

# Desjardins SocieTerra

## Canadian Equity Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2023

PORTFOLIO MANAGER:

**Desjardins Global Asset Management**

INCEPTION DATE:

**November 15, 2017**

CIFSC CATEGORY\*:

**Canadian Equity**

### Contributors to relative performance

- The sectors that boosted the fund's relative performance were real estate (+0.22% versus the benchmark) and healthcare (+0.02%).
- In the real estate sector, Granite REIT returned + 22.34%, adding 8.9 basis points (bps) as a result of the stock's overweight position in the REIT. In the healthcare sector, Canopy Growth Corp. returned -22.24%, contributing 1.3 bps to relative performance due to the stock's absence from the fund.

### Detractors from relative performance

- The materials and financials sectors contributed negatively to the fund's relative performance (-0.39% and -0.38% respectively).
- In the financials sector, Toronto Dominion Bank (-6.64%) detracted 16.3 bps from the fund's performance as a result of the stock's overweight position in the fund. In the materials sector, Agnico Eagle Mines (-1.3%) detracted 29.6 bps from the fund's performance as a result of the stock's overweight position in the portfolio.

### Major changes to portfolio in the period

- The 4 largest transactions over the quarter were:
  - Purchase of 1.50% of Ritchie Bros Auctioneers
  - Purchased of 1.00% of Palo Alto Networks
  - Sale of 0.60% of Bank of Nova Scotia
  - Sale of 0.50% of Evoqua Water Technologies

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## 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.
- For the first quarter of 2023, the fund achieved a quality score of 8.6 on the MSCI scale. The S&P/TSX Index (excluding energy and utilities) scored 8.5 for the reporting period. The portfolio allocation to corporate securities with an ESG rating of A or higher was 67%, compared to 60% 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 50% 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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