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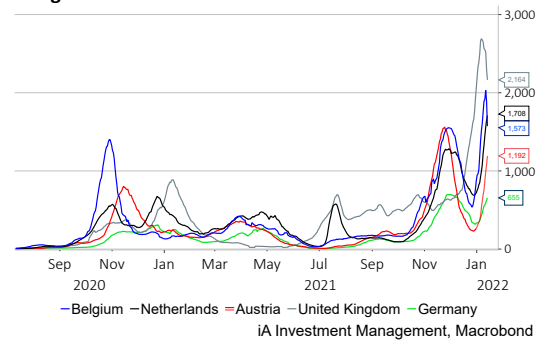
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## 2022: the year of uncertainty?

### World

Twenty twenty-one was the second year that was dictated by the pace of the COVID-19 pandemic. Although a vaccination campaign was initiated all around the world, there were two major waves: the Delta variant, which hit last summer, and the Omicron variant, which we have been seeing since November. Several spheres of the economy, such as employment, travel, and inflation, were affected by restrictions aimed at limiting the spread of the virus. In this context, the main microeconomic risk for 2022 will probably emerge in China, which seems to be stubbornly holding on to its zero-COVID policy.

Confirmed COVID-19 cases per million: seven-day moving average

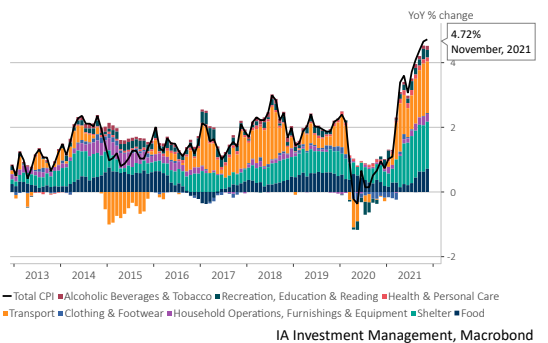


### North America

After the global economy was put on hold in 2020, there was intense pressure on the supply chain when the economy gradually started to reopen in mid-2020, creating a spike in the inflation rate. In fact, maintaining social distancing measures has created a rotation in household spending. Households are spending less for services and more for consumer goods. Annual Canadian inflation reached 4.7% in November, an 18-year record. As shown in the graph, the biggest contributor to inflation is transportation: vehicles and fuel.

Canada : contributions to inflation

Source: StatCan

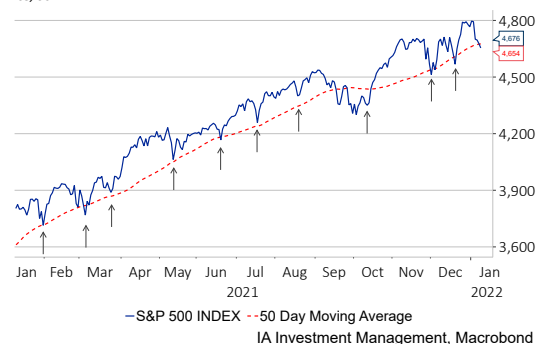


### Financial markets

The S&P 500 performed well in 2021, totalling a return of more than 28.7%. Throughout the year, one theme stood out: buying the dip. As we can see in the graph, opposite, the index rebounded several times on its 50-day moving average, signaling the insatiable appetite of investors during episodes of concern. Buying the dip was a profitable and omnipresent strategy in 2021. Could this theme continue in 2022? It's difficult to determine. A study by JP Morgan shows the presence of a significant number of new investors between the ages of 18 and 25, who earn an annual income of \$0 to \$20,000. We therefore question the behaviour of these retail investors in the event of a market correction of 10% to 15%. The balance of risks remains favourable for equities in 2022; however, we favour Canadian and international markets.

