

Quarterly Responsible Investment Funds Report



Highlights from Q3 2021

- For the twelve months ending September 30, 2021, close to one-half of all responsible investment (RI) funds domiciled in Canada outperformed the average return in their respective asset class categories.
- Estimated net asset flows to Canada-domiciled RI funds in 2021 so far have been significantly positive. In the third quarter, flows totalled \$2.2 Billion, comparable to the second quarter.
- Fourteen new RI funds were launched in the third quarter, of which 10 were active products and 4 were passive/indexed products. Year-to-date, 63 new funds have launched compared to 46 new funds in all of 2020.

RI Fund Performance

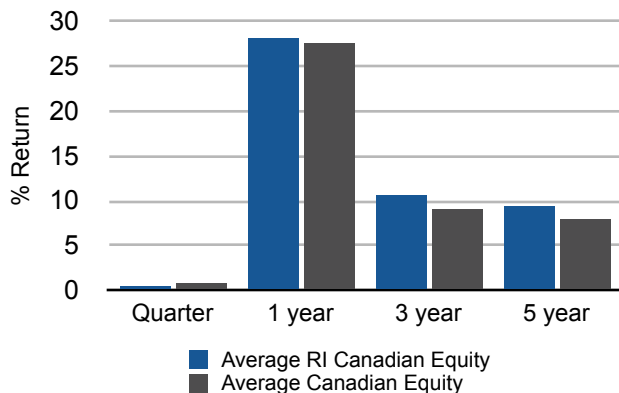
According to data provided by Morningstar, close to one-half (48%) of all Canadian RI funds (including RI mutual funds and ETFs) outperformed the average return in their respective asset class category during the 12-month period ending September 30, 2021. During the third quarter, a smaller proportion (44%) of Canadian RI funds outperformed their average asset class return.

Canadian RI funds performed well over the medium- to long-term periods reviewed in this report, relative to the average return of their asset class peers. As of September 30, 2021, 63% of the RI funds outperformed their average asset class return over the previous three years, and a similar percentage (65%) outperformed their average asset class return over the previous five years. One-half (51%) of the RI funds outperformed their average asset class return over the ten years ending September 30, 2021.

The following charts provide a quick overview of notable RI fund performance relative to their asset class peers, in the third quarter of 2021 and over longer time periods.

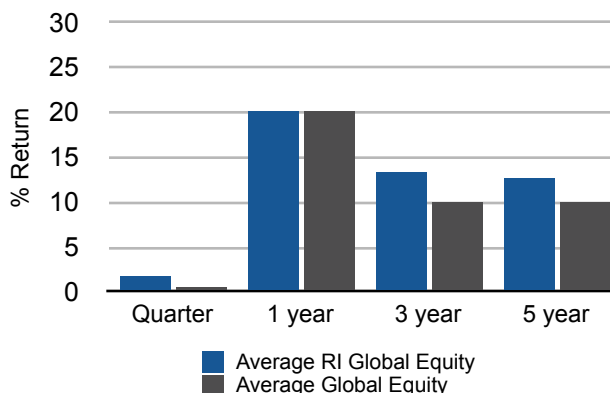
Canadian Equity

In the **Canadian Equity** fund class, the average RI fund return slightly lagged the overall average return in the third quarter 2021. Over two-thirds (70%) of RI funds outperformed the average asset class return over the 12-month period ending September 30, 2021. The majority of the RI funds in this category outperformed their average asset class returns over their respective 3-year, 5-year and 10-year periods reviewed in this report.



