

Desjardins Sustainable Global Opportunities Fund



Quarterly commentary as of June 30, 2024

PORTFOLIO MANAGER

Impax Asset Management

INCEPTION DATE

9/10/1990

CIFSC CATEGORY*

Global Equity

Contributors to relative performance

On a relative basis, the momentum in AI-related stocks was a headwind, however, in absolute terms, a number of top contributors benefited from growing demand for semiconductors.

- NVIDIA (semiconductors, US), which was added in May, had another quarter of record performance, driven by further demand for AI hardware. Over the quarter, some key events helped drive the share price higher, including recognition of new areas of growth for AI, confirmation that competition is potentially years behind in product development, and the announcement of a promising series of new graphics processing units (GPUs).
- Analog Devices (semiconductors, US) delivered a strong set of results with both revenue and profit-beating expectations. The company also noted resilient end markets in auto and industrials, and indicated that it expects most segments to grow quarter over quarter. The implication is that the analogue semiconductor cycle has bottomed and a return to growth is on the horizon.
- In financials, stronger performance has come from the emerging market holdings. HDFC Bank (diversified bank, India) rebounded, along with the Indian banking sector, on a positive economic outlook and political continuity following the recent election. The

Detractors from performance

Results or weaker guidance were the common factors among detractors.

- IQVIA Holdings (life sciences & tools, US) announced results slightly above expectations, but also disclosed a sizable order cancellation, which impacted sentiment towards the stock. However, the company guided for a second-half recovery in the Technological & Analytical Solutions (TAS) segment which has seen recent weakness. The investment team view IQVIA as one of the strongest CROs in the market and the company is expected to continue to demonstrate strong growth over the mid-term.
- Mastercard (transactions & payment processing services, US) pulled back as sticky inflation and weaker US growth led to concerns about the impact of higher-for-longer rates on consumer spending. Results supported the company's expectation that the US consumer will remain resilient. In June, the Courts rejected the long-awaited merchant settlement deal on interchange fees paid by the merchant to the bank which issues the card. Although this gives rise to a renewed period of uncertainty for the sector, it is not meaningfully negative for Mastercard as it does not earn interchange fees.
 - MSCI (financial exchanges & data, US) underperformed on the back of disappointing Q1 earnings. The company reported below-expected earnings, underscored by an increase in client cancellations. A sizeable part of the cancellations can be explained by a lar

Desjardins Sustainable Global Opportunities Fund



Quarterly commentary as of June 30, 2024

PORTFOLIO MANAGER

Impax Asset Management

INCEPTION DATE

9/10/1990

CIFSC CATEGORY*

Global Equity

Major changes to portfolio in the period

Added:

- NVIDIA (semiconductors, US) was added to the portfolio on increased conviction that the company's leading position in graphic processing units (GPUs) used to enable AI innovation is sustainable over the longer term. Key elements driving this conviction include evidence of strong underlying spending by both data centre providers and the leading chip manufacturer TSMC. In addition, evidence of real-world AI applications across sectors suggest demand is likely to be sustained.
- Hubbell (electrical components & equipment, US) was added as the company is likely to benefit from exposure to both grid modernisation and opportunities to provide energy efficiency componentry into industrial and data centre end markets. Both segments sh

Sold:

- Sartorius (life sciences tools & services, Germany) remains a leader in single-use technology fermentation equipment used in drug discovery. However, after a rebound in the share price early in the quarter, the investment team took the opportunity to con

*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/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.

Desjardins®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence.