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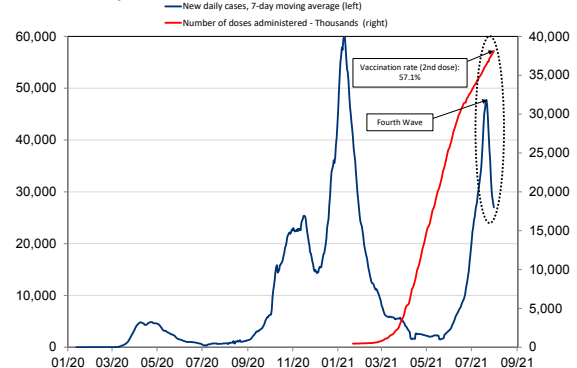
Commerce: inflationist pressure persists

World

The vaccination campaign continues around the world. Although the percentage of the population who have received their second dose has increased, some regions are seeing a significant increase in the number of daily new injections. This is the case in England, where a fourth wave is being felt. As shown in the graph, although England has a complete vaccination rate of 57.1% and is ranked fourth in the world in this regard, we can see an increase in cases similar to the biggest wave which occurred at the beginning of the year. The Delta variant, which is more contagious, would be the cause. Luckily, studies show that vaccines remain effective against the Delta variant, which, for the time being, are helping to maintain lower hospitalization rates. In the coming weeks, we will have to monitor how the situation with this variant evolves.

COVID-19: Delta variant causes a surge in U.K. cases

Data from Bloomberg

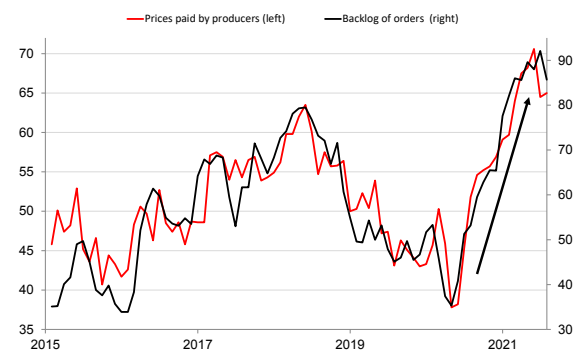


North America

The reopening of the economy has been marked by the renewed consumption of goods. In 2020, the global distribution chain was put on pause as demand was almost non-existent. However, over the last few months, demand for goods has exploded. Under normal circumstances, the distribution chain is designed to deal with seasonal demand, but not to stop and restart in an effective manner. The result? There has been a significant increase in the number of backlogged orders. At the same time, the prices paid by manufacturers have increased just as rapidly, a result of delivery costs, which have skyrocketed. As a result of this, several manufacturers are trying to raise these costs, which could continue to apply inflationist pressure in the short term.

North America: backlog orders are creating inflationist pressures

Purchasing manager index (ISM), data from Bloomberg

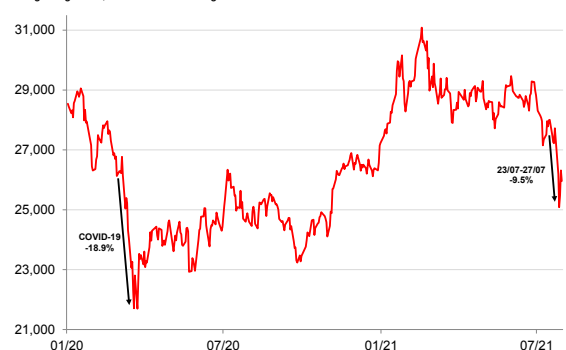


Financial markets

July was marked by a burst of volatility in the Asian markets. Rumours regarding the implementation of regulations limiting profits in the private education sector were released by Chinese authorities. This sector has seen the strongest growth, followed by the Internet, e-commerce and private healthcare. As the graph shows, Hong Kong's Hang Seng Index plummeted by 9.5% in the days following the government's announcement. The impact was also felt in a broader sense in several Asian countries, which pushed down the market index in emerging countries over the course of the month. The message behind the government's action is clear: controlling the country's socioeconomic issues remains a priority despite the turbulence it may cause in the markets.

