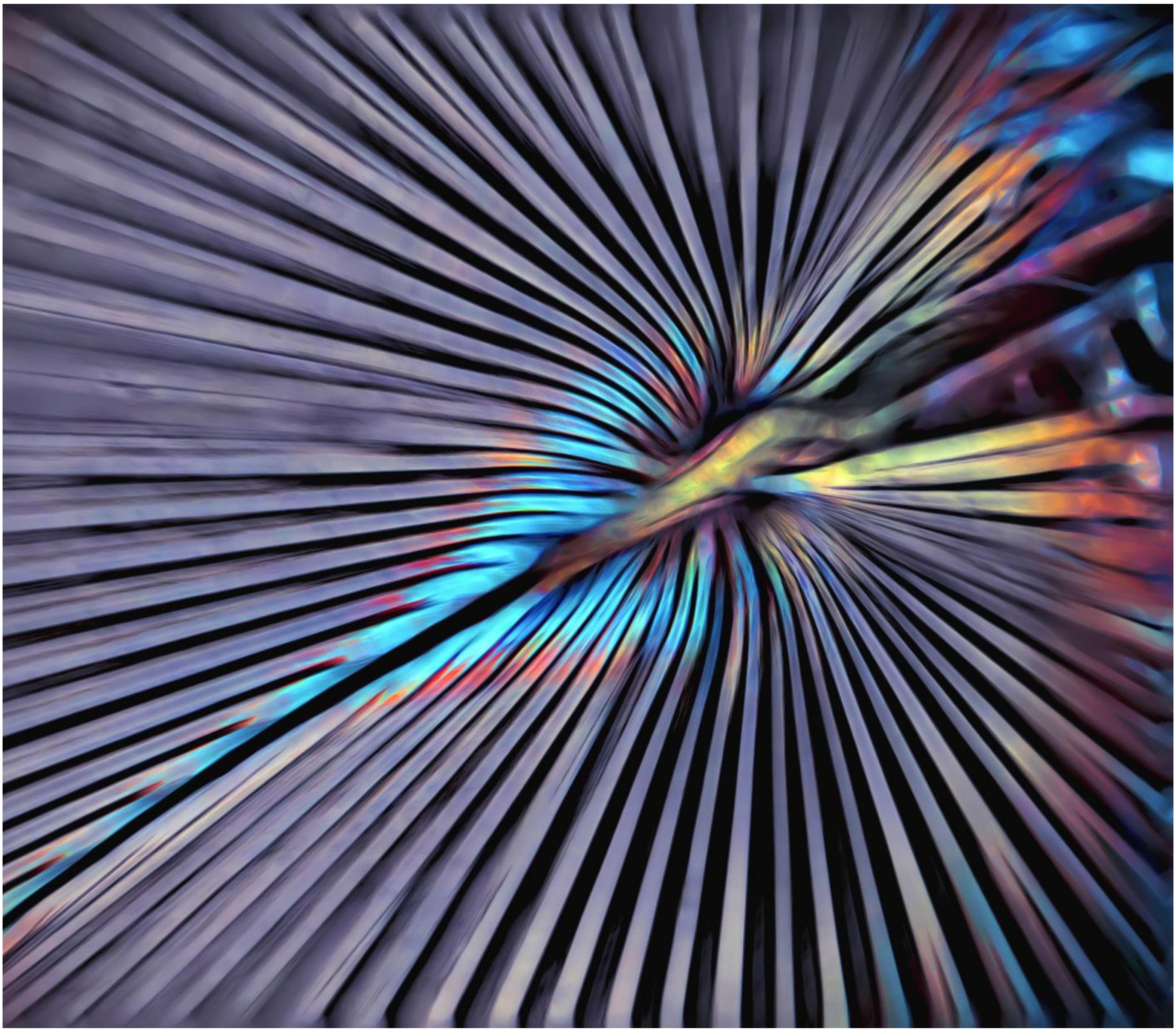
Asia ex Japan Quarterly Update

31 December 2024



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Past Performance

Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance and results of the portfolio. Material market or economic conditions will have an impact on investment results. The returns presented in this document are gross of fees unless otherwise stated and reflect the reinvestment of dividends and interest.
Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction costs and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results.
It should not be assumed that recommendations/ transactions made in the future will be profitable or will equal performance of the securities mentioned.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

Any stock examples, or images, used in this paper are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style. A full list of portfolio holdings is available on request.

