

Quarterly commentary as of June 30, 2024

PORTFOLIO MANAGER

Fiera Capital

INCEPTION DATE

10/26/1998

CIFSC CATEGORY*

International Equity

Contributors to relative performance

- Security selection in information technology
- Security selection in consumer discretionary
- Security selection in health care

Detractors from performance

- Security selection in industrials
- Security selection in consumer staples
- Security selection in financials

Major changes to portfolio in the period

- During the quarter, we exited our existing position in Roche and trimmed several other existing positions to fund new positions in Amadeus IT Group and Canadian National Railway Company (CNR). The motivation for the Roche exit was better opportunities elsewhere. As for Amadeus, a major player in the travel technology ecosystem, we believe the company has a positive outlook given its dominant market position, high barriers to entry, strong operational prowess, and attractive financials. The company has three key divisions – airline ticket distribution, airline IT systems, and hospitality IT systems. In short, Amadeus bridges the distribution network between airlines, hotels, and car rental companies with the travel industry buyers such as travel agencies or online booking platforms. With longstanding network effects of having suppliers and buyers seamlessly connected, we believe the company is well positioned for the future as travel volume growth continues, and the business captures market share gains. Furthermore, it has enabled the company to generate high free cashflow and return on invested capital. As for CNR, the coast-to-coast railway network company, we initiated a position as we believe the company has a strong corporate culture, best-in-class operating metrics, a high-quality rail network, and diversified end-markets. Their route covers Canada coast-to-coast, the Midwest and South of the United States, and reaches the Gulf of Mexico. Furthermore, we believe the rail industry benefits from high barriers to entry given its economies of scale, capital intensity and strong pricing power.

Desjardins Overseas Equity Fund



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→ Our investment horizon is best measured in years, conceivably decades, not months or quarters. Our focus continues to be on identifying what we believe to be high-quality companies with sustainable competitive advantages, operating in industries with high barriers to entry and contributing to durable pricing power.

*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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