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Signs of mitigating “transitory” inflation

World

The reopening of the economy was marked by an explosive recovery in the consumption of goods, causing challenges for the global distribution chain. The significant increase in delivery costs is a good example of this and, in part, explains recent inflationary pressure. As shown in the graph, opposite, the increase in maritime transportation costs was significant in 2021, but appears to be decreasing. While there remains a high degree of uncertainty surrounding forecasts by economists regarding a return to the inflation target, we are confident that current factors are transitory in nature.

WCI Composite Container Freight Rate

Container rates, per 40 foot box, USD

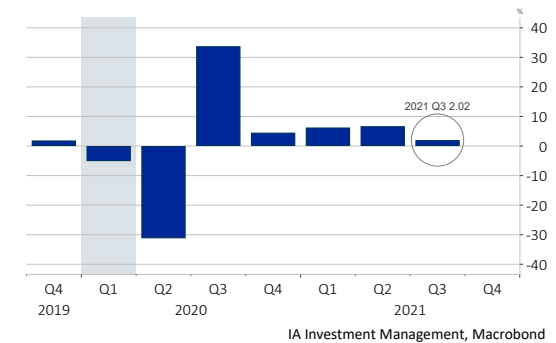


North America

The U.S. economy grew 2% in the third quarter, the slowest rate in a year. This slowdown in growth was caused, in large part, by the Delta variant, which ravaged unvaccinated populations from July to September. Restrictions on the reopening of businesses were put in place, resulting in a reduction in consumer spending and pressure on the labour market. Although reacceleration in growth is expected in the U.S. until the end of the year, we believe the Canadian economy should post better performance, driven by a healthier labour market and a higher vaccination rate.

U.S.: Real GDP Growth

% QoQ, SAAR



Financial markets

October was eventful when it comes to the Canadian bond market, with two-year bond rates climbing 59 basis points. This climb was triggered by more aggressive expectations of rate hikes. A more aggressive tone from global central banks and the observation that Canadian economic activity is recovering quickly, stressing the impressive recovery of the Canadian job market, which has recovered 100% of the jobs lost during the pandemic, have attracted the attention of investors. The difference between U.S. and Canadian two-year rates being now at its highest level since 2014, suggests upside potential for the loonie up to \$ 0.90 in the next 12 months.

Canada: Two-Year Government Rate

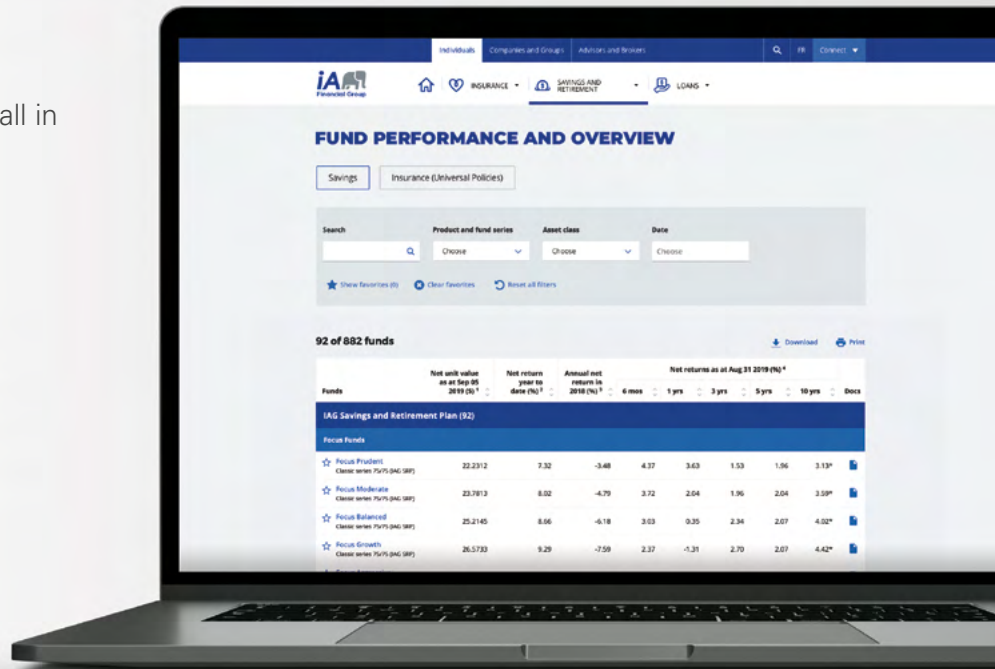


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Economic and Financial Statistics as at October 31, 2021

