

# Desjardins

## Overseas Equity Growth Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2023

### Baillie Gifford™

PORTFOLIO MANAGER:  
Baillie Gifford

INCEPTION DATE:  
March 23, 2010

CIFSC CATEGORY\*:  
International Equity

#### Contributors to relative performance

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

- Dutch payments platform business, **Adyen** announced strong results with 26% revenue growth, easing market concerns about competition in the US market.
- **MercadoLibre** had a strong 2023 with Q3 results exceeding expectations. Gross merchandise volume, revenue, and operating profit grew significantly, and operating margins improved due to gross margin improvement.
- Dutch lithography machine manufacturer, **ASML**, continues to produce strong operational performance.

#### Detractors from performance

- Belgian biotech company, **Argenx's** share price fell after its lead product VYVGART failed to show benefit in two Phase III trials, despite its potential for numerous other indications.
- Despite a weak share price, Chinese on-demand delivery giant **Meituan** continues to produce good operational progress, with food delivery orders reaching a daily peak of 78 million and reported revenue growth of 22% YoY.
- Danish biotech company, **Genmab**, saw its share price fall as the market worried over whether its partner Johnson & Johnson will continue its clinical development for Genmab's next-generation DARZALEX.

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#### Major changes to portfolio in the period

→ Added:

- **Atlassian** — We invested in Australian company, Atlassian, which provides collaborative software development and project management tools, with a distinctive business model and a growing market. We like the unique corporate culture and consider Atlassian's prospects exciting.
- **Shopify** — Shopify makes it easy for businesses to sell products and services online, with a founder CEO focusing on culture and a long-term perspective. We are excited by the long-term prospects for Shopify to grow and increase its profitability and so took a holding for the portfolio.
- **Soitec** — We took a holding in, Soitec, the French company that plays a crucial role in the microelectronics industry, offering unique and competitive solutions for miniaturizing chips, improving their performance, and reducing their energy usage. It specializes in Silicon on Insulator technology, potentially continuing the broad interpretation of Moore's Law.

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

→ Sold:

- **Schibsted** and **Adevinta** — We sold your holdings in Adevinta, the global classified advert specialist, and Schibsted, the Norwegian media company, following the announcement of a non-binding proposal from a private equity consortium and Schibsted to acquire the company, in which Schibsted is a significant shareholder.
- **Oatly** — The investment in Oatly has not worked out as we had expected. Operational execution has disappointed, and the business has not scaled as originally hoped. We have, therefore, exited your position.

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