

# Desjardins SocieTerra

## Environmental Bond Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2023



PORTFOLIO MANAGER:

Mirova

INCEPTION DATE:

June 14, 2016

CIFSC CATEGORY\*:

Global Corporate Fixed Income

### Contributors to relative performance

- Issues selection. Best contributors were Engie, Johnson Controls International, Vestas, SKF.

### Detractors from relative performance

- Curve and duration had a negative impact on performance relative to the benchmark. The exposure to the EURO swap spread curve was positive for the fund but the short position on the US swap spread curve was negative as the latter has tightened since January.
- Asset allocation. Even though credit spreads generally contracted during the quarter, both in the US and in Europe, the sub-sector allocation cost, especially on Capital Goods, widened in June while the fund remained long versus the index.

### Major changes to portfolio in the period

- Partial profits on the long exposure to credit (60.7% of the end-of-June 2023 NAV versus 62.4% last March and 39.4% for the index).
- Move from a short duration position to a long duration position.

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