

Quarterly Responsible Investment Funds Report



Highlights from Q4 2021

- For the quarter ending December 31, 2021, just over 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 were significantly positive. In the fourth quarter, RI flows totalled \$1.8 Billion, bringing total RI flows for the year to \$12 Billion.
- Eleven new RI products were launched in the fourth quarter, of which 5 were ETFs and 6 were mutual funds. In 2021, 73 new RI funds launched compared to 42 new RI funds in 2020.

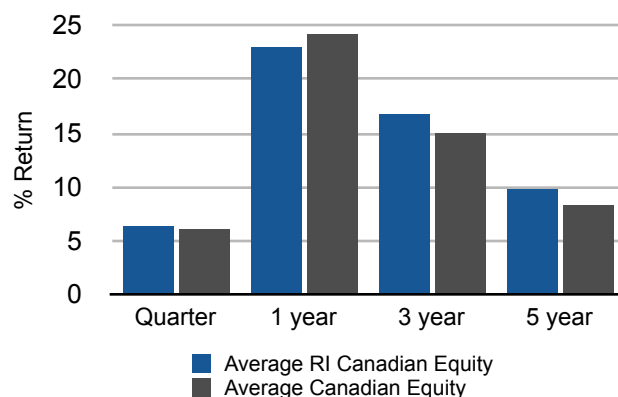
RI Fund Performance

According to data provided by Morningstar, just over one-half (54%) of all Canadian RI funds (including RI mutual funds and ETFs) outperformed the average return in their respective asset class category during the quarter ending December 31, 2021. For the full calendar year, a smaller proportion (42%) 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 December 31, 2021, 60% of the RI funds outperformed their average asset class return over the previous three years, and a similar percentage (59%) outperformed their average asset class return over the previous five years. One-half (50%) of the RI funds outperformed their average asset class return over the ten years ending December 31, 2021.

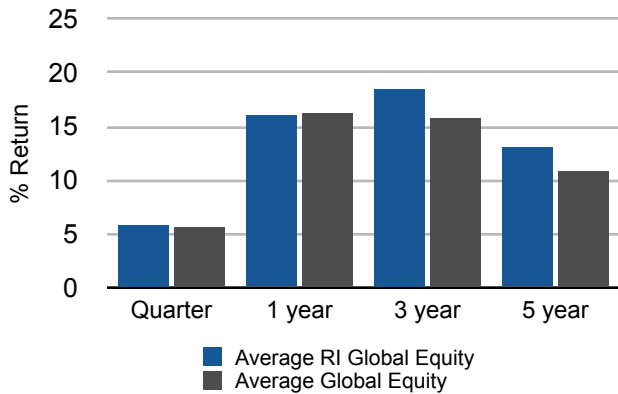
The following charts provide a quick overview of notable RI fund performance relative to their asset class peers, in the fourth quarter of 2021 and over longer time periods.

Canadian Equity



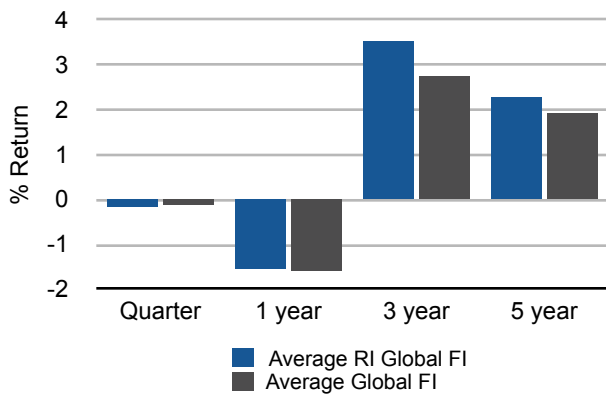
In the **Canadian Equity** fund class, the average RI fund return slightly outperformed the overall average return in the fourth quarter 2021. Over one-half (58%) of RI funds outperformed the average asset class return over the 12-month period ending December 31, 2021. The majority of the RI funds in 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



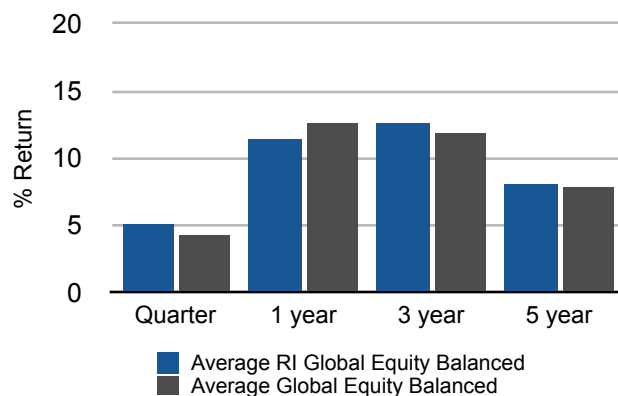
In the **Global Equity** fund class, a majority of the RI funds (57%) outperformed the average asset class return in the fourth quarter of 2021. For the 12 months ending December 31, 2021, 52% of the RI funds in this category outperformed the average asset class return. Over the 3-year, 5-year and 10-year periods reviewed in this report, the majority of the RI funds in this category outperformed the average asset class return.

Global Fixed Income



In the **Global Fixed Income** fund class, the average RI fund performed in line with the category’s average return in the fourth quarter of 2021 and for the full year ending December 31, 2021. In the 3-year period reviewed in this report, the majority (87%) 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 December 31, 2021.

