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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

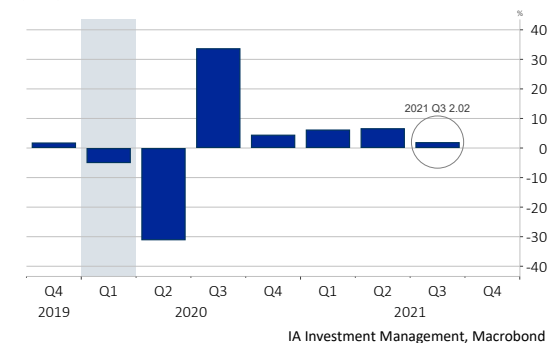


### North America

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**

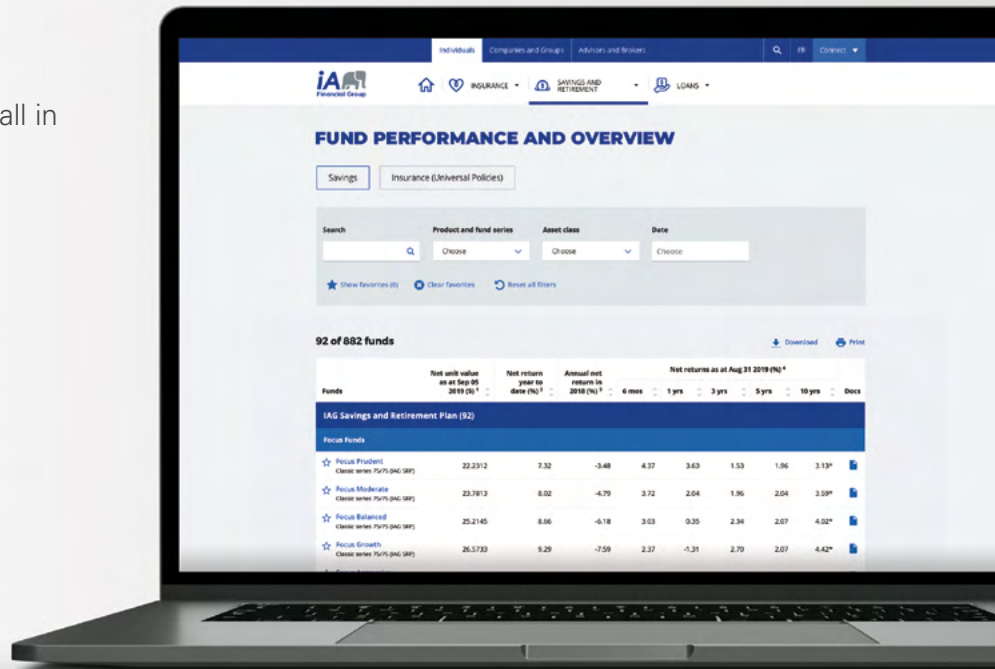


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## Economic and Financial Statistics as at October 31, 2021

	As at 2021-10-31 <sup>1</sup>	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

