

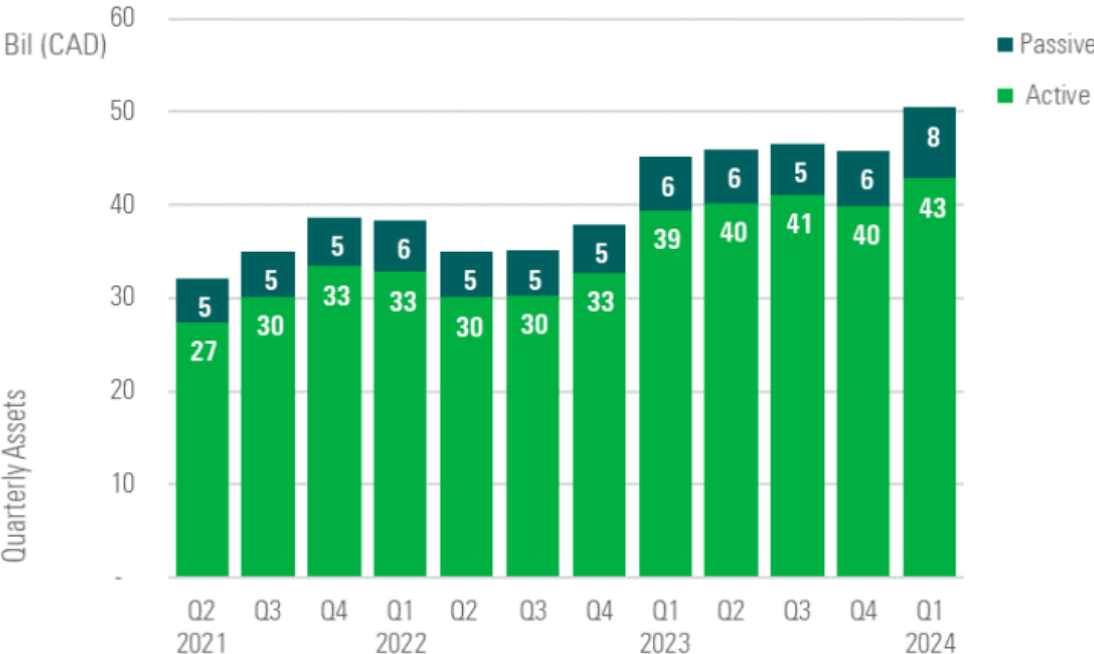
# Quarterly Responsible Investment Funds Report Q1 2024



## Highlights from Q1 2024

- Assets in Canadian sustainable funds hit an all-time high in 2024’s first quarter, registering C\$4.6 billion in net new assets compared to the previous quarter, and standing at C\$50.5 billion total assets.

**Sustainable Fund Assets**



Source: Morningstar Direct, Manager Research. Data as of March 31, 2024. Excludes funds of funds.

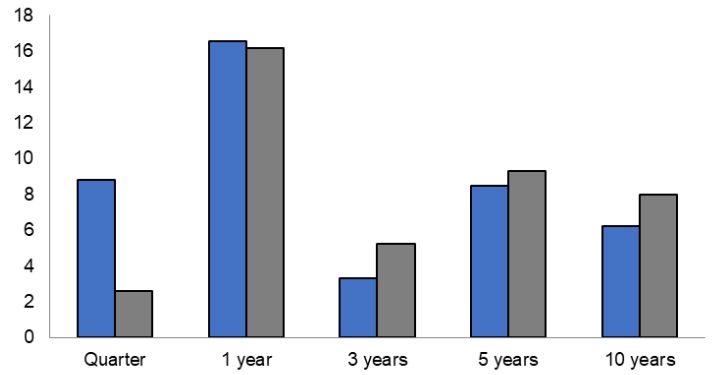
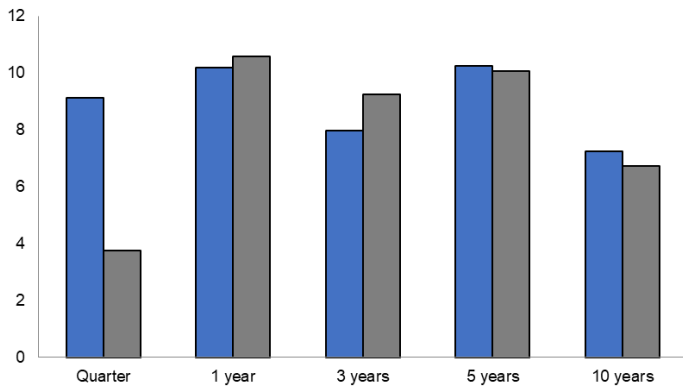
- This quarter, six new RI products were launched, increasing from the four funds launched in the last quarter of 2023.
- At the end of 2024’s first quarter, CIFSC identified 355 mutual funds and exchange-traded funds that follow at least one of its six responsible-investment approaches.

