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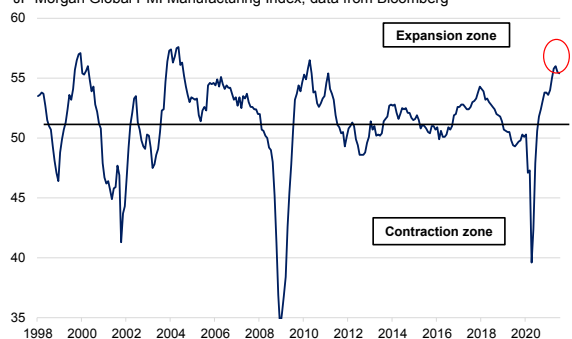
## Between the Delta variant and historic stock market highs

### World

Summer 2021 is coming to an end and we're seeing a general slowdown of global economic activity. Since the peak observed at the start of summer, all economic surprises worldwide have lost their luster, due to the slowdown from the strong reactions of fiscal and monetary authorities in 2020. Now that economic reopening processes have taken root, we have moved on to a slower cruising speed as shown by the ISM manufacturing index, as shown opposite. While a slowdown is completely normal after the economic performance seen over the last 12 months, the question mark that is the Delta variant causes us to be cautious regarding our expectations regarding economic data from now until the end of the year.

#### World: is the best part of the recovery behind us?

JP Morgan Global PMI Manufacturing Index, data from Bloomberg

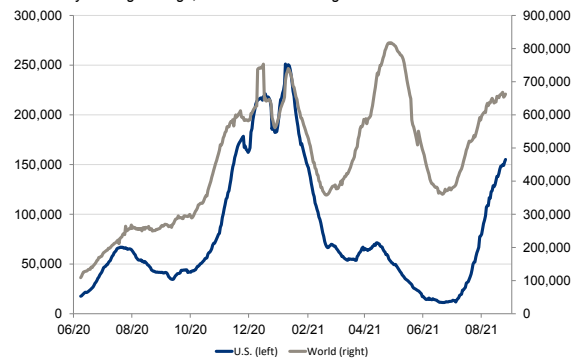


### North America

The fourth wave of the COVID-19 pandemic is in full swing and the news remains concerning. The number of new cases daily is up significantly around the world, particularly in countries like Israel, the United Kingdom and the United States, where a good proportion of the population has been vaccinated. Data from the U.S. suggests that the vaccination campaign is going nowhere, especially in more republican states, creating a major risk to the economic recovery in the coming quarters. In short, the Delta variant, which is much more aggressive than earlier strains, is a major adversary of non-U.S. economic projections and remains the biggest macroeconomic risk factor.

#### COVID-19: New daily cases

Seven-day moving average, data from Bloomberg

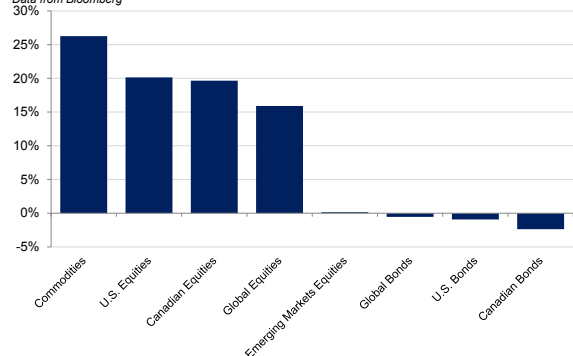


### Financial markets

After eight months, the financial markets have once again produced attractive returns for investors in 2021. Natural resources, as we expected at the beginning of the year, produced impressive returns led by a rebound of oil and metals, such as copper. Stock exchanges are posting generally positive returns, at nearly 20% in North America and over 15% globally. Not surprisingly, the main bond indexes are posting negative returns due to high interest rates since the beginning of the year. In our view, the biggest surprise is the under-performance of emerging markets, which have suffered because of regulatory changes in China over the course of the year. The Chinese government is trying to limit the influence of large companies, particularly in the technology sector.

