

# Desjardins

## Global Equity Growth Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2020



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:

- Teladoc, the US telemedicine company was the top positive contributor to relative performance as Covid-19 has accelerated the demand for its telemedicine services
- Strong operational performance at Tesla saw its value double in under 2 months
- The share price of Amazon also held up well as its ecommerce, entertainment, information and cloud computing platforms have been central to many people's lives.

### Detractors from performance

- The US oil & gas company, EOG Resources, saw a significant fall in its share price as the spat between Russia and Saudi Arabia triggered a sharp fall in the price of oil.
- The US barge operator, Kirby, which is somewhat reliant on the energy industry, was also weak.
- Two Indian banks, ICICI Bank and HDFC and the Brazilian bank, Banco Bradesco saw share price weakness as the market worried about the impact that Covid-19 would have.

### 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:
  - In January new holdings were taken in the South East Asian ecommerce and gaming platform, SEA and in the gaming company, Ubisoft
  - We also took a new holding in Ping An Healthcare & Technology, the Chinese online healthcare app, which provides online diagnoses, hospital referrals, and appointments

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→ Complete sales over the quarter included:

- The holding in MarketAxess, the electronic bond trading platform, was sold after a significant increase in its valuation following good operational performance.
- The US oil & gas company, Apache, was sold following disappointing developments at its supposedly 'world class' field, Alpine High and the departure of key personnel.

\*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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