## RI Fund Performance

- Based on data provided by Morningstar, sustainable funds show mixed results compared to their conventional Morningstar peers, with 58% of sustainable funds landing in the bottom half of their respective peer groups:
  - Allocation funds posted the strongest relative results, with 26% of sustainable funds ranking in their peer group's top quartile.
  - Canadian sustainable balanced funds struggled, with 67% landing in the bottom quartile.

### Canadian Equity

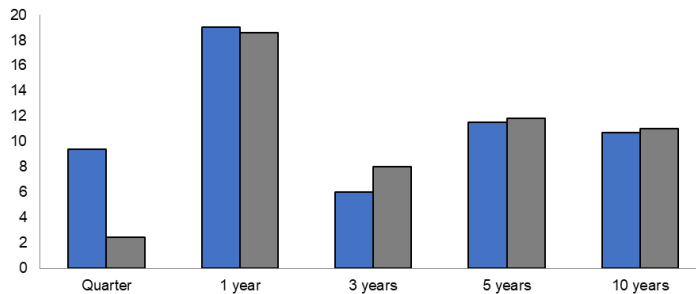
### Global Equity



■ % Average Return of RI Canadian Equity   ■ % Average Return of Canadian Equity

■ % Average Return of RI Global Equity   ■ % Average Return of Global Equity

### US Equity

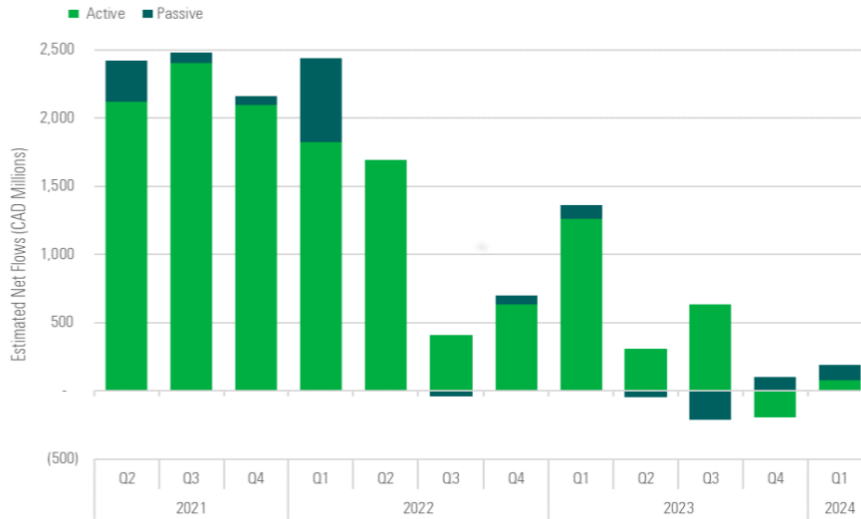


■ % Average Return of RI US Equity   ■ % Average Return of US Equity

## RI fund flows:

- Both active and passive sustainable funds saw inflows in the first-quarter 2024. Passive funds added more than active: CAD 116.3 million versus CAD 76.3 million.
- Europe, being the world's largest market for sustainable funds, attracted USD 10.9 billion in the first quarter, more than double the subscriptions of the previous quarter. Contrarily, the United States experienced its worst-ever quarter, recording outflows of USD 8.8 billion.<sup>1</sup>

Sustainable Fund Flows



Source: Morningstar Direct, Manager Research. Data as of March 31, 2024. Excludes funds of funds.

-Canada Sustainable Funds Landscape 2023 in Review

<sup>1</sup> Global Sustainable Fund Flows: Q1 2024 in Review by Morningstar

*Note 1: 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. Returns for periods greater than one year are annualized. Excludes fund-of-funds.*

*Note 2: More information on the Canadian Sustainable Funds can be found in Morningstar Canada Sustainable Funds Landscape Report Q1 2024, uploaded on the RIA website.*

## Data provided by



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