	As at 2021-10-31 ¹	As at 2020-12-31
Canada - Unemployment rate	6.7%	8.6%
Canada - CPI (year/year variation)	4.4%	1.0%
Canada - GDP (year/year variation)	4.1%	-3.5%
U.S. - Unemployment rate	4.6%	6.7%
U.S. - CPI (year/year variation)	6.2%	1.2%
U.S. - GDP (year/year variation)	4.9%	-2.8%
2-year Canada Bonds	1.10%	0.20%
10-year Canada Bonds	1.72%	0.68%
Oil (West Texas) (US \$)	83.57	48.52
Gold (US \$)	1,776.8	1,897.8
CRB Commodities Index (US \$)	237.7	167.8
Exchange rate Can. \$/US \$	1.2396	1.2740

¹ Most recent data available at such date.

Table of net returns as at October 31, 2021

Classic Series 75/75

	Unit Value \$	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns				MER ³ %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
Focus Funds											
Focus Prudent	19.13	287.9	0.4	(0.8)	0.2	4.9	5.0	2.5	3.0	2.60	Various Managers
Focus Moderate	21.20	347.1	1.1	0.1	2.9	9.2	6.2	3.6	4.0	2.64	Various Managers
Focus Balanced	23.20	508.3	1.7	0.8	5.7	13.8	7.4	4.6	4.9	2.68	Various Managers
Focus Growth	25.24	174.5	2.4	1.5	8.1	18.1	8.5	5.6	5.8	2.72	Various Managers
Focus Aggressive	27.37	56.6	3.0	2.1	10.7	22.4	9.6	6.5	6.6	2.77	Various Managers
Selection Funds											
Selection Prudent	12.46	115.7	0.5	(0.9)	-	4.3	3.5	1.9	-	2.56	Various Managers
Selection Moderate	12.80	188.8	0.6	(0.6)	1.4	7.0	4.0	2.4	-	2.62	Various Managers
Selection Balanced	13.62	253.8	1.5	0.2	4.2	11.9	5.0	3.4	-	2.70	Various Managers
Selection Growth	14.56	109.6	2.2	1.1	7.4	17.8	6.5	4.7	-	2.79	Various Managers
Selection Aggressive	15.03	28.3	3.1	1.9	8.3	21.2	7.3	5.2	-	2.85	Various Managers
Income Funds											
Money Market	17.42	691.5	-	-	-	0.1	0.5	0.4	0.3	1.41	Industrial Alliance
Short Term Bond	15.72	171.6	(1.1)	(1.5)	(2.8)	(2.5)	1.1	-	0.3	2.20	Industrial Alliance
Bond	30.36	3,399.2	(1.1)	(2.8)	(6.1)	(4.8)	2.4	0.6	1.5	2.19	Industrial Alliance
Canadian Corporate Bond	10.98	1,783.4	(1.1)	(2.4)	(4.8)	(2.8)	2.8	1.1	1.9*	2.17	Industrial Alliance
Core Plus Bond (Wellington Square)	11.80	53.5	(0.6)	(0.9)	0.2	3.0	2.2	1.1	1.4*	2.23	Wellington Square
Fixed Income Managed Portfolio	9.97	19.6	(0.6)*	(1.3)*	(1.8)*	1.1*	3.3*	2.0*	3.1*	2.36	Industrial Alliance
Global Multisector Bond (Loomis Sayles)	10.00	0.8	(0.4)*	(1.1)*	(1.1)*	3.2*	5.6*	3.6*	3.8*	2.48	Loomis Sayles
Funds Speciality											
