

Responsible Investment Funds in Canada



Highlights from Q3 2020

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

Data provided by Fundata shows that a large majority of Canadian RI funds outperformed their average asset class return in the third quarter of 2020, and over three-quarters of RI funds outperformed their average asset class return for the one-year period ending September 30, 2020.

Compared to their conventional fund peers, RI funds also performed well over the medium- to long-term periods reviewed in this report, highlighting the value of incorporating environmental, social and governance (ESG) factors into investment decisions. As of September 30, 2020, more than 80% of the RI funds outperformed their average asset class return over the previous three years, while more than 75% outperformed their average asset class return over the previous five years. More than two-thirds of the RI funds outperformed their average asset class return over the 10-year period ending September 30, 2020.

In the **Global Equity** fund class, nearly 70% of the RI funds outperformed their average asset class return in the quarter, and over three-quarters of the RI funds outperformed their average asset class return over the one-year period. A large majority of the RI funds in the category outperformed over the medium- to long- term periods reviewed in this report.

In the **Global Equity Balanced** fund class, more than 78% of the RI funds outperformed their average asset class return over the quarter and a similar proportion

outperformed their average asset class return for the one- year period. A vast majority of the RI funds outperformed over the three-year, five-year and 10-year periods covered in this report.

In the **Canadian Equity Balanced** fund class, all of the RI funds outperformed their average asset class return in the third quarter of 2020, and a majority of the RI funds outperformed their average asset class return over the one-year period. More than 80% of the RI funds outperformed their average asset class return in the five-year and ten-year periods ending September 30, 2020.

In the **Canadian Fixed Income Balanced** fund class, the vast majority of the RI funds outperformed their average asset class return over the three-month, one-year, three-year and five-year periods ending September 30, 2020.

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

Note: Average asset class return includes RI and non-RI funds. For the purpose of this report, RI funds include those that are marketed as responsible investments and managed by RIA members, with RI strategies/policies disclosed in regulatory documents.

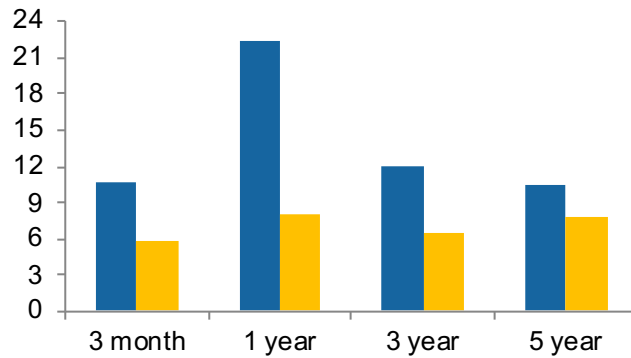
Incorporating environmental, social, and governance (ESG) factors into investment decisions is often a successful long-term strategy for investors. The evidence shows that responsible investments usually meet or exceed the performance of traditional investments.

Average RI Fund vs. Average Asset Class Performance (%) to September 30, 2020



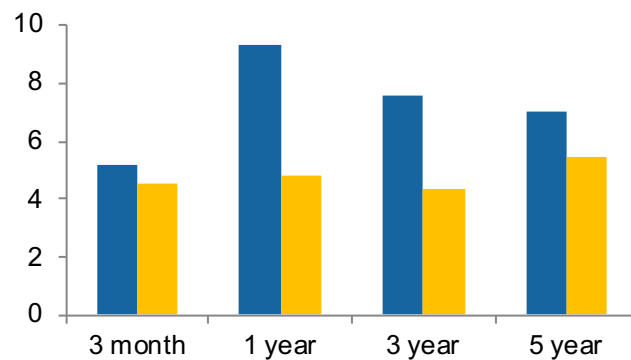
Global Equity

- Average RI Global Equity
- Average Global Equity



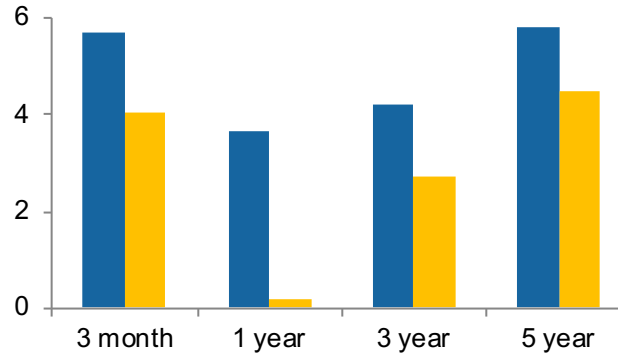
Global Equity Balanced

- Average RI Global Equity Balanced
- Average Global Equity Balanced



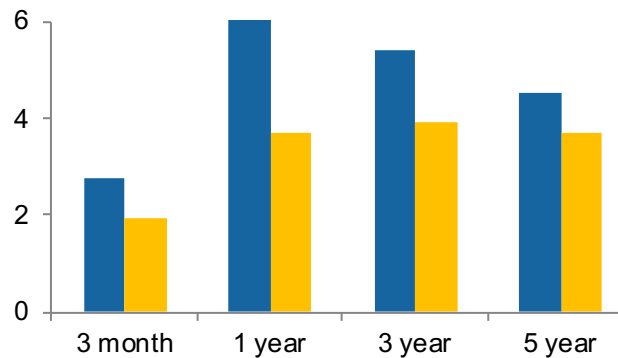
Canadian Equity Balanced

- Average RI Canadian Equity Balanced
- Average Canadian Equity Balanced



Canadian Fixed Income Balanced

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



Data provided by Fundata