

Desjardins

Emerging Markets Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2023

LAZARD
ASSET MANAGEMENT

PORTFOLIO MANAGER:
Lazard Asset Management

INCEPTION DATE:
January 17, 2007

CIFSC CATEGORY*:
Emerging Markets Equity

Contributors to relative performance

- TSMC, a Taiwanese semiconductor foundry, outperformed on an expected recovery in demand for server chips.
- Mexican airport operator Grupo Aeroportuario del Centro Norte outperformed on the back of strong earnings reports and improving economic conditions in Mexico.
- Strong demand and easing inflationary concerns helped shares of Mexican cement company, Cemex, outperform.
- Stock selection in the industrials and materials sector was positive as well as in Taiwan and India.

Detractors from relative performance

- Shares of Polish mining company KGHM Polska, declined in symphony of falling metals prices.
- Global mining company, Anglo America, declined as the price of precious metals fell.
- Tenaris, a global supplier of OCTG pipe to the energy industry underperformed amidst weakness in the global energy markets.
- Stock selection in the healthcare sector was negative as well as in Thailand and China.

Major changes to portfolio in the period

- We had one new buy during the quarter. MediaTek, a Taiwanese manufacture of semiconductors for wireless communications and digital media solutions. The team believes that MediaTek's return on equity is set to continue to rise on higher margins and asset turns and a more efficient balance sheet with a higher dividend payout.

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

- We exited seven positions including Chinese media company, Bilibili and Chinese EV maker XPeng, as risk reward and upsides to our price target became less attractive.

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