Floating Rate Income (Wellington Square)	10.11	48.0	-	0.7	1.7	4.7	1.8*	1.9*	-	2.23	Wellington Square
Strategic Corporate Bond	14.67	90.3	0.5	0.9	4.6	8.8	3.4	3.0	4.1*	2.18	iA Clarington
Fidelity American High Yield Currency Neutral	12.00	64.2	0.2	1.0	5.9	11.3	4.0	3.4	4.0*	2.64	Fidelity
Diversified Funds											
Diversified Security	24.16	678.3	0.4	(1.2)	0.7	5.0	4.3	2.1	3.4	2.62	Industrial Alliance
Diversified	51.96	2,305.7	1.8	0.3	7.1	15.1	7.7	4.4	5.4	2.64	Industrial Alliance
Diversified Opportunity	34.49	515.9	2.6	1.3	11.3	21.9	9.5	5.6	6.2	2.65	Industrial Alliance
SRI Moderate (Inhance)	10.58	60.0	0.8	(0.7)	1.8	8.1	6.9*	4.3*	4.6*	2.79	Vancity
SRI Balanced (Inhance)	18.90	214.2	1.8	0.4	4.3	13.0	9.7	6.6	6.1	2.81	Vancity
SRI Growth (Inhance)	11.29	51.1	2.5	1.2	6.0	16.0	11.7*	8.1*	7.4*	2.89	Vancity
Diversified Income	34.20	327.4	2.6	1.4	10.9	21.0	8.8	5.4	6.3	2.67	Industrial Alliance
Strategic Income	17.65	288.8	2.6	1.9	13.8	22.5	7.7*	5.8*	-	2.52	Industrial Alliance
Global Diversified (Loomis Sayles)	20.48	1,049.6	2.8	1.6	9.4	15.6	12.9	10.5	7.7	2.65	Loomis Sayles
Fidelity Global Monthly Income	12.30	268.6	(0.3)	(0.5)	3.1	9.0	7.0	-	-	2.89	Fidelity
Fidelity Multi-Asset Innovation	10.09	1.0	4.5*	4.6*	-	-	-	-	-	3.04	Fidelity
Global Asset Allocation Security (iAIM)	11.33	105.1	0.5	(0.4)	1.1	6.3	4.5	-	-	2.66	Industrial Alliance
Global Asset Allocation (iAIM)	12.05	173.5	1.3	0.4	4.6	11.9	6.7	-	-	2.71	Industrial Alliance
Global Asset Allocation Opportunity (iAIM)	12.62	52.1	1.9	1.0	7.5	17.2	8.4	-	-	2.77	Industrial Alliance
Canadian Equity Funds											
Strategic Equity Income	21.99	212.1	4.7	3.6	22.5	34.9	10.2	7.3	7.8	2.55	iA Clarington
Dividend Growth	26.43	1,205.3	4.7	4.5	20.1	34.3	10.3	7.5	7.3	2.57	Industrial Alliance
Canadian Equity Index	31.47	739.7	5.1	4.0	22.4	36.3	12.8	8.3	6.5	2.65	Industrial Alliance
Fidelity True North®	52.97	325.4	4.6	4.5	21.3	36.6	14.9	9.1	8.9	2.86	Fidelity
Canadian Equity Growth	43.20	906.1	4.6	4.4	22.4	39.0	13.5	9.0	7.7	2.71	Industrial Alliance
Fidelity Canadian Opportunities	73.55	589.9	4.4	3.1	20.6	37.4	22.4	13.7	10.9	2.84	Fidelity
Canadian Equity Small Cap (QV)	38.01	164.5	3.2	4.6	26.0	45.8	9.5	6.8	10.0	3.05	QV Investors Inc.
North American Equity	64.20	132.6	4.5	3.8	18.5	34.7	12.9	8.2	6.2	2.73	Industrial Alliance

Table of net returns as at October 31, 2021 (continued)