The commentary relates to the above mentioned strategy and not all stocks mentioned may be held in the portfolio.

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Product Overview

Asia ex Japan is a long-term, regional equity strategy adding value through active management by identifying and exploiting inefficiencies in growth companies predominantly listed on the MSCI Asia ex Japan index, or on other exchanges if the company derives most of its revenues from, or have most of their assets in, non-developed markets.

Risk Analysis

Key Statistics	
Number of Holdings	62
Typical number of holdings	50-100
Active Share	69%*
Rolling One Year Turnover	26%

*Relative to MSCI AC Asia ex Japan Index. Source: Baillie Gifford & Co, MSCI.

Asia ex Japan markets delivered strong positive returns in 2024

Macro conditions remain resilient in the region, supported by recent Chinese policy pivot

We are excited about the diversity of the growth drivers represented by portfolio holdings



Baillie Gifford Key Facts

Assets under management and advice	US$272.3bn
Number of clients	613
Number of employees	1682
Number of investment professionals	375

It is the season for giving, and the investment banks are giving us a lot of year-ahead reports. The following from Morgan Stanley's Asia Pacific summit summarised the prevailing tone well: "there are *very limited* consensus formed on the positioning for 2025: Japan's structural growth story vs Yen uncertainty; India's secular growth vs high valuation; China's cheap valuation vs uncertain policy pivot; Taiwan's tech leadership vs geopolitical tensions; Korea's reform vs US & tech risk; Australia's commodity strength vs global slow-down, etc."

At Baillie Gifford we've long acknowledged the difficulties of accurate short-term forecasting. For us, it seems that anticipating inflection points and waiting patiently for secular trends to play out is much easier than attempting to precisely pick entry points. In this final quarterly letter of the year, we thought it will be helpful to go through a country tour and review each key market and theme in which the portfolio invests.

Starting with China. Afte three years of decline, China delivered one of the best returns within the region in 2024. While a part of this may have been driven by speculation on the ultimate size of Beijing's stimulus package, we believe the coordinated announcements since September marked a significant policy pivot from the top, which should support growth and sentiment relative to a low baseline. China still trades at a 30-40% discount comparing to other emerging markets (and 50% discount comparing to US) on a price-to-earnings basis.

We have closed the portfolio's underweight in China since early 2024. In addition to our long-standing 'barbell' exposures in platform and resources companies, we also identified opportunities in domestic consumer and semiconductor sectors. New additions include Yifeng, a chain pharmacy and AMEC, China's leading semiconductor equipment supplier. Both are listed in the domestic A-share market. While low valuations and wretched sentiment might have encouraged us to add more, the risk of geopolitical escalation has stayed our hands. We are happy with a small overweight in China and focusing on idiosyncratic opportunities that could benefit from China's domestic environment.

India has outperformed the rest of emerging markets for four consecutive years. There is plenty of optimism surrounding India: a structural property boom, an increasingly affluent middle class, and strong diplomatic leverage on both sides of the geopolitical divide. However, toppy valuations have deterred us from maintaining a large overweight position in India, and we take comfort from the fact that higher growth potential is on offer elsewhere in the region. We continued to take profits from some of our cyclical exposures in India, now hold a modest underweight in the country, and remain selective. India boasted the largest number of IPOs globally in 2024 (30% of the global total by number), and we recently participated in one of those – Hyundai Motor India.

Despite pockets of turbulence, the promise of AI has driven robust demand throughout the semiconductor sector. The importance of TSMC to the industry can not be overstated – it commands a 62% market share of global chip fabrication, dwarfing OPEC's 40% market share for oil. Yet it trades at a discount to all of its major big tech customers. While geopolitical concerns are valid, we would point out that the risk that geopolitical issues disrupting the 'silicon shield' of Taiwan is also a risk to the global technology sector; therefore, these risks appear to be disproportionally priced in for TSMC in our view. We have substantially increased our position in TSMC over the year.