#### Asset class returns in 2021

Total return (local currency), year to date, as at August 31, 2021  
Data from Bloomberg

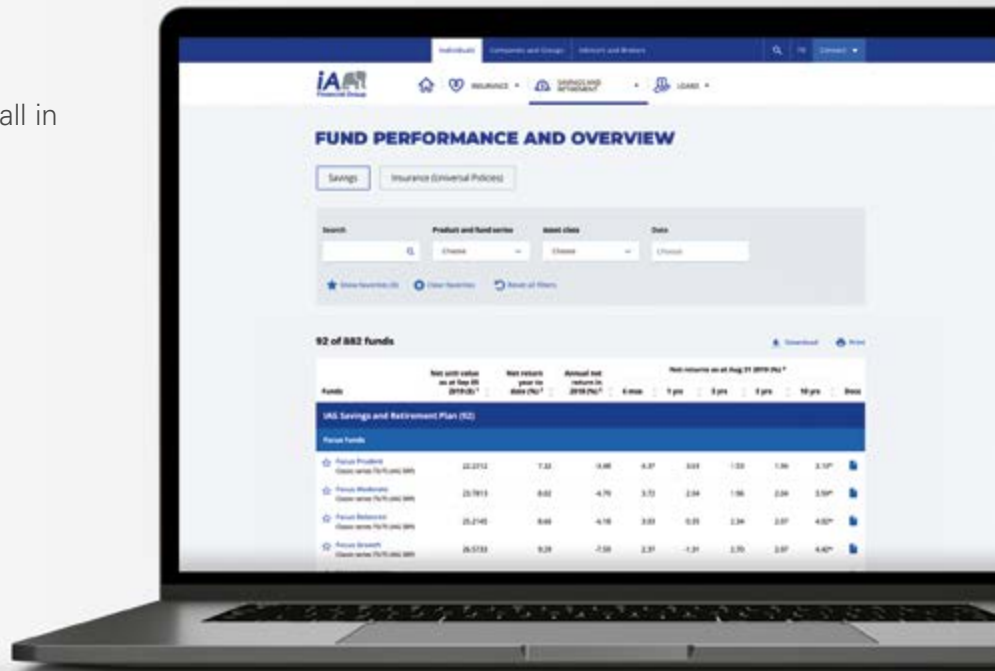


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## Economic and Financial Statistics as at August 31 2021

	As at 2021-08-31 <sup>1</sup>	As at 2020-12-31
Canada - Unemployment rate	7.1%	8.6%
Canada - CPI (year/year variation)	3.7%	1.0%
Canada - GDP (year/year variation)	8.0%	-3.5%
U.S. - Unemployment rate	5.2%	6.7%
U.S. - CPI (year/year variation)	5.4%	1.2%
U.S. - GDP (year/year variation)	12.2%	-2.8%
2-year Canada Bonds	0.44%	0.20%
10-year Canada Bonds	1.22%	0.68%
Oil (West Texas) (US \$)	66.32	48.52
Gold (US \$)	1,806.3	1,897.8
CRB Commodities Index (US \$)	218.2	167.8
Exchange rate Can. \$/US \$	1.2637	1.2740

<sup>1</sup> Most recent data available at such date.

