

Desjardins

Canadian Small Cap Equity Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2023



PORTFOLIO MANAGER:
Fiera Capital

INCEPTION DATE:
January 1, 1994

CIFSC CATEGORY*:
Canadian Small/Mid Cap Equity

Contributors to relative performance

- Security selection in real estate
- Underweight in energy
- Overweight in industrials

Detractors from relative performance

- Security selection in financials
- Security selection in materials
- Underweight in materials

Major changes to portfolio in the period

- We initiated a new position with Mainstreet Equity. It is an apartment company with over 16,000 units in Western Canada. Industry fundamentals are robust with Canadian immigration (500,000 new people by 2025) and a shortage of new housing supply. Occupancy are at historically low levels and rents are robust and rising. Mainstreet is led by the entrepreneurial CEO, Bob Dhillon, and is well aligned shareholders with his 45% equity ownership in his company.
- Our portfolio benefited from the ongoing consolidation trend in the Canadian small cap market. Magnet Forensics is a software company focused on digital forensics used to investigate cyberattacks and digital crimes. Magnet agreed to sell their firm to an American private equity firm Thoma Bravo for \$1.8 billion. In addition, Uni-select received a takeover offer by LKQ Corporation for \$48 per share.

*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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