South Korean technology conglomerate Samsung Electronics, by contrast, has been the proverbial 'curate's egg'. Its share price has dropped by 40% in USD terms comparing to TSMC's impressive 75% gain. Samsung currently faces challenges in both its foundry business (a distant No.2 behind TSMC) and high-end memory chips business (lagging behind SK Hynix, another portfolio holding). Most recently the news has also been focussed on the country's political turmoil which began with President Yoon's attempted martial law declaration. Are these temporary disruptions or the harbingers of deeper lying problem? Samsung Electronics is currently being reviewed by the investment team, but a short note can also be found here.

Overall we maintain the view that the world will require more, better, and faster chips -the neurons of the digital era. The portfolio has around 30% exposure to the semiconductor-related businesses across Taiwan, Korea and China. Most of them are hardware producers with enduring edges in their respective niches along the complex global semiconductor supply chain.

The rising relevance of Association of Southeast Asian Nations (ASEAN) countries remains a strong theme in the portfolio. The bloc now has a combined GDP surpassing India and is projected to grow faster than China. The portfolio's key exposures there include a large overweight in SEA, a rapidly growing gaming and eCommerce company with a major focus in southeast Asia, a modest overweight in Indonesia, and a structural off-index allocation to Vietnam.

Performance

It was a year in which the portfolio performed broadly in line with the benchmark. Encouragingly, the longer-term relative returns remain strong. The top contributors last year represented a diverse range of idiosyncratic opportunities, including CNOOC, China's largest offshore oil and gas producer, SEA Ltd, south east Asia gaming and eCommerce platform, and PB Fintech, an online insurance broker in India.

CNOOC's production has been firmly staying ahead of guidance in recent years while its all-in production cost has been falling, which resulted in steady profit growth. Share prices rallied strongly in the first half of the year, before weakening later due to falling oil prices. While CNOOC has been an overweight in the portfolio and has performed very well over the holding period, during the year we have trimmed the position partially to take profit.

SEA Ltd has been one of the most consistent contributors throughout the year. We are pleased to see that after a bit of zigzag at the end of 2023, all of SEA's three business segments are showing good progress. Its flagship game 'Free Fire' further expanded into North Africa and was the most downloaded mobile game globally in 3Q 2024; Shopee, its eCommerce business, and SeaMoney, its financial service arm, have both maintained their growth trajectory but also significantly improved their profitability.

PB Fintech delivered strong growth in revenue in 2024 and has successfully transitioned to profitability. Having previously respected the founding team's strong execution in custom acquisition but slightly worried about their cost controls, we are encouraged to see the company's profit margin improving. Still at a relatively early stage of growth, PB Fintech's addressable market is immense in an underpenetrated industry. It is also a force for positive change in the Indian insurance market, by offering a better and cheaper customer experience, and ultimately should be far more cost-effective than the traditional model of door-to-door insurance sales.

The portfolio has significant exposures to semiconductor related businesses, but performance diverged among these holdings in the past year. Taiwanese names including TSMC, Mediatek, and Accton have performed well, while a few Korean holdings, Samsung Electronics and Koh Young Technology in particular, detracted.

While the team continues to mull over the case for Samsung, whose current valuations of less than 1.0x price-to-book indicate so much of the bad news is in the price, we have sold the holdings in Koh Young Technology. The company specialises in making 3D inspection equipment for smartphones, automobiles and various IoTs. While we liked its dominant position in a niche area with a strong founder-led and R&D focused culture, our confidence in their commercial strategy has declined. Sales of new products have been weak and there didn't seem to be a viable plan to improve this amid intensifying competition from Chinese peers and for newer technologies.

