

# Desjardins Sustainable Positive Change Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2024



PORTFOLIO MANAGER:  
**Baillie Gifford**

INCEPTION DATE:  
**September 5, 2018**

CIFSC CATEGORY\*:  
**Global Equity**

## Contributors to relative performance

- Shopify reported strong revenue growth for the ninth consecutive quarter, driven by holiday shopping, and is well-positioned to benefit from evolving commerce trends and provide opportunities in areas with limited employment.
- Remitly experienced a strong quarter with a 35% increase in customers and a 43% rise in remittance volumes, leading to significant revenue growth and an upward adjustment in revenue guidance.

## Detractors from performance

- Despite a share price decline due to lower-than-expected operating margins, **MercadoLibre's** investments in fulfillment centers and credit business, along with rising gross merchandise volumes and revenues, highlight its commitment to long-term growth and providing meaningful earning opportunities in Latin America.
- Despite a share price decline due to revised revenue expectations and delayed cash break-even, **Moderna** remains committed to its transformative mRNA platform, showing promise in health care outcomes and investment returns.

## 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:

- **Ashtead**. We have taken a small holding in Ashtead, an equipment rental company primarily operating in North America. It benefits from market consolidation and economies of scale, with growth opportunities through acquisitions. Despite potential construction market weaknesses, its attractive valuation and earnings growth potential justify a small initial investment.

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

- **Savers Value Village** is a thrift store chain in the US and Canada, promoting a circular economy. Its unique model benefits all stakeholders, supported by second-hand shopping trends. With plans for thoughtful expansion and expertise in clothing processing, we have taken an initial investment position.
- **SEA Ltd ADR** operates e-commerce, gaming, and financial services in Southeast Asia, Taiwan, and Brazil. Its platforms support small businesses and financial inclusion, enhancing economic resilience. SEA's e-commerce and financial services offer significant growth potential and should be very valuable over the long term, and so we have taken a position in the company.
- **New York Times Co.** is a news media company with over 10 million subscribers, thriving in the digital era. Its strong journalism and diverse product portfolio offer growth opportunities. With a commitment to quality and potential for subscriber growth, we expect EPS to compound over 10% annually; and so, have taken a holding.
- **Microsoft.** We have made an investment in Microsoft, a key player in global IT, providing essential infrastructure and tools for digital transformation. Its strong competitive position in cloud and AI, along with early investments, positions it for significant growth.

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(formerly Desjardins SocieTerra Positive Change Fund)



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

Completed sales:

- While Safaricom, a Kenyan telecom and mobile money provider, has produced satisfactory progress in its main businesses, it has not capitalized on new opportunities and faces uncertain and capital intensive expansion in Ethiopia. In addition, geopolitical and macroeconomic risks in Kenya have increased, all of which have led to our decision to divest.

\*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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