

Desjardins

Global Infrastructure Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



PORTFOLIO MANAGER:
First Sentier Investors

INCEPTION DATE:
October 18, 2013

CIFSC CATEGORY*:
Global Infrastructure Equity

Contributors to performance

- Stock selection within the Electric Utilities sector
- Underweight exposure to the Pipelines sector

Detractors from performance

- Underweight exposure to Airports
- Overweight exposure to Towers

Major changes to portfolio in the period

- Initiated a position in CSX
 - East coast railroad operator added on a relative valuation basis. The company has underperformed other North American freight rail operators over 1 and 3 years on concerns that its operational improvement story has already played out. It now trades at a lower Price/Earnings ratio, with a higher free cash flow yield, than any of its peers, despite similar operational metrics and a well-regarded, experienced management team.
- Divested a position in American Electric Power
 - This regulated US utility was sold after a period of strong performance, reflecting the capex-driven growth opportunities available across its sprawling mid-West service territory.

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

- Divested a position in PNM Resources
 - Regulated US utility sold after agreeing in October to an US\$8 billion takeover offer from peer Avangrid.

*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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