

Desjardins SocieTerra

Canadian Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2023

PORTFOLIO MANAGER:

Desjardins Global Asset Management

INCEPTION DATE:

November 15, 2017

CIFSC CATEGORY*:

Canadian Equity

Contributors to relative performance

- The materials and financials sectors contributed to the fund's performance.
- Within materials, shares of First Quantum Minerals returned -66.19%, due to the shutting down of their Cobre Panama mine by the Panamanian government. Not owning the stock was good for relative performance. In the financials sector, Brookfield Corporation posted a return of + 18.98%, a value-added driver due to the stock's overweight in the fund. As a rate-sensitive sector, the stock outperformed due to interest rates being pulled down following the Fed Chair's dovish comments at the November 1st meeting.

Detractors from performance

- In contrast, the industrials and utilities sectors detracted from the fund's relative performance by cutting back on their individual holdings.
- In industrials, an overweight position in WSP Global Inc. (-2.91%) negatively affected relative performance. The stock underperformed in the last quarter for several reasons, including high valuation multiples, lower organic growth than competitors (Stantec and AtkinsRéalis) and a balance sheet that doesn't allow them to deploy capital in a major acquisition for the time being. In the utilities sector, Fortis Inc. (+6.74%) had a negative effect on the mandate, due to its relative underperformance in the sector.

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Major changes to portfolio in the period

- 1.96% purchase of Rogers Communications Inc.
- 1.39% purchase of Enbridge Inc.
- Sold 2.27% position in Cenovus Energy Inc.
- Sold 1.97% position in BCE Inc.

*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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