

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.

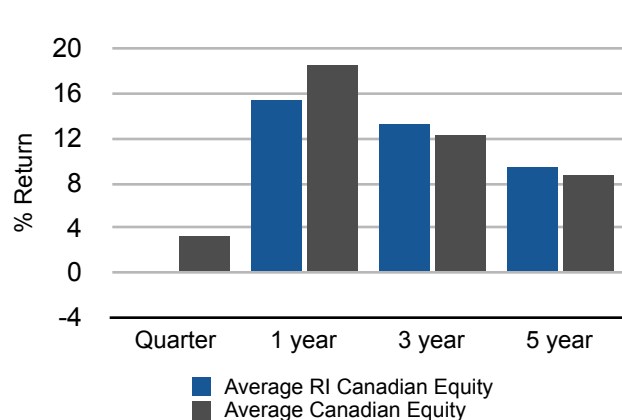
RI Fund Performance

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.

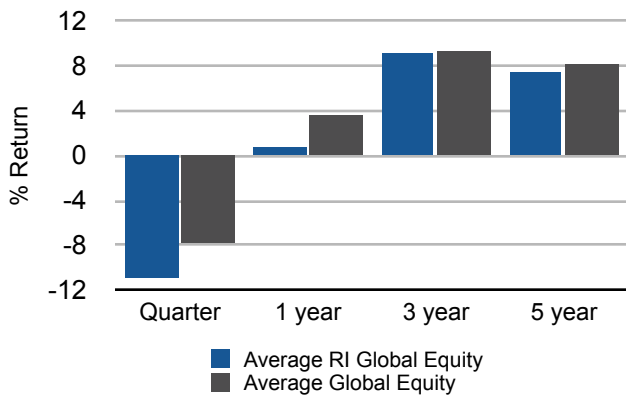
The following charts provide a quick overview of notable RI fund performance relative to their asset class peers, in the first quarter of 2022 and over longer time periods.

Canadian Equity



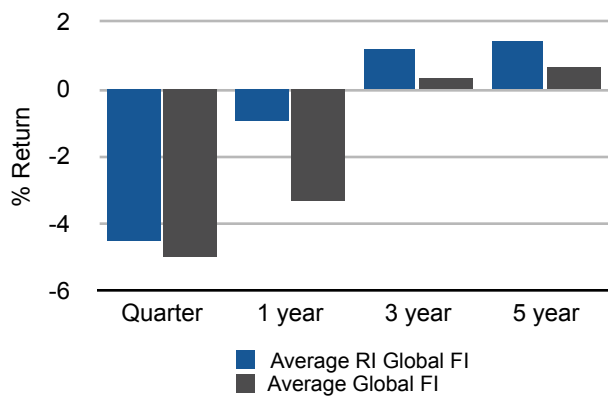
In the **Canadian Equity** fund class, the average RI fund return lagged the average return for the category in the first quarter of 2022 and over the 12-month period ending March 31, 2022. The majority of the RI funds in this category outperformed their average asset class returns over their respective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

Global Equity



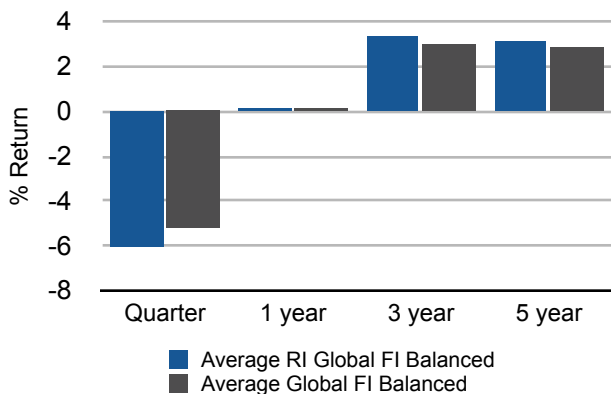
In the **Global Equity** fund class, one-quarter (26%) of the RI funds outperformed the average asset class return in the 12 months ending March 31, 2022. Over the 3-year and 5-year periods reviewed in this report, close to one-half (49% and 53%, respectively) of the RI funds in this category outperformed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



