

# Responsible Investment Funds in Canada

## Highlights from Q2 2020



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

Data provided by Fundata shows that in the second quarter of 2020, as equity markets rebounded from first quarter losses, RI funds continued to hold up well relative to their conventional fund peers: a significant majority of Canadian RI funds outperformed their average asset class return in the three-month period. This follows the strong relative results in Q1 2020 when 83% of RI funds outperformed their average asset class return in that quarter.

RI funds also performed well relative to their average asset class return over the short to long-term periods reviewed in this report, highlighting the value of incorporating environmental, social and governance (ESG) factors into investment decisions. Over the one-year period ending June 30, 2020, more than 86% of RI funds outperformed their average asset class return. Roughly eight-in-ten of RI funds outperformed their average asset class return over the three- and five-year periods, and more than seven-in-ten of RI funds outperformed over the ten-year period ending June 30, 2020.

In the **Canadian Equity** fund class, nearly 83% of RI funds outperformed their average asset class return in the second quarter of 2020 and 74% of RI funds outperformed their average asset class return for the one year ending June 30, 2020. A large majority of RI funds also outperformed over the three-year, five-year and ten-year periods reviewed in this report.

In the **Canadian Fixed Income Balanced** fund class, all of the RI funds outperformed their average asset class return over the three-month, one-year and three-year periods ending June 30, 2020. Nearly all the RI funds with performance data outperformed over the five-year period and all RI funds with performance data outperformed over the 10-year period ending June 30, 2020.

In the **Canadian Neutral Balanced** fund class, over 90% of the RI funds outperformed their average asset class return over the three-month, one-year, three-year and five-year periods ending June 30, 2020. All the RI funds with performance data outperformed their average asset class return over the 10-year period ending in the quarter.

In the **Global Equity** fund class, more than 71% of RI funds outperformed their average asset class return over the three-month period, with the vast majority of the RI funds in the category outperformed their average asset class return over the medium to long term periods reviewed in this report.

See the graphs below for a quick overview of notable RI fund performance in the second quarter of 2020.

*Note: Average asset class return includes RI and non-RI funds.*

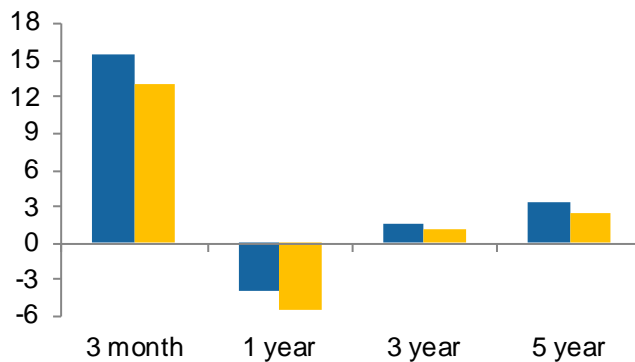
Incorporating environmental, social, and governance (ESG) factors into investment decisions is a successful long-term strategy for investors. The evidence shows that responsible investments usually meet or exceed the performance of traditional investments.

# Average RI fund vs. Average Asset Class Performance (%) to June 30, 2020



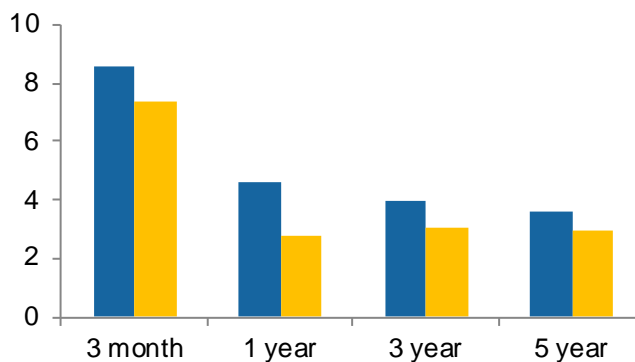
## Canadian Equity

- Average RI Canadian Equity
- Average Canadian Equity



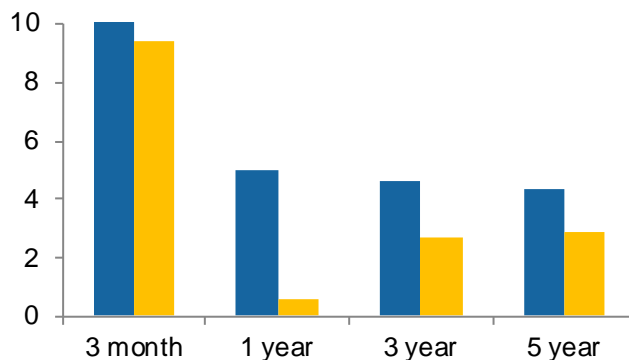
## Canadian Fixed Income Balanced

- Average RI Canadian Fixed Income Balanced
- Average Canadian Fixed Income Balanced



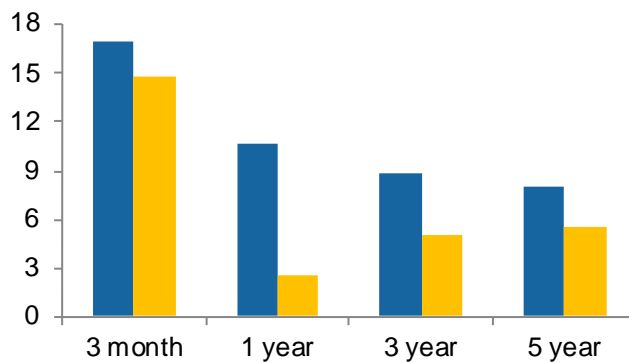
## Canadian Neutral Balanced

- Average RI Canadian Neutral Balanced
- Average Canadian Neutral Balanced



## Global Equity

- Average RI Global Equity
- Average Global Equity



Data provided by Fundata