

Desjardins

SocieTerra Diversity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2021

LAZARD
ASSET MANAGEMENT

PORTFOLIO MANAGER:
Lazard Asset Management

INCEPTION DATE:
March 9, 2020

CIFSC CATEGORY*:
Global Equity

Contributors to performance

- Stock selection in Industrials
 - Stock selection in the industrials sector contributed to performance. Shares of RELX rose after the UK-based information and analytics provider reported strong first half 2021 revenues and solid organic growth. RELX has focused on digitizing its format and shifting customers towards subscription-based models, leading to higher structural returns. We believe increased regulation and the requirement for specialist knowledge will continue to drive clients to RELX's product suites.
- Stock selection in Healthcare
 - Hologic, a medical device company focused on women's health, saw its stock price climb after reporting better-than-expected revenues, driven by diagnostics even amid a decrease in COVID-related revenues. The company's business is driven by its diagnostics and breast health segments, which have strong installed bases and derive a significant portion of their revenue from services and consumables associated with this installed base. We believe the installed base provides a strong barrier to competition and that further growth in the market and new technologies provides an avenue for growth.

Detractors from performance

- Stock selection in Consumer Discretionary
 - Stock selection in the consumer discretionary sector detracted from performance. The underperformance of Lojas Renner was attributable to investor concerns as the company enters a new investment cycle into its multichannel retail platform. Lojas Renner reported strong earnings and continued execution, and the business continues to take share in the fragmented Brazilian apparel retail market, helped by its geographic roll-out and superior operating model. Lack of exposure to the energy sector also undercut relative performance.

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Major changes to portfolio in the period

→ There were no changes to the portfolio during the quarter.

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