

SocieTerra Portfolios

Quarterly commentary as of September 30, 2023



Market overview

Market performance as of September 30, 2023 (%)

| | 3 months | 1 year | 3 years | 5 years | 10 years |
|---|----------|--------|---------|---------|----------|
| Fixed income | | | | | |
| FTSE Canada Universe Bond Index | -3.87 | -1.36 | -5.14 | 0.05 | 1.64 |
| Bloomberg Barclays Multiverse Bond Index (CAD-hedged) | -1.87 | 1.91 | -3.80 | 0.25 | 1.81 |
| Growth | | | | | |
| MSCI Canada Index (total return) | -1.96 | 9.70 | 9.52 | 6.27 | 6.79 |
| MSCI USA Index (CAD) (total return) | -1.07 | 19.09 | 9.46 | 10.31 | 14.28 |
| MSCI EAFE Index (CAD) (total return) | -2.03 | 23.63 | 6.18 | 4.17 | 6.71 |
| MSCI Emerging Markets Index (CAD) (total return) | -0.82 | 9.91 | -1.33 | 1.46 | 4.91 |
| MSCI ACWI ex CANADA IMI Index (CAD) (total return) | -1.29 | 18.51 | 7.24 | 7.07 | 10.50 |

Sources: Desjardins Investments Inc., Morningstar Inc.

Comments on market performance

- In the third quarter of 2023, strong market volatility negatively affected quarterly performance.
- The Canadian stock market posted returns of -2.0% according to the MSCI Canada Index (total return). This was largely due to a drop in performance in the telecommunications services and information technology sectors. The energy sector posted strong performance in the third quarter of 2023, helping to ease the downturn in the Canadian market.
- With respect to bonds, the FTSE Canada Universe Bond Index posted a negative return of -3.9%, mainly due to lower government bond yields.
- In the US stock market, the MSCI USA Index (CAD) (total return) posted a return of -1.1% for the third quarter of 2023. This drop in performance was primarily due to the information technology, consumer discretionary and real estate sectors.
- Emerging market equities posted a negative return of -0.8% in the third quarter of 2023 according to the MSCI Emerging Markets Index (CAD). Economic growth in emerging economies slowed mainly due to high interest rates.

Portfolio performance (A-Class) as of September 30, 2023 (%)

| | 3 months | 1 year | 3 years | 5 years | 10 years | Since start of operations | Start date of operations |
|-------------------------------------|----------|--------|---------|---------|----------|---------------------------|--------------------------|
| SocieTerra Conservative Portfolio | -3.86 | 1.58 | -4.16 | 0.08 | 1.70 | 3.05 | 2009/01/20 |
| SocieTerra Moderate Portfolio | -4.02 | 2.49 | -3.52 | N/A | N/A | -0.63 | 2020/04/14 |
| SocieTerra Balanced Portfolio | -4.24 | 3.93 | -2.14 | 1.71 | 3.04 | 4.33 | 2009/01/20 |
| SocieTerra Growth Portfolio | -4.40 | 4.84 | -1.33 | 2.22 | 3.84 | 3.71 | 2000/01/10 |
| SocieTerra Maximum Growth Portfolio | -4.66 | 6.79 | 0.32 | 3.42 | 5.27 | 6.60 | 2009/01/20 |
| SocieTerra 100% Equity Portfolio | -4.99 | 8.47 | 1.90 | N/A | N/A | 4.61 | 2019/07/08 |

Unlike the benchmark, the portfolio's performance is net of fees and expenses
Source: Desjardins Investments Inc.

Comments on portfolio performance as of September 30, 2023

Fixed Income (I-Class return)

- With the exception of the SocieTerra Short-Term Income Fund (+0.04%), all of the equity funds in the portfolios posted negative returns ranging from -3.7% (SocieTerra Canadian Bond Fund) to -1.5% (SocieTerra Global Bond Fund).
- Due to its positive return, the Desjardins SocieTerra Short-Term Income Fund (+0.04%) was the strongest positive contributor to the overall performance of the fixed income funds.
- Due to its weighting and performance, the SocieTerra Canadian Bond Fund (-3.7%) was the weakest contributor to the fixed income component of the portfolios. The fixed income component was also dragged down by the SocieTerra Emerging Markets Bond Fund (-2.7%) and the Desjardins Global Government Bond Index Fund (-2.3%).

Growth (I-Class return)

- All of the equity funds in the SocieTerra portfolios posted negative returns ranging from -9.4% (SocieTerra International Small Cap Equity Fund) to -0.9% (SocieTerra Low Volatility Global Equity Fund).
- The SocieTerra International Small Cap Equity Fund (-9.4 %), the SocieTerra Positive Change Fund (-8.3%) and the SocieTerra Cleantech Fund (-7.6 %) were the weakest contributors to the equity component of the portfolios.
- Due to their high weightings, the SocieTerra Canadian Equity Fund (-4.2%) and the SocieTerra American Equity Fund (-2.6%) were the biggest detractors from the overall performance of the equity component.
- Overall, equity funds with significant investments in quality or value stocks generally performed better. Conversely, funds with a greater focus on lower volatility generally delivered lower returns during the third quarter of 2023.

Contribution to portfolio performance (A-Class) as of September 30, 2023

| | Fixed income | Growth |
|-------------------------------------|--------------|--------|
| SocieTerra Conservative Portfolio | --- | -- |
| SocieTerra Moderate Portfolio | --- | -- |
| SocieTerra Balanced Portfolio | -- | --- |
| SocieTerra Growth Portfolio | -- | --- |
| SocieTerra Maximum Growth Portfolio | - | --- |
| SocieTerra 100% Equity Portfolio | Neutral | --- |

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