

Quarterly Responsible Investment Funds Report



Highlights from Q1 2021

- Over half of all RI funds in Canada outperformed the average return in their respective asset class category for the 12 months ending March 31, 2021.
- Estimated net inflows to RI funds in the first quarter of 2021 were strongly positive, building on positive momentum from 2020.
- RI fund product launches continue to be strong, with a total of 17 new RI funds launched in Q1 2021, close to half the number of new RI funds in all of 2020.

RI Fund Performance

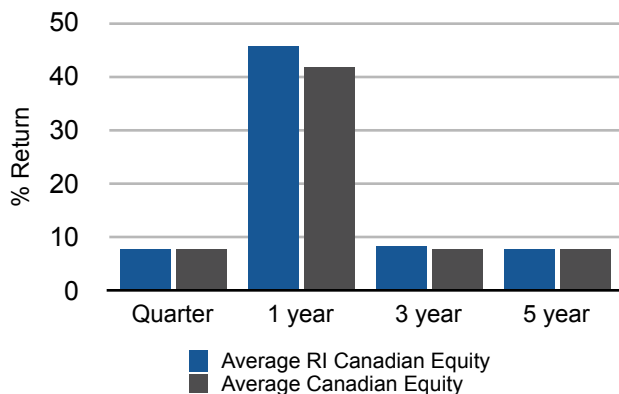
According to data provided by Morningstar, in aggregate over one-half (54%) of Canadian RI funds out-performed the average return in their respective asset class category over the course of the 12 months ending March 31, 2021. In a notable market environment, characterized by strong returns in major equity markets since the Q1 2020 sell-off, the average returns for RI funds in Canadian Equity, Global Equity and US Equity exceeded the overall average returns in their respective categories. In comparison, about one-third of Canadian RI funds outperformed their average asset class return in the first quarter of 2021.

Canadian RI funds performed well over the medium- to long-term periods reviewed in this report, highlighting the value of incorporating environmental, social and governance (ESG) factors into investment decisions. As of March 31, 2021, three-quarters of the RI funds outperformed their average asset class return over the previous three years, and close to two-thirds outperformed their average asset class return over the previous five years. A majority of RI funds outperformed their category average return over the 10 years ending March 31, 2021.

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

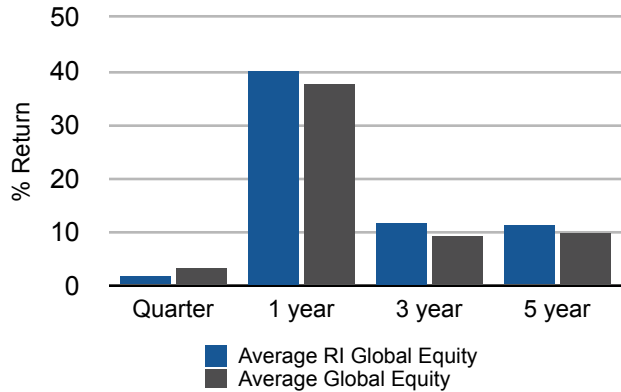
Canadian Equity

In the **Canadian Equity** fund class, 43% of the RI funds outperformed their average asset class return in the quarter, while a significant majority (81%) of RI funds outperformed their average asset class return over the one-year period. The majority of the RI funds in this category out-performed their average asset class return over the 3-year, 5-year and 10-year periods reviewed in this report.



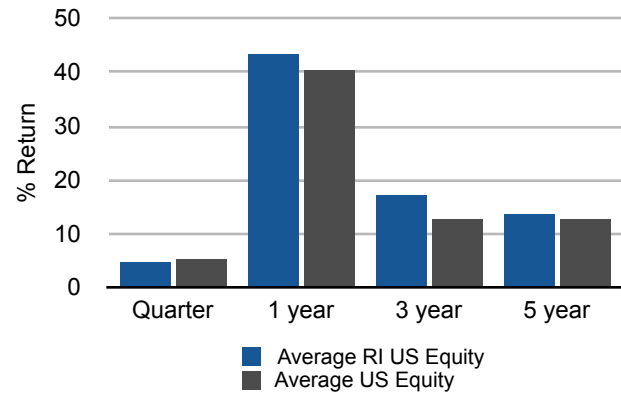
Global Equity

In the **Global Equity** fund class, the average return for RI funds exceeded the average asset class return over the one-year ending March 31, 2021, although the average return for RI funds lagged in the first quarter of 2021. Three-quarters of the RI funds in this category outperformed their average asset class return over the three years ending March 31, 2021, and the majority of RI funds also outperformed their average asset class returns over the last five years.



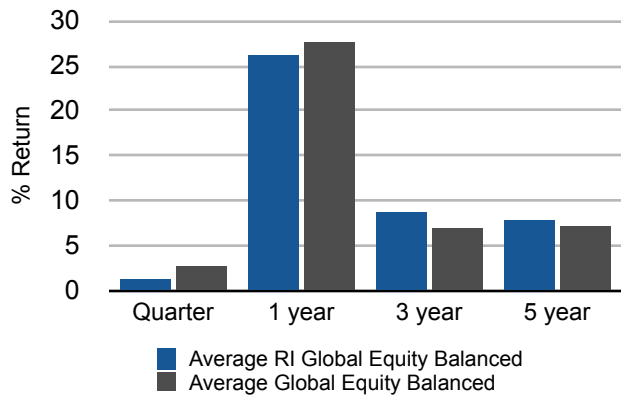
US Equity

In the **US Equity** fund class, 83% of the RI funds outperformed their average asset class return over the quarter. About 90% of the RI funds outperformed their average asset class return for the one-year and three-year periods reviewed in this report. A majority of the RI funds outperformed the average return in their asset class over the five year ending March 31, 2021.