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

# Table of net returns as at October 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	17.89	287.9	0.3	(0.9)	(0.3)	4.2	4.3	1.9	2.5	3.20	Various Managers
Focus Moderate	19.84	347.1	1.0	(0.1)	2.4	8.6	5.6	2.9	3.4	3.26	Various Managers
Focus Balanced	21.86	508.3	1.7	0.7	5.2	13.2	6.8	4.0	4.3	3.28	Various Managers
Focus Growth	23.87	174.5	2.3	1.3	7.6	17.4	7.9	5.0	5.2	3.31	Various Managers
Focus Aggressive	25.86	56.6	2.9	2.0	10.1	21.6	8.9	5.9	6.1	3.36	Various Managers
<b>Selection Funds</b>											
Selection Prudent	11.99	115.7	0.4	(1.0)	(0.4)	3.8	3.1	1.5	-	2.99	Various Managers
Selection Moderate	12.29	188.8	0.6	(0.8)	0.9	6.5	3.5	1.9	-	3.14	Various Managers
Selection Balanced	13.00	253.8	1.5	0.1	3.7	11.3	4.4	2.8	-	3.28	Various Managers
Selection Growth	13.80	109.6	2.1	0.9	6.8	17.0	5.8	4.0	-	3.46	Various Managers
Selection Aggressive	14.14	28.3	3.0	1.7	7.6	20.3	6.4	4.4	-	3.63	Various Managers
<b>Income Funds</b>											
Money Market <sup>5</sup>	17.37	691.5	-	-	-	0.1	0.4	0.4	0.3	1.68	Industrial Alliance
Short Term Bond	15.41	171.6	(1.1)	(1.6)	(3.0)	(2.7)	0.9	(0.2)	0.1	2.42	Industrial Alliance
Bond <sup>5</sup>	29.69	3,399.2	(1.2)	(2.9)	(6.3)	(5.1)	2.2	0.4	1.3	2.44	Industrial Alliance
Core Plus Bond (Wellington Square)	11.24	53.5	(0.6)	(1.1)	(0.2)	2.4	1.6	0.6	0.9*	2.77	Wellington Square
<b>Diversified Funds</b>											
Diversified Security	22.87	678.3	0.3	(1.3)	0.2	4.5	3.7	1.5	2.9	3.18	Industrial Alliance
Diversified <sup>5</sup>	49.24	2,305.7	1.7	0.2	6.7	14.5	7.1	3.8	4.9	3.18	Industrial Alliance
Diversified Opportunity	32.71	515.9	2.6	1.2	10.8	21.2	8.9	5.0	5.7	3.18	Industrial Alliance
SRI Moderate (Inhance)	10.49	60.0	0.7	(0.9)	1.0	7.2	5.9*	3.4*	3.6*	3.67	Vancity
SRI Balanced (Inhance)	18.03	214.2	1.7	0.1	3.5	11.9	8.7	5.6	5.2*	3.75	Vancity
SRI Growth (Inhance)	11.18	51.1	2.4	1.0	5.2	14.9	10.6*	7.1*	6.4*	3.86	Vancity
Diversified Income	32.96	327.4	2.6	1.3	10.6	20.5	8.4	5.0	6.0	3.04	Industrial Alliance
Strategic Income	16.08	288.8	2.6	1.6	12.8	21.2	6.4	4.6	-	3.63	iA Clarington
Global Diversified (Loomis Sayles)	19.14	1,049.6	2.7	1.4	8.7	14.7	12.1	9.7	7.0	3.39	Loomis Sayles
<b>Canadian Equity Funds</b>											
Strategic Equity Income	21.79	212.1	4.7	3.6	22.4	34.8	10.1	7.2	7.7	2.65	iA Clarington
Dividend Growth	25.72	1,205.3	4.7	4.4	19.8	33.9	10.0	7.1	7.1	2.91	Industrial Alliance
Canadian Equity Index	30.52	739.7	5.1	3.9	22.1	35.8	12.3	7.9	6.2	3.02	Industrial Alliance
Fidelity True North <sup>®</sup>	48.77	325.4	4.5	4.2	20.4	35.5	14.0	8.2	8.1	3.71	Fidelity
Canadian Equity Growth <sup>5</sup>	41.97	906.1	4.5	4.3	22.0	38.6	13.2	8.7	7.4	3.03	Industrial Alliance
Fidelity Canadian Opportunities	67.62	589.9	4.3	2.9	19.7	36.2	21.4	12.7	10.1	3.72	Fidelity
North American Equity	62.05	132.6	4.4	3.7	18.1	34.2	12.6	7.8	5.8	3.05	Industrial Alliance