S&P 500

Price, 50D MA

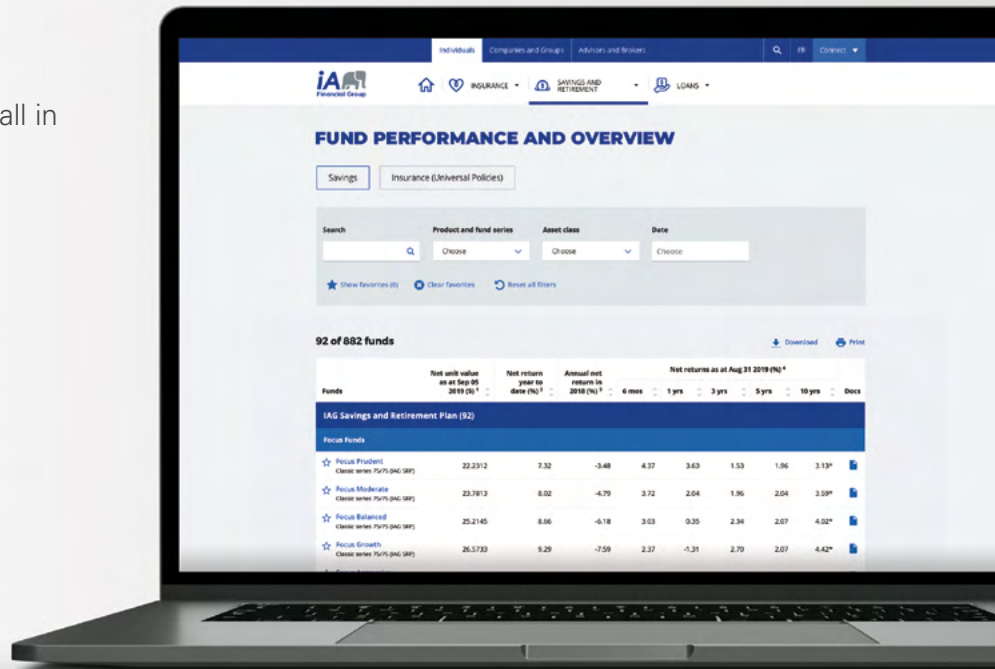


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## Economic and Financial Statistics as at December 31, 2021

	As at 2021-12-31 <sup>1</sup>	As at 2020-12-31
Canada - Unemployment rate	5.9%	8.6%
Canada - CPI (year/year variation)	4.7%	1.0%
Canada - GDP (year/year variation)	3.8%	-3.5%
U.S. - Unemployment rate	3.9%	6.7%
U.S. - CPI (year/year variation)	7.0%	1.2%
U.S. - GDP (year/year variation)	4.9%	-2.8%
2-year Canada Bonds	0.95%	0.20%
10-year Canada Bonds	1.57%	0.68%
Oil (West Texas) (US \$)	1.43	48.52
Gold (US \$)	1,822.4	1,897.8
CRB Commodities Index (US \$)	232.4	167.8
Exchange rate Can. \$/US \$	1.2632	1.2740

