

Desjardins

Global Dividend Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2021



PORTFOLIO MANAGER:
Epoch Investment Partners

INCEPTION DATE:
November 12, 1959

CIFSC CATEGORY*:
Global Equity

Contributors to performance

- Relative performance was helped overall by very strong stock selection across most sectors.
- Stock selection in information technology contributed positively, and this effect was furthered by an underweight to the sector, which experienced weak performance in the benchmark as tech companies with elevated valuations were pressured by higher bond yields.
- Stock selection in consumer discretionary also helped due to strong performance of one of the strategy's apparel holdings and not owning a large ecommerce company.

Detractors from performance

- Stock selection in financials hurt, as did stock selection in communication services as a result of strong performance from select interactive media & services companies which are outside of the strategy's investable universe.
- Stock selection in communication services also detracted.

Major changes to portfolio in the period

- We have made some modest changes to the portfolio over the course of the past quarter in light of ongoing developments regarding progress on the vaccine rollout and economies re-opening. We have been focused on assessing each company's ability to sustain their cash flow and reviewing their capital allocation policies to ensure that each holding will continue to return cash to shareholders. Our focus remains to build a portfolio of companies where we have a high degree of comfort in their ability to safely sustain themselves, continue to return capital back to shareholders and ultimately continue to grow.

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

- The largest increases to sector weights occurred in financials over the quarter, whereas the largest decrease in weight occurred in consumer staples. The fund's sector and country allocations are a result of our bottom-up fundamental investment process and reflect the companies and securities that the team confidently believes can collect and distribute sustainable, growing shareholder yield. Large differences in sector returns over the period and subsequent relative performance of sectors impacts changes in sector weights.
- Several new positions were initiated during the period including Tenelor, Toyota, W. P. Carey and Raytheon. We remain focused on investing in high-quality companies that generate, grow and return cash to shareholders.
- Several positions were closed during the period including Philip Morris, Altria, British American Tobacco, Michelin, and Atlas Copco.

*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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