

Desjardins Global Equity Growth Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 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:

- **Farfetch**, the global luxury fashion online marketplace continues to dominate the space as it grew its revenues 71% yoy, with gross merchandise volume up 60% yoy.
- **Tesla** again delivered strong share price growth. The company continues to see good demand for its electric vehicles but is showing that it can be increasingly profitable with scale.
- **Cloudflare** also produced strong share price performance as the market responded well to its new offering which replaces a collection of separate cloud-based network security, performance and control applications.

Detractors from performance

- Despite strong operational performance, **Alibaba's** shares fell by around 25% as the market worried about the postponement of the Ant Group IPO and the potential increase in regulation of "big tech" in China.
- **SAP's** shares were weak following disappointing results, with lower than expected growth in its cloud services.

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:
 - **Moderna** – the US biotech that develops "messenger RNA" therapies. The company has recently hit the headlines as it's Covid-19 vaccine gained approval; however, we believe that the opportunity goes far beyond that as it looks to address the big four killers - autoimmune, cardiovascular, and infectious diseases and cancer.
 - **DoorDash** – We participated in the IPO of this US online food delivery company.

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

- Complete sales over the quarter included:
- We sold the holding in **SAP** as we had become increasingly concerned about the slow pace of adoption of its cloud services, particularly when compared to several emerging cloud native platforms, which Global Alpha had invested in earlier in the year.
 - We sold out of the US barge operator, **Kirby**, due to concerns over capital allocation as management has consistently invested in its failing engine services business.

*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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