

DFS GIF – INTERNATIONAL EQUITY GROWTH - DESJARDINS

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

PERFORMANCE	3 months
Series 6	3.72
Series 7	3.96

Portfolio Manager: Desjardins Funds

Sub-advisor: Baillie Gifford Overseas

Inception Date: February 24, 2014

CONTRIBUTORS TO PERFORMANCE

- Stock selection in the IT (Tencent, Mercadolibre, AMS) and Financials (AIA, SBI) sectors was the most significant source of positive performance
- Tencent, the Chinese online platform, continues to go from strength to strength. Its core products in social and gaming remain very popular (e.g. WeChat didn't exist seven years ago but now has almost 1 billion monthly users) and it continues to invest in exciting new growth companies (e.g. in Q4 it took stakes in Snapchat and Spotify)

MAJOR CHANGES TO PORTFOLIO

The portfolio follows a long-term strategy and few changes are made in any quarter

New Buys:

- **NVIDIA** – This chip design company has a dominant market share in the high-end gaming market, and we are excited about its opportunities in the emerging fields of virtual reality, artificial intelligence, and autonomous driving.

Complete sales:

- **Exor** – This holding company was sold because we came to the view that the investment philosophy and risk appetite of the Agnelli family (who control Exor) is becoming less aligned with our own.

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