

Quarterly Responsible Investment Funds Report



Highlights from Q2 2022

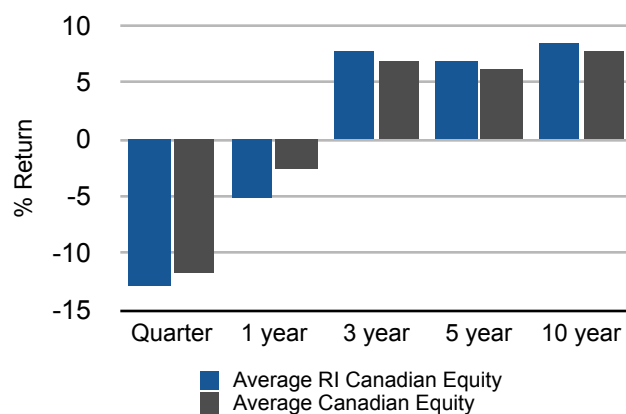
- Continuing the trend of Q1 2022, the universe of responsible investment (RI) funds in Canada experienced another challenging quarter for performance, as just one-quarter of RI funds outperformed the average return in their respective asset class category.
- Net asset flows to Canadian-domiciled RI funds in the second quarter of 2022 remained positive at \$1.9 Billion, although this was lower than the \$2.2 Billion of RI funds flows in the previous quarter.
- Fourteen new RI products were launched in the quarter, of which 1 was an RI ETF and 13 were RI mutual funds. Year-to-date 2022, 42 new RI funds have launched.

RI Fund Performance

According to data provided by Morningstar, one-quarter (23%) 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 June 30, 2022. For the 12-month period, a similar proportion (25%) of Canadian RI funds outperformed their average asset class return.

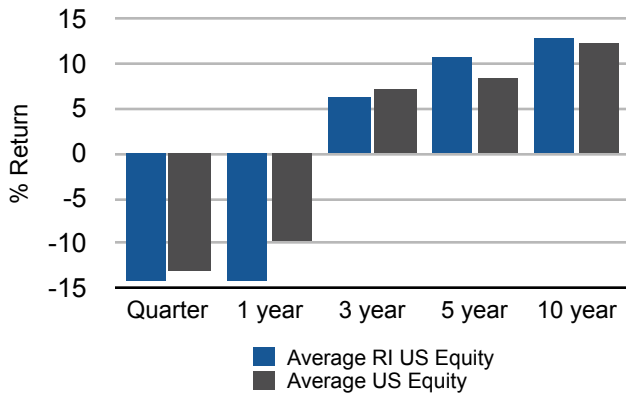
The following charts provide a quick overview of notable RI fund performance relative to their asset class peers, in the second quarter of 2022 and over longer time periods.

Canadian Equity



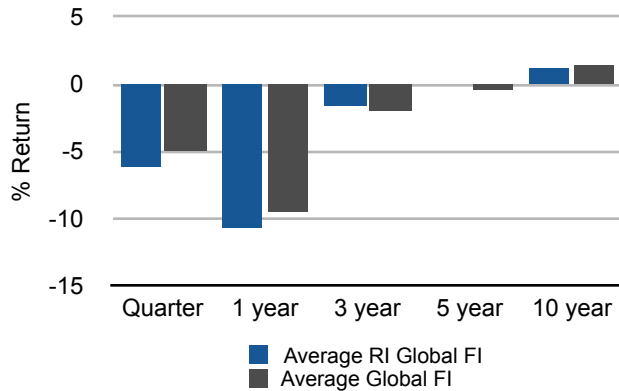
For the **Canadian Equity** fund class, in the second quarter of 2022, just 20% of the RI funds outperformed the average asset class return for the category. Over each of the 3-year, 5-year and 10-year periods reviewed in this report, the average RI fund return in this category outperformed their respective average asset class return in the period.

US Equity



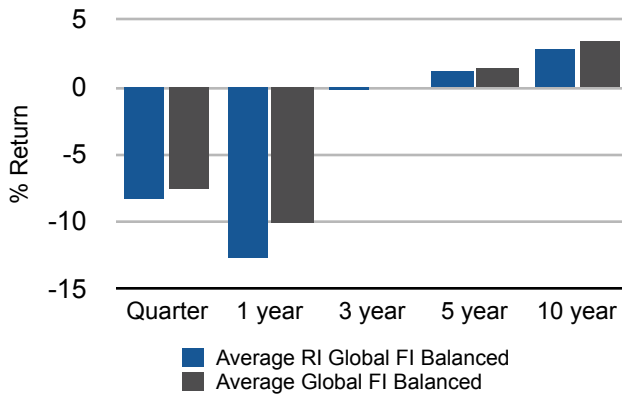
In the **US Equity** fund class, only one-quarter (28%) of the RI funds outperformed the average asset class return in the 12 months ending June 30, 2022. Relative performance for the average RI fund in this category was stronger over the 5-year and 10-year periods reviewed in this report, compared to their respective average asset class return in the period.