Classic Series 75/75

	Unit Value \$	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns				MER ³ %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
U.S. & International Equity Funds											
Global Equity Index ACWI (BlackRock)	31.89	144.7	2.6	1.8	11.1	23.5	11.7	9.8*	10.8*	2.72	BlackRock
Global Dividend (Dynamic)	31.19	1,478.5	5.1	3.0	7.6	13.7	12.7	13.6	12.6	2.98	Dynamic
Global Equity	29.58	129.7	2.7	1.5	11.9	23.6	11.8	9.0	10.7	2.80	Industrial Alliance
Global Opportunities (Loomis Sayles)	11.92	78.1	4.3	2.9	15.4	23.4	18.5*	15.4*	14.3*	2.70	Loomis Sayles
Fidelity Global Concentrated Equity	14.28	78.4	3.2	2.8	12.6	37.6	14.0	-	-	3.13	Fidelity
Fidelity NorthStar®	25.28	150.0	(0.7)	(0.9)	6.6	21.7	9.7	5.3	10.5	3.04	Fidelity
International Equity Index (BlackRock)	12.11	214.4	0.0	(0.1)	5.7	21.5	6.7	5.4	7.0	2.73	BlackRock
International Equity	22.76	529.8	(0.5)	(1.8)	0.5	13.9	6.7	5.1	7.2	2.80	Industrial Alliance
Fidelity European Equity	15.17	45.0	1.3	1.2	6.8	24.7	4.7	4.9	7.0	2.93	Fidelity
U.S. Equity Index (BlackRock)	30.08	470.2	4.5	3.7	17.8	29.1	15.7	13.7	15.3	2.70	BlackRock
Fidelity Insights	15.66	255.2	5.1	5.1	16.0	23.4	19.1*	-	-	2.95	Fidelity
Thematic Innovation	24.94	911.9	4.4	3.7	15.5	30.3	19.8	17.3*	-	2.61	Industrial Alliance
American (Dynamic)	12.20	91.6	6.4	1.9	2.6	5.6	12.6*	14.4*	12.7*	2.77	Dynamic
U.S. Equity	27.45	125.5	4.3	3.0	17.9	28.2	13.7	10.4	13.1	2.83	Industrial Alliance
U.S. Dividend Growth	25.69	221.1	4.4	2.9	14.2	21.2	10.9	8.8	11.7	2.64	Industrial Alliance
Specialty funds											
Fidelity Global Innovators®	10.19	3.6	8.1*	9.1*	7.0*	29.5*	35.9*	-	-	3.53	Fidelity
Asian Pacific (Dynamic)	5.53	252.7	(2.1)	(1.7)	(7.0)	1.8	21.0*	11.5*	9.7*	3.08	Dynamic
Emerging Markets (Jarislowsky Fraser)	11.62	59.5	(1.0)	(2.1)	(6.0)	2.5	9.6*	5.3*	-	3.18	Jarislowsky Fraser
Global Health Care (Renaissance)	62.01	328.5	(0.1)	(1.4)	4.7	10.3	8.6*	8.0*	14.2*	3.43	Renaissance
Global Infrastructure (Dynamic)	10.55	100.7	3.6	2.0	4.5	11.2	7.9*	6.3*	8.6*	3.05	Dynamic
Real Instate Income	52.59	137.7	5.5	4.3	27.6	43.3	9.6*	8.2*	7.5*	2.85	Industrial Alliance
U.S. DAQ Index	40.80	998.9	5.3	4.6	17.2	29.9	25.2*	21.7*	20.8*	2.95	Industrial Alliance
Indexia Funds											
Indexia Prudent	11.52	183.2	0.1	(1.4)	(0.4)	3.8	5.2	3.2*	-	1.98	Industrial Alliance
Indexia Moderate	12.01	132.7	0.7	(0.6)	2.7	8.7	6.7	4.6*	-	1.96	Industrial Alliance
Indexia Balanced	12.52	176.5	1.3	0.3	5.9	13.8	8.2	6.0*	-	1.95	Industrial Alliance
Indexia Growth	13.06	79.2	1.9	1.1	9.1	19.1	9.8	7.4*	-	1.96	Industrial Alliance
Indexia Aggressive	13.56	35.5	2.6	1.9	12.4	24.9	11.3	8.7*	-	1.97	Industrial Alliance

Returns after deduction of MER (Management expense ratio). Past performance is not a guarantee of future returns.

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¹ Total net assets of the fund including individual and group contracts.

² The rates for the period are non-annualized.

³ Management expense ratio (GST and HST included). These fees may vary at any time.

* Simulation of past returns as if the Fund or Series had been in effect for these periods.

Index funds: Simulation of past returns from the return of the index that the fund aims to reproduce.

