

Desjardins

Global Dividend Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2021



PORTFOLIO MANAGER:
Mondrian Investment Partners

INCEPTION DATE:
November 12, 1959

CIFSC CATEGORY*:
Global Equity

Contributors to performance

- The portfolio benefited from strong stock selection in Spain and the US. HCA Healthcare, the leading US hospital operator, was the standout performer after reporting strong second quarter results and raising full-year guidance.
- Overweight exposure to Japan and the UK was positive for returns in the period. Japan was one of the best performing developed markets as investors welcomed the news that Prime Minister Yoshihide Suga would not run for re-election as leader of Japan's Liberal Democratic Party.
- Exposure to the communications services sector was also positive for relative returns.

Detractors from performance

- Overweight exposure to the weaker Hong Kong and Chinese markets held back returns. Towards the end of the third quarter it became clear that Evergrande, one of China's largest real estate companies, was unlikely to meet future interest payments on its debts. Given the company's size and far-reaching business interactions, fears rose of potential contagion.
- Weaker stock selection in Hong Kong and China, and Japan, held back returns. By sector, selections were weakest in the consumer discretionary and health care sectors held back returns. Alibaba, the largest consumer business in China, continued to be weak in the period as concerns over the Chinese economy and increasing regulation weighed on the stock.

Major changes to portfolio in the period

- We initiated four new positions during the quarter: **Dollar Tree** is a leading US discount retailer; **Ubisoft**, the high margin French video game company; **Hitachi**, the industrial and IT conglomerate which has recently re-focused its business; and **Sony**, an international diversified entertainment and electronics group.

Desjardins

Global Dividend Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2021



PORTFOLIO MANAGER:
Mondrian Investment Partners

INCEPTION DATE:
November 12, 1959

CIFSC CATEGORY*:
Global Equity

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

- We sold out of three positions during the quarter: **Duke Energy** is a US based energy company; **Synchrony Financial**, which provides consumer focused financial services; and **Naturgy**, the Spanish energy utility.

*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.

The Desjardins brand is a trademark of the Fédération des caisses Desjardins du Québec, used under licence.