

SocieTerra Portfolios

Quarterly commentary as of March 31, 2020



Market overview

Market performance as of March 31, 2020

	3 months	1 year	3 years	5 years	10 years
Fixed Income					
FTSE Canada Universe Bond Index	1.56	4.46	3.68	2.66	4.34
Bloomberg Barclays Multiverse Bond Index (CAD-hedged)	0.64	5.29	3.83	3.10	4.35
Growth					
MSCI Canada Index (total return)	-20.46	-14.68	-2.58	0.07	3.16
MSCI USA Index (CAD) (total return)	-11.94	-1.64	6.73	8.42	13.61
MSCI EAFE Index (CAD) (total return)	-15.29	-8.78	0.33	1.73	6.25
MSCI Emerging Markets Index (CAD) (total return)	-16.14	-12.30	0.54	1.99	4.15
MSCI ACWI ex CANADA IMI (CAD) (total return)	-14.64	-6.74	3.17	5.04	9.70

Sources: Desjardins Investments Inc., Morningstar Inc.

Comments on market performance

- The crisis caused by the COVID-19 pandemic led to a downward revision of the economic outlooks, and they remain very uncertain. This resulted in a significant pullback for all stock markets around the world.
- The Canadian market was doubly affected. In addition to the pandemic, the dispute between Saudi Arabia and Russia caused oil prices to fall to their lowest levels in almost 2 decades, accentuating the Canadian oil industry's problems.
- The COVID-19 pandemic crisis will end the longest growth cycle in U.S. history. In order to stimulate the economy, the U.S. government implemented a plan to offer US\$2,300 billion in support: nearly three times the amount of the stimulus package for the 2008 financial crisis.
- The unprecedented stimulus packages from governments and the recent data on the spread of COVID-19 contributed to an initial rebound at the end of March that continued during the first weeks of April.
- In response to the expected drop in the global economy, the Federal Reserve and the Bank of Canada decreased their key rates by 150 basis points over the quarter to a target rate of 0 to 0.25%. Combined with the securities purchasing programs, these actions by the central banks contributed positively to bond performance.
- Most international currencies, including the Canadian dollar, fell against the U.S. dollar. Often considered a safe haven, U.S. currency remains attractive in periods of uncertainty.

Portfolio performance (A-Class) as of March 31, 2020

	3 months	1 year	3 years	5 years	10 years	Since start of operations	Start date of operations
SocieTerra Conservative Portfolio	-5.05	-0.79	1.39	1.25	3.33	4.22	2009/01/20
SocieTerra Balanced Portfolio	-7.06	-1.83	1.38	1.56	3.93	5.00	2009/01/20
SocieTerra Growth Portfolio	-8.85	-2.73	1.33	1.77	4.59	3.78	2000/01/10
SocieTerra Maximum Growth Portfolio	-11.18	-3.88	1.42	2.21	5.29	6.88	2009/01/20
SocieTerra 100% Equity Portfolio	In accordance with the legislation ineffect, information regarding returns may not be published for funds that are less than one year old.						2019/07/08

Unlike the indexes, portfolio return is established after deducting fees and expenses.

Sources: Desjardins Investments Inc.

Comments on portfolio performance as of March 31, 2020









Fixed income (A-Class return)

- The fixed income funds that make up the portfolio posted returns ranging from -0.24% to -8.05%*.
- Strong exposure to the Desjardins SocieTerra Canadian Bond Fund limited the decline in portfolio return. Conversely, the Desjardins SocieTerra Global Bond Fund was the biggest drag on overall fixed income performance.
- On the whole, overexposure to corporate bonds contributed negatively to the relative performance of bond funds.

Equity (A-Class return)

- The equity funds that make up the portfolio posted returns of between -0.45% and -18.91%.
- The Desjardins SocieTerra Positive Change Fund's relative performance (-0.45%) limited the decline in portfolio return. Conversely, the Desjardins SocieTerra Canadian Equity Fund was the biggest drag on equity performance.
- Underexposure to the energy sector and good security selection in the health sector contributed positively to the relative performance of equity funds.

Contribution to portfolio performance (A-Class) as of March 31, 2020

	Fixed income	Equity
SocieTerra Conservative Portfolio		
SocieTerra Balanced Portfolio		
SocieTerra Growth Portfolio		
SocieTerra Maximum Growth Portfolio		
SocieTerra 100% Equity Portfolio	-	-

* Return for Desjardins SocieTerra Global Bond Fund Class I shares.

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The information presented on market conditions and the strategy represents a summary of the portfolio manager's observations with respect to the markets as a whole and their strategy on the date indicated. Different points of view can be expressed based on management style, objectives, opinions or different philosophies.

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