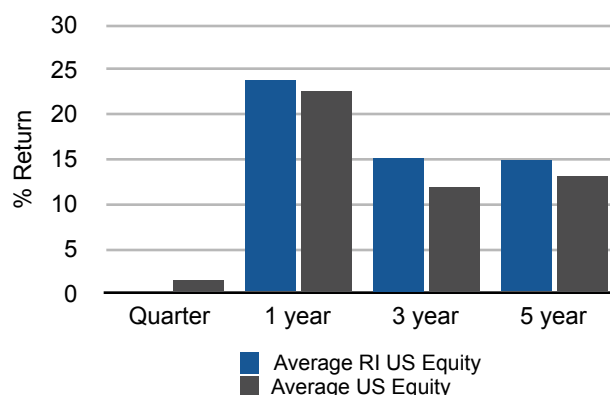
Global Equity

In the **Global Equity** fund class, a majority of the RI funds outperformed the average asset class return in the third quarter of 2021. For the 12 months ending September 30, 2021, 53% of the RI funds in this category outperformed the average asset class return. Three-quarters of the RI funds in this category outperformed the average asset class return over the 3-year and 5-year periods, and over half of the RI funds outperformed the average asset class return over the 10 years ending September 30, 2021.



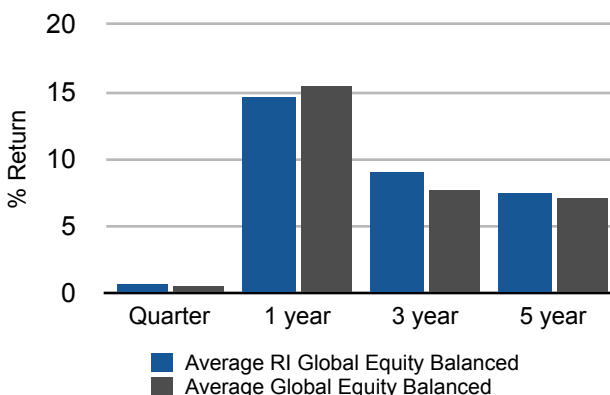
US Equity

In the **US Equity** fund class, while the average RI fund under-performed the average asset class return in the third quarter of 2021, a majority of the RI funds outperformed the average asset class return over the 12 months ending September 30, 2021. In the 3-year period reviewed in this report, 80% of the RI funds in this category outperformed the average asset class return, and two-thirds of the RI funds outperformed the average asset class return over the 5 years ending September 30, 2021.



Global Equity Balanced

In the **Global Equity Balanced** fund class, one-half of the RI funds outperformed the average asset class return in the third quarter. While one-quarter of the RI funds outperformed the average asset class return over the 12 months ending September 30, 2021, 76% of the RI funds outperformed the average asset class return over the 3-year period. The majority of the RI funds outperformed the average asset class return over the five-year period reviewed in this report.

