

Desjardins Sustainable Positive Change Fund

(formerly Desjardins SocieTerra Positive Change Fund)



QUARTERLY COMMENTARY AS OF MARCH 31, 2024

Baillie Gifford™

PORTFOLIO MANAGER:
Baillie Gifford

INCEPTION DATE:
September 5, 2018

CIFSC CATEGORY*:
Global Equity

Contributors to relative performance

- **ASML's** share price benefited from its unique position as the sole EUV lithography production machine supplier, as it announced an unprecedented €9.2bn of orders, nearly three times market expectations.
- **TSMC's** share price was strong as it maintained high margins despite industry challenges, outperforming peers with expected growth from high-performance computing and AI.
- **Nu Holdings**, the world's largest digital bank, finished 2023 strongly with customer numbers reaching 94 million, an increase of 26% year on year. Brazil continues to be a source of phenomenal growth and they are making good progress in Mexico and Colombia.

Detractors from relative performance

- **Alnylam's** share price fell due to a delay in its Helios-B phase 3 clinical trial, despite operational progress and leadership in RNAi therapeutics.
- **Wuxi Biologics'** share price dropped sharply after a US draft bill threatened to limit its access to US genomic data, amid unproven links to the People's Liberation Army.
- **Tesla's** share price weakened as quarterly results underperformed, despite a 38% increase in vehicle deliveries during the year and significant growth in its energy business.

*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

Your Baillie Gifford portfolio follows a long-term investment strategy; as such the annual turnover remains low. Being bottom-up stock pickers any changes are for stock-specific reasons.

New Purchases

Rivian Automotive Inc : We have invested in Rivian Automotive as it aims to decarbonize transportation with its electric vehicles (EVs). While Rivian is still at an early stage, it has many of the right ingredients to successfully scale up, including its business model, high-quality products, strong product market fit, a decent amount of capital, strong backing from Amazon as a big shareholder and commercial client, and a trustworthy and ambitious management team. We believe it has the potential to lead industry change and the favourable risk-reward ratio led us to make a small investment.

Grab Holdings : We have taken a holding in Grab, Southeast Asia's leading ride-hailing and food delivery platform, which offers economic opportunities in middle income geographies. We believe its competitive position is strong and defensible due to network effects and investment in technology, including mapping and order batching, and should support profitable growth over the long term.

Complete Sales

While the growth opportunity for offshore wind company, **Orsted**, remains, we have lost confidence in management's ability to allocate capital effectively and generate long-term value for shareholders. We have therefore decided to exit our holding in the company.

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