

Desjardins Global Dividend Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2023



PORTFOLIO MANAGER:
Mondrian Investment Partners

INCEPTION DATE:
November 12, 1959

CIFSC CATEGORY*:
Global Equity

Contributors to relative performance

- Strong stock selection in the communication services sector, where Meta continued to outperform after announcing additional layoffs and lowering total expense guidance for 2023.
- The portfolio benefitted from strong stock selection in the utilities sector, where both of our Italian holdings Snam and Enel outperformed the market.
- Strong selection in healthcare, where Philips outperformed on better-than-expected quarterly results and plans to remove more roles than previously announced.

Detractors from relative performance

- Stock selection was negative in the U.S., specifically in the IT sector. Negative stock selection in the IT sector was mostly driven by large index growth stocks that we don't hold rallying through the period.
- Stock selection in financials was weak, as the collapse of several U.S. regional banks in March, and the corresponding turmoil it caused in financial markets, weighed on the portfolio's bank holdings.
- The portfolio's overweight to the consumer staples sector was a drag on relative returns, with the sector lagging the strong returns seen in more growth-oriented parts of the market.

Major changes to portfolio in the period

- We started the year by adding to cyclical names that we felt offered good value, such as Amazon, Micron, and Meta. We also continued to build the position in TC Energy and added to Centene, after a period of relative weakness.
- These adds were funded by exiting our positions in Alibaba and MatsukiyoCocokara, which both rallied on the back of China's reopening, and by the sale of Thales and Maximus, which had both outperformed.

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Major changes to portfolio in the period (cont'd)

- Within the banking sector, we reduced our exposure to Pinnacle Financial Partners, a U.S. regional bank, and initiated a relatively small position in First Republic Bank, a commercial bank with pristine credit quality. In light of the issues facing the regional banking sector mentioned above, we concluded that First Republic was no longer trading on fundamentals and its risk profile had widened significantly, and we therefore exited the position.

*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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