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

# Table of net returns as at December 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	18.16	291.6	1.7	1.9	1.2	1.2	4.9	2.4	2.6	3.20	Various Managers
Focus Moderate	20.14	366.4	2.0	2.5	3.9	3.9	6.4	3.2	3.6	3.26	Various Managers
Focus Balanced	22.19	526.8	2.3	3.2	6.7	6.7	8.0	4.1	4.6	3.28	Various Managers
Focus Growth	24.24	180.4	2.5	3.9	9.3	9.3	9.6	4.8	5.6	3.31	Various Managers
Focus Aggressive	26.32	58.3	2.9	4.7	12.1	12.1	11.1	5.6	6.6	3.36	Various Managers
<b>Selection Funds</b>											
Selection Prudent	12.12	118.1	1.6	1.5	0.7	0.7	3.6	1.8	-	2.99	Various Managers
Selection Moderate	12.39	188.4	1.4	1.4	1.8	1.8	4.2	1.9	-	3.14	Various Managers
Selection Balanced	13.11	256.1	1.8	2.4	4.6	4.6	5.6	2.7	-	3.28	Various Managers
Selection Growth	13.91	110.7	2.1	2.9	7.6	7.6	7.4	3.7	-	3.46	Various Managers
Selection Aggressive	14.27	28.2	2.3	4.0	8.7	8.7	8.3	4.0	-	3.63	Various Managers
<b>Income Funds</b>											
Money Market <sup>5</sup>	17.37	752.6	-	-	-	-	0.4	0.4	0.3	1.68	Industrial Alliance
Short Term Bond	15.43	181.9	0.2	(1.0)	(2.9)	(2.9)	0.6	-	0.1	2.42	Industrial Alliance
Bond <sup>5</sup>	30.27	3,434.9	1.4	0.8	(4.4)	(4.4)	2.2	1.3	1.3	2.44	Industrial Alliance
Core Plus Bond (Wellington Square)	11.28	57.2	0.4	(0.3)	0.1	0.1	2.0	0.8	0.8*	2.77	Wellington Square
<b>Diversified Funds</b>											
Diversified Security	23.16	683.0	1.5	1.6	1.5	1.5	4.4	2.1	3.0	3.18	Industrial Alliance
Diversified <sup>5</sup>	49.89	2,354.8	1.9	3.1	8.1	8.1	8.4	4.3	5.1	3.18	Industrial Alliance
Diversified Opportunity	33.15	854.4	2.2	4.0	12.3	12.3	10.7	5.4	6.0	3.18	Industrial Alliance
SRI Moderate (Inhance)	10.63	67.2	1.6	2.1	2.4	2.4	6.8*	3.8*	3.6*	3.67	Vancity
SRI Balanced (Inhance)	18.21	230.4	1.4	2.7	4.5	4.5	9.8	5.8	5.3*	3.75	Vancity
SRI Growth (Inhance)	11.26	58.6	1.3	3.1	5.9	5.9	11.8*	7.1*	6.5*	3.86	Vancity
Strategic Income	16.39	307.9	3.5	4.6	15.0	15.0	8.0	4.6	-	3.63	iA Clarington
Global Diversified (Loomis Sayles)	19.57	1,155.7	1.0	5.0	11.2	11.2	13.4	10.0	7.2	3.39	Loomis Sayles
<b>Canadian Equity Funds</b>											
Strategic Equity Income	22.48	224.7	5.3	8.0	26.2	26.2	12.2	7.3	7.9	2.65	iA Clarington
Dividend Growth	26.28	1,247.1	4.6	7.0	22.4	22.4	12.0	6.5	7.4	2.91	Industrial Alliance
Canadian Equity Index	31.03	745.3	3.1	6.9	24.1	24.1	14.5	7.5	6.6	3.02	Industrial Alliance
Fidelity True North <sup>®</sup>	49.13	334.2	3.4	5.3	21.3	21.3	15.0	8.0	8.4	3.71	Fidelity
Canadian Equity Growth <sup>5</sup>	42.42	920.4	3.7	5.7	23.4	23.4	15.7	8.2	7.8	3.03	Industrial Alliance
Fidelity Canadian Opportunities	66.46	633.5	2.0	2.5	17.7	17.7	21.2	12.0	10.1	3.72	Fidelity
North American Equity	63.01	131.1	3.0	6.0	20.0	20.0	14.9	7.4	6.3	3.05	Industrial Alliance

