

INVESTMENT FUNDS

# Desjardins Sustainable Funds and Portfolios



INVESTMENT THAT DRIVES CHANGE

 **Desjardins**  
Wealth Management  
Investments

**Want to use your savings  
to drive change that benefits  
communities and the planet?**

# We have the solution for you

Desjardins Sustainable Funds and Portfolios select quality companies and organizations around the world that have robust environmental, social and governance (ESG) practices.

Desjardins Sustainable products support innovative companies and projects that promote sustainable development while respecting people and communities and seeking attractive return potential.



# Key facts about Desjardins Sustainable products

1 OUR RESPONSIBLE INVESTMENT PROFESSIONALS CONDUCT **A DETAILED REVIEW OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES** OF POTENTIAL COMPANIES\* AND A THOROUGH FINANCIAL ANALYSIS.



## Financial analysis + ESG analysis

This two-pronged approach provides our portfolio managers with a more complete picture of the companies they analyze and helps them to make better investment decisions.

- **Focusing on quality companies while managing investment risk.**  
Over the long term, companies that adopt sound ESG practices perform better than their peers. Those that are slow to adopt ESG practices could represent a risk for investors.
- **Seizing business opportunities offered by a more sustainable world.**  
Companies that address ESG concerns as well as their financial performance are better equipped to meet the challenges of today's global economy.

2 DESJARDINS SUSTAINABLE PRODUCTS INVEST IN DIVERSIFIED COMPANIES THAT ARE **LEADERS IN THEIR SECTOR** OR EMERGING LEADERS IN THEIR SECTOR. THESE COMPANIES COMBINE **AN ATTRACTIVE GROWTH OUTLOOK AND ROBUST ESG PRACTICES.**

3 **MUCH MORE THAN FINANCIAL OUTCOMES**  
BY RELYING ON COMPANIES WITH MEASURABLE FINANCIAL BENEFITS, YOUR INVESTMENTS CAN BE PART OF THE SOLUTION.

Desjardins Sustainable products are made up of quality companies and offer you investments that make an impact:

- Companies that strive to reduce the negative impact of their activities
- Companies that improve their ESG practices
- Companies that actively develop solutions to ESG issues

\* Companies, governmental organizations or projects

# Desjardins: Expertise in RI

## Conviction

We believe that economic players have a responsibility toward their communities and their regions and should act accordingly.

That's why Desjardins Sustainable products seek to promote business practices and corporate governance that are more respectful of communities and the environment.

**Did you know that Desjardins Investments Inc. (DI), the manager of Desjardins Funds, has been a signatory of the Principles for Responsible Investment (PRI) since 2010?**

The PRI is an initiative launched by investors in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact that has over 3,800 signatories today. These signatories from every part of the world manage more than US\$120 trillion.

## Knowledge

Desjardins is a responsible investment pioneer. In 1990, we launched the Desjardins Environment Fund\*, one of the first in Canada. Combining our knowledge with that of world-renowned portfolio managers enables us to offer an innovative and competitive range of responsible investment products.