## Table of net returns as at October 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)	31.06	144.7	2.5	1.6	10.3	22.4	10.7	8.9*	9.9*	3.63	BlackRock
Global Dividend (Dynamic)	29.58	1,478.5	5.1	2.9	7.1	13.1	12.0	13.0	12.1	3.55	Dynamic
Global Equity	28.54	129.7	2.6	1.3	11.2	22.7	11.0	8.3	10.0	3.52	Industrial Alliance
Global Opportunities (Loomis Sayles)	11.77	78.1	4.2	2.6	14.2	21.9	17.1*	14.0*	12.9*	3.96	Loomis Sayles
Fidelity NorthStar®	23.49	150.0	(0.8)	(1.1)	5.9	20.8	8.9	4.5	9.8	3.75	Fidelity
International Equity Index (BlackRock)	11.76	214.4	-	(0.2)	5.5	21.2	6.4	5.1	6.7	3.04	BlackRock
International Equity	21.79	529.8	(0.6)	(2.1)	(0.3)	12.9	5.7	4.2	6.3*	3.68	Industrial Alliance
Fidelity European Equity	13.95	45.0	1.2	1.0	6.1	23.6	3.8	4.0	6.2	3.77	Fidelity
U.S. Equity Index (BlackRock)	29.20	470.2	4.4	3.6	17.5	28.6	15.3	13.3	15.0	3.04	BlackRock
Thematic Innovation	24.26	911.9	4.3	3.3	14.2	28.6	17.9*	15.6*	-	3.97	Industrial Alliance
U.S. Equity	26.53	125.5	4.3	2.8	17.3	27.5	13.0	9.7	12.6	3.41	Industrial Alliance
U.S. Dividend Growth	23.58	221.1	4.3	2.7	13.4	20.1	9.9	7.8	10.8	3.54	Industrial Alliance
<b>Specialty Funds</b>											
Asian Pacific (Dynamic)	13.51	252.7	(2.2)	(1.8)	(7.2)	1.6	21.2	11.5	9.6	3.34	Dynamic
Emerging Markets (Jarislowsky Fraser)	11.33	59.5	(1.1)	(2.5)	(6.9)	1.3	8.2*	4.0*	-	4.42	Jarislowsky Fraser
Global Health Care (Renaissance)	43.53	328.5	(0.1)	(1.5)	4.3	9.9	8.9	8.1	14.1	3.82	CIBC
Real Estate Income	42.81	137.7	5.5	4.3	27.4	43.1	8.9	7.7	7.2	2.96	Industrial Alliance
U.S. DAQ Index	29.74	998.9	5.3	4.5	16.9	29.5	25.8	22.0	20.9	3.24	Industrial Alliance
<b>Education Savings Plan</b>											
Diploma Elementary	20.38	1,320.7	1.8	0.4	6.6	14.5	7.9	5.2	5.4	3.62	Industrial Alliance
Diploma Secondary	12.22	513.0	0.3	(1.0)	(0.2)	3.1	2.5	0.7	0.8	3.61	Industrial Alliance
<b>Not offered to new contract subscribers</b>											
Diploma	16.93	104.8	1.2	(0.3)	3.9	10.2	7.1	4.8	5.5	3.64	Industrial Alliance
Dividend	66.09	1,038.7	4.8	4.6	20.6	34.7	10.4	7.4	7.5	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 October 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	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
<b>Indexes related to Canadian Equity Funds</b>							
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
<b>Indexes related to U.S. &amp; International Equity Funds</b>							
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
<b>Index related to Specialty Funds</b>							
MSCI - AC Asian Pacific Free (Can. \$)	(2.1)	-	(2.1)	9.2	10.4	8.4	10.2
MSCI - Emerging Markets (Can. \$)	(1.2)	(1.1)	(2.7)	9.1	10.5	8.1	7.6
MSCI - World Health Care (Can. \$)	2.0	0.9	13.0	21.4	14.6	13.9	17.6
NASDAQ 100 (Can. \$)	5.6	5.2	19.7	33.3	29.0	25.0	23.7
S&P/TSX Capped REIT Index	6.0	3.9	32.1	51.5	11.6	11.2	9.0
	Variation			Compound annual variation			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
<b>Exchange Rate (Can. \$ / US \$)</b>							
As at October 31, 2021: 1.2396	(2.2)	(0.7)	(2.7)	(7.0)	(1.9)	(1.6)	2.2
<b>Exchange Rate (US \$ / Can. \$)</b>							
As at October 31, 2021: 0.8067	2.2	0.7	2.8	7.6	1.9	1.6	(2.2)

