

# Desjardins

## SocieTerra American Equity Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2021

**ClearBridge**  
Investments

PORTFOLIO MANAGER:  
ClearBridge Investments

INCEPTION DATE:  
June 14, 2016

CIFSC CATEGORY\*:  
U.S. Equity

### Contributors to performance

- Stock selection in the health care sector

### Detractors from performance

- Stock selection in the information technology, communication services, materials, and consumer discretionary sectors

### Major changes to portfolio in the period

- Addition of Amazon.com (AMZN) in the portfolio with an average weight of 0.40% and a weight of 1.59% at quarter end.
- Addition of Thermo Fisher Scientific (TMO) to the portfolio with an average weight of 1.41% and a weight of 1.58% at quarter end.
- Addition of Progyny (PGNY) to the portfolio with an average weight of 0.64% and a weight of 1.19% at quarter end.
- Sale of Becton Dickinson (BDX) with a beginning weight of 1.64% and an average weight of 0.11% in the quarter.
  - Becton was sold to fund a new position in Thermo Fisher Scientific, which we viewed as having superior fundamentals and risk/reward characteristics. Becton also had a product recall, which negatively impacted the business, and took some executive compensation actions with which we did not agree.
- Sale of Array Technologies (ARRY) with a beginning weight of 0.64% and an average weight of 0.27% in the quarter.
  - Array was sold due to margin pressure we did not anticipate, resulting from commodity price increases and competition. We may revisit whether to own the company again in the future.

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

- Sale of Vital Farms (VITL) with a beginning weight of 0.64% and an average weight of 0.31% in the quarter.
  - Vital Farms' margins also came under pressure due to an increase in commodity prices that it was unable to pass through to end customers. This aspect of the business model is being re-evaluated by management and was not fully appreciated by us and we decided to exit the 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/>.

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