

Desjardins

American Equity Value Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2020

WELLINGTON
MANAGEMENT®

PORTFOLIO MANAGER:
Wellington Management Company

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
U.S. Equity

Contributors to performance

- Strong security selection in financials, information technology, and utilities contributed to relative outperformance over the quarter.
- Sector allocation effects also benefitted relative returns. An underweight to consumer staples and an overweight to consumer discretionary.
- An out-of-benchmark allocation to Lowe's Companies (consumer discretionary) and not owning Berkshire Hathaway (financials) were the top contributors to performance.

Detractors from performance

- Security selection within energy, communication services, and materials detracted from relative returns.
- The overweight to financials and industrials were slightly detractive from relative returns over the period.
- A lack of allocation to AbbVie (healthcare) and an out-of-benchmark allocation Avangrid (utilities) were the top detractors to performance.

Major changes to portfolio in the period

- During the quarter, increased our overweight to financials and decreased our overweight to information technology. We also decreased our underweight to consumer staples and healthcare.
- During the period, we initiated positions in BlackRock, an investment management company, and Sempra Energy, an energy infrastructure company.

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

- We eliminated our positions in Apple, an American multinational technology company, M&T Bank, an American bank holding company, as well as UGI Corp, a natural gas and electric power distribution company.

*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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