

Desjardins SocieTerra International Equity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023



PORTFOLIO MANAGER:
Addenda Capital

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Contributors to relative performance

- Sector performance was quite polarized. The energy sector went from a laggard at the beginning of the year to the best performing sector this period, returning 14%, supported by the performance of crude oil. Financial services and real estate followed suit with a more muted return of 3.0% and 1.1%, respectively. All other sectors were in negative territory with information technology and utilities having the lowest returns at -8.8% and -6.9%, respectively.

Detractors from relative performance

- The underperformance was mainly from stock selection with only information technology names contributing positively to performance. Luxury names in the consumer discretionary sector saw a pullback in their stock price, fueled by growth concerns around the global consumer, especially Chinese consumers.
- Our holdings **LVMH** and **Richemont** were down respectively 17.7% and 24% through the period. In the financial services space, **Worldline** (payment sector out of favor) and **Prudential** (exposure to China) detracted from performance. In consumer staples, **Pernod Ricard** was the main detractor, again impacted by a softening of the Chinese consumer.

Desjardins SocieTerra International Equity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023



PORTFOLIO MANAGER:
Addenda Capital

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Major changes to portfolio in the period

- In terms of transactions in Q3 2023, the portfolio manager crystallized gains by trimming the existing position in **Novo Nordisk** (pharmaceuticals) while also taking advantage and add to the positions in **Qiagen** (life sciences tools & services) based on valuation opportunity but also **Symrise** (specialty chemicals) to improve the risk/return profile of the portfolio.
- Lastly, the portfolio manager initiated a new position in **ResMed** (healthcare equipment). The company develops, manufactures, and markets medical equipment for the treatment of sleep disordered breathing. We believe ResMed has an appealing long-term growth potential. The company is well positioned to capitalize on the growth of the sleep apnea market, as more and more people are diagnosed with this condition.
- Given the investment criteria and portfolio characteristics, most of the companies in the portfolio are well-equipped to respond to short-term volatility. In most cases, these events do not alter the underlying long-term fundamentals of the investment themes. The portfolio manager is committed to continually upgrading the risk/return profile of the portfolio and acting on market disconnections as opportunities arise.

*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 advices 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.

Desjardins®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence.