

Desjardins Sustainable Positive Change Fund



Quarterly commentary as of June 30, 2024

PORTFOLIO MANAGER

Baillie Gifford Overseas

INCEPTION DATE

9/5/2018

CIFSC CATEGORY*

Global Equity

Contributors to relative performance

- Alnylam's share price rose due to promising phase 3 results for Vutrisiran, potentially the first RNA silencing heart disease therapy, challenging Pfizer's market dominance and solidifying its leadership in RNAi therapeutics.
- TSMC reported strong April results driven by AI demand, with expectations that AI and high-performance computing revenues will significantly counterbalance weaker smartphone and automotive demand in the future.

Detractors from performance

- Bank Rakyat is navigating short-term challenges from market weakness and macroeconomic pressures in Indonesia but is well-prepared for future stability with strong capitalization and provision coverage
- Remitly's share price fell despite strong May results, due to worries over modest customer growth and marketing efficiency, with future monitoring planned for these metrics.

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:

- Epiroc B is a Swedish industrial company providing equipment and services to the mining and construction sectors. We invested due to its market position, innovation in electrification, automation, and digitalisation, and its role in the industry's decarbo
- Vertex Pharmaceuticals Inc. is a pharmaceutical company focused on transformative medicines for diseases with unmet needs, notably cystic fibrosis. Investment is driven by its monopolistic market position, recent FDA approvals, and a promising pipeline including potential cures for type-1 diabetes and genetic kidney diseases.

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Complete Sales:

- Discovery Ltd., based in South Africa, offers shared-value insurance rewarding healthy behaviours. Disinvestment occurred due to South Africa's weak economy, regulatory risks, and slower-than-expected international expansion.
- 10x Genomics Inc. Class A faced operational and macro challenges, struggling to commercialize its technology. Disinvestment was due to competitive pressures and to reallocate funds to more promising opportunities.
- Wuxi Biologics Cayman Inc., a CDMO for biologics drugs, was initially invested in for its growth potential and competitive advantage. While we still like the fundamentals of the business, we have sold the holding due to escalating geopolitical risks between China and the US, meaning that Wuxi may no longer be in control of its own destiny.
- GRAIL Inc. was spun out of Illumina in June and we sold the holding shortly afterwards.

*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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