Wall Street: Chinese government interventionism causes a selloff on various Asian exchanges

Hang Seng Index, data from Bloomberg

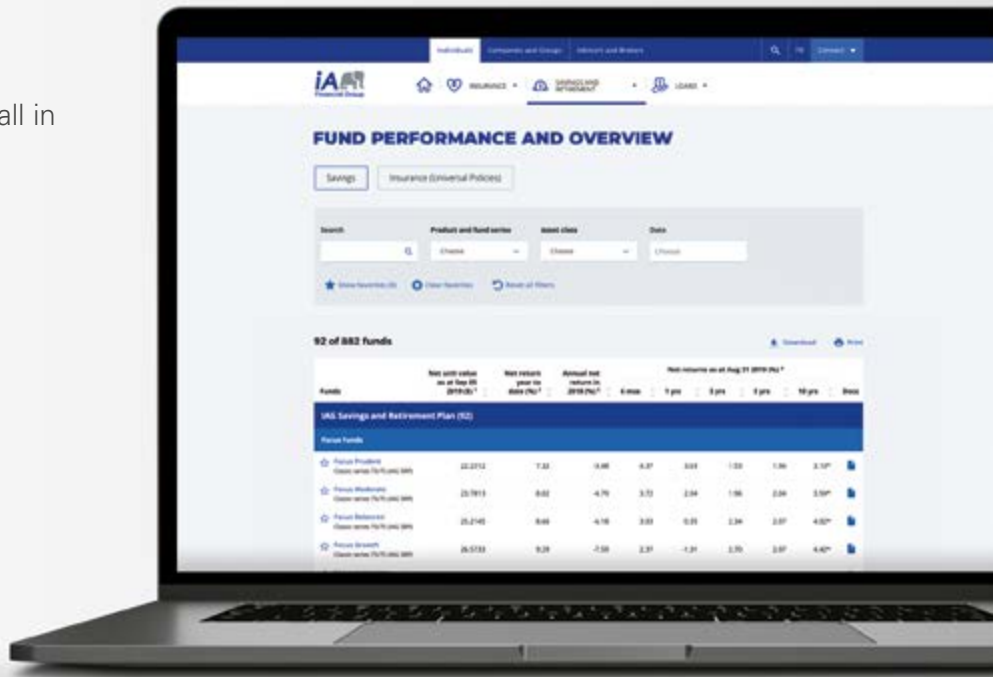


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Economic and Financial Statistics as at July 31 2021

	As at 2021-07-31 ¹	As at 2020-12-31
Canada - Unemployment rate	7.5%	8.6%
Canada - CPI (year/year variation)	3.1%	1.0%
Canada - GDP (year/year variation)	14.6%	-3.5%
U.S. - Unemployment rate	5.4%	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	0.45%	0.20%
10-year Canada Bonds	1.20%	0.68%
Oil (West Texas) (US \$)	66.32	48.52
Gold (US \$)	1,823.2	1,897.8
CRB Commodities Index (US \$)	218.1	167.8
Exchange rate Can. \$/US \$	1.2484	1.2740

¹ Most recent data available at such date.

