

Positive Change Q2 investment update

July 2025

Investment manager Lee Qian gives an update on the Positive Change Strategy covering Q2 2025.

Your capital is at risk. Past performance is not a guide to future returns.

Lee Qian: Welcome to the Q2 2025 investment update for positive change. I am Lee Qian, one of the decision makers for the strategy. Today, I'm going to cover performance, transaction and our impact report.

Firstly, performance. Against a backdrop of continued macroeconomic uncertainty and heightened geopolitical tension, our focus on companies with attractive growth prospects, strong competitive advantage, and that are contributing to a more sustainable and inclusive world have served us well. I am pleased to share that recent performance numbers are strong. Positive change is ahead of the benchmark over the recent quarter, year-to-date, and the past 12 months. Key positive contributors included educational app **Duolingo**, Latin America's ecommerce and fintech platform **MercadoLibre**, and **TSMC**, the world's largest manufacturer of semiconductors. The common characteristics shared by those companies is the continued strength of operational performance. For example, leveraging generative AI, Duolingo has launched 148 new language courses in under one year, a stark contrast to the 12 years required for the first 100 courses. AI-powered Max subscriptions are driving both user engagement and revenue growth, which reached 38 per cent in the most recent quarter. The advancement in AI is only possible because of semiconductors made by TSMC, the second largest holding in positive change, which saw revenue growing by 35 per cent year-over-year in the most recent quarter.

Of course, not every company enjoyed strong share price performance. Key detractors included mobile remittance company Remitly, pharmaceutical company Vertex, and Bank Rakyat Indonesia. Despite strong operational performance, Remitly saw a weaker share price return over the quarter due to concerns about President Trump's anti-immigration stance and a proposal to tax remittance from non-US citizens. While we acknowledge those developments might bring near-term headwinds, the long-term growth opportunity remains attractive. With a customer-centric approach and user-friendly offering, Remitly is rapidly gaining market share from incumbents like Western Union and MoneyGram, supporting fast revenue growth and profit growth.

Moving on to transactions, I'm pleased to report that our rich research pipeline continues to bear fruit. We made three new purchases over the quarter, including **Prysmian**, a global leader in high voltage transmission cable and an important enabler of the energy transition. **Sandoz**, a generic pharmaceutical company whose strong position in Europe, in our view, will enable the company to profitably capitalise on the growing demand for generics and biosimilar medicines. And finally, **Procept Biorobotics**, whose innovative acupuncture therapy provides an effective treatment for enlarged prostates. Our new buys were funded by reductions to several companies that have enjoyed strong share price performance and the complete sale of Xylem, Sartorius and Moderna.

Finally, our impact report. Positive change is a global equity strategy with two equally important objectives. To generate attractive investment return and invest in companies that have a positive impact on society. Through our annual impact report, we evidence the positive contribution portfolio holdings have made. We recently released the impact report for 2024. In the report, we showed that portfolio companies have provided 268 million registered users with access to learning and enabled the avoidance of around 163 million tonnes of CO₂.

For more details about the impact of companies in positive change, please visit our website for the latest report. Thank you for watching this quarter's update.

Positive Change

Annual past performance to 30 June each year (net%)

	2021	2022	2023	2024	2025
Positive Change Composite (gross)	66.6	-38.0	25.0	2.5	18.5
Positive Change Composite (net)	65.7	-38.4	24.3	1.9	17.9
MSCI ACWI Index	39.9	-15.4	17.1	19.9	16.7

Annualised returns to 30 June 2025 (net%)

	1 year	5 years	Since inception*
Positive Change Composite (gross)	18.5	9.4	17.6
Positive Change Composite (net)	17.9	8.8	16.9
MSCI ACWI Index	16.7	14.2	11.8

*Inception date: 31 January 2017.

Source: Revolution, MSCI. US dollars. Returns have been calculated by reducing the gross return by the highest annual management fee for the composite. 1 year figures are not annualised.

Past performance is not a guide to future returns.

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