# Table of net returns as at August 31 2021

## Ecoflex / My Education / APEX

	Unit Value \$	Net assets <sup>1</sup> in millions \$	Simple returns <sup>2</sup>			Compound annual returns				MER <sup>3</sup> %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
<b>Focus Funds</b>											
Focus Prudent	18.17	277.9	0.6	2.1	1.2	4.2	3.6	2.1	2.7	3.20	Various Managers
Focus Moderate	20.08	337.6	1.1	2.9	3.6	7.8	4.4	3.1	3.5	3.26	Various Managers
Focus Balanced	22.05	501.0	1.5	3.6	6.1	11.5	5.1	4.1	4.4	3.28	Various Managers
Focus Growth	24.02	172.9	2.0	4.3	8.3	15.0	5.8	5.1	5.2	3.31	Various Managers
Focus Aggressive	25.97	56.3	2.4	5.0	10.6	18.4	6.4	6.1	5.9	3.36	Various Managers
<b>Selection Funds</b>											
Selection Prudent	12.17	102.6	0.4	2.0	1.1	3.4	2.4	1.7	-	2.99	Various Managers
Selection Moderate	12.46	191.0	0.6	2.2	2.3	5.5	2.4	2.1	-	3.14	Various Managers
Selection Balanced	13.14	256.7	1.2	3.0	4.8	9.1	2.9	3.1	-	3.28	Various Managers
Selection Growth	13.91	109.3	1.7	3.9	7.6	13.7	3.9	4.2	-	3.46	Various Managers
Selection Aggressive	14.28	28.4	2.8	5.4	8.7	16.3	4.3	4.7	-	3.63	Various Managers
<b>Income Funds</b>											
Money Market <sup>5</sup>	17.37	795.4	-	-	-	0.1	0.5	0.4	0.3	1.68	Industrial Alliance
Short Term Bond	15.64	158.7	(0.1)	(0.3)	(1.5)	(1.5)	1.2	0.1	0.3	2.42	Industrial Alliance
Bond <sup>5</sup>	30.48	3,432.9	(0.3)	1.1	(3.8)	(3.4)	2.4	0.7	1.7	2.44	Industrial Alliance
Core Plus Bond (Wellington Square)	11.35	50.8	(0.1)	0.8	0.8	3.5	1.6	0.8	1.0*	2.77	Wellington Square
<b>Diversified Funds</b>											
Diversified Security	23.24	685.2	0.3	1.4	1.8	4.2	3.0	1.7	3.0	3.18	Industrial Alliance
Diversified <sup>5</sup>	49.51	2,308.9	0.7	2.4	7.3	12.4	5.3	3.8	4.8	3.18	Industrial Alliance
Diversified Opportunity	32.69	510.3	1.1	3.2	10.8	17.8	6.5	4.9	5.5	3.18	Industrial Alliance
SRI Moderate (Inhance)	10.68	54.4	0.9	3.6	2.9	7.6*	5.2*	3.6*	3.8*	3.67	Vancity
SRI Balanced (Inhance)	18.27	203.3	1.5	5.0	4.8	12.1	7.4	5.7	5.3*	3.75	Vancity
SRI Growth (Inhance)	11.29	44.6	1.9	6.0	6.2	14.6*	8.8*	7.2*	6.4*	3.86	Vancity
Diversified Income	32.89	326.1	1.1	3.2	10.3	16.9	6.0	4.9	5.7	3.04	Industrial Alliance
Strategic Income	15.97	273.0	1.0	3.9	12.0	18.1	4.9	4.6	-	3.63	iA Clarington
Global Diversified (Loomis Sayles)	19.40	987.9	2.7	8.9	10.2	13.3	10.1	9.9	7.1	3.39	Loomis Sayles
<b>Canadian Equity Funds</b>											
Strategic Equity Income	21.39	204.5	1.7	5.8	20.1	28.3	7.6	6.8	7.5	2.65	iA Clarington
Dividend Growth	24.95	1,160.3	1.3	3.6	16.2	24.4	6.3	7.0	6.6	2.91	Industrial Alliance
Canadian Equity Index	29.70	738.4	1.1	4.2	18.8	24.2	8.7	7.8	5.5	3.02	Industrial Alliance
Fidelity True North <sup>®</sup>	47.90	314.1	2.4	6.7	18.3	26.7	10.8	7.8	7.6	3.71	Fidelity
Canadian Equity Growth <sup>5</sup>	40.89	897.3	1.6	4.2	18.9	28.6	9.2	8.5	6.8	3.03	Industrial Alliance
Fidelity Canadian Opportunities	67.45	546.6	2.6	7.9	19.4	36.3	20.2	12.9	9.5	3.72	Fidelity
North American Equity	61.35	132.6	2.6	7.3	16.8	27.6	9.0	7.8	5.3	3.05	Industrial Alliance