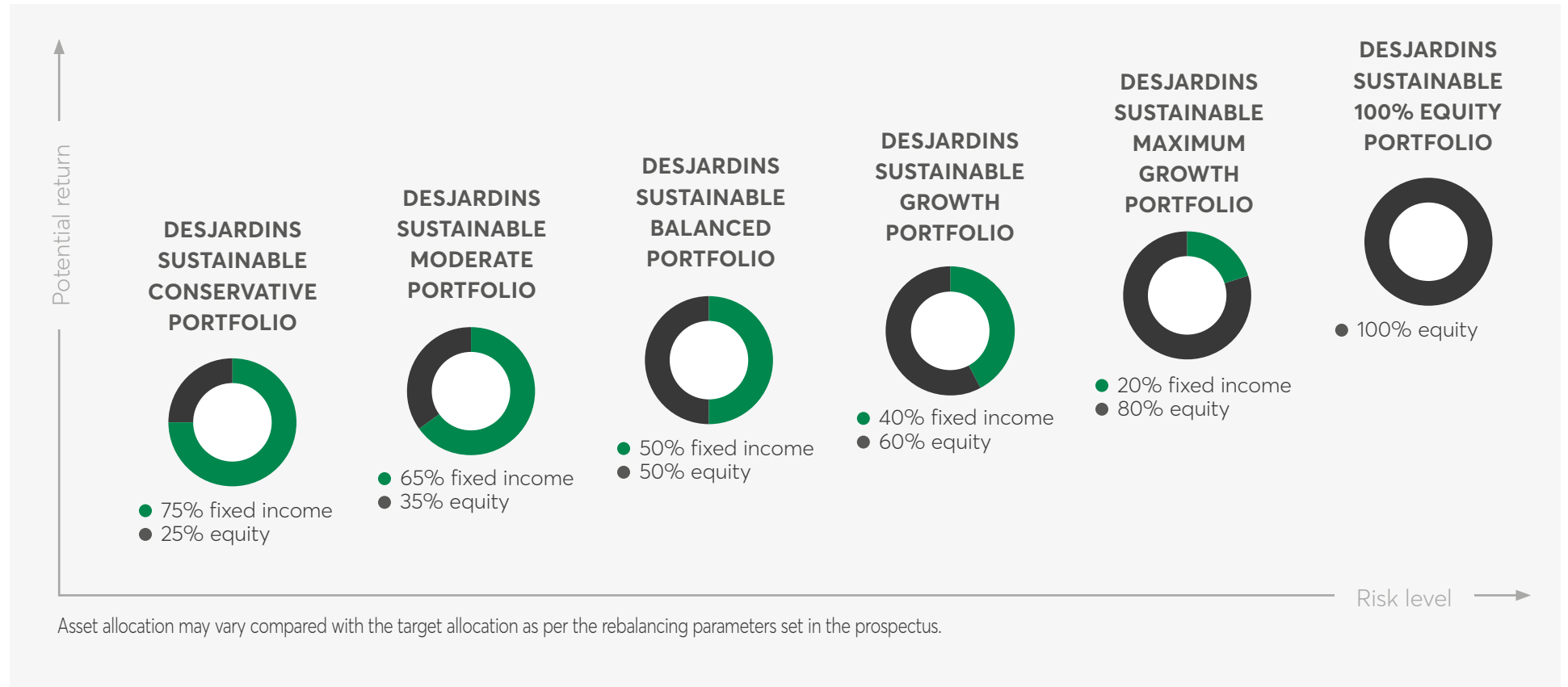


\* This fund is now called Desjardins Sustainable Global opportunities Fund.

# A full range of RI products

## Desjardins Sustainable Portfolios

Desjardins Sustainable Portfolios offer a turnkey investment solution no matter your investment profile. They are made up of Desjardins Sustainable Funds that take ESG criteria into account.



# A full range of RI products (cont.)

## Desjardins Sustainable Funds

Desjardins Sustainable Funds are made up of core funds and thematic and impact funds.

The **core funds** serve as the portfolio's foundation and contribute to its diversification. They invest in a specific geographic region (Canada, for example), regardless of the economic sector, and consider all ESG issues.



- **Desjardins Sustainable Short-term Income Fund**
- **Desjardins Sustainable Canadian Bond Fund**
- **Desjardins Sustainable Canadian Corporate Bond Fund**
- **Desjardins Sustainable Global Managed Bond Fund**
- **Desjardins Sustainable Global Bond Fund**
- **Desjardins Sustainable Global Corporate Bond Fund**
- **Desjardins Sustainable Emerging Markets Bond Fund**
- **Desjardins Sustainable Global Balanced Fund**
- **Desjardins Sustainable Canadian Equity Income Fund**
- **Desjardins Sustainable Canadian Equity Fund**
- **Desjardins Sustainable American Equity Fund**
- **Desjardins Sustainable American Small Cap Equity Fund**
- **Desjardins Sustainable International Equity Fund**
- **Desjardins Sustainable International Small Cap Equity Fund**
- **Desjardins Sustainable Low Volatility Global Equity Fund**
- **Desjardins Sustainable Global Dividend Fund**
- **Desjardins Sustainable Global Opportunities Fund**
- **Desjardins Sustainable Emerging Markets Equity Fund**

# A full range of RI products (cont.)

## Desjardins Sustainable Funds

**Thematic and impact funds** are more specialized funds that focus on ESG issues where the portfolio manager anticipates long-term growth potential.



### Desjardins Sustainable Positive Change Fund

**To commit to building a sustainable and inclusive world.**

This Fund invests in companies that are actively working to build a more sustainable world for current and future generations while seeking attractive return potential. Companies that are committed to developing and delivering **solutions to today's most pressing social environmental issues** are likely to grow and create long-term value.



### Desjardins Sustainable Environmental Bond Fund

**To deliver on projects that will have positive impacts on the environment.**

This Fund has the objective to finance **environmental projects in the world** that contribute to the fight against climate change, among other things, with a focus on the **energy transition** while also offering attractive return potential.



### Desjardins Sustainable Diversity Fund

**To leverage the benefits of women's leadership.**

This Fund targets quality companies that encourage **diversity and female leadership** in both their governance and their workplace policies. Companies that promote inclusion benefit from positive impacts on performance and from attractive return potential.



### Desjardins Sustainable Cleantech Fund

**To play a role in the development of innovative solutions to environmental challenges.**

This Fund seeks out companies that develop **tangible solutions to the environmental problems of our time**. The companies held in the Fund are set to benefit from powerful long-term trends that will enable the Fund to seek attractive return potential.

IF YOU WANT TO USE YOUR SAVINGS TO DRIVE CHANGE, **DESJARDINS SUSTAINABLE FUNDS AND PORTFOLIOS** MAY BE THE INVESTMENT CHOICE FOR YOU.



# What is shareholder engagement?

Shareholder engagement refers to all of the ways that investors can leverage their shareholder rights to intervene and influence the behaviour of the companies in their portfolios.

