Desjardins Global Equity Fund

Desjardins Wealth Management Investments

QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022

LAZARD ASSET MANAGEMENT

PORTFOLIO MANAGER:
Lazard Asset Management

INCEPTION DATE:
July 25, 2018

CIFSC CATEGORY*:
Global Equity

Contributors to relative performance

- Stock selection in the financial sector
- Stock selection in the industrial sector

Detractors from relative performance

- Lack of exposure to the energy sector
- Stock selection in the healthcare sector

Major changes to portfolio in the period

- Stock selection in the financial sector contributed to performance. Shares of financial services provider Charles Schwab rose after management provided an encouraging outlook for 2022, including higher net interest revenues. We continue to own shares in Schwab as we believe the company is best positioned to capitalize on the secular tailwind of asset gathering. The company is growing organically nearly 2 times faster than industry peers. Schwab has been the top disruptor in the savings and investment service industry, and was the first to offer lower-cost solutions and commission-free trading, which has enabled significant customer base expansion over time and increased access to financial services. A continued focus on innovations that improve financial accessibility and services for the mass investor market should benefit growth over time. Stock selection in the industrial sector also contributed to performance. Shares of Wolters Kluwer, a global provider of information services for the health, accounting and legal professionals, rose after the company reported better than expected earnings. The company showed strong revenue growth driven by recurring revenues, particularly in new sales and upselling of digital and software solutions and improved retention rates. We believe this offers evidence that higher growth rates are sustainable. We continue to own shares in the company due to its high market share and solid growth drivers with high business renewal rates.

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

→ In contrast, lack of exposure to the energy sector detracted from performance. Stock selection in the healthcare sector also hurt performance, as shares of IQVIA, a leading provider of analytics, technology solutions, and contract research organization services to the life sciences industry, fell. The company reported earnings that beat expectations and confirmed guidance, but shares pulled back along with selected peers amid the rising interest rate environment. Despite IQVIA having higher debt levels relative to broader healthcare peers, we believe that the company has strong, sustainable financial productivity and that significant free cash flow generation can be prioritized for accelerated debt reduction. We continue to view the company's business model of integrating its industry leading CRO with its internal healthcare datasets as forward thinking, and we expect this to continue to drive market share gains in the attractive life sciences industry. We also see the company emerging as a leading provider of productivity enhancing digital SaaS solutions for the biopharmaceutical industry.

*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/.