



PORTFOLIO MANAGER:
Impax Asset Management

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
Global Small/Mid Cap Equity

Contributors to relative performance

The fund's natural overweight to industrials, as well as exposure to the materials sector, was a primary contributor to absolute performance. Share prices for sustainable food & agriculture holdings moved higher during the period, positively impacting absolute returns. Additionally, resource efficiency and waste management holdings advanced as strong operational results indicated resilient demand, margin expansion, and an ability to navigate inflationary pressures. Alternative energy exposure also positively benefitted the fund, with margin improvement and softening supply chain costs pressures leading to outperformance from wind power as well as solar energy generation equipment holdings.

- **Vestas** (wind power generation equipment, Denmark) share price rose during the fourth quarter, due to a pick-up in orders and strong turbine pricing discipline, as well as softening supply chain cost pressures.
- **Bucher Industries** (technology & logistics, Switzerland) outperformed following strong quarterly results. Bucher has benefited from strong sales growth in their agricultural machinery division, driven by low network inventories and customers ordering ahead of further price increases.
- **AirTac International** (industrial energy efficiency, Taiwan) moved higher during the period as automation demand in China has started to recover after a period of weaker demand from COVID-19 lockdowns. AirTac should benefit from market share expansion and higher demand growth in their pneumatic division.

Please note stock commentary is based on absolute contribution to return.

Detractors from relative performance

- **Generac Holdings** (power storage & UPS, US) is a leading US supplier of back-up generators which play a pivotal role in climate change adaptation by providing reliable and resilient power in the event of extreme climate events, such as

Desjardins

SocieTerra Cleantech Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

IMPAX Asset Management

PORTFOLIO MANAGER:
Impax Asset Management

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
Global Small/Mid Cap Equity

Detractors from relative performance (cont'd)

hurricanes or wildfires. The share price fell due to a combination of weak operational results and mounting fears regarding the sales and margin outlook for 2023 as the backup power industry stabilises post recent boom.

- **Advanced Drainage Systems** (water distribution & infrastructure, US) declined during the quarter after the company faced destocking headwinds and lowered their FY23 revenue outlook, after having raised guidance in Q1 results.
- **Zurn Elkay Water Solutions** (water distribution & infrastructure, US) underperformed as a result of market concerns around near-term growth and earnings visibility given the Zurn/Elkay merger.

Please note stock commentary is based on absolute contribution to return.

Major changes to portfolio in the period

- Added:
 - **Smurfit Kappa Group** (food safety & packaging, Ireland), a market leading fibre recycling company, was added to the portfolio following the exit of DS Smith. Smurfit Kappa Group provides the opportunity to invest in a company with a stronger track record of organic growth and better financial metrics.
- Sold:
 - **DS Smith** (food safety & packaging, UK) exited in favor of Smurfit Kappa Group.
 - **Switch** (cloud computing, US) exited on the completion of the recent M&A which resulted in the company being taken private.

Desjardins

SocieTerra Cleantech Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

IMPAX Asset Management

PORTFOLIO MANAGER:
Impax Asset Management

INCEPTION DATE:
June 14, 2016

CIFSC CATEGORY*:
Global Small/Mid Cap Equity

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

- **Salmar** (sustainable aquaculture, Norway) sold out after the Norwegian government proposed a 40% resource tax for salmon farmers which disrupts the economics of the sector and impacts the growth outlook for Salmar.

*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.