

Desjardins

Canadian Small Cap Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



FIERA CAPITAL

PORTFOLIO MANAGER:
Fiera Capital

INCEPTION DATE:
January 1, 1994

CIFSC CATEGORY*:
Canadian Small/Mid Cap Equity

Contributors to performance

- Underweight in Materials
- Underweight in Health Care
- Security selection in Information Technology

Detractors from performance

- Security selection in Materials
- Security selection in Energy
- Underweight in Energy

Major changes to portfolio in the period

- We increased our position during the quarter in high conviction holdings including Calian Group, ATS Automation and K92 Mining. ATS is one of the leading industrial automation companies in the world with a focus on the life science, transportation and food and beverage industries. This innovative company has a global manufacturing footprint and is a solution provider for products including insulin delivery for diabetes and EV parts. ATS has excellent long-term growth opportunities driven by secular growth in its end markets, accretive acquisitions and higher margins from the growing parts and service business.
- We exited our position in First Service, Kinaxis, SSR Mining and Descartes Systems. All four companies have been long term investments in our portfolios for years and have recently graduated to large cap status. We sold them in favor of superior small cap alternatives, many of them being founder led companies with solid long-term prospects.

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

- In addition, we divested our investment in People Corp (+36.3%), as it received a takeover bid from Goldman Sachs Merchant Banking. People is a Winnipeg based, national provider of group benefits, group retirement and human resource solutions led by the entrepreneurial CEO, Laurie Goldberg. He has created a lot of value for all stakeholders including himself with his \$15 million investment in the 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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