

# Quarterly Responsible Investment Funds Report



## Highlights from Q1 2022

- It was a challenging start to the year for the universe of responsible investment (RI) funds in Canada, as just one-quarter outperformed the average return in their respective asset class category in the first quarter of 2022.
- Following on from strong net asset flows to Canadian-domiciled RI funds in calendar year 2021, RI flows totalled \$2.2 Billion in the first quarter of 2022.
- Twenty-eight new RI products were launched in the quarter, of which 16 were RI ETFs and 12 were RI mutual funds. In all of 2021, 77 new RI funds launched.

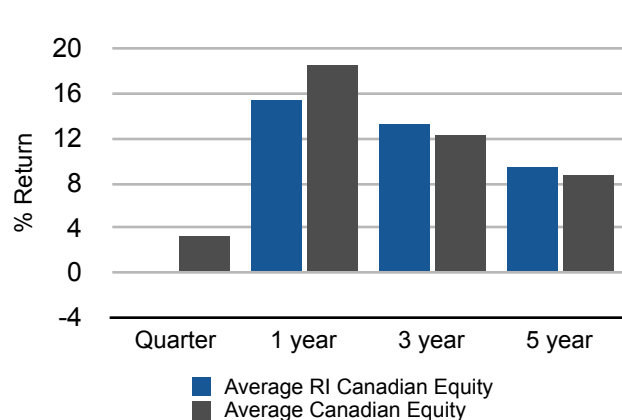
## RI Fund Performance

According to data provided by Morningstar, just over one-quarter (26%) of all Canadian-domiciled RI funds (including RI mutual funds and ETFs) outperformed the average return in their respective asset class category during the quarter ending March 31, 2022. For the 12-month period, a slightly greater proportion (39%) of Canadian RI funds outperformed their average asset class return.

Over the medium term, RI funds' average performance was more in-line with their peers. As of March 31, 2022, 53% of the RI funds outperformed their average asset class return over the previous three years, and a similar percentage (54%) outperformed their average asset class return over the previous five years.

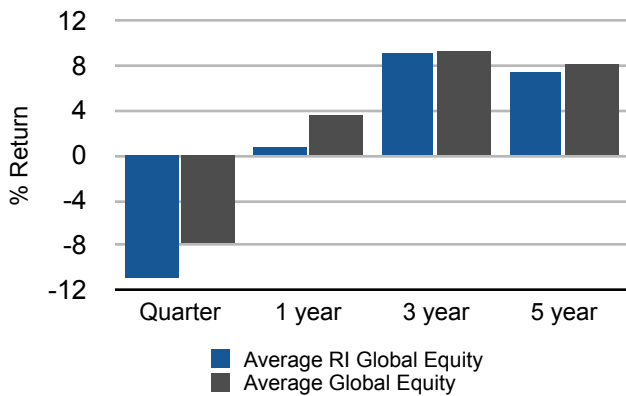
The following charts provide a quick overview of notable RI fund performance relative to their asset class peers, in the first quarter of 2022 and over longer time periods.

### Canadian Equity



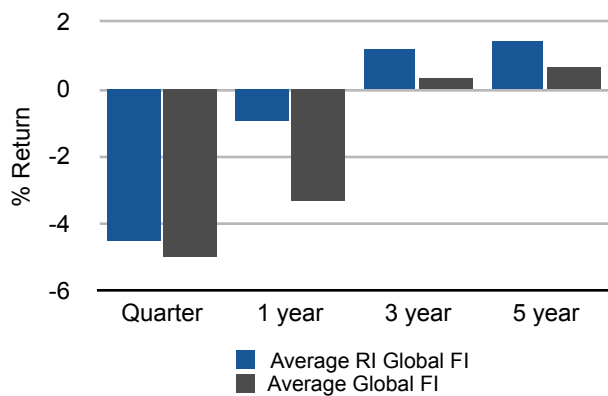
In the **Canadian Equity** fund class, the average RI fund return lagged the average return for the category in the first quarter of 2022 and over the 12-month period ending March 31, 2022. The majority of the RI funds in this category outperformed their average asset class returns over their respective 3-year, 5-year and 10-year periods reviewed in this report.

## Global Equity



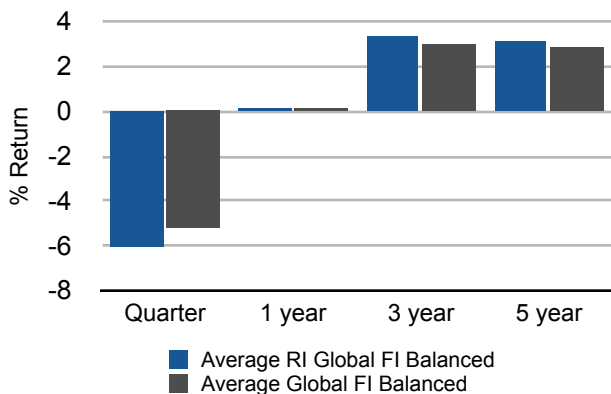
In the **Global Equity** fund class, one-quarter (26%) of the RI funds outperformed the average asset class return in the 12 months ending March 31, 2022. Over the 3-year and 5-year periods reviewed in this report, close to one-half (49% and 53%, respectively) of the RI funds in this category outperformed the average asset class return.

