



SUSTAINABLE INVESTMENT FUNDS

Investing for the future



Responsible investment is growing in popularity as investors realize that their financial interests and their environmental, ethical and social values go hand in hand.

What is responsible investing?

It's a type of investment that integrates analysis of environmental, social and governance (ESG) factors into financial analysis in order to select the best performing companies in a portfolio or fund from a sustainable development perspective. Other strategies also involve excluding or selecting certain types of companies or sectors when selecting securities (positive or negative screening).

Integrating ESG criteria into a decision-making process leads to a better understanding of companies' sustainability practices by identifying potential risks and opportunities while considering traditional financial analysis.

Responsible or sustainable funds combine the best of both worlds: strong long-term growth potential and positive social, environmental and governance impact.

Choosing a sustainable investment fund is...

An ideal solution for investors who want to invest responsibly while pursuing their financial objectives.

Investing in "sustainable" companies that promote long-term growth while balancing the interests of shareholders, clients, employees and communities.

An integrated approach that seamlessly combines analysis of environmental, social and governance (ESG) factors with fundamental financial analysis

Carefully chosen funds

To meet our clients' values and needs, offering a well-diversified range of investment funds is essential. Therefore, following an in-depth analysis by the Group Savings and Retirement investment team of specialists, six sustainable investment funds were selected.

To be considered, managers and funds had to meet the following criteria:

- United Nations' *Principles for Responsible Investment* (PRI) signatory
- Renowned institutional manager
- Leader in ESG (environmental, social and governance) investment
- In-house team with expertise in ESG criteria analysis
- Robust and well-established process for ESG criteria analysis
- Superior performance compared to the index and the median in its category

All the investment funds that are part of our offering incorporate ESG criteria at various levels, since all our external fund managers are PRI signatories. But the selected sustainable investment funds go even further in promoting sustainable change.

While each fund has its own characteristics and process for evaluating ESG criteria, they share two common aspects:

- Fossil fuel free
- Low carbon footprint

What is a "fossil fuel free fund"?

This is an investment fund that does not invest in companies whose main activities include the extraction, production or distribution of fossil fuels. For example, this means that no investments are made in:

- Production of oil, gas or coal
- Operation or distribution of liquefied natural gas

What is the carbon footprint of a fund?

The carbon footprint of a portfolio is a calculation of the emissions generated by the companies held in the portfolio (proportional to the quantity of shares held in the portfolio). Measuring the carbon footprint of a portfolio allows you to compare it with its benchmark index or peers.

Green Bond

AlphaFixe
Capital

Responsible Fossil Fuel
Free Bond

iA
Investment Management

Canadian Ethical Equity
Fossil Fuel Free

FIERACAPITAL

Canadian Equity
Fossil Fuel Free

JARISLOWSKY FRASER

Global Equity
Fossil Fuel Free

JARISLOWSKY FRASER

Global Stewardship
Equity

BAILLIE GIFFORD

Four stakeholders in ESG factors

ESG factors are examined through the eyes of four key stakeholders: shareholders, customers, employees and communities. To be considered a responsible investment, a company must take into consideration the interests of these four stakeholders and strike a balance between environmental performance, social responsibility, corporate governance and the drive for profitability. The following are examples of factors considered for each category.

<p>Environmental</p> 	<p>Environmental protection</p>	<p>Fight against climate change</p>	<p>Resource sustainability</p>	<p>Pollution reduction</p>
<p>Social</p> 	<p>Relationships with employees, clients and communities</p>	<p>Work conditions</p>	<p>Health and safety</p>	<p>Respect for local communities</p>
<p>Governance</p> 	<p>Governance practices</p>	<p>Executive compensation</p>	<p>Anti-corruption practices</p>	<p>Board of director diversity</p>



A SUSTAINABLE TREND

72% of investors are interested in responsible investments that incorporate ESG criteria.

Responsible investment assets grew from \$2.1 trillion at the end of 2017 to \$3.2 trillion as of December 31, 2019, **representing an increase of approximately 50% in assets under management over two years.**

Source: Responsible Investment Association

RESPONSIBLE
INVESTMENT:
a sustainable
future without
compromising
on performance



	Manager	Code	Annualized returns as of December 31, 2020		
			1 year	2 years	3 years
Green Bond	AlphaFixe Capital	383	8.83%	8.14%	6.01%
Responsible Fossil Fuel Free Bond	iA Investment Management	587	9.13%	8.3%	5.92%
Canadian Ethical Equity Fossil Fuel Free	Fiera Capital	384	7.84%	10.87%	11.07%
Canadian Equity Fossil Fuel Free	Jarislowky Fraser	385	8.6%	16.1%	8.8%
Global Equity Fossil Fuel Free	Jarislowky Fraser	386	14.7%	18.9%	13.1%
Global Stewardship Equity	Baillie Gifford	387	58.2%	39.6%	-

To learn more about the sustainable investment funds offered by iA Financial Group, consult the documentation available on the Fund performance and overview page on ia.ca (ia.ca/business/funds) or contact your Account Executive.

Taking positive, united action: much more than a fund offering for iA Financial Group!

Beyond the sustainable investment funds offered by iA Financial Group, sustainable development is about values. As an organization, our role is to serve the interests of all our stakeholders—our clients, our employees, our communities and our shareholders. In providing balanced support for each of these actors, we create long-term value.

Discover, in our sustainability report, the solutions we have put in place and are measuring to ensure that we and future generations can live in the best possible environment.

iA Financial Group has been certified carbon neutral since January 1, 2020!

For more details, visit our website at ia.ca/sustainable-development



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