Bank Rakyat Indonesia, one of the longer time holdings in the portfolio, has been yo-yoing through the year and detracted. Micro loans, which make up almost half of the Bank's loan book, can be sensitive to rising benchmark rates over the short term, as a high portion of them are fixed-rate loans. In April, the Bank of Indonesia unexpectedly raised benchmark rate, before cutting and raising it again later in the year. We regard these as short-term issues, and the Bank should benefit accordingly when rate cycle returns. Our longer-term view is that Bank Rakyat remains the best bank in emerging markets, with unparalleled customer outreach in a still very underbanked market.

Outlook

We've previously discussed Asian countries' macro resilience and the rise of the Asian regional economic bloc at length. A near term question arises: is Trump 2.0 a decoupler or a dealmaker? The consensus is that Trump loves tariffs and there will be more. Would Chinese companies' rerouting of their supply chains over the past seven years help to buffer the impact? How much is Beijing willing to absorb the pain by devaluing the RMB? While tariffs are not good news for exporters in China (and the rest of the world), it is worth noting that the portfolio's exposure to Chinese companies deriving revenue from the US is very limited.

In our industry, most of the effort is being spent on attempting to assign near certainty to events or trends over the next year or two, despite the world becoming increasingly unpredictable. Columbia University historian Adam Tooze describes this as a 'polycrisis' status, where multiple, complex, and interacting issues in the world occur simultaneously, challenging anyone's ability to identify clear causes or make meaningful predictions.

How, then, shall we think about the best places to invest? As the co-portfolio manager Ben Durrant recently mentioned during Baillie Gifford's 'disruptive week' webinar: 'At the end of day, it is the steady, silent march of human progress drives returns over the long term.' Considering the broad spectrum of growth drivers in our portfolio holdings - from AI enablers to green transition facilitators, from rapidly expanding digital platforms to globally competitive manufacturers, from vast domestic consumer markets in China and India to frontier opportunities in Vietnam and Kazakhstan – it is our firm belief that Asia and its best growth companies are disproportionally positioned to benefit from this progress.

Performance Objective

To outperform the MSCI AC Asia ex Japan Index.
The performance objective is aspirational and is not guaranteed. We don't use it to compile the portfolio and returns will vary. A single performance objective may not be appropriate across all vehicles and jurisdictions. We may not meet our investment objectives if, for example, our growth investment style is out of favour, or we misjudge the long-term earnings growth of our holdings.

Periodic Performance

GBP	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-1.7	-0.8	-0.9
1 Year	13.1	14.5	-1.4
3 Years	-3.1	1.4	-4.5
5 Years	9.3	4.1	5.2
10 Years	10.6	7.2	3.4
Since Inception	9.7	7.2	2.5

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-8.2	-7.4	-0.8
1 Year	11.1	12.5	-1.4
3 Years	-5.6	-1.2	-4.4
5 Years	8.0	2.9	5.1
10 Years	8.2	4.9	3.4
Since Inception	8.9	6.4	2.5

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-1.1	-0.2	-0.9
1 Year	18.5	20.0	-1.5
3 Years	-2.6	1.9	-4.5
5 Years	9.8	4.6	5.2
10 Years	9.9	6.5	3.4
Since Inception	9.2	6.8	2.4

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-2.3	-1.4	-0.9
1 Year	21.2	22.7	-1.6
3 Years	-1.4	3.2	-4.6
5 Years	10.3	5.1	5.2
10 Years	10.6	7.2	3.4
Since Inception	9.6	7.1	2.5

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	2.8	3.7	-0.9
1 Year	22.4	24.0	-1.6
3 Years	-0.4	4.2	-4.6
5 Years	10.8	5.6	5.2
10 Years	11.3	7.8	3.5
Since Inception	9.7	7.2	2.5

Annualised periods ended 31 December 2024. 3 Month & 1 Year figures are not annualised.
Inception date: 31 December 1989
Figures may not sum due to rounding.
Benchmark is MSCI AC Asia ex Japan Index (MSCI AC Far East ex Japan Index prior to 31 January 2011).
Source: Revolution.
The Asia ex Japan composite is more concentrated than the MSCI AC Asia ex Japan Index.