# Table of net returns as at December 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)	31.93	150.4	2.0	5.4	13.4	13.4	12.7	8.9*	10.3*	3.63	BlackRock
Global Dividend (Dynamic)	31.09	1,594.7	3.0	10.4	12.5	12.5	15.0	13.6	12.6	3.55	Dynamic
Global Equity	29.69	133.5	2.6	6.8	15.7	15.7	14.2	8.7	10.7	3.52	Industrial Alliance
Global Opportunities (Loomis Sayles)	12.16	99.6	1.2	7.6	17.9	17.9	19.1*	14.5*	13.4*	3.96	Loomis Sayles
Fidelity NorthStar®	23.54	147.9	1.2	(0.6)	6.2	6.2	9.1	4.5	9.9	3.75	Fidelity
International Equity Index (BlackRock)	11.95	222.9	3.2	1.6	7.2	7.2	7.5	5.2	7.3	3.04	BlackRock
International Equity	21.99	437.9	2.8	0.3	0.6	0.6	7.2	4.7	6.9*	3.68	Industrial Alliance
Fidelity European Equity	14.26	45.9	4.6	3.5	8.5	8.5	5.8	4.1	6.7	3.77	Fidelity
U.S. Equity Index (BlackRock)	30.70	522.4	2.6	9.8	23.5	23.5	18.9	13.3	15.2	3.04	BlackRock
Thematic Innovation	24.80	1,004.5	1.0	6.6	16.8	16.8	20.5*	14.8*	-	3.97	Industrial Alliance
U.S. Equity	27.98	134.6	2.5	9.9	23.7	23.7	17.7	9.9	13.0	3.41	Industrial Alliance
U.S. Dividend Growth	25.19	238.2	4.6	11.4	21.1	21.1	14.6	8.3	11.4	3.54	Industrial Alliance
<b>Specialty Funds</b>											
Asian Pacific (Dynamic)	12.83	227.6	(4.5)	(7.1)	(11.9)	(11.9)	16.9	12.1	9.7	3.34	Dynamic
Emerging Markets (Jarislowsky Fraser)	11.00	56.6	(0.6)	(4.0)	(9.7)	(9.7)	4.9*	4.7*	-	4.42	Jarislowsky Fraser
Global Health Care (Renaissance)	44.79	339.9	5.1	2.7	7.4	7.4	10.4	8.2	14.1	3.82	CIBC
Real Estate Income	43.53	149.7	5.8	7.3	29.6	29.6	10.7	7.7	6.9	2.96	Industrial Alliance
U.S. DAQ Index	31.06	1,108.7	(0.6)	10.0	22.1	22.1	30.1	22.8	21.7	3.24	Industrial Alliance
<b>Education Savings Plan</b>											
Diploma Elementary	20.70	1,351.9	1.9	3.4	8.3	8.3	9.0	5.3	5.5	3.62	Industrial Alliance
Diploma Secondary	12.36	542.0	1.1	1.4	0.9	0.9	2.8	1.1	0.8	3.61	Industrial Alliance
<b>Not offered to new contract subscribers</b>											
Diploma	17.32	102.2	2.1	3.6	6.3	6.3	8.4	5.1	5.7	3.64	Industrial Alliance
Dividend	67.59	1,060.7	4.6	7.2	23.4	23.4	12.6	6.7	7.8	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 December 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	0.2	0.2	0.9	0.9	0.9
FTSE Canada Short Term Bond Index	0.4	(0.5)	(0.9)	(0.9)	2.5	1.9	2.0
FTSE Canada Universe Bond Index	1.7	1.5	(2.5)	(2.5)	4.2	3.3	3.3
SB - World Government Bonds (Can. \$)	(2.1)	(1.4)	(7.8)	(7.8)	0.1	1.7	3.2
<b>Indexes related to Canadian Equity Funds</b>							
S&P/TSX 60	3.4	7.8	28.0	28.0	18.1	10.8	9.9
S&P/TSX Completion Index	1.7	1.9	14.9	14.9	15.4	7.4	6.8
S&P/TSX Composite Index	3.1	6.5	25.1	25.1	17.5	10.0	9.1
S&P/TSX Capped Composite Index	3.1	6.5	25.1	25.1	17.5	10.0	9.1
<b>Indexes related to U.S. &amp; International Equity Funds</b>							
S&P 500 (Can. \$) (Reuters)	2.9	10.7	27.6	27.6	22.8	17.1	19.1
MSCI - World (Can. \$)	2.7	7.5	20.8	20.8	18.6	13.6	15.2
MSCI - World Small Cap. (Can. \$)	2.2	2.0	15.2	15.2	16.6	11.5	15.3
MSCI - EAFE (Can. \$)	3.5	2.4	10.3	10.3	10.6	8.2	10.4
MSCI - EAFE (Can. \$) (Reuters)	3.5	2.4	10.3	10.3	10.6	8.2	10.4
MSCI - Europe (Can. \$)	5.0	5.4	16.0	16.0	12.6	9.4	11.2
<b>Index related to Specialty Funds</b>							
MSCI - AC Asian Pacific Free (Can. \$)	0.4	(2.1)	(2.0)	(2.0)	9.5	8.9	10.7
MSCI - Emerging Markets (Can. \$)	0.4	(1.5)	(3.1)	(3.1)	8.5	8.9	8.2
MSCI - World Health Care (Can. \$)	5.8	7.7	19.3	19.3	16.3	14.7	17.6
NASDAQ 100 (Can. \$)	(0.4)	10.8	25.5	25.5	33.6	25.8	24.4
S&P/TSX Capped REIT Index	6.6	8.4	35.1	35.1	13.0	11.0	8.7
<b>Exchange Rate (Can. \$ / US \$)</b>							
As at December 31, 2021: 1.2632	(1.5)	(0.3)	(0.9)	(0.9)	(2.6)	(1.2)	2.2
<b>Exchange Rate (US \$ / Can. \$)</b>							
As at December 31, 2021: 0.7917	1.6	0.3	0.9	0.9	2.6	1.2	(2.1)

<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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**In brief**

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