

Desjardins

SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022

ClearBridge
Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

Contributors to relative performance

- Stock selection in the information technology (IT), industrials, health care, financials, and communication services sectors
- An overweight allocation to the consumer discretionary sector
- An underweight allocation to the communication services sector

Detractors from relative performance

- Stock selection in the consumer discretionary and materials sectors
- A lack of holdings in the energy sector

Major changes to portfolio in the period

- Addition of Bloom Energy (BE) in the portfolio with an average weight of 0.35% and a weight of 0.64% at quarter end.
 - Bloom Energy (BE), in the industrials sector, is an electrical equipment company that makes solid-oxide fuel cell systems for on-site power generation, serving a variety of industries. Its fuel cells convert natural gas, biogas or hydrogen into baseload (non-intermittent) electricity without combustion, so there is low or no carbon emission. Significant upside is expected through its ability to support the growing hydrogen economy, with a large opportunity for this in South Korea and meaningful policy support in the U.S. via the Inflation Reduction Act, while other markets include biogas, carbon capture and marine transportation.
- Addition of Shoals Technologies (SHLS) in the portfolio with an average weight of 0.22% and a weight of 0.94% at quarter end.
 - Shoals Technologies (SHLS), in the industrials sector, manufactures electric balance of systems (EBOS) components for ground-mounted solar projects and has been gaining market share for quality of service and price. Shoals is also starting to develop an EV charging infrastructure business. We previously owned Shoals and sold our position as supply chain issues were negatively affecting margins. Improving supply chain dynamics should

Desjardins

SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022

ClearBridge
Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

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

support the stock, and tax credits for clean energy production and investment in the recently passed U.S. Inflation Reduction Act should further act as a tailwind for Shoals, with its strong U.S. footprint also helping it meet domestic content thresholds for further credits; its main factory in Tennessee employs a very diverse workforce.

- Sale of Hain Celestial (HAIN) with a beginning weight of 0.96% and an average weight of 0.39% in the quarter.
 - Hain Celestial (HAIN), in the consumer staples sector, owns natural and organic brands focusing on health and wellness and prioritizing sustainable packaging. Cost inflation, exacerbated by the Ukraine war and the inflexibility of Hain Celestial's supply chain, have pressured near-term earnings power as well as the company's margin outlook; we exited our position.

*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.