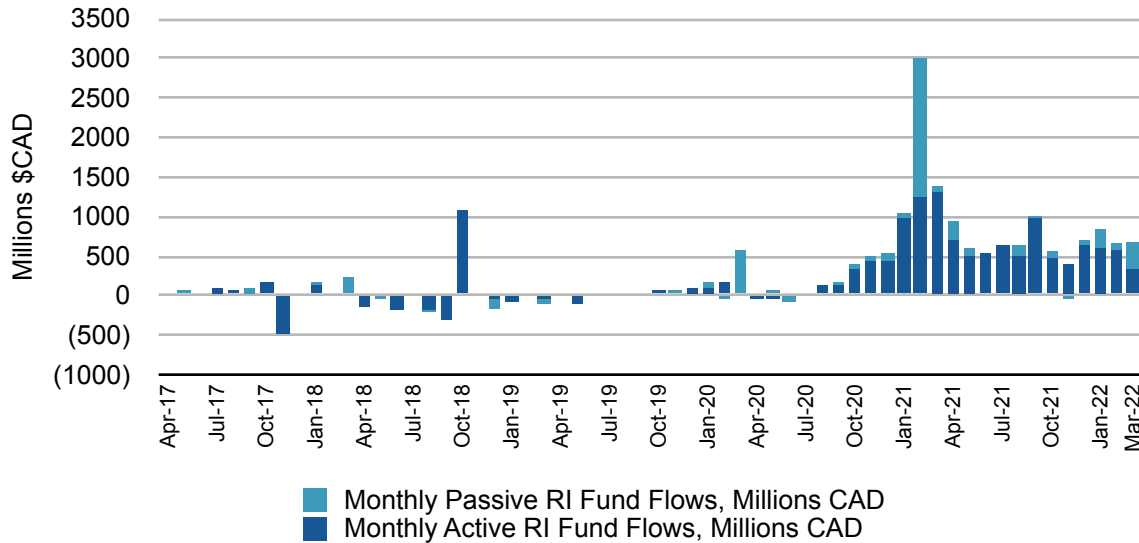
In the **Global Fixed Income Balanced** fund class, close to one-half of the RI funds outperformed the average asset class return over the 12 months ending March 31, 2022. Over the 3-year period reviewed in this report, 63% of the RI funds outperformed the average asset class return. The majority (54%)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

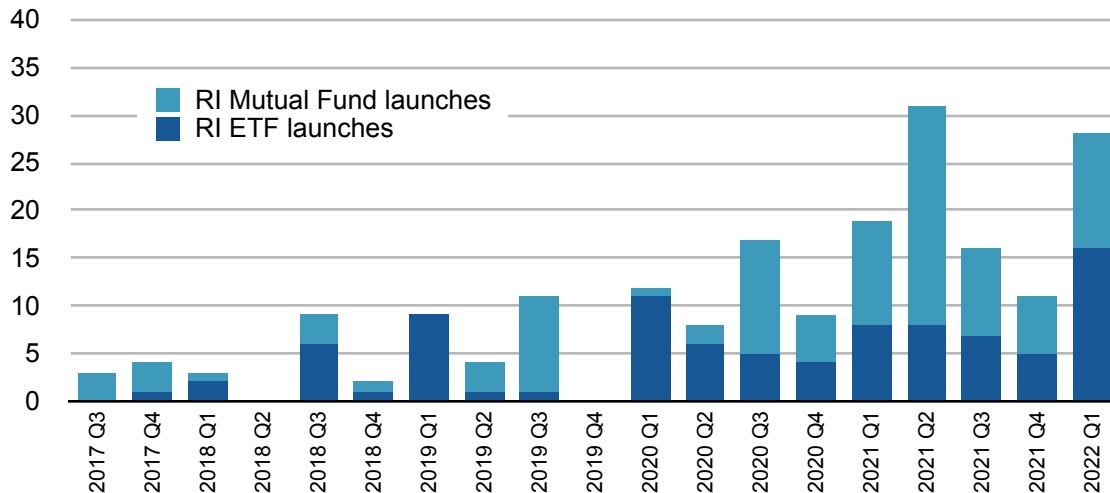


Source: Morningstar Direct. Data as of March 31, 2022. Excludes fund of funds.

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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