

**LAZARD**  
ASSET MANAGEMENT

PORTFOLIO MANAGER:  
**Lazard Asset Management**

INCEPTION DATE:  
**March 9, 2020**

CIFSC CATEGORY\*:  
**Global Equity**

### Contributors to relative performance

- Stock selection in the healthcare sector
  - Boston Scientific, a medical technology innovator with a broad device portfolio, contributed to performance. The company reported better-than-expected earnings and management raised the organic growth outlook. The organic growth upside came from several different product categories, underscoring the underlying strength of BSX's business. We believe underlying procedure trends are positive and that Boston Scientific will be able to navigate a difficult supply chain environment better than pure play peers.

### Detractors from relative performance

- Stock selection in the consumer staples sector
  - Estee Lauder, a leading prestige beauty company with brands such as MAC, Bobbi Brown, Clinique, and La Mer, underperformed after management provided a below-consensus outlook. The company is facing inflationary pressures and demand headwinds from renewed China lockdowns. We think the company will be able to manage inflation through price increases, mix and cost savings. While the Chinese market may provide some short-term volatility, we believe the company has a strong long-term growth opportunity in this market. We believe that the structural changes in the US and fragrance businesses will lead to profitable growth and structurally higher returns on invested capital.
- Lack of exposure to the energy industry weighed on relative performance

# Desjardins

## SocieTerra Diversity Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022

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### Major changes to portfolio in the period

→ There were no changes to the portfolio 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/>.

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