

# Desjardins

## Overseas Equity Growth Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023



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 :

- Shares in Belgian Biotechnology company **argenx** responded positively to the company announcing positive news on Phase 3 clinical trials for its lead product against a second autoimmune indication.
- **MercadoLibre**, Latin America's leading ecommerce and fintech player continues to make excellent progress announcing that its insurance business reached 5 million customers.
- **Pinduoduo**, the Chinese e-commerce platform is seeing strong growth as it expands outside of China in the US.

### Detractors from relative performance

- Dutch payments services provider, **Adyen**, was particularly weak as the company reported a slowdown in revenue growth and margin compression due to growing competition in the US and higher investment.
- 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.
- Luxury goods company, **Kering** announced disappointing results, with brands such as Saint Laurent and Bottega Veneta growing slower than competitors and some management changes at Gucci.

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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 (below 20%). Being bottom-up stock-pickers any changes are for stock specific reasons.

→ Transactions for Quarter to September 30, 2023 : there were no new purchases or complete sales during the period.

\*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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