

LAZARD
ASSET MANAGEMENT

PORTFOLIO MANAGER:
Lazard Asset Management

INCEPTION DATE:
March 9, 2020

CIFSC CATEGORY*:
Global Equity

Contributors to relative performance

- Stock selection in the consumer discretionary sector boosted relative performance.
 - Shares of LVMH rose on optimism for a recovery of the Chinese economy, one of the French luxury goods maker's most important markets. We continue to see upside in LVMH's strong portfolio of brands and revenue momentum. While LVMH has very good gender representation throughout the workforce, we continue to engage with the company to improve female representation on the Executive Committee. We are encouraged by the meaningful progress in the female representation of the presidents of the different Maisons.
- Stock selection in the information technology sector contributed.
 - Shares of Applied Materials traded higher after the US-based semiconductor component maker reported better-than-expected quarterly results, with a strong backlog and improving supply chain helping offset some of the headwinds facing the industry. Shares received another boost when management issued an encouraging outlook for 2023. We look forward to engaging with the company further to address their goals for representation globally and reporting on pay equity.

Detractors from relative performance

- Stock selection in the financials sector detracted from relative performance
 - Shares of FactSet traded lower after the US-based financial data and software company reported better-than-expected quarterly margins from strong cost control, but disappointing revenue. Management relayed caution for the coming year due to many clients facing budget tightening. We believe that FactSet is a high return business, with strong barriers to competition due to the high switching costs of its product, particularly in the non-research applications. These are deeply embedded within the company's clients workflows. FactSet has 30% female representation on the Board of Directors and the

Desjardins

SocieTerra Diversity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

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Detractors from relative performance (cont'd)

Executive Committee (including the chief financial officer) and 40% of women in senior leadership positions. Although the company has strong leadership commitment to improve diversity and inclusion (D&I), however, progress has been slower to implement than our expectations.

- Lack of exposure to the energy industry weighed on relative performance

Major changes to portfolio in the period

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

*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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