

# Responsible Investment Funds in Canada Highlights from Q4 2018



Responsible Investment Association

The Responsible Investment Association (RIA) reports on the quarterly performance of responsible investment (RI) funds in Canada.

Data provided by Fundata shows that Canadian RI mutual funds performed well in Q4 2018. Despite significant market volatility at the end of the three-month period ending December 31, 2018, a majority of RI funds across 19 asset classes outperformed their average asset class return over the short, medium and long-term.

Two-thirds of RI funds outperformed their average asset class return in the fourth quarter of 2018, and more than 70% of funds outperformed over the past 12 months. RI funds with longer track records performed well, highlighting the long-term value of incorporating environmental, social and governance factors into investment decisions. More than half of RI funds with a three-year and 10-year track record outperformed their average asset class return, while 70% of funds with a five-year track record outperformed.

In the **Canadian Equity Balanced** fund class, the vast majority of RI funds outperformed their average asset class return in the last quarter of 2018. Nearly all the RI funds with a one-year, three-year or five-year track record outperformed.

In the **Global Equity** fund class, the majority of RI funds outperformed their average asset

class return over the short, medium and long-term. Three-quarters of RI funds outperformed in the quarter, while 82% of funds with a one-year track record outperformed. Roughly 70% of funds with a three-year, five-year or 10-year track record outperformed their average asset class return.

In the **Global Equity Balanced** fund class, all the RI funds with a three-month and one-year track record outperformed their average asset class return, while a majority of funds with a three-year or five-year track record outperformed.

In the **International Equity** fund class, all of the RI funds with a three-month, one-year or five-year track record outperformed their average asset class return, while 80% of funds with a three-year track record outperformed.

See the graphs below for a quick overview of notable RI fund performance in the fourth quarter of 2018.

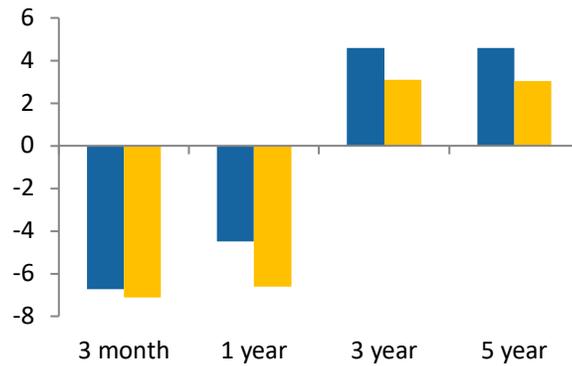
*Note: Average asset class returns include RI and non-RI funds.*

Incorporating environmental, social, and governance (ESG) factors into investment decisions is a successful long-term strategy for investors. The evidence shows that responsible investments usually meet or exceed the performance of traditional investments at the index, fund and company levels.

## Average RI fund vs. average asset class performance to December 31, 2018

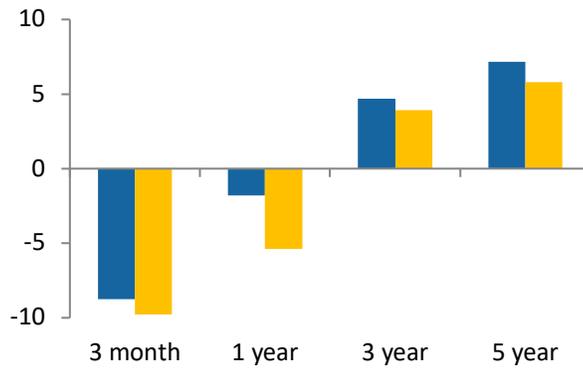
### Canadian Equity Balanced

- Average RI Canadian Equity Balanced
- Average Canadian Equity Balanced



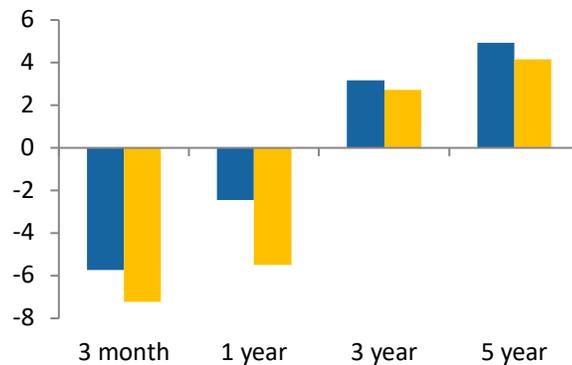
### Global Equity

- Average RI Global Equity
- Average Global Equity



### Global Equity Balanced

- Average RI Global Equity Balanced
- Average Global Equity Balanced



### International Equity

- Average RI International Equity
- Average International Equity

