

# Desjardins SocieTerra

## Positive Change Fund



QUARTERLY COMMENTARY AS OF JUNE 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:

- **Shopify** received positive market reactions following the news that the company is selling most of its capital-intensive logistics division and by continuing to demonstrate revenue growth mainly driven by merchant solutions.
- **Nubank**, Latin American neobank, added 4.5 million customers in the first-quarter results (reaching a total of 79.1m customers), and grew 33% year-over-year, underscoring its position as one of the largest and fastest-growing digital financial services platforms worldwide.

### Detractors from relative performance

- Biotech company **Moderna** continues to see its share price weakening primarily around market expectations of declining Covid-19 vaccine revenues in the short term.
- **Illumina**, the manufacturer of gene sequencing machines, continued to be under pressure with an activist investor pursuing seats on the board, ongoing scrutiny over its acquisition of Grail, and the CEO standing down.

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### Major changes to portfolio in the period

#### → New Purchases

- **Daikin Industries** — Daikin is a leading global company in the HVAC (heating, ventilation, and air conditioning) industry, known for its innovative and eco-friendly products. Its key strengths are its scale and vertical integration. The company's projected consistent growth in earnings is an attractive investment opportunity.

#### → Completed Sales

- **Teladoc** — Teladoc, a virtual healthcare provider, was sold due to underwhelming business growth, increased competition, complexities in the system, and decreased confidence in management after a substantial impairment charge linked to an acquisition.
- **Nibe Industrier AB 'B' Shares** — Nibe, a Swedish heat pump manufacturer, has been sold due to increasing competition and valuation concerns, despite a favourable outlook for heat pump adoption.
- **Peloton Interactive Inc** — Peloton, a digital fitness company, was sold due to execution errors by previous management. Although the new management has made some progress, growth and cash management remain a challenge.

\*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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