Desjardins
SocieTerra American Equity Fund

Desjardins Wealth Management Investments

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

ClearBridge Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

Contributors to relative performance

- Stock selection in the consumer discretionary and real estate sectors
- An underweight allocation to the communication services sector

Detractors from relative performance

- Stock selection in the industrials, utilities, consumer staples and materials sectors
- A lack of holdings in the energy sector

Major changes to portfolio in the period

- Addition of Novo Nordisk (NVO) in the portfolio with an average weight of 0.94% and a weight of 1.79% at quarter end.
    - Novo Nordisk (NVO), in the healthcare sector, is the leading provider of diabetes-care products in the world, with almost 50% market share by volume of the global insulin market. The company manufactures and markets a variety of human and modern insulins, injectable diabetes treatments and oral antidiabetic agents. Novo also has a biopharmaceutical segment (constituting roughly 15% of revenue) that specializes in protein therapies for hemophilia and other disorders. Novo has one of the longest histories in the sector of integrating ESG principles into its strategy and compensation. It invests heavily to address unmet needs in diabetes and obesity, delivering breakthrough medications in both areas, and is singlehandedly developing the commercial market for Rx treatment of obesity. The company's access programs in both developed and lower-income countries are among the most generous and mature, including numerical targets and integration with compensation.

ClearBridge Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

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

→ Addition of Accenture (ACN) in the portfolio with an average weight of 0.18% and a weight of 1.55% at quarter end.

- Accenture (ACN), in the IT sector, is a leading global professional services company that helps clients build their digital infrastructure and optimize their operations. We view Accenture as a resilient, high-quality business with consistent earnings and cash flow, a strong balance sheet and very attractive returns on capital. Secular drivers like cloud migration and digital transformation, as well as new, innovative technology deployments like data security, block chain, AI and machine learning position Accenture well for continued growth. Accenture has a strong, diverse leadership structure with a deep bench and partnership culture. Accenture has committed to consistent return of capital to shareholders, which reduces the risk of capital misallocation. It is also currently rolling out a suite of sustainability tools that offers a comprehensive view of a company's goals, progress and performance across financial and ESG measures, so it is an enabler of ESG for its clients.

→ Addition of ASML (ASML) in the portfolio with an average weight of 0.68% and a weight of 1.51% at quarter end.

- ASML (ASML), in the IT sector, is a maker of semiconductor chip-manufacturing equipment and a leading supplier of lithography systems to the semiconductor industry. We expect ASML to grow above expectations as its innovative EUV technology is deployed and industry capacity expands. This in turn should lead to margin expansion and earnings leverage. In addition to more visible growth and profitability drivers relative to Intel, which we swapped for it, ASML also has a stronger balance sheet and higher returns on capital. As a semiconductor capital equipment provider, ASML directly improves the energy efficiency of semiconductor manufacturing, and governance and diversity initiatives at ASML are best in class.

ClearBridge Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

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

→ Sale of Workday (WDAY) with a beginning weight of 1.09% and an average weight of 0.93% in the quarter.

- We decided to use Workday, in the IT sector, to fund our purchase of Accenture mainly because we see better risk/reward in Accenture as opposed to any major concerns with Workday fundamentally.

→ Sale of Intel (INTC) with a beginning weight of 0.95% and an average weight of 0.55% in the quarter.

- Intel, in the IT sector, is the world's largest manufacturer of semiconductors, including CPUs for computers and mobile devices. We purchased Intel based on an attractive valuation and turnaround potential. The turnaround, however, has proved to be more difficult than anticipated amid soft PC market dynamics, large investments required to develop new process technologies, continued delays in its Sapphire Rapids data center CPU, and aggressive pricing required to address share losses to competitors. These circumstances have led us to redeploy capital into more fundamentally attractive opportunities.

→ Sale of Hasbro (HAS) with a beginning weight of 1.59% and an average weight of 0.36% in the quarter.

- We sold our position in Hasbro in the consumer discretionary sector on the basis of deteriorating fundamentals. Revenues have been negatively impacted by weakening economic conditions, which in turn has led to more promotional activity and lower margins.

Desjardins
SocieTerra American Equity Fund

Desjardins Wealth Management Investments

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

ClearBridge Investments

PORTFOLIO MANAGER:
ClearBridge Investments

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
U.S. Equity

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

→ Sale of Marriott International (MAR) with a beginning weight of 1.93% and an average weight of 0.82% in the quarter.

- Marriott, in the consumer discretionary sector, encompasses a portfolio of more than 7,400 properties under 30 leading brands spanning 135 countries and territories. We exited our position in November as a strong run in Marriot's share price made it fairly valued, in our view, and we exited on strength.

*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/.