Discrete Performance

GBP	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23	31/12/23-31/12/24
Composite Net (%)	60.6	6.5	-19.7	0.3	13.1
Benchmark (%)	21.5	-3.6	-9.2	0.3	14.5

USD	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23	31/12/23-31/12/24
Composite Net (%)	65.7	5.5	-28.7	6.3	11.1
Benchmark (%)	25.4	-4.5	-19.4	6.3	12.5

EUR	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23	31/12/23-31/12/24
Composite Net (%)	52.0	13.5	-24.0	2.7	18.5
Benchmark (%)	15.0	2.8	-14.1	2.7	20.0

CAD	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23	31/12/23-31/12/24
Composite Net (%)	62.8	4.6	-23.5	3.5	21.2
Benchmark (%)	23.2	-5.3	-13.5	3.5	22.7

AUD	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23	31/12/23-31/12/24
Composite Net (%)	51.0	12.0	-23.5	5.7	22.4
Benchmark (%)	14.2	1.4	-13.5	5.7	24.0

Benchmark is MSCI AC Asia ex Japan Index (MSCI AC Far East ex Japan Index prior to 31 January 2011).
Source: Revolution.
The Asia ex Japan composite is more concentrated than the MSCI AC Asia ex Japan Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2024

Stock Name	Contribution (%)
Accton Technology	0.9
PB Fintech	0.6
Alibaba	0.6
SEA Ltd	0.4
Mediatek	0.3
HDBank	0.2
CNOOC	0.2
AIA	0.2
Chroma ATE	0.1
Posco	0.1
Samsung Electronics	-0.5
XIAOMI CORPORATION - B	-0.4
ZiJin Mining	-0.3
Reliance Industries Ltd	-0.3
Bank Mandiri	-0.2
PDD Holdings	-0.2
TSMC	-0.2
Bank Rakyat Indonesia	-0.2
China Construction Bank Corp	-0.2
Kuaishou Technology	-0.2

One Year to 31 December 2024

Stock Name	Contribution (%)
CNOOC	1.5
SEA Ltd	1.2
PB Fintech	1.2
Phoenix Mills	0.6
Accton Technology	0.6
HDBank	0.4
AIA	0.4
Mediatek	0.3
Midea Group	0.3
Posco	0.3
Samsung Electronics	-1.8
Bank Rakyat Indonesia	-0.6
Koh Young Technology	-0.6
SILERGY CORP	-0.6
TSMC	-0.5
XIAOMI CORPORATION - B	-0.5
Eo Technics Co Ltd	-0.5
Reliance Industries Ltd	-0.4
Samsung Engineering Co Ltd	-0.4
Delhivery Ltd	-0.4

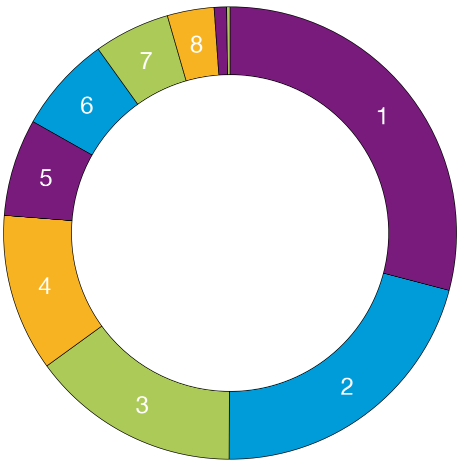
Source: Revolution. Asia ex Japan composite relative to MSCI AC Asia ex Japan Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the portfolio's performance and a description on how the attribution is calculated is available on request. Some stocks may not have been held for the whole period. All attribution figures are calculated gross of fees, relative to the index from stock level up, based on closing prices. As attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio.

Top Ten Largest Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	9.9
Tencent	Technology conglomerate	6.5
Samsung Electronics	Producer of consumer and industrial electronic equipment	5.5
CNOOC	Chinese oil and gas explorer and producer	3.5
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	3.3
Accton Technology	Manufacturer of computer network products	2.9
Sea Limited	E-commerce, gaming and fintech platform	2.8
Meituan	Chinese online services platform	2.8
MediaTek	Taiwanese electronic component manufacturer.	2.5
SK Hynix	Korean manufacturer of electronic components and devices	2.4
Total		42.2

Totals may not sum due to rounding.