Global Fixed Income



In the **Global Fixed Income** fund class, 20% of the RI funds outperformed the category's average return over the 12 months ending June 30, 2022. In the 3-year period reviewed in this report, a majority (70%) of the RI funds in this category outperformed the average asset class return, while close to one-half (46%) outperformed the average asset class return over the 5 years ending June 30, 2022.

Global Fixed Income Balanced



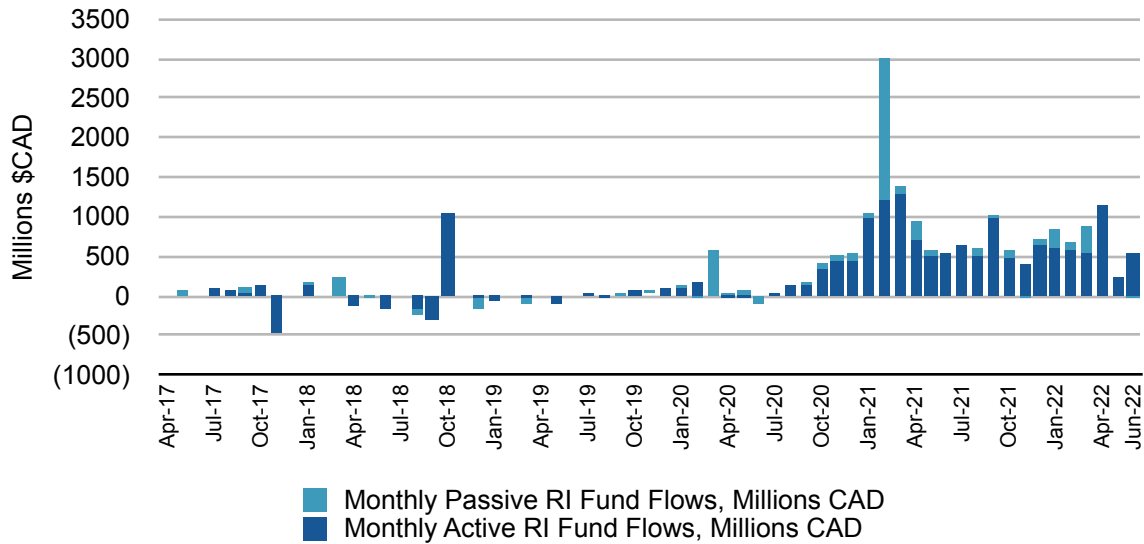
In the **Global Fixed Income Balanced** fund class, 20% of the RI funds outperformed the average asset class return over the 12 months ending June 30, 2022. Over the 3-year and 5-year periods reviewed in this report, close to one-half (47% and 46%, respectively) of the RI funds outperformed the average asset class return.

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 classes 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, remained positive in the second quarter of 2022. Total estimated flows in Q2 amounted to \$1.9 Billion. Total RI fund assets under management declined to approximately \$31.5 Billion, compared to \$33 Billion at the end of Q1 2022.

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

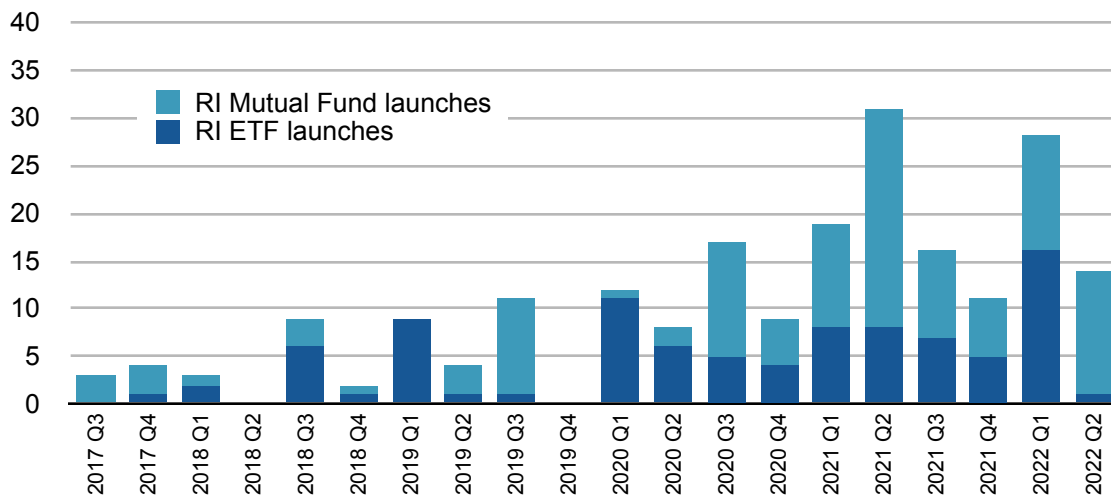


Source: Morningstar Direct. Data as of June 30, 2022. Excludes fund of funds.

RI Product Launches

According to Morningstar, there was a significant slowdown in RI product launches in Q2 2022. In total, fourteen new RI funds were launched in the second quarter of 2022, one-half of the number launched in Q1. Year-to-date 2022, a total of 42 RI products have been launched.

Canadian RI Mutual Fund and ETF Launches



Source: Morningstar Direct. Data as of June 30, 2022.

Data provided by



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