Table of net returns as at October 31, 2021 (continued)

Guaranteed Surrender Series

	Unit Value \$	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns				Fee ³ %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
Disciplined Funds											
Disciplined Prudent (iAIM)	10.08	88.9	(0.1)	(1.8)	(1.3)	2.9	-	-	-	3.38	Various Managers
Disciplined Moderate (iAIM)	10.51	197.2	0.6	(1.1)	1.8	7.6	-	-	-	3.69	Various Managers
Disciplined Balanced (iAIM)	10.98	387.7	1.2	(0.3)	5.1	12.8	-	-	-	3.69	Various Managers
Disciplined Growth (iAIM)	11.46	223.1	1.9	0.4	8.5	18.1	-	-	-	3.90	Various Managers
Income Funds											
Money Market	17.37	691.5	-	-	-	0.1	0.4	0.4	0.3	2.28	Industrial Alliance
Short Term Bond	15.46	171.6	(1.1)	(1.6)	(3.0)	(2.7)	0.9	(0.2)	0.1	3.01	Industrial Alliance
Disciplined Bond (iAIM)	9.34	611.6	(1.2)	(3.0)	(6.5)	(5.4)	-	-	-	2.99	Industrial Alliance
Canadian Equity Funds											
Canadian Disciplined Equity (iAIM)	13.29	615.8	5.0	4.0	22.7	38.4	-	-	-	4.00	Industrial Alliance
Canadian Equity Index	30.76	739.7	5.1	4.0	22.4	36.3	12.5	8.0	6.3	3.98	Industrial Alliance
U.S. & International Equity Funds											
Global Disciplined Equity (iAIM)	12.02	164.9	2.8	1.5	12.6	24.3	-	-	-	4.44	Industrial Alliance
International Disciplined Equity (iAIM)	11.15	197.6	(0.5)	(1.8)	1.2	15.7	-	-	-	4.49	Industrial Alliance
International Equity Index (BlackRock)	11.84	214.4	0.0	(0.2)	5.5	21.3	6.4	5.1	6.8	4.29	BlackRock
U.S. Disciplined Equity (iAIM)	12.42	401.9	4.3	3.0	18.1	28.0	-	-	-	4.22	Industrial Alliance
U.S. Equity Index (BlackRock)	29.47	470.2	4.5	3.6	17.7	28.8	15.4	13.4	15.1	4.18	BlackRock

Returns after deduction of MER (Management expense ratio). Past performance is not a guarantee of future returns.

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¹ Total net assets of the fund including individual and group contracts.

² The rates for the period are non-annualized.

³ Fees indicated are subject to change at any time. To see management expense ratios and guarantee fees, see the Fund Facts document (F14-10A).

* Simulation of past returns as if the Fund or Series had been in effect for these periods.

Index Funds: Simulation of past returns from the return of the index that the fund aims to reproduce.

Total Return Reference indexes²

Returns as at October 31, 2021

	Simple returns ¹			Compound annual returns			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Indexes related to Income Funds							
FTSE Canada 91 Day T-Bill Index	-	0.1	0.1	0.2	1.0	0.9	0.9
FTSE Canada Short Term Bond Index	(1.1)	(1.4)	(1.5)	(1.1)	2.7	1.6	2.0
FTSE Canada Universe Bond Index	(1.1)	(2.6)	(5.0)	(3.6)	4.2	2.3	3.3
SB - World Government Bonds (Can. \$)	(2.6)	(3.9)	(8.9)	(10.3)	2.0	0.4	3.2
Indexes related to Canadian Equity Funds							
S&P/TSX 60	5.4	4.7	25.2	40.2	15.9	11.2	9.4
S&P/TSX Completion Index	3.7	3.1	16.9	33.6	13.6	8.5	6.8
S&P/TSX Composite Index	5.0	4.4	23.4	38.8	15.4	10.6	8.8
S&P/TSX Capped Composite Index	5.0	4.4	23.4	38.8	15.4	10.6	8.8
S&P/TSX SmallCap Index	5.6	5.7	23.3	53.3	14.3	7.5	4.9
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	4.7	4.4	20.7	32.9	19.2	17.1	18.8
MSCI - World (Can. \$)	3.4	3.1	16.2	30.5	16.0	13.7	14.7
MSCI - World Small Cap. (Can. \$)	1.4	2.2	14.5	35.6	14.4	12.8	15.1
MSCI - EAFE (Can. \$)	0.3	0.5	8.0	24.7	9.4	8.1	9.8
MSCI - EAFE (Can. \$) (Reuters)	0.3	0.5	8.0	24.7	9.4	8.1	9.8
MSCI - Europe (Can. \$)	2.3	0.4	12.5	31.8	10.8	9.5	10.4
	Variation			Compound annual variation			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Exchange Rate (Can. \$ / US \$)							
As at October 31, 2021: 1.2396	(2.2)	(0.7)	(2.7)	(7.0)	(1.9)	(1.6)	2.2
Exchange Rate (US \$ / Can. \$)							
As at October 31, 2021: 0.8067	2.2	0.7	2.8	7.6	1.9	1.6	(2.2)

¹ The rates for the period are non-annualized.