## Dialogue that aims to improve ESG practices within companies



The goal of dialogue is to communicate with issuers whose securities are in the portfolio and influence their environmental, social and governance practices. It is an opportunity for investors to share their concerns with a company's executive team and to express their expectations for change that will improve the ESG practices of the targeted companies.

## Shareholder proposal

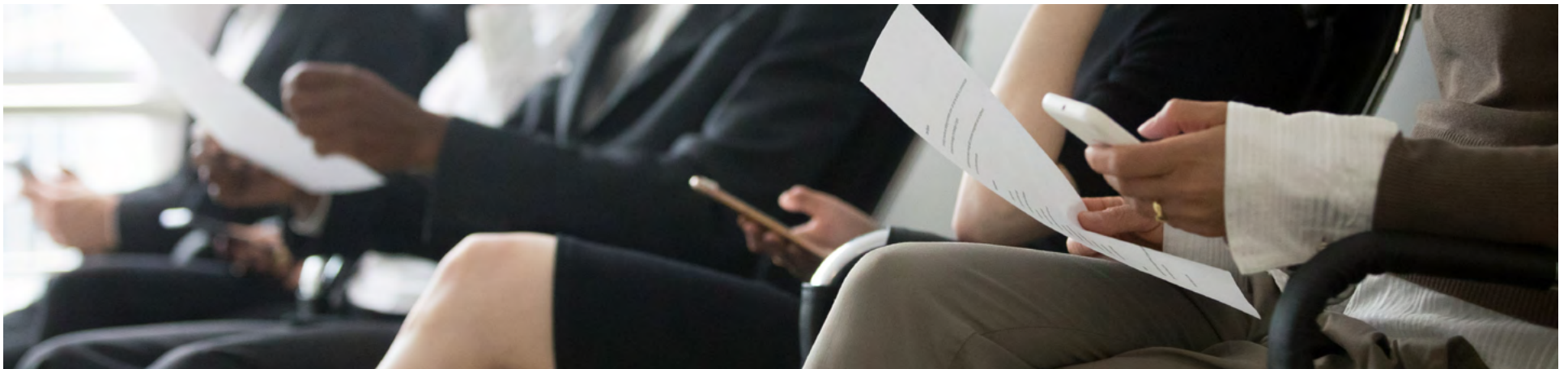


A shareholder proposal involves drawing up a non-restrictive recommendation, i.e., a recommendation that does not prescribe direct action that would hamper company officers. The recommendation is submitted to all company shareholders.

## Voting during shareholder meetings to influence ESG practices



By exercising their voting rights, shareholders can take a position on all questions submitted each year at shareholders' meetings.



# What is an investment fund?

Also called a **mutual fund**, an investment fund is a financial product in which your assets are pooled with those of other investors. All of the assets are entrusted to a portfolio manager, who invests them in stocks issued by diverse publicly traded companies or bonds, in accordance with the fund's investment policy. The objective is to grow the assets based on the fund's investment objectives.

# What are ESG criteria?

Incorporating ESG criteria helps identify the various issues companies may be exposed to. To determine **the best-equipped companies** to resolve these issues, the portfolio manager incorporates the ESG considerations relevant to the companies' sector and their activities into their financial analysis.



## Environmental

Example: Climate change



## Social

Example: Occupational health and safety



## Governance

Example: Diversity on boards of directors

# What is RI?

Responsible Investment (RI) products are designed for investors who are looking for attractive return potential and the opportunity to support companies that are committed to sustainability and social responsibility toward people and communities.

## CONTROVERSIAL SECTORS EXCLUDED



## ESG CRITERIA INCORPORATED INTO FINANCIAL ANALYSIS



## ESG-SPECIFIC OBJECTIVES

Examples: Positive selection, thematic investing



## SHAREHOLDER ENGAGEMENT

Dialogue, filing resolutions and voting at shareholder meetings



## REPORTING AND EXTRA-FINANCIAL INDICATORS

DESJARDINS FUNDS ARE MANAGED BY  
DESJARDINS INVESTMENTS INC. (DI)

DI IS ONE OF THE LARGEST CANADIAN  
INVESTMENT FUND MANUFACTURERS  
AND A CANADIAN LEADER IN RI.

\$39.3B

IN ASSETS UNDER MANAGEMENT\*

+ 60 YEARS OF  
EXPERIENCE

+ 85 INVESTMENT  
FUNDS

\* As at December 31, 2022

DESJARDINS,  
AN RI PIONEER

+ 50 RI PRODUCT  
OPTIONS

\$12.4B

IN RI ASSETS UNDER MANAGEMENT\*

+ 30 YEARS  
OF RI  
EXPERTISE



# Desjardins: A name you can count on!

Desjardins Group is the leading cooperative financial group in Canada and one of the country's best capitalized financial institutions. Desjardins Group enjoys credit ratings comparable to those of several major Canadian and international banks and is recognized as one of the most stable financial institutions in the world according to *The Banker* magazine.

**Based on your personal needs and goals, your representative can help you choose the right investment. Speak to your representative today.**

[desjardinsfunds.com](https://desjardinsfunds.com)

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