<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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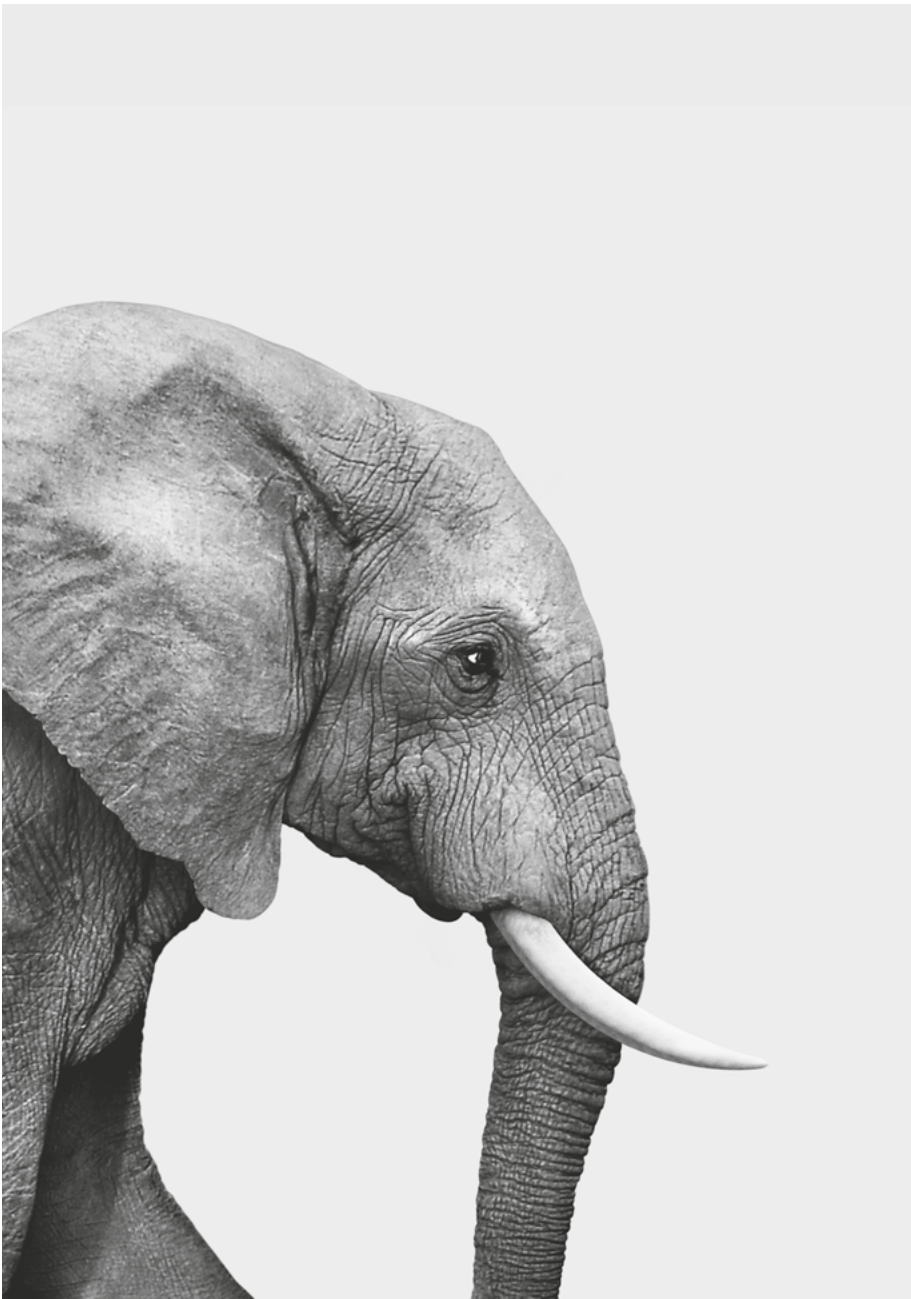
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**In brief**

Ecoflex

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