

# Desjardins

## SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2021



PORTFOLIO MANAGER:  
ClearBridge Investments

INCEPTION DATE:  
June 14, 2016

CIFSC CATEGORY\*:  
U.S. Equity

### Contributors to performance

- Stock selection in the financials sector

### Detractors from performance

- Stock selection in the materials, information technology, communication services and consumer staples sectors
- An underweight to the energy sector

### Major changes to portfolio in the period

- Addition of Cisco Systems (CSCO) in the portfolio with an average weight of 0.35% and a weight of 1.54% at quarter end.
  - Cisco provides IT and networking services in the form of network security, software development and cloud computing. Cisco continues to derive over 50% of its sales from on-premise deployments of its products of enterprise and small and midsize customers, while recurring revenues from software are becoming a larger part of the mix. Return-to-office enterprise spending should offer upside to its core campus business.
  - Cisco was an early technology leader in sustainability over two decades ago, through its Internet-connecting capabilities which supported live concerts in partnership with the United Nations Development Program to raise awareness and funds to fight poverty. Cisco has very strong environmental standards (including driving lower energy consumption in IT departments through new product innovations and a longstanding goal to reduce emissions and reliance on non-renewable energy sources). Its data privacy and supply chain management policies are best in class. The company has also been a good sustainability discloser in terms of its operational data, but we plan to engage the company on its diversity and inclusion policy.
- Addition of salesforce.com (CRM) in the portfolio with an average weight of 0.95% and a weight of 1.31% at quarter end.

# Desjardins

## SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2021



PORTFOLIO MANAGER:  
ClearBridge Investments

INCEPTION DATE:  
June 14, 2016

CIFSC CATEGORY\*:  
U.S. Equity

### Major changes to portfolio in the period (cont'd)

- Salesforce.com is a software-as-a-service (SaaS) company which develops software for customer relationship management. It is well-positioned in the most attractive end markets in software and will benefit from secular drivers such as remote work and the digital transformation.
- Addition of salesforce.com (CRM) in the portfolio with an average weight of 0.95% and a weight of 1.31% at quarter end.
  - Salesforce.com is a software-as-a-service (SaaS) company which develops software for customer relationship management. It is well-positioned in the most attractive end markets in software and will benefit from secular drivers such as remote work and the digital transformation.
  - Salesforce.com is a sustainability leader as well, with a commitment to carbon-neutral cloud, toward which it has set a goal of 100% renewable energy for global operations by fiscal year 2022. The company has a strong focus on equality, in terms of equal rights, pay, education and opportunity. As a data company it has been leading on workforce disclosures and seeks to have 50% of its U.S. workforce made up of underrepresented groups by 2024.
- Addition of Shoals Technologies (SHLS) in the portfolio with an average weight of 0.10% and a weight of 1.06% at quarter end.
  - Shoals manufactures electric balance of systems (EBOS) components for ground-mounted solar projects and has been gaining market share for quality of service and price. The company has been primarily operating in the U.S. but is planning to expand internationally with its patented technology, and we see attractive secular growth in Shoals's end markets.

# Desjardins

## SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2021



PORTFOLIO MANAGER:  
**ClearBridge Investments**

INCEPTION DATE:  
**June 14, 2016**

CIFSC CATEGORY\*:  
**U.S. Equity**

### Major changes to portfolio in the period (cont'd)

- Addition of SunOpta (STKL) in the portfolio with an average weight of 0.02% and a weight of 0.29% at quarter end.
  - SunOpta is a global healthy, food and beverage company with a strong focus on sustainability. It produces plant-based milks and bases, and processes frozen fruit and fruit-based snacks and ingredients. It is focused on organic and non-GMO ingredients and goes to market through private label, co-manufacturing and its own brands. Over 50% of SunOpta's revenues come from plant-based food and beverages. This is an area with significant runway for growth as non-dairy milks are rapidly taking share from the declining dairy market. The company is expanding its capacity and capabilities in this market as it prepares to continue to benefit from this adoption.
  - On a variety of metrics, land usage, water usage, and greenhouse gas emission, plant-based milk alternatives have a lower impact than dairy milk.

\*CIFSC refers to Canadian Investment Funds Standards Committee. The CIFSC has the mandate to standardize the classification of mutual funds in Canada. <http://www.cifsc.org/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.

The Desjardins brand is a trademark of the Fédération des caisses Desjardins du Québec, used under licence.