

SocieTerra Portfolios

Quarterly commentary as of March 31, 2023



Market overview

Market performance as of March 31, 2023 (%)

	3 months	1 year	3 years	5 years	10 years
Fixed income					
FTSE Canada Universe Bond Index	3.22	-2.01	-1.67	0.89	1.88
Bloomberg Barclays Multiverse Bond Index (CAD-hedged)	2.75	-4.30	-2.04	0.60	1.95
Growth					
MSCI Canada Index (total return)	4.19	-5.83	16.53	7.60	7.05
MSCI USA Index (CAD) (total return)	7.47	-1.32	15.99	11.60	14.77
MSCI EAFE Index (CAD) (total return)	8.34	6.86	11.10	4.53	8.05
MSCI Emerging Markets Index (CAD) (total return)	3.83	-3.25	6.03	0.06	4.96
MSCI ACWI ex CANADA IMI Index (CAD) (total return)	6.90	0.22	13.59	7.61	11.24

Sources: Desjardins Investments Inc., Morningstar Inc.

Comments on market performance

- Inflation continued its downward trend in the first quarter of 2023. This decrease is mainly attributable to the repeated key interest rate hikes by the Bank of Canada.
- The Canadian stock market posted returns of 4.2%, according to the MSCI Canada Index (total return). This was largely due to strong performance in the materials, industrial goods and technology sectors. The energy sector declined slightly after a remarkable rise in the fourth quarter of 2022.
- With respect to bonds, the FTSE Canada Universe Bond Index posted a positive return of 3.2%, driven by strong performance from government bonds.
- In the US equity market, the MSCI USA Index (CAD) (total return) posted a return of 7.5% for the first quarter of 2023. This increase was primarily driven by the technology, consumer discretionary and telecommunication services sectors.
- With respect to emerging markets, the MSCI Emerging Markets Index (CAD) (total return) performed well, ending the quarter with a return of 3.8%. This increase is mainly due to the good performance of the Chinese market. The technology and consumer discretionary sectors also had a positive impact on the performance of the MSCI Emerging Markets Index (CAD) (total return) with their strong quarterly returns.

Portfolio performance (A-Class) as of March 31, 2023 (%)

	3 months	1 year	3 years	5 years	10 years	Since start of operations	Start date of operations
SocieTerra Conservative Portfolio	3.38	-4.97	0.60	0.97	2.03	3.45	2009/01/20
SocieTerra Moderate Portfolio	3.66	-4.82	N/A	N/A	N/A	0.63	2020/04/14
SocieTerra Balanced Portfolio	4.09	-4.62	3.95	2.86	3.53	4.78	2009/01/20
SocieTerra Growth Portfolio	4.38	-4.53	5.37	3.53	4.52	4.03	2000/01/10
SocieTerra Maximum Growth Portfolio	4.95	-4.32	8.13	5.04	6.23	7.14	2009/01/20
SocieTerra 100% Equity Portfolio	5.53	-3.95	10.90	N/A	N/A	6.39	2019/07/08

Unlike the benchmark, the portfolio's performance is net of fees and expenses
Source: Desjardins Investments Inc.

Comments on portfolio performance as of March 31, 2023

Fixed Income (A-Class return)

- All Canadian bond funds ended the first quarter of 2023 with positive returns ranging from 1.8% (SocieTerra Emerging Markets Bond Fund) to 3.0%* (Desjardins Global Government Bond Index Fund).
- Due to its weighting and performance, the Desjardins SocieTerra Canadian Bond Fund (+2.9%) contributed the most to the fixed income component of the portfolios.
- The Desjardins Global Government Bond Index Fund (+3.0%), Desjardins SocieTerra Environmental Bond Fund (+2.8%) and Desjardins SocieTerra Global Bond Fund (+2.8%) were the main contributors to the overall performance of fixed income funds.
- The Desjardins SocieTerra Emerging Markets Bond Fund (+1.8%) was the weakest contributor to overall performance of the fixed income component of the portfolios.

Growth (A-Class return)

- During the last 3 months, all of the equity funds in the portfolios posted positive returns ranging from 2.9% (Desjardins SocieTerra Low Volatility Global Equity Fund) to 11.8% (Desjardins SocieTerra International Small Cap Equity Fund).
- The Desjardins SocieTerra International Small Cap Equity Fund (+11.8%), Desjardins SocieTerra Positive Change Fund (+9.6%) and Desjardins SocieTerra International Equity Fund (+8.3%) contributed most to the strong performance of the equity component of the portfolios.
- The Desjardins SocieTerra International Equity Fund (+2.9%) was the weakest contributor to overall performance of the fixed income component of the portfolios.
- Overall, equity funds with significant investments in quality or growth stocks generally performed better. Conversely, funds with a greater focus on value or lower volatility were the biggest detractors overall during the first quarter of 2023.

* Class I performance

Contribution to portfolio performance (A-Class) as of March 31, 2023

	Fixed income	Growth
SocieTerra Conservative Portfolio	++	++
SocieTerra Moderate Portfolio	++	+++
SocieTerra Balanced Portfolio	++	+++
SocieTerra Growth Portfolio	+	+++
SocieTerra Maximum Growth Portfolio	+	+++
SocieTerra 100% Equity Portfolio	Neutral	+++

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