

# Desjardins

## Low Volatility Global Equity Fund

(formerly Desjardins IBrix Low Volatility Global Equity Fund)



QUARTERLY COMMENTARY AS OF JUNE 30, 2020



PORTFOLIO MANAGER:  
Unigestion Asset Management

INCEPTION DATE:  
January 26, 2015

CIFSC CATEGORY\*:  
Global Equity

### Contributors to performance

- Overweight Retailing. Underweight Energy, Healthcare and Capital Goods.
- Stock selection in Materials (NEWCREST MINING LTD, FRANCO-NEVADA CORP., BARRICK GOLD CORP.).
- Overweight Netherlands and stock selection in Australia.

### Detractors from performance

- Underweight Software, Technology and Media & Entertainment. Overweight Telecommunications, Food and Rood Retailing.
- Stock selection in Retailing (AMAZON.COM INC. not held), Pharmaceuticals (MERCK & CO. INC., ROCHE HOLDING AG-GENUSSCHEIN) and Technology (APPLE INC. not held, FUJIFILM HOLDINGS CORP.).
- Underweight and stock picking in the US, overweight and stock picking in Switzerland and Japan.

### Major changes to portfolio in the period

- Increased our allocation to Software, Media and Technology at the expense of Utilities, Banks and Real Estate, which were reduced.
- Increased our allocation to United States, Netherlands and Germany, reduced our allocation to Switzerland, Hong Kong and Canada.
- Stocks bought:
  - ADOBE INC. and CITRIX SYSTEMS INC.: both stable and attractive quality stocks.
  - ACTIVISION BLIZZARD INC.: high barriers to entry industry. Strong franchise offering with recurring revenue element. Refocusing on core franchises – increasing content offering. The stock has become attractive in terms of risks and offers exposure to quality factor.

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

→ Stocks sold:

- SGS: limited organic growth and exposed to slowdown in industrial and consumer complex while trading at a premium to peers.
- GIVAUDAN: extravagant valuation has become unsustainable in a macro environment where investors are no longer ready to pay anything for safety.
- COMPASS GROUP: new work/study from home habits could be longer-lasting than generally expected, which would make prospects of a strong H2 recovery out of reach.

\*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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