

# Desjardins

## SocieTerra Canadian Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

PORTFOLIO MANAGER:  
**Desjardins Global Asset Management**

INCEPTION DATE:  
**November 15, 2017**

CIFSC CATEGORY\*:  
**Canadian Equity**

### Contributors to relative performance

- In terms of sectors, positive contributors to fund performance included healthcare (+0.10% over the benchmark) and energy (+0.07%).
- In healthcare, Bellus Health Inc. returned -24.01%, adding 2.3 basis points due to its absence from the fund. In energy, Tidewater Renewables Ltd. returned +16.19%, contributing 7.2 basis points to relative performance due to its overweighting in the fund.

### Detractors from relative performance

- Consumer discretionary and utilities detracted from the fund's relative performance (-0.28% and -0.26% respectively).
- In consumer discretionary, Restaurant Brands International Inc. (-20.18%) detracted 15.2 basis points from performance due to its absence from the fund. In the utilities sector, Boralex Inc. (-8.40%) dragged on performance by 13.6 basis points due to its overweighting in the portfolio.

### Major changes to portfolio in the period

- The 4 largest transactions over the quarter were:
  - Purchase of 1.25% of Agnico Eagle Mines Ltd.
  - Purchase of 1.09% of Wheaton Precious Metals Corp.
  - Sale of 0.81% of Canadian National Railway Co.
  - Sale of 0.38% of Evoqua Water Technologies

### 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 approach to investing with the goal of achieving a higher quality score than its benchmark, based on environmental, social and governance (ESG) criteria.

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### ESG analysis (cont'd)

- For the fourth quarter of 2022, the fund achieved a quality score of 8.8 on the MSCI scale. The S&P/TSX Index (excluding energy and utilities) scored 8.9 for the reporting period. The portfolio allocation to corporate securities with an ESG rating of A or higher was 68%, compared to 55% 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 manager takes the scope of climate change risk into account when picking stocks. In the fourth quarter, the portfolio's carbon footprint was 61% lower than the average on Canada's 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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