## Table of net returns as at August 31 2021 (continued)

### Ecoflex / My Education / APEX

	Unit Value \$	Net assets <sup>1</sup> in millions \$	Simple returns <sup>2</sup>			Compound annual returns				MER <sup>3</sup> %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
<b>U.S. &amp; International Equity Funds</b>											
Global Equity Index ACWI (BlackRock)	31.63	123.2	3.4	8.3	12.3	19.8	8.8*	9.3*	10.2*	3.63	BlackRock
Global Dividend (Dynamic)	30.06	1,457.2	4.5	11.8	8.8	11.2	10.0	13.1	12.2	3.55	Dynamic
Global Equity	29.10	132.3	3.2	8.4	13.4	18.9	8.0	8.6	10.4	3.52	Industrial Alliance
Global Opportunities (Loomis Sayles)	11.91	62.9	3.8	12.5	15.5	20.2*	13.8*	14.1*	13.0*	3.96	Loomis Sayles
Fidelity NorthStar <sup>®</sup>	24.20	204.5	1.9	5.6	9.1	22.5	8.4	5.4	9.9	3.75	Fidelity
International Equity Index (BlackRock)	12.10	217.6	2.7	5.2	8.6	18.7	4.8	5.8	7.1	3.04	BlackRock
International Equity	22.73	565.5	2.2	3.9	4.0	12.3	3.8	5.2	6.4*	3.68	Industrial Alliance
Fidelity European Equity	14.34	46.0	3.8	4.9	9.1	16.7	2.0	4.4	6.4	3.77	Fidelity
U.S. Equity Index (BlackRock)	29.32	460.8	4.0	12.0	18.0	23.1	13.1	13.3	15.5	3.04	BlackRock
Thematic Innovation	24.44	830.4	4.1	11.2	15.0	24.5	14.8*	15.5*	-	3.97	Industrial Alliance
U.S. Equity	26.76	122.8	3.7	10.6	18.3	22.1	9.4	9.6	13.1	3.41	Industrial Alliance
U.S. Dividend Growth	23.59	218.3	2.8	8.9	13.5	17.8	6.1	7.5	11.1	3.54	Industrial Alliance
<b>Specialty Funds</b>											
Asian Pacific (Dynamic)	13.95	260.6	1.4	(3.1)	(4.2)	14.6	16.8	12.3	9.2	3.34	Dynamic
Emerging Markets (Jarislowsky Fraser)	11.93	62.1	2.7	(3.1)	(2.0)	12.8	6.2*	5.5*	-	4.42	Jarislowsky Fraser
Global Health Care (Renaissance)	45.71	337.9	3.5	13.0	9.6	11.5	8.0	8.1	14.8	3.82	CIBC
Real Estate Income	41.62	124.9	1.4	8.9	23.9	35.7	6.8	6.6	7.0	2.96	Industrial Alliance
U.S. DAQ Index	29.94	931.2	5.2	18.2	17.7	21.4	22.3	22.7	21.8	3.24	Industrial Alliance
<b>Education Savings Plan</b>											
Diploma Elementary	20.50	1,320.9	0.9	3.5	7.2	11.2	6.4	5.3	5.5	3.62	Industrial Alliance
Diploma Secondary	12.38	507.8	0.3	1.7	1.1	2.3	2.2	0.8	0.9	3.61	Industrial Alliance
<b>Not offered to new contract subscribers</b>											
Diploma	17.15	115.3	1.0	4.0	5.3	8.0	5.8	5.1	5.7	3.64	Industrial Alliance
Dividend	64.02	1,008.5	1.3	3.8	16.9	25.2	6.7	7.2	7.1	2.41	Industrial Alliance

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

The *EcoStrategist in Brief* | Ecoflex / My Education economic and financial bulletin, produced monthly, and its more exhaustive quarterly version, are available at [ia.ca](http://ia.ca), under Individuals, Savings and Retirement, Economic and Financial Publications.

