

**Your capital is at risk. Past performance is not a guide to future returns. The following update is based on a representative portfolio. As such, stock examples may not be held in every client portfolio, and performance may differ.**

**Catherine Flockhart:** Positive Change makes long-term investments in companies addressing big global challenges.

This quarter we've been reflecting on what it means to be a pioneer. Pioneers stand for something. They're brave when times are tough, and it's that courage that drives real progress. We're determined to keep pioneering — to keep investing in companies that deliver both strong returns and a positive impact in the world.

Now, being a pioneer isn't always smooth sailing, but staying focused on our mission is paying off.

In the third quarter, the strategy returned around 6 per cent. That's a little behind the global equity benchmark, but importantly we're still more than 2 per cent ahead year to date. And the long-term picture remains really strong.

This just shows the power of patience. We don't expect to beat the market every single quarter, but by sticking to exceptional companies with real growth potential, we're balancing resilience and growth in the portfolio. And the portfolio is in great shape.

Right now, portfolio earnings are growing at about 17 per cent a year compared with around 10-11 per cent for the index. And overall portfolio valuation is looking attractive at the moment. Over time we know share prices follow earnings, so we are really confident in our ability to outperform.

Let's bring this to life with a couple of examples of companies driving recent performance.

Firstly, MercadoLibre. They're the leading e-commerce and fintech company in Latin America, helping small businesses to grow and giving people better access to finance. Now shares have been weak this quarter as the market's been nervous that investments in free shipping signal that competition is rising. But we think they're in a really strong position. Since we first invested in 2020, the shares are up over 250 per cent. We've trimmed the position several times, demonstrating our discipline, but it's still been a fantastic long-term success story.

On the other side, Alnylam Pharmaceuticals has been a real star this quarter. They develop drugs that silence faulty genes using RNA technology, which is a truly groundbreaking approach that's transformed the lives of patients with serious conditions. We spotted their potential early, investing back in 2017, and since then the shares are up more than 1,000 per cent. Recently, growth has been fuelled by new approvals, strong revenues, and excitement about their near term pipeline. What excites us most is their proprietary drug platform — could turn out to be one of the most powerful in the industry.

These are great examples of what we mean by pioneers: companies breaking new ground.

Of course, Positive Change is about more than just returns. Our latest Impact Report, published in July, shows the real-world difference our companies are making. Last year alone, portfolio companies:

- Enabled 49 million people to access finance,
- They helped to avoid one hundred and sixty three million tonnes of carbon emissions, and
- Delivered groundbreaking treatments to 3.3 million patients.

So that is what we mean by pioneering.

You can find the full report if you search Positive Change impact report.

So that gives you a flavour of what we've delivered recently, but now let's spend a moment on our insights – what is the team thinking about? Well we've been debating a few topics.

Autonomous driving and trucking: will it revolutionise a carbon-intensive industry, or just displace jobs?

Digital payments and stablecoins: could they open up global payments and protect people emerging markets from inflation, or do they enable fraud and create risk?

And finally, drug development: is China overtaking the US in innovation?

So, look, to round off. For sure, as ever, the geopolitical backdrop is complex. But we know that innovative companies that can deliver growth and do things better will win out over the long run, we know that climate change is not a con, we know that looking for the pioneers will deliver for our clients over the long run.

## Positive Change

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

	2021	2022	2023	2024	2025
Positive Change Composite (gross)	42.2	-42.4	16.4	19.4	19.7
Positive Change Composite (net)	41.5	-42.7	15.7	18.7	19.1
MSCI ACWI Index	28.0	-20.3	21.4	32.3	17.8

**Annualised returns to 30 June 2025 (net%)**

	<b>1 year</b>	<b>5 years</b>	<b>Since inception*</b>
Positive Change Composite (gross)	19.7	6.4	17.7
Positive Change Composite (net)	19.1	5.8	17.1
MSCI ACWI Index	17.8	14.1	12.4

\*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.

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