

Desjardins

Low Volatility Global Equity Fund

(formerly Desjardins IBrix Low Volatility Global Equity Fund)



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2020



PORTFOLIO MANAGER:
Unigestion Asset Management

INCEPTION DATE:
January 26, 2015

CIFSC CATEGORY*:
Global Equity

Contributors to performance

- Overweight in Food Retailing and Retailing. Underweight in Energy and Banks.
- Stock selection in Real Estate, Capital Goods (GEBERIT AG-REG), Insurance (PROGRESSIVE CORP).
- Overweight in Denmark and underweight in France. Stock picking in Switzerland.

Detractors from performance

- Overweight in Telecommunication, Pharmaceuticals and underweight in Automobiles.
- Stock Selection in Telecommunication (KDDI CORP), Technology (F5 NETWORKS INC, APPLE INC not held), and Materials.
- Overweight in Switzerland, and underweight in United States. Stock picking in the US (TESLA INC and NVIDIA CORP both not held) and Japan.

Major changes to portfolio in the period

- Increased our allocation to Household Products, Media & Entertainment Transportation, at the expense of Food, Telecommunication and Banks which were reduced.
- Increased our allocation to the United States, Germany and reduced our allocation in Japan, Switzerland and United Kingdom.
- Stocks bought:
 - Take-Two Interactive Software Inc. (Media & Entertainment, U.S.): Bought in August.

Take-Two is a leading developer, publisher and distributor of video games with strong IP, and live services combination, as well as healthy pipeline. The recent COVID outbreak has meaningfully accelerated the near-term shift from physical to digital game sales. Stable and attractive quality stock.

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

- C.H. Robinson Worldwide Inc. (Transportation, U.S.): Bought in August.
C.H. Robinson is a multi-modal transportation services and logistics solutions provider. The stock has good defensive characteristics in terms of low volatility and low correlation, as well as an attractive quality.
 - Murata Manufacturing Co Ltd. (IT, Japan): Bought in July.
Murata Manufacturing manufactures and sells electronic modules and components. The stock has good defensive characteristics in terms of low volatility and low correlation, as well as attractive quality.
- Stocks sold:
- Microsoft Corp: reduced in July and August:
The stock experienced higher volatility during the quarter and exhibited more correlation with the market (less diversifying).
 - Lamb Weston Holdings Inc. (Food, U.S.): More volatile and less attractive in terms of diversification and quality.

*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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