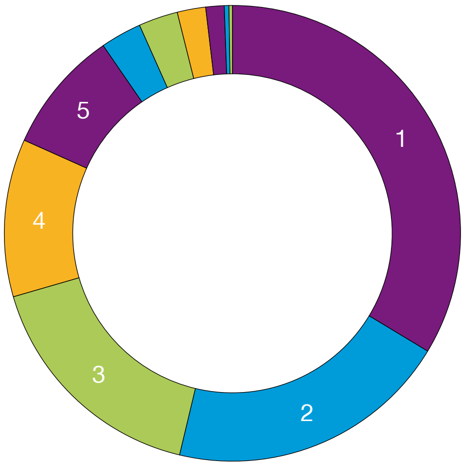
Sector Weights



		%
1	Information Technology	29.2
2	Financials	21.1
3	Consumer Discretionary	15.0
4	Communication Services	11.3
5	Energy	7.0
6	Real Estate	6.9
7	Materials	5.5
8	Industrials	3.4
9	Consumer Staples	0.9
10	Health Care	0.0
11	Cash	-0.2

Totals may not sum due to rounding

Geographical Location Weights



		%
1	China	33.8
2	India	20.2
3	Taiwan	16.9
4	South Korea	11.2
5	Vietnam	8.8
6	Singapore	2.9
7	Indonesia	2.8
8	Kazakhstan	2.0
9	Hong Kong	1.3
10	Thailand	0.3
11	Cash	-0.2

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	7	Companies	2	Companies	None
Resolutions	29	Resolutions	2	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Ping An Insurance (Group) Company of China, Ltd., Samsung Electronics Co., Ltd., Sea Limited, Tencent Holdings Limited, Zijin Mining Group Company Limited
Social	PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Ping An Insurance (Group) Company of China, Ltd., Samsung Electronics Co., Ltd., Sea Limited, Tencent Holdings Limited, Zijin Mining Group Company Limited
Governance	Fabrinet, Kaspi.kz Joint Stock Company JSC, Ping An Insurance (Group) Company of China, Ltd., SG Micro Corp, Samsung Electronics Co., Ltd., Zijin Mining Group Company Limited
Strategy	Kaspi.kz Joint Stock Company JSC, Ping An Insurance (Group) Company of China, Ltd., Sea Limited, Tencent Holdings Limited, Zijin Mining Group Company Limited

Company	Engagement Report
Kaspi.kz Joint Stock Company JSC	Objective: Investors visited Kazakhstan to carry out additional research assessing sanctions risk, the reputation of key personnel and controlling shareholders, and how Kaspi manage risk over and above regulation. Discussion: Two investors travelled to Kazakhstan for a week in September and met with a number of Kaspi's senior leaders and other stakeholders. We continue to be excited about Kaspi's growth opportunities as it plays a critical role in payments and e-commerce in Kazakhstan. We also recognise the inherent geopolitical and country risk. Kaspi has developed the leading apps in Kazakhstan and operates payments, marketplace and fintech platforms. The bank is the second largest bank in Kazakhstan in terms of assets, loan volume and deposit base. The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Markets has emphasised the systematic importance of Kaspi for payments and consumer lending, and there are high levels of transparency and compliance with United States, European Union and other foreign country requirements. The company has continued to emphasise that it is not suitable for large scale money movements as products are designed with limits of 500 USD per transaction and 2000 USD per month. 3 percent of customer account balances are non-residents. The company continues to invest in products to meet evolving consumer demand. Meetings with other financial services companies in Kazakhstan were all supportive of Kaspi's relatively low risk position within the local banking sector. Conversations with regulators and politicians highlighted that they similarly see Kaspi as relatively low risk from a macroprudential perspective and that the company's services contribute positively to broader Kazakh society. Outcome: The trip provided further insights and assurances into Kaspi's corporate governance and controls in place.
Ping An Insurance (Group) Company of China, Ltd.	Objective: To deepen our understanding of Ping An's sustainability strategies and practices with a focus on its social inclusive finance products. Discussion: We met with Ping An Group's environmental, social and governance (ESG) manager and discussed how they design social inclusive finance into their business lines. We learned that Ping An adopt a dynamic model with careful considerations of the status quo in different cities and update the design of products to accommodate the needs of people in addition to the basic insurance provided by the government. The revitalisation assistance funds of RMB 40 billion are mostly social bank loans provided to rural state-owned enterprises (SOEs) and farmers with Ping An providing additional training to increase their financial literacy. Ping An also shared the latest numbers regarding hospitals and doctors in the health and senior care ecosystem that they have started building since 2014. Other topics we touched upon during the meeting included the impact of digitalisation on agents and business volumes, Ping An's traceability system to alert natural disasters, the disclosure of financed emissions of Ping An Bank, projects financed by Ping An on carbon capture technologies and biodiversity conservation, and the expertise of its supervisory committee. Outcome: We appreciate Ping An's efforts to offer assistance and training to rural recipients by leveraging its financial power. We now have a better understanding of the social welfare system in China and Ping An's role in bringing additional benefits to address the underprivileged groups. Ping An thanked us for our suggestion on disclosing the underperforming data which they found valuable. We believe Ping An's commitment to social and environmental aspects reinforces its long-term financial opportunity by aligning with stakeholders' interests and supporting a sustainable future operating environment.