Global Equity Balanced



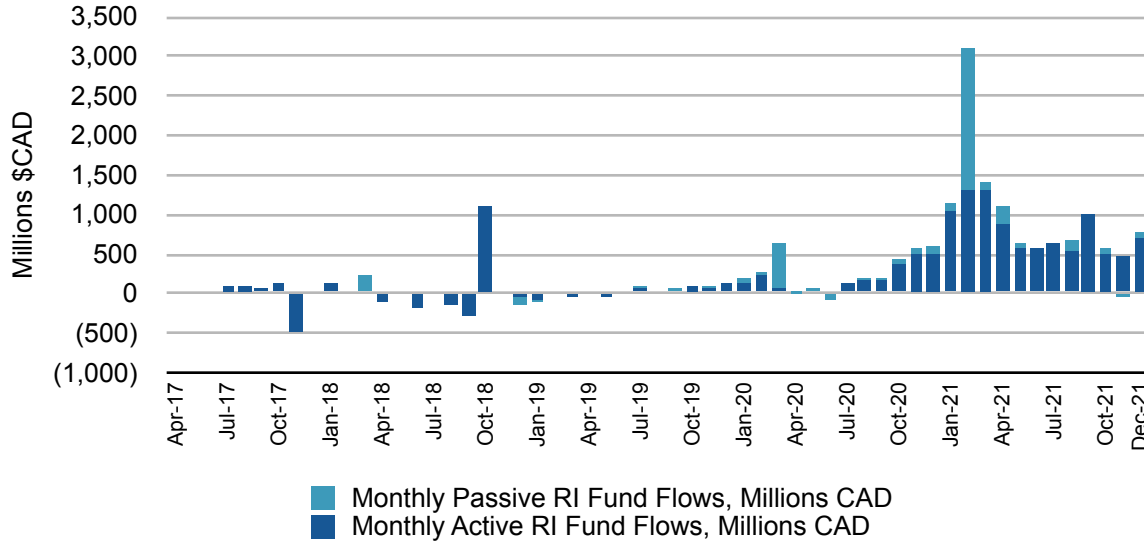
In the **Global Equity Balanced** fund class, 70% of the RI funds outperformed the average asset class return in the fourth quarter. One-quarter of the RI funds outperformed the average asset class return over the year ending December 31, 2021, while 63% of the RI funds outperformed the average asset class return over the 3-year period. The majority of the RI funds outperformed the average asset class return over the five-year period ending December 31, 2021.

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, were strongly positive throughout 2021. Total estimated flows amounted to \$1.8 Billion for Q4, bringing year-to-date flows to a record \$12 Billion.

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

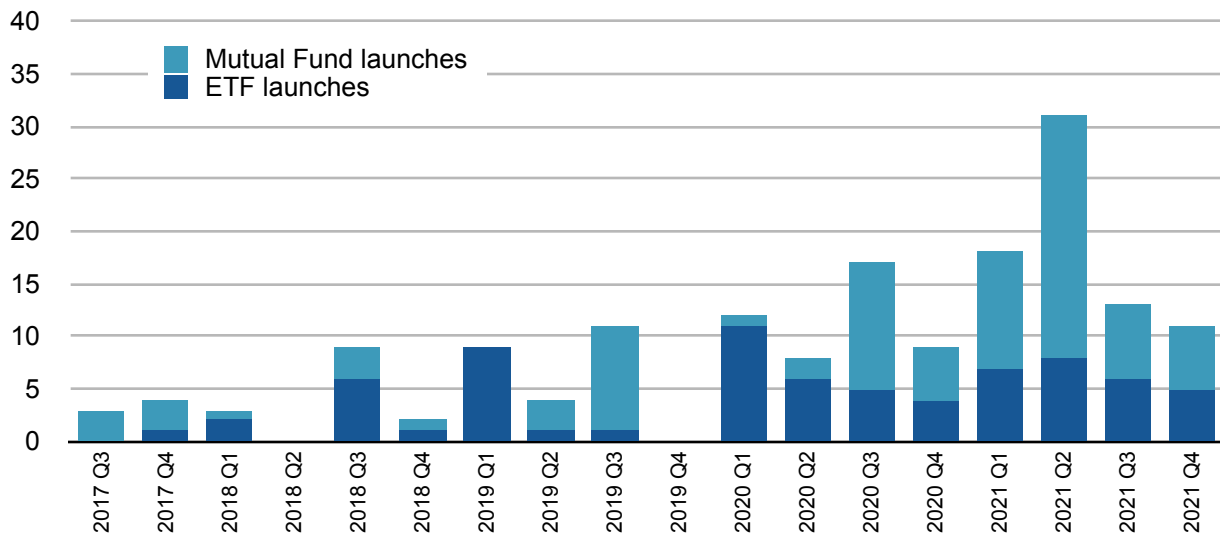


Source: Morningstar Direct. Data as of December 31, 2021. Excludes fund of funds.

RI Product Launches

According to Morningstar, 11 new RI funds and ETFs were launched in the fourth quarter of 2021. For the calendar year 2021, a total of 73 RI products were launched, outpacing the 42 RI products launched in 2020.

Canadian RI Mutual Fund and ETF Launches



Source: Morningstar Direct. Data as of December 31, 2021.

Data provided by



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