<sup>1</sup> Total net assets of the fund including individual and group contracts.

<sup>2</sup> The rates for the period are non-annualized.

<sup>3</sup> Management expense ratio (GST and HST included).

<sup>4</sup> Fund closed to new investments as of June 30th, 2015.

<sup>5</sup> Only these Funds are offered in the APEX product

\* 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 indexes<sup>2</sup>

## Returns as at August 31 2021

	Simple returns <sup>1</sup>			Compound annual returns			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
<b>Indexes related to Income Funds</b>							
FTSE Canada 91 Day T-Bill Index	-	-	0.1	0.1	1.1	0.9	0.9
FTSE Canada Short Term Bond Index	0.1	0.2	(0.1)	0.5	3.1	2.0	2.2
FTSE Canada Universe Bond Index	(0.1)	1.9	(2.6)	(1.7)	4.5	2.6	3.7
SB - World Government Bonds (Can. \$)	0.6	4.6	(4.5)	(4.3)	3.1	1.2	3.7
<b>Indexes related to Canadian Equity Funds</b>							
S&P/TSX 60	1.4	5.1	21.3	28.1	12.0	11.1	8.7
S&P/TSX Completion Index	2.5	4.8	16.2	28.7	10.2	8.3	6.4
S&P/TSX Composite Index	1.6	5.0	20.2	28.2	11.6	10.4	8.1
S&P/TSX Capped Composite Index	1.6	5.0	20.2	28.2	11.6	10.4	8.1
<b>Indexes related to U.S. &amp; International Equity Funds</b>							
S&P 500 (Can. \$) (Reuters)	4.3	12.9	20.6	27.2	16.8	17.1	19.4
MSCI - World (Can. \$)	3.7	10.7	17.0	25.9	13.8	14.0	15.0
MSCI - World Small Cap. (Can. \$)	3.7	6.7	16.2	37.9	10.8	13.1	15.4
MSCI - EAFE (Can. \$)	3.0	6.0	10.7	22.3	7.9	8.9	10.1
MSCI - EAFE (Can. \$) (Reuters)	3.0	6.0	10.7	22.3	7.9	8.9	10.1
MSCI - Europe (Can. \$)	2.8	6.7	15.2	25.9	9.2	9.9	10.9
<b>Index related to Specialty Funds</b>							
MSCI - AC Asian Pacific Free (Can. \$)	3.7	1.6	1.6	15.8	8.5	9.9	10.6
MSCI - Emerging Markets (Can. \$)	3.9	0.4	2.2	17.8	9.1	10.0	7.9
MSCI - World Health Care (Can. \$)	4.1	14.9	16.6	20.3	14.2	13.4	18.1
NASDAQ 100 (Can. \$)	5.4	19.1	19.9	24.8	25.4	25.8	24.5
S&P/TSX Capped REIT Index	1.1	9.5	28.6	42.8	9.8	9.9	8.9
<b>Exchange Rate (Can. \$ / US \$)</b>							
As at August 31 2021: 1.2637	1.2	4.6	(0.8)	(3.0)	(1.0)	(0.8)	2.6
<b>Exchange Rate (US \$ / Can. \$)</b>							
As at August 31 2021: 0.7914	(1.2)	(4.4)	0.8	3.1	1.1	0.8	(2.5)

<sup>1</sup> The rates for the period are non-annualized.

<sup>2</sup> Please refer to the Legal Notices on page 7 for more information about these indexes.

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# EcoStrategist

**In brief**

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