Table of net returns as at July 31 2021

Ecoflex / My Education / APEX

	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	18.05	266.2	0.5	2.1	0.6	3.7	3.5	2.0	2.5	3.20	Various Managers
Focus Moderate	19.86	327.2	0.6	2.5	2.5	7.3	4.1	2.9	3.3	3.26	Various Managers
Focus Balanced	21.71	484.4	0.6	2.8	4.4	11.1	4.6	3.9	4.0	3.28	Various Managers
Focus Growth	23.55	166.8	0.6	3.2	6.2	14.6	5.2	4.8	4.7	3.31	Various Managers
Focus Aggressive	25.37	54.5	0.7	3.6	8.0	18.0	5.6	5.6	5.3	3.36	Various Managers
Selection Funds											
Selection Prudent	12.12	101.4	0.6	2.3	0.7	2.9	2.4	1.7	-	2.99	Various Managers
Selection Moderate	12.38	190.3	0.5	2.3	1.7	5.4	2.4	2.1	-	3.14	Various Managers
Selection Balanced	12.99	253.2	0.5	2.6	3.6	9.2	2.7	3.0	-	3.28	Various Managers
Selection Growth	13.68	106.9	0.5	3.1	5.8	13.7	3.5	4.0	-	3.46	Various Managers
Selection Aggressive	13.90	27.8	0.7	2.9	5.8	15.7	3.5	4.3	-	3.63	Various Managers
Income Funds											
Money Market ⁵	17.37	783.1	-	-	-	0.1	0.5	0.4	0.3	1.68	Industrial Alliance
Short Term Bond	15.66	158.2	0.1	(0.3)	(1.4)	(1.4)	1.3	0.1	0.3	2.42	Industrial Alliance
Bond ⁵	30.58	3,361.1	0.7	1.9	(3.5)	(4.3)	2.7	0.8	1.8	2.44	Industrial Alliance
Core Plus Bond (Wellington Square)	11.36	48.2	0.5	1.5	0.9	4.1	1.8	0.9	1.0*	2.77	Wellington Square
Diversified Funds											
Diversified Security	23.18	681.0	0.5	2.2	1.6	3.9	2.9	1.7	3.0	3.18	Industrial Alliance
Diversified ⁵	49.14	2,281.7	0.5	3.4	6.5	12.3	5.0	3.7	4.7	3.18	Industrial Alliance
Diversified Opportunity	32.34	503.0	0.5	4.2	9.6	17.8	6.0	4.8	5.2	3.18	Industrial Alliance
SRI Moderate (Inhance)	10.59	49.7	1.1	2.9	2.0	7.9*	5.1*	3.5*	3.6*	3.67	Vancity
SRI Balanced (Inhance)	18.00	193.3	1.2	3.3	3.3	13.0	7.1	5.5	5.0*	3.75	Vancity
SRI Growth (Inhance)	11.08	40.2	1.3	3.6	4.2	15.9*	8.4*	6.9*	6.0*	3.86	Vancity
Diversified Income	32.53	321.0	0.5	4.1	9.1	17.0	5.5	4.8	5.4	3.04	Industrial Alliance
Strategic Income	15.82	265.8	1.5	4.3	11.0	19.3	4.7	4.6	-	3.63	iA Clarington
Global Diversified (Loomis Sayles)	18.88	931.7	2.0	4.7	7.3	11.6	9.5	9.4	6.4	3.39	Loomis Sayles
Canadian Equity Funds											
Strategic Equity Income	21.03	199.6	2.4	6.8	18.1	28.8	7.2	6.6	6.9	2.65	iA Clarington
Dividend Growth	24.63	1,139.8	0.3	5.1	14.7	25.9	5.9	6.7	6.4	2.91	Industrial Alliance
Canadian Equity Index	29.38	727.6	0.6	6.7	17.5	25.6	7.8	7.6	5.3	3.02	Industrial Alliance
Fidelity True North [®]	46.78	302.6	1.4	6.0	15.5	25.2	9.8	7.3	7.2	3.71	Fidelity
Canadian Equity Growth ⁵	40.25	881.4	0.6	5.6	17.0	29.8	8.4	8.3	6.3	3.03	Industrial Alliance
Fidelity Canadian Opportunities	65.71	511.1	2.7	7.4	16.3	34.6	19.1	12.3	9.3	3.72	Fidelity
North American Equity	59.82	129.7	1.1	5.3	13.9	27.8	7.8	7.3	4.9	3.05	Industrial Alliance

Table of net returns as at July 31 2021 (continued)

