

# Desjardins SocieTerra

## Positive Change Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023



PORTFOLIO MANAGER:  
Baillie Gifford

INCEPTION DATE:  
September 5, 2018

CIFSC CATEGORY\*:  
Global Equity

### Contributors to relative performance

As active growth managers, portfolio performance is predominantly driven by stock-specific factors:

- **Coursera**, the online learning platform, announced better-than-expected results with strong customer growth of 25% year-over-year.
- **MercadoLibre**, Latin America's leading ecommerce and fintech player continues to make excellent progress, announcing that its insurance business reached 5 million customers.
- **Remitly**, a global remittance company, reported strong results with substantial growth in active customers, volumes and revenues.

### Detractors from relative performance

- **Orsted**, a renewable energy developer, saw share price weakness due to its recent announcement of a potential \$2 billion impairment, driven by supply chain issues, rising interest rates, and challenges in securing US tax credits.
- **Dexcom**, the maker of continuous glucose monitors (CGMs) for the diabetic community, saw share price volatility following the recent rise of anti-obesity drugs.
- Dutch lithography machine manufacturer, **ASML**, saw share price weakness despite stronger-than-expected earnings growth as the market worried about rising competition by China's biggest semiconductor manufacturer, SMIC.

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### Major changes to portfolio in the period

#### New purchases

→ Wuxi Biologics Cayman Inc. We have invested in **Wuxi Biologics**, the largest Chinese Contract Development and Manufacturing Organization (CDMO) for biologics drugs. They have a strong end-to-end platform that helps customers throughout the entire drug development process, giving them a competitive advantage. They are well-positioned to benefit from the growing biologics CDMO industry.

#### Complete Sales

→ FDM Group. We have disinvested from FDM Group, a recruitment firm that places graduates, ex-forces personnel, and returners-to-work in IT roles. It has been more difficult for the company to achieve growth than expected, as potential customers take longer to appreciate their unique offering. Additionally, external events have affected the company more than anticipated, and there are concerns about management succession.

\*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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