

Desjardins

SocieTerra International Equity Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2021



PORTFOLIO MANAGER:
Addenda Capital

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Contributors to performance

- Defensive sectors drove market performance in the second quarter with Health Care up 7.7%. Consumer confidence and spending gained momentum with Consumer Staples being the next best performer on an absolute basis with 6.9% return. This was a meaningful shift from the first quarter, where these sectors were the worst performers.
- On a relative basis, Consumer Staples and Consumer Discretionary were amongst the sectors that contributed the most to relative positive performance through stock selection. Additionally, our overweight in Health Care added to performance mostly through stock allocation with the next largest relative performance for the quarter. Finally, the security selection in Information Technology, but also the lack of exposure to Communication Services and Utilities, contributed to the outperformance of the portfolio over the quarter.

Detractors from performance

- The largest underperformer on a relative basis was displayed by Materials sector which detracted from performance through security selection. Industrial gas companies are the positions held in the Materials sectors. These companies operate in a near oligopoly and have, over the years, displayed a defensive and predictable earnings profile. They are also well positioned to benefit from the expected long-term growth in demand for a cleaner hydrogen.

Desjardins

SocieTerra International Equity Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2021



PORTFOLIO MANAGER:
Addenda Capital

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Major changes to portfolio in the period

- In terms of transactions, we crystalized some gains on the back of rich valuations from Diageo (UK, Distillers and Vintners), Richemont (Switzerland, Apparel, Accessories and Luxury Goods), and LVMH (France, Apparel, Accessories and Luxury Goods) and added to the position in Qiagen (Germany, Life Science Tools and Services).

*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.