## Global Fixed Income



In the **Global Fixed Income** fund class, the majority of the RI funds outperformed the category's average return in the first quarter of 2022 and for the 12 months ending March 31, 2022. In the 3-year and 5-year periods reviewed in this report, two-thirds (67% and 69%, respectively) of the RI funds in this category outperformed the average asset class return.

## Global Fixed Income Balanced



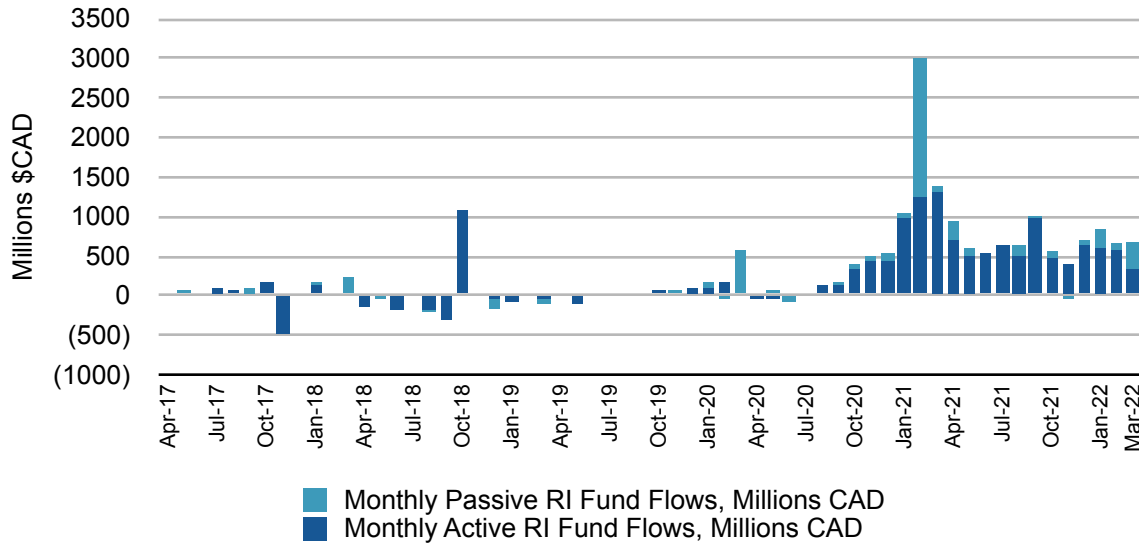
In the **Global Fixed Income Balanced** fund class, close to one-half of the RI funds outperformed the average asset class return over the 12 months ending March 31, 2022. Over the 3-year period reviewed in this report, 63% of the RI funds outperformed the average asset class return. The majority (54%) of the RI funds outperformed the average asset class return over the 5-year period ending March 31, 2022.

*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. Excludes fund-of-funds.*

## RI Fund Flows

Net asset flows for Canadian-domiciled RI mutual funds and ETFs, estimated by Morningstar, were strongly positive in the first quarter of 2022. Total estimated flows in Q1 amounted to \$2.2 Billion, bringing total RI fund assets under management to approximately \$33 Billion.

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

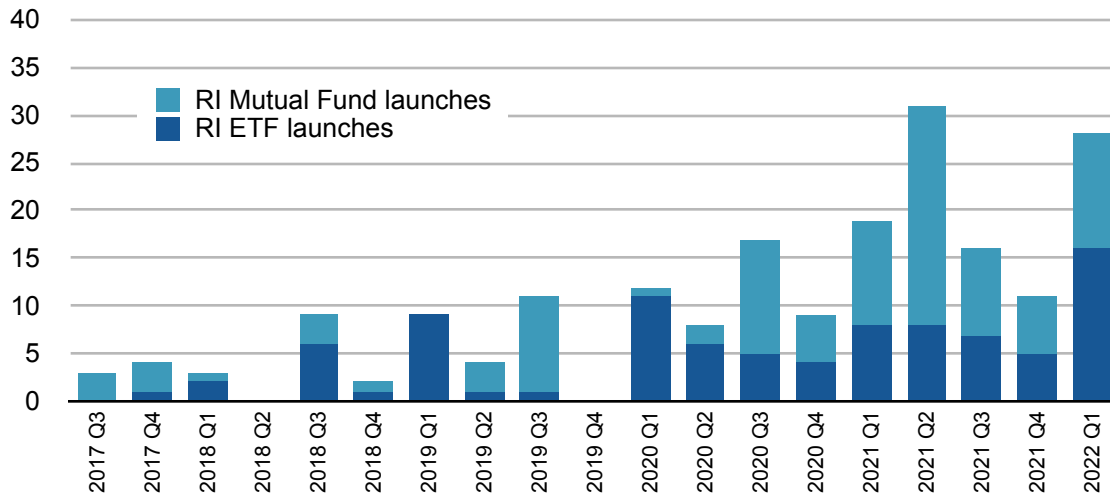


Source: Morningstar Direct. Data as of March 31, 2022. Excludes fund of funds.

## RI Product Launches

According to Morningstar, 28 new RI mutual funds and ETFs were launched in the first quarter of 2022. For the calendar year 2021, a total of 77 RI products were launched.

### Canadian RI Mutual Fund and ETF Launches



Source: Morningstar Direct. Data as of March 31, 2022.

Data provided by



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