Global Equity Balanced

In the **Global Equity Balanced** fund class, one-half of the RI funds out-performed their average return in this asset class over the one-year period, despite falling behind the average asset class return in the first quarter of 2021. Almost all of the RI funds out-performed their average asset class return over the three years ending March 31, 2021, and 75% of the RI funds outperformed their average asset class return over the five-year period.

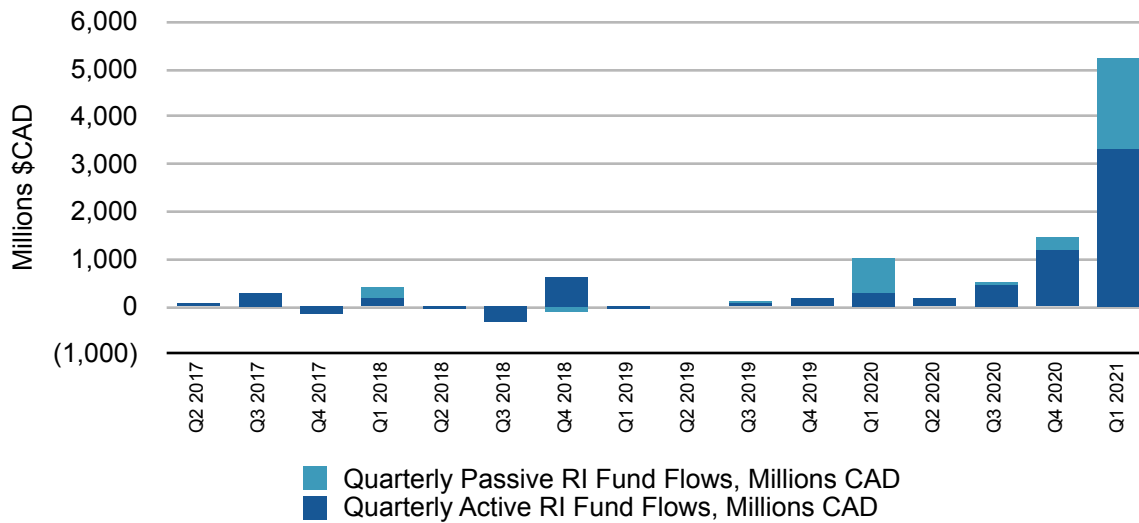


Note: For the purpose of this report, RI funds include those that are marketed as responsible investments with RI strategies/policies disclosed in regulatory documents. Average asset class return includes RI and non-RI funds. Only the oldest share class of RI funds were included in the analysis against 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 in the first quarter of 2021. Total estimated flows amounted to \$5.3 Billion for Q1, already exceeding the \$3.3 Billion of net asset flows recorded for all of 2020.

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

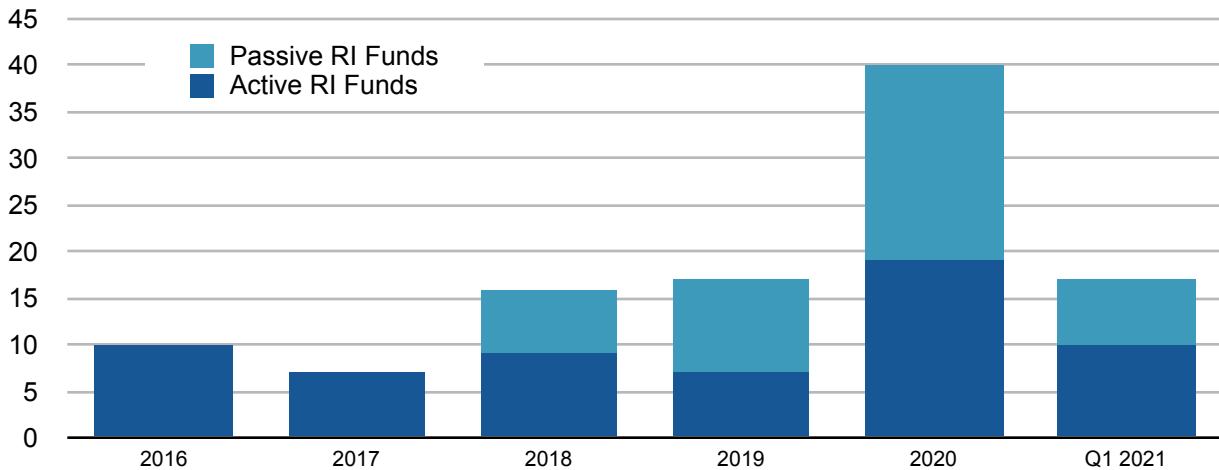


Source: Morningstar Direct. Data as of March 31, 2021. Excludes fund of funds.

RI Product Launches

According to Morningstar, a total of 17 RI funds launched in the first quarter of 2021 - 10 were active funds while 7 were passive or indexed funds. The number of RI funds launched in Q1 2021 is close to half of the number of RI funds launched in all of 2020.

Canadian RI Mutual Fund and ETF Launches, Active/Passive



Source: Morningstar Direct. Data as of March 31, 2020.

Data provided by



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