² Please refer to the Legal Notices on page 8 for more information about these indexes.

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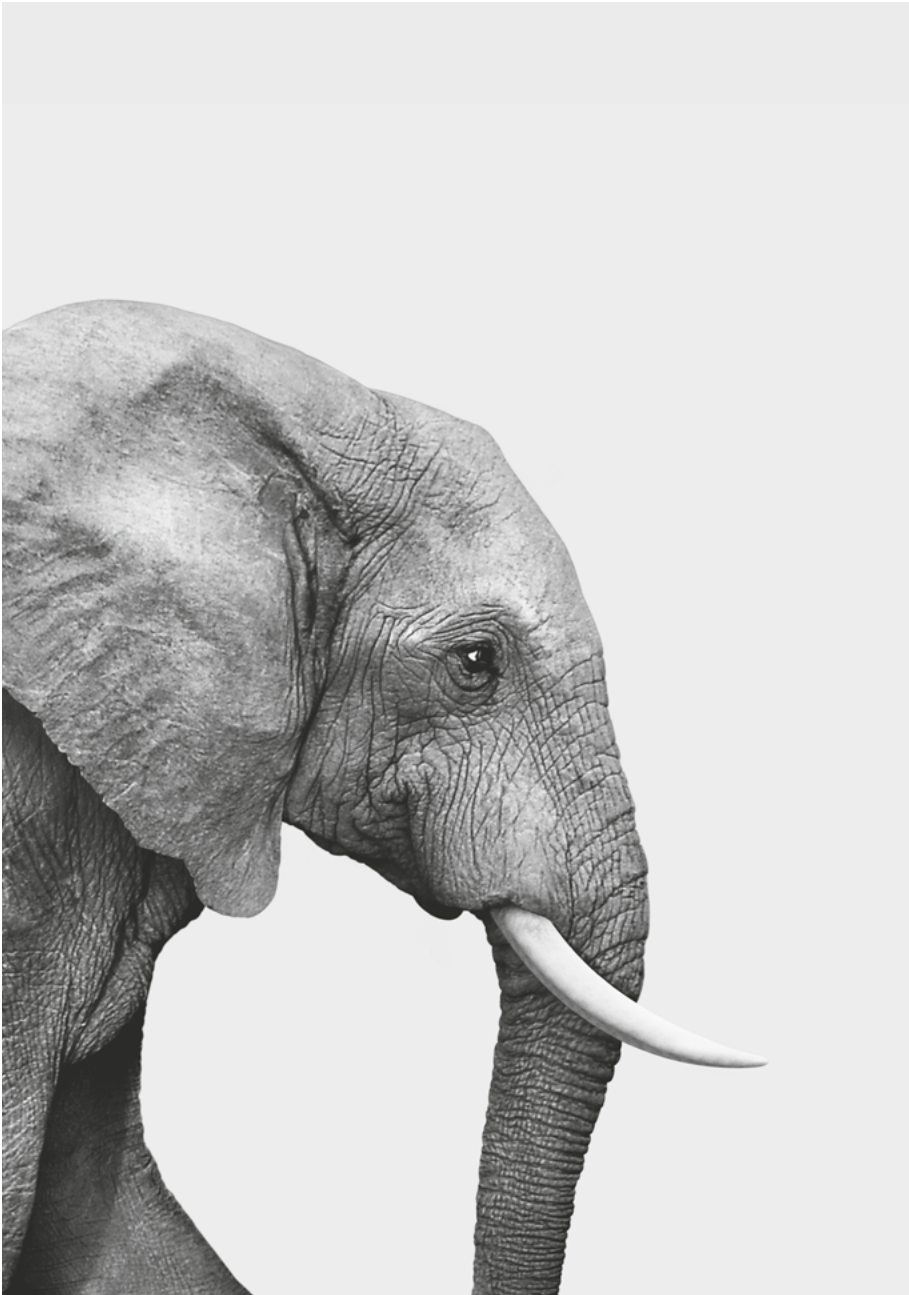
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EcoStrategist

In brief

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