

Market overview

Market performance as of September 30, 2021 (%)

	3 months	1 year	3 years	5 years	10 years
Fixed Income					
FTSE Canada Universe Bond Index	0.51	3.35	4.32	2.59	3.33
Bloomberg Barclays Multiverse Bond Index (CAD-hedged)	0.09	0.21	4.31	2.59	3.83
Growth					
MSCI Canada Index (total return)	0.28	26.99	9.42	8.59	7.90
MSCI USA Index (CAD) (total return)	2.62	23.25	15.35	15.81	18.42
MSCI EAFE Index (CAD) (total return)	1.85	19.25	6.90	8.02	10.23
MSCI Emerging Markets Index (CAD) (total return)	5.97	12.11	7.86	8.43	8.18
MSCI ACWI ex CANADA IMI (CAD) (total return)	1.20	22.10	11.68	12.35	14.42

Sources: Desjardins Investments Inc., Morningstar Inc.

Comments on market performance

- The gradual deployment of the COVID-19 vaccine has helped improve the global economic situation. This improvement is reflected in the growth of the GDP of most countries, which may put the global economy back on track to return to pre-pandemic levels. There are still lingering uncertainties about the progress of the pandemic, however, threatening an economy that is already weakened by COVID-19.
- Despite good economic growth in the country, the Canadian stock market showed a return of 0.3% for the third quarter, according to the MSCI Canada Index (total return). This outcome was due primarily to the poor performance of the materials sector. On the bond front, the FTSE Canada Universe Bond Index rang in at 0.5%, due to the declining value of Canadian government bonds. At the same time, the Bank of Canada (BoC) is continuing its monetary easing program to keep interest rates low by purchasing bonds.
- On the US stock market, the MSCI USA Index in Canadian dollars (total return) delivered a return of 2.6% for the third quarter. This gain is due primarily to the information technology sector. The easing of public health restrictions and the government stimulus plan also provided strong support for US consumption.
- In the emerging economies, the MSCI Emerging Markets Index in Canadian dollars (total return) dipped significantly, posting 6.0% for the current quarter. This decrease is related mainly to shrinkage in the Chinese stock market, which was deeply affected by the threat of bankruptcy in major players in the real estate sector, such as *Evergrande Real Estate Group*.
- The troubled situation in China and the encouraging economic performance in the United States have contributed significantly to the increase in the value of the US dollar, boosting returns on assets denominated in US currency.

Portfolio performance (A-Class) as of September 30, 2021 (%)

	3 months	1 year	3 years	5 years	10 years	Since start of operations	Start date of operations
SocieTerra Conservative Portfolio	-0.72	1.95	5.16	3.35	4.11	4.74	2009/01/20
SocieTerra Moderate Portfolio	-0.70	3.58	N/A	N/A	N/A	8.61	2020/04/14
SocieTerra Balanced Portfolio	-0.58	7.27	7.60	5.45	5.83	6.15	2009/01/20
SocieTerra Growth Portfolio	-0.52	9.50	8.36	6.50	7.06	4.91	2000/01/10
SocieTerra Maximum Growth Portfolio	-0.31	13.90	10.11	8.41	8.97	8.71	2009/01/20
SocieTerra 100% Equity Portfolio	0.04	18.09	N/A	N/A	N/A	14.42	2019/07/08

Unlike the benchmarks, portfolio returns are net of fees and expenses.

Source: Desjardins Investments Inc.

Comments on portfolio performance as of September 30, 2021

Fixed income (A-Class return)

- The fixed income funds that make up the portfolios posted quarterly returns ranging from 0.8% to 0.1%.*
- The Desjardins SocieTerra Canadian Bond Fund was the biggest detractor from overall performance for fixed income funds, posting a quarterly return of -0.8%. The exposure to government bonds contributed negatively to the Fund's relative performance.
- Allocation to high-yield bonds, particularly in finance and industry, contributed positively to the performance of the Desjardins SocieTerra Global Bond Fund, which posted a quarterly return of 0.1%.*

Growth (A-Class return)

- The equity funds that make up the portfolios posted returns ranging from -10.5% to 4.9%.
- The Desjardins SocieTerra American Equity Fund and the Desjardins SocieTerra Cleantech Fund were the biggest contributors to the overall performance of equity funds, posting quarterly returns of 1.9% and 3.3%, respectively.
- Conversely, the Desjardins SocieTerra Emerging Markets Equity Fund was the biggest detractor from total performance due to a quarterly return of -10.5%. Stock selection in the finance sector contributed negatively to the Fund's relative performance.
- Stock selection in the healthcare sector (Moderna Inc. and DexCom Inc.) contributed positively to the relative performance of the Desjardins SocieTerra Positive Change Fund, which posted a quarterly return of 4.9%.
- On the whole, the lack of exposure to producers and transporters specialized in fossil fuels contributed negatively to the relative performance of several SocieTerra equity funds over the quarter.

*Return for Desjardins SocieTerra Global Bond Fund Class I shares

Contribution to portfolio performance (A-Class) as of September 30, 2021

	Fixed income	Growth
SocieTerra Conservative Portfolio	-	+
SocieTerra Moderate Portfolio	-	+
SocieTerra Balanced Portfolio	-	+
SocieTerra Growth Portfolio	-	+
SocieTerra Maximum Growth Portfolio	-	+
SocieTerra 100% Equity Portfolio	N/A	+

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