

# Desjardins

## SocieTerra International Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



PORTFOLIO MANAGER:  
Addenda Capital

INCEPTION DATE:  
September 5, 2018

CIFSC CATEGORY\*:  
International Equity

### Contributors to performance

- Stock selection helped to mitigate the underperformance of the fund over the quarter, with Consumer Staples, Health Care and Financials making the biggest contributions;
- Sector allocation made minimal positive contributions over the quarter, mostly due to lack of investment in the Utilities sector.

### Detractors from performance

- Sector allocation was the greatest source of underperformance of the quarter with Health Care and Financials being the biggest detractors. The allocation to Consumer Staples and Energy also contributed to the underperformance of the fund;
- Within stock selection, Information Technology was the greatest detractor over the period. Additionally, the selection of stocks in Materials, Consumer Discretionary and Industrials contributed to the underperformance of the fund;
- Cash and Money Market was a significant detractor from overall performance.

### Major changes to portfolio in the period

- We added and trimmed a few existing positions, based on the risk/return proposition of these names, realizing some gains and reinvesting in positions we feel are undervalued.
- We added one name to the portfolio: Cap Gemini (France, IT services). The company is well-positioned to benefit from the digital transformation theme that is seeing an acceleration thanks to the pandemic.

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

- Reduced the exposure to Hoya (Japan, optical products), Linde (Germany, industrial gases), LVMH (France, luxury goods), Nidec (Japan, small precision motors) and Terumo (Japan, medical devices).
- Increased exposure to Philips (Netherlands, health technology), Fresenius (Germany, health care) and SAP (Germany, software).

\*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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