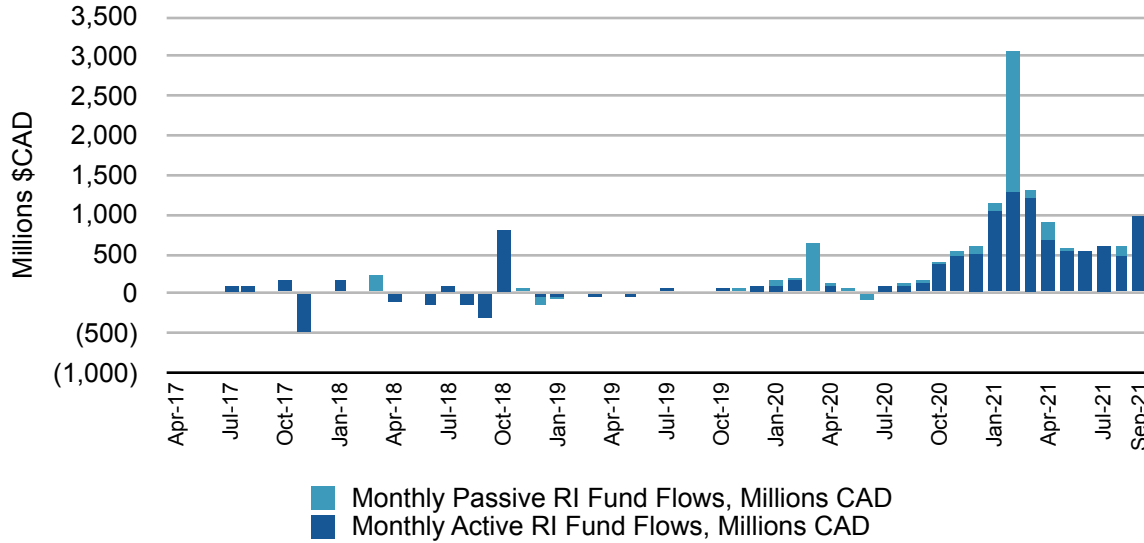


Note: For the purpose of this report, RI funds include those that are marketed as responsible investments with RI strategies/policies disclosed in regulatory documents. Average asset class return includes RI and non-RI funds. Only the oldest share class of RI funds were included in the analysis against category averages. Returns for periods greater than one year are annualized.

RI Fund Flows

Net asset flows for Canada-domiciled RI mutual funds and ETFs, estimated by Morningstar, continued to be strongly positive in the third quarter of 2021. Total estimated flows amounted to \$2.2 Billion for Q3, bringing year-to-date flows to \$9.7 Billion.

Canadian RI Mutual Fund and ETF Estimated Net Flows, Active & Passive

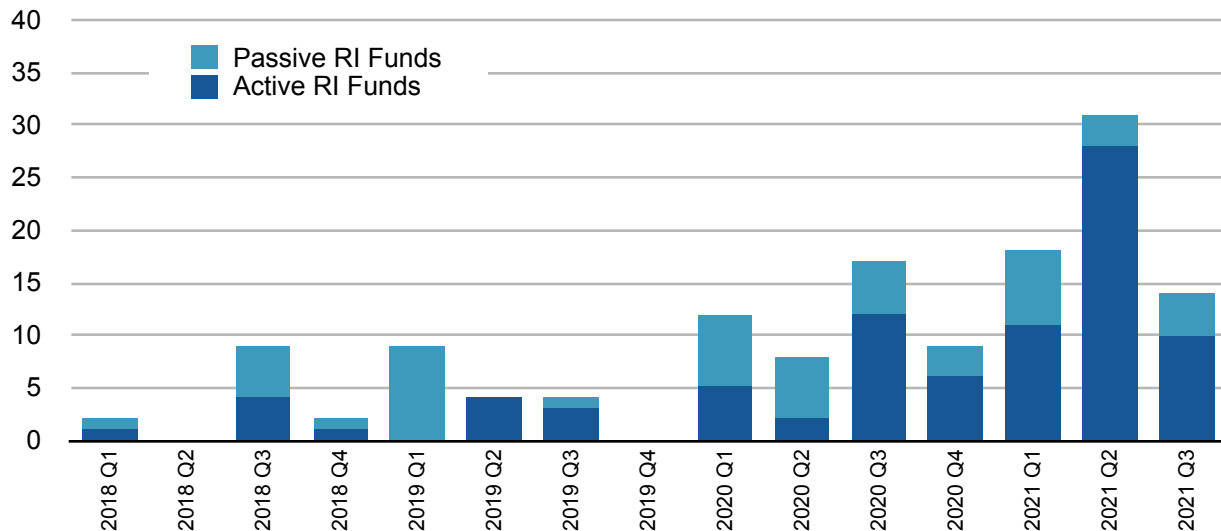


Source: Morningstar Direct. Data as of September 30, 2021. Excludes fund of funds.

RI Product Launches

According to Morningstar, a total of 14 RI funds launched in the third quarter of 2021, of which 10 were active funds while 4 were passive or indexed funds. A total of 63 RI funds have been launched in the first 9 months of 2021, already well ahead of the 46 RI funds launched in 2020.

Canadian RI Mutual Fund and ETF Launches, Active/Passive



Source: Morningstar Direct. Data as of September 30, 2021.

Data provided by



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