you've got correlations that are less than one. That applies to fixed income. So I think you need to diversify within Canada, you need to go global, you need to go up and down the cap structure. The world is becoming more and more connected. We see that every day on our phones and laptops, and everything. The fixed income market has become the same way. So, I think it's really critical that, as a plan sponsor looks to change up their fixed income allocation, I think they need to partner with managers who have that truly global reach, a truly deep research platform, and can build a portfolio across a number of different elements instead of a pension plan having to hire an EM manager, a global credit manager, a Canadian manager and a long-bond manager. I think that's just a sub-optimal way to do it, personally.

"Everybody talks about the power of diversification as one of the few free lunches that are out there when you've got correlations that are less than one. That applies to fixed income. So I think you need to diversify within Canada, you need to go global, you need to go up and down the cap structure."

Michael Peck, Invesco Canada Ltd.

123RF STOCK PHOTO / YULIYA TSYHUN

BRUCE: Over the past five years I have worked a lot with consultants and plan sponsors in Canada, trying to understand their needs and their future fixed income requirements. In 2015, there was a lot of tire kicking going on. Now I'm seeing a lot more traction happening in the industry. People are continuing to be concerned about the effort required to understand this market, but I believe that the effort is going to be worthwhile if they take the time to work with their asset managers to better understand the asset space and see the opportunities that best match their requirements. Global fixed income solutions provide DB plans with the ability to invest across geographies and throughout the capital structure to produce more diversified risk-managed portfolios.

FRANÇOIS: I think the composition and the size of the fixed income portfolio should be strategically tied to the health of the pension plan. What I mean by that is, if you're 80 per cent funded, you may rightfully have a lot of equity because equity risk is good. It's compensated. Then it is okay to have less fixed income, high clean duration and not worry about customizations and tracking error too much. Just getting the best idea to get efficient duration and retain upside potential is fine. But know that if, and when, you get to full funding, you should have little equity and you should have a more robust higher quality better-customized portfolio at that point. Flesh that out, so that when it happens, you know where you're going to go, which managers you're going to hire to do that. And that way, you'll get to the end goal in a smoother way.

> "I think the composition and the size of the fixed income portfolio should be strategically tied to the health of the pension plan."
>
> François Pellerin, Fidelity Investments

TERRY MOORE

MICHELLE QUANCE

TERRY: I believe in casting the widest net possible and broadening the opportunity set. But with that, and I think it goes back to your earlier question, you have to educate the client, and that means explaining what the asset class is, how it's grown, how it correlates to other risk factors in fixed income so that they can understand how it's going to affect their portfolio as it goes forward. So, broaden that opportunity set, but always be cognizant of actively managing the risk in the portfolio and making sure that it behaves like traditional fixed income, because you don't want your fixed income portfolio behaving like the equity portfolio when equities sell off. And the nice thing about fixed income is it's not as complex as people seem to think, because it really is just cash flows — it's just the timing of those cash flows and using the proper discount rate. And understanding that makes fixed income seem easier to understand.

> "So, broaden that opportunity set, but always be cognizant of actively managing the risk in the portfolio and making sure that it behaves like traditional fixed income, because you don't want your fixed income portfolio behaving like the equity portfolio when equities sell off."
>
> Terry Moore, T. Rowe Price

FIDELITY CANADA INSTITUTIONAL™

Fidelity Canada Institutional

Fidelity Canada Institutional serves a diversified client base across all major asset classes, focusing on corporate and public defined benefit and defined contribution pension plans, endowments and foundations, insurance companies, MEPPS and financial institutions. Built on over 50 years of serving the needs of institutional investors worldwide, we offer active and risk-controlled disciplines including; Canadian, U.S., international and global equity, fixed-income, asset allocation, real estate and custom solutions.

Invesco Ltd.

With over C$1.5 trillion† in assets under management and offices in more than 20 countries†, Invesco is one of the leading independent global investment management companies. For nearly 20 years we've served the Canadian pension market, developing an in-depth knowledge of regulatory and market environments. We understand what it takes to help plan sponsors meet their fiduciary obligations.

Engaging clients and consultants as partners, we tailor solutions to their unique needs to seek a sound financial future for the individuals and institutions we serve.

† As at June 30, 2019. Invesco Canada Ltd. is a wholly owned indirect subsidiary of Invesco Ltd.

MFS Investment Management

MFS is an active, global investment manager with capabilities spanning all major asset classes, serving institutional investors and consultants for over 45 years. We employ a disciplined, consistent approach across our global investment platform guided by three core principles: integrated research (fundamental, quantitative and credit analysis), global collaboration and active risk management. With investment and industry professionals located in nine global financial centers, MFS is committed to its role as a valued partner for clients and consultants worldwide. We assist clients with their financial goals by providing long-term focused investment strategies, flexible investment vehicles and perspectives on the financial markets.

T. Rowe Price

T. Rowe Price is an asset management firm focused on delivering global investment management excellence and retirement services that investors can rely on—now, and over the long term. We provide separate account management and related services for institutions and accredited investors. Our intellectual rigor helps us seek the best ideas for our clients, our integrity ensures that we always put their interests first, and our stability lets us stay focused on their goals as we pursue better investment outcomes. As of September 30, 2019, T. Rowe Price has more than CAD$1,491.2 billion[1] in assets under management (over 50% institutional) and serves clients in more than 45 countries worldwide.

[1]Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates. Assets under management are calculated in U.S. dollars and converted to Canadian dollars using an exchange rate determined by an independent third party.