

Desjardins Global Equity Growth Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2021



PORTFOLIO MANAGER:
Baillie Gifford Overseas

INCEPTION DATE:
January 26, 2015

CIFSC CATEGORY*:
Global Equity

Contributors to performance

As active growth managers portfolio performance is predominantly driven by stock specific factors:

- **EOG Resources**, has seen strong free cash flow amid increasing oil prices. Management continue to guide towards 8-10% growth in medium term oil production.
- **Naspers'** shares benefitted from strong financial results by Tencent, the Chinese gaming, social media and payments company. Mobile gaming grew 40% year-on-year.
- **CBRE** the commercial real-estate company has proved resilient, indicating earnings-per-share is likely to return to 2019 levels this year, with a view to at least double-digit growth through to 2025.

Detractors from performance

- Shares in online luxury goods platform **Farfetch** were affected by family office Archegos' collapse, resulting in shareholder churn. This event has no implications for your long-term holding.
- Shares in **Novocure**, a biotech, fell in mid-February following news of study delays. We believe there is significant long-term potential to expand its current circ. 3,000 customer base.

Major changes to portfolio in the period

Your Baillie Gifford portfolio follows a long-term investment strategy – as such the annual turnover remains low (below 20%). Being bottom-up stock-pickers any changes are for stock specific reasons.

- New purchases over the quarter included:
 - **CoStar**, a US business that provides standardised information and analytics to commercial real estate professionals and is expanding its customer base both by type and internationally.
 - **IAC**, an investment holding company that has a strong track record of backing early stage internet enabled businesses before spinning them out. Previous holdings include Expedia, Lending Tree and Match, and we believe it has developed a sustainable and repeatable advantage in building such businesses.

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

→ Complete sales over the quarter included:

- We sold your position in **Just Eat Takeaway** as we have concerns over its ability to successfully execute on its upcoming acquisition of Grubhub.
- We sold the holding in US biotech company **Seagen** as we believe the potential success of its pipeline of cancer treatments is now priced-in, and our conviction is now less differentiated from the market.

*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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