Ecoflex / My Education / APEX

	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)	30.58	96.9	1.3	4.0	8.6	19.1	7.8*	8.7*	9.2*	3.63	BlackRock
Global Dividend (Dynamic)	28.75	1,371.5	4.5	7.5	4.0	9.3	10.1	12.3	11.0	3.55	Dynamic
Global Equity	28.19	127.9	2.3	4.2	9.8	18.5	6.9	7.9	9.4	3.52	Industrial Alliance
Global Opportunities (Loomis Sayles)	11.47	55.2	2.7	6.4	11.2	18.0*	12.8*	13.3*	11.9*	3.96	Loomis Sayles
Fidelity NorthStar [®]	23.74	150.3	(0.4)	2.6	7.1	23.8	7.4	4.8	9.2	3.75	Fidelity
International Equity Index (BlackRock)	11.78	208.0	1.3	3.6	5.7	17.9	3.2	5.4	6.0	3.04	BlackRock
International Equity	22.25	549.5	1.2	1.9	1.8	11.5	2.4	4.8	5.3*	3.68	Industrial Alliance
Fidelity European Equity	13.81	44.1	0.9	2.5	5.1	13.0	0.3	3.7	5.0	3.77	Fidelity
U.S. Equity Index (BlackRock)	28.19	432.3	2.9	6.2	13.5	23.1	12.8	12.5	14.7	3.04	BlackRock
Thematic Innovation	23.47	781.5	1.7	4.7	10.5	24.2	14.9*	14.4*	-	3.97	Industrial Alliance
U.S. Equity	25.80	117.5	2.8	5.3	14.1	22.2	8.8	8.9	12.1	3.41	Industrial Alliance
U.S. Dividend Growth	22.96	211.0	2.6	4.9	10.4	17.2	5.8	6.8	10.3	3.54	Industrial Alliance
Specialty Funds											
Asian Pacific (Dynamic)	13.76	255.7	(9.3)	(1.7)	(5.5)	15.0	15.4	12.5	8.1	3.34	Dynamic
Emerging Markets (Jarislowsky Fraser)	11.62	60.0	(8.3)	(5.0)	(4.6)	10.6	4.3*	5.5*	-	4.42	Jarislowsky Fraser
Global Health Care (Renaissance)	44.18	321.5	2.4	7.9	5.9	6.9	8.5	6.2	14.1	3.82	CIBC
Real Estate Income	41.05	119.1	4.0	9.7	22.2	33.4	6.9	5.6	6.8	2.96	Industrial Alliance
U.S. DAQ Index	28.46	850.5	3.4	8.8	11.9	24.3	22.5	21.8	20.8	3.24	Industrial Alliance
Education Savings Plan											
Diploma Elementary	20.31	1,301.9	0.6	3.9	6.2	11.4	6.1	5.1	5.2	3.62	Industrial Alliance
Diploma Secondary	12.35	502.9	0.5	2.0	0.8	1.9	2.1	0.7	0.9	3.61	Industrial Alliance
Not offered to new contract subscribers											
Diploma	16.97	119.6	1.1	3.7	4.2	7.7	5.5	4.9	5.4	3.64	Industrial Alliance
Dividend	63.18	994.9	0.3	5.3	15.3	26.7	6.2	6.9	6.9	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, under Individuals, Savings and Retirement, Economic and Financial Publications.

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).

⁴ Fund closed to new investments as of June 30th, 2015.

⁵ 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 indexes²

Returns as at July 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	1.1	0.9	0.9
FTSE Canada Short Term Bond Index	0.4	0.3	(0.2)	0.6	3.2	2.0	2.2
FTSE Canada Universe Bond Index	1.0	2.6	(2.5)	(2.7)	4.8	2.7	3.8
SB - World Government Bonds (Can. \$)	2.5	2.9	(5.2)	(7.9)	2.8	1.0	4.1
Indexes related to Canadian Equity Funds							
S&P/TSX 60	0.8	7.6	19.6	29.5	11.1	10.9	8.5
S&P/TSX Completion Index	0.7	4.3	13.4	27.9	9.4	7.6	5.8
S&P/TSX Composite Index	0.8	6.9	18.2	29.1	10.7	10.1	7.8
S&P/TSX Capped Composite Index	0.8	6.9	18.2	29.1	10.7	10.1	7.8
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	3.2	7.1	15.6	27.2	16.5	16.3	18.5
MSCI - World (Can. \$)	2.6	6.3	12.8	25.9	12.9	13.3	14.1
MSCI - World Small Cap. (Can. \$)	0.1	1.9	12.0	36.7	10.4	12.5	14.2
MSCI - EAFE (Can. \$)	1.6	4.4	7.4	21.4	6.2	8.4	9.0
MSCI - EAFE (Can. \$) (Reuters)	1.6	4.4	7.4	21.4	6.2	8.4	9.0
MSCI - Europe (Can. \$)	2.7	6.4	12.1	24.1	7.2	9.5	9.7
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	(4.2)	(2.3)	(2.1)	14.1	7.0	9.6	9.5
MSCI - Emerging Markets (Can. \$)	(5.9)	(2.9)	(1.6)	12.8	6.8	9.8	6.8
MSCI - World Health Care (Can. \$)	4.6	10.8	12.1	14.8	13.9	11.7	17.5
NASDAQ 100 (Can. \$)	3.6	9.5	13.7	27.8	25.6	24.8	23.5
S&P/TSX Capped REIT Index	4.6	11.2	27.1	38.7	10.3	8.5	8.6
	Variation			Compound annual variation			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Exchange Rate (Can. \$ / US \$)							
As at July 31 2021: 1.2484	0.8	1.5	(2.0)	(6.8)	(1.4)	(0.6)	2.8
Exchange Rate (US \$ / Can. \$)							
As at July 31 2021: 0.8011	(0.8)	(1.5)	2.1	7.3	1.4	0.9	(2.7)

¹ The rates for the period are non-annualized.

² 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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