

# Desjardins SocieTerra

## Canadian Equity Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2023

#### PORTFOLIO MANAGER:

Desjardins Global Asset Management

#### INCEPTION DATE:

November 15, 2017

#### CIFSC CATEGORY\*:

Canadian Equity

### Contributors to relative performance

- The sectors positively contributed to the fund's performance were Industrials (+0.4% versus the benchmark) and Information Technology (+0.17%).
- In the Industrials sector, RB Global Inc. posted a +5.07% return, adding 10.4 basis points due to its overweighting in the fund. In the Information Technology sector, Palo Alto Networks Inc. posted a +27.92% return, contributing 22.2 basis points to relative performance.

### Detractors from relative performance

- Utilities and Consumer Staples detracted from the fund's relative performance (-0.45% and -0.26%, respectively).
- In Utilities, Northland Power Inc. (-17.63%) brought the fund's performance down by 28.9 basis points due to its overweighting in the fund. In Consumer Discretionary, Restaurant Brands International Inc. (+14.02%) brought the fund's performance down by 15.4 basis points due to the stock's absence from the portfolio.

### Major changes to portfolio in the period

- The 4 largest transactions in the quarter were:
  - Purchase of 1.22% of Thomson Reuters shares
  - Purchase of 1.2% of Teck Resources Ltd
  - Sale of 0.75% of Air Canada shares
  - Sale of 0.63% of Granite REIT

### ESG Analysis

The Desjardins SocieTerra Canadian Equity Fund aims to provide long-term capital appreciation by investing primarily in equity securities of Canadian corporations. The fund follows a responsible investing approach with the goal of achieving a higher quality score than its benchmark, based on environmental, social and governance (ESG) criteria.

For the second quarter of 2023, the fund achieved a quality score of 7.6 on the MSCI scale. The S&P/TSX Composite Index (excluding Energy and Utilities) scored 7.2 for the reporting period. The portfolio

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**ESG Analysis (cont'd)**

allocation in corporate securities with an ESG rating of A or higher was 71%, while it was 62% for the benchmark. Picks of higher-scoring companies in Financials, Information Technology and Materials had a positive impact on the strategy's overall quality score. The SocieTerra fund differs from its benchmark due to a few key securities picked by the fund manager, including Bank of Nova Scotia, Microsoft and Agnico Eagle Mines.

The fund manager takes the scope of climate change risk into account when picking stocks. In Q2, the portfolio's carbon footprint was 54% lower than the average on the S&P/TSX Index.

\*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/>.

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