

Desjardins Global Equity Growth Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 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:

- Shopify was the top positive contributor as it continued to see strong demand for its products as offline businesses are scrambling to get online.
- SEA continues to see strong demand for its gaming and ecommerce apps. With Fintech fast becoming a third leg to the business, it is being increasingly viewed as the dominant super app in South-East Asia.
- Tesla showed remarkable resilience during the quarter with deliveries far higher than expected.

Detractors from performance

- Not holding Apple was the biggest detractor from relative performance.
- The two Asian life insurance companies AIA and Ping An were also amongst the top detractors. Covid-19 related restrictions have caused the value of new business to fall at both companies.

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:
 - **Adidas** – which we believe will benefit from its continued shift to digital sales channels and growing health & fitness trends globally.
 - **Booking** – as the largest online travel agency we believe its future growth is underappreciated by the market.
 - **CBRE** – is a leading player in the commercial real estate market and should benefit from the continued outsourcing of property management and consolidation of the industry.

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

- Complete sales over the quarter included:
 - We sold the banks Banco Bradesco (Brazilian) and Bank of Ireland over concerns about their future growth.
 - Over the past 18 months the management at Chipotle Mexican Grill have successfully reignited growth in sales and an expansion in margins and this has been reflected in share price moves. We sold the shares as we now believe our views are less differentiated from the market.

*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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