

Desjardins

SocieTerra Positive Change Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



PORTFOLIO MANAGER:
Baillie Gifford

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Contributors to performance

As active growth managers portfolio performance is predominantly driven by stock specific factors:

- **Tesla** demonstrated good progress towards meeting its 2020 target of delivering around 500,000 electric vehicles, an impressive feat given its California gigafactory was closed earlier this year due to the pandemic outbreak. We attended Tesla's "Battery Day" in September and believe the company's lead in battery technology looks set to become further entrenched which could have profound implications for its car business as well as its energy generation and storage business.
- **M3**, the Japanese company that connects doctors and pharmaceutical companies via its online platforms, is using its technology and data to create efficiencies and take costs out of the healthcare system. The company has partnered with Japanese social media platform LINE to provide free online medical consultations in collaboration with the government, and with Alibaba on developing Artificial Intelligence diagnostics tools for coronavirus.

Detractors from performance

- **Kingspan**, makes insulation panels for buildings. We hold shares in Kingspan because we believe that, as sales grow, its insulation panelling has the potential to help reduce carbon emissions. However, the inquiry into the tragic 2017 Grenfell Tower fire in London has revealed some concerning questions. The inquiry is still ongoing and our role as responsible stewards of our clients' capital is to take time to fully understand matters and to engage with management before deciding on a course of action.
- **Dexcom**, which manufactures continuous glucose monitoring devices for diabetics, announced strong quarterly results, with sales up 26%. However, shares were weak on the news following a very strong share price run. We have reduced shares in Dexcom twice this year on the back of exceptional performance but retain very strong conviction in the long-term opportunity for the company which is improving the standard of care for diabetics.

Desjardins

SocieTerra Positive Change Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



PORTFOLIO MANAGER:
Baillie Gifford

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
International Equity

Major changes to portfolio in the period

Your Baillie Gifford Positive Change portfolio follows a long-term investment strategy – as such no changes have been made during the quarter

*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/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.

The Desjardins brand is a trademark of the Fédération des caisses Desjardins du Québec, used under licence.