

Desjardins

Global Infrastructure Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2020



PORTFOLIO MANAGER:

First Sentier Investors
(formerly First State Investments)

INCEPTION DATE:

October 18, 2013

CIFSC CATEGORY*:

Global Infrastructure Equity

Contributors to performance

- Underweight exposure to the Airports sector
- Positioning within the Towers / Data Centres sector

Detractors from performance

- Underweight exposure to North American freight rail
- Overweight exposure to European toll road operators

Major changes to portfolio in the period

- Initiating a small position in INWIT: Italian-listed tower operator INWIT was established in 2015 when Telecom Italia, Italy's incumbent telecom company, spun off its high-quality tower portfolio as a stand-alone business. In March 2020 it merged with Vodafone's Italian tower portfolio, creating Europe's second largest listed tower company with over 22,000 towers. The company is now positioned to benefit from mobile towers' long-term structural growth tailwinds, as Telecom Italia and Vodafone build out their 5G and small cell networks in Italy.
- Initiating a small position in Guangdong Investment: Chinese water utility Guangdong Investment supplies water to customers in Hong Kong and the Guangdong Province cities of Shenzhen and Dongguan. The company has a strong balance sheet, is run by an experienced management team, and pays a dividend yield of almost 5%. Concession

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

agreements that run until at least 2030 provide clear earnings visibility, while a lack of alternative water supplies for Hong Kong give the company effective pricing power. Low debt levels and strong recurring cash flows should enable the company to grow further by acquiring additional water projects throughout China.

*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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