

Responsible Investment Funds in Canada

Highlights from Q1 2016



Responsible Investment Association

The Responsible Investment Association (RIA) conducts quarterly performance reviews of responsible investment (RI) funds in Canada.

Data provided by Fundata shows that Canadian RI mutual funds performed strongly in Q1 2016, with outperforming RI funds in each of the 17 fund classes listed.

Despite a volatile first quarter of 2016, RI funds continued to outperform their industry averages over the short, medium and long-term. Nearly two-thirds of funds outperformed over the three-month period ending March 31, 2016, and more than 70% outperformed over the one-year period. Two-thirds of funds outperformed over the three-year period, with nearly half of the funds listed outperforming their industry averages over the 5-year period.

In the **Canadian Fixed Income** fund class, nearly all RI funds outperformed their industry averages over the short, medium and long-term. All RI funds outperformed the industry average over the one-year period, and nearly all in this category outperformed in the three-month, three-year and five-year periods.

In the **Canadian Equity** fund class, the average returns of RI funds outperformed the industry over the three month, one-, three-, five- and ten-year bases. The majority of the funds in the category outperformed the industry

average over the three-month, three-year and five-year time periods.

In the **Global Equity** fund class, the average return of RI funds also outperformed the industry over the short, medium and long-term. The average return of RI funds in the class was notably higher than the industry average over the three-month, one-year, three-year and five-year periods.

In the **International Equity** fund class, the average return of RI funds outperformed the industry average over the three month, one-year, three-year, five-year and ten-year periods. Nearly all of the funds posted strong returns over the short- and medium-term.

See the graphs below for a quick overview of notable RI fund performance in the first quarter of the 2016.

Using environmental, social, and corporate governance (ESG) criteria to guide investment decisions often has a clear, positive impact on returns – especially for investors seeking stable, long-term performance. The data also indicates that RI can provide better protection against downside risks.

Average RI fund performance vs. industry averages to March 31, 2016

