

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 information sector
- Stock selection in the consumer discretionary sector

Detractors from relative performance

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

Major changes to portfolio in the period

- Stock selection in the information technology sector contributed to performance. Motorola Solutions reported better-than-expected earnings based on broad based strength in the face of semiconductor and inflationary pressures. Management also raised guidance. Motorola Solutions is the leader in mission-critical communication devices, systems, and services for public safety and commercial verticals. We believe the company can leverage its strong installed base to sell new functionality and products, driving higher, sustainable growth rates, and improved visibility as recurring revenue streams increase.
- Stock selection in the consumer discretionary sector also contributed to performance. Nike reported quarterly results above expectations, driven by strong revenues in North America and EMEA. We continue to own Nike as we believe the company has significant competitive advantages in scale, a highly engaged digital ecosystem, and a dominant market share across segments that encompasses breadth in pricing and customer demographics.
- In contrast, stock selection in the healthcare sector detracted from performance. Japanese medical devices company Olympus reported quarterly earnings that reflected higher-than-expected cost inflation and management revised guidance down. We believe, however, that underlying performance is on track, as China activity is recovering well, and semiconductor shortages have improved. We believe the company will be able to manage margins pressure as recent price increases flow through to offset cost inflation.

Desjardins Global Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022

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

- Stock selection in the financials sector also detracted from performance. Banco Bradesco reported disappointing quarterly results driven by lower net interest income and elevated loan losses. We exited our position as loan losses pressure earnings.

*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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