Company	Engagement Report
Sea Limited	Objective: To discuss the company's vision and its approach to responsible lending and supporting micro- and small businesses which use its platform, both of which are important for its ability to sustain its competitive edge in its markets. Discussion: We heard how SeaMoney is well placed to leverage the data it has on merchants and consumers - a clear competitive advantage - to responsibly deliver an expanding range of credit and other financial services. Combining user data with credit bureau checks, SeaMoney has a 'low and grow' strategy, offering small amounts of credit on its ecommerce platform at first, with the opportunity for users to improve their risk profiles over time and then access bigger loans. It is committed to fee transparency and educating customers but accepts that its approach follows standard practices in different markets, which has drawn regulatory attention. The regulatory landscape is changing, but SeaMoney typically finds regulators are supportive as it serves an underbanked segment that traditional banks cannot, while replacing informal lending. We also discussed Sea's ecommerce platform, Shopee, where 70 per cent of Gross Merchandise Volume is from small merchants. Driven by local management teams, Shopee makes a point of providing online and offline training to help merchants sell and advertise online. Most importantly, Shopee is focused on keeping operating costs low, which customers generally prioritise over speed in its markets. To deliver this, it wants a majority of packages to be delivered by its own logistics service. This is progressing well, and Shopee has had no problems with attracting delivery workers, for whom it wants to enable safe and inclusive employment. Finally, we discussed some of Sea's environmental initiatives, which range from piloting the use of electric vehicles for deliveries to removing packaging altogether. The latter is extremely important in its regions where plastic waste is a major challenge. Outcome: We were encouraged by the steps Sea is taking to ensure that it is a responsible lender and that micro- and small businesses on its platform can maximise their opportunity of selling online. Unfortunately, its reporting on these areas is scant and we would like to see Sea publishing more about its approach to consumer protection.
Tencent Holdings Limited	Objective: To better understand Tencent's updated data management practices and suggest actions to align with the international best practices; to learn the company's signature value-added social projects. Discussion: We continue our dialogue on data management with Tencent as supportive shareholders who are challenged by their non-compliant list status at a third-party environmental, social and governance (ESG) rating agency. We discussed the international norms of data protection and the regulatory landscape of data in the People's Republic of China (PRC). Tencent has made significant progress in making the content policy transparent to its users and disclosing external requests for data for public scrutiny. The company reiterated that as a United Nations Global Compact (UNGC) signatory, it firmly upholds the commitments to data and privacy protection. The next steps will focus on further strengthening the technology power to prevent cybersecurity attacks, especially in gaming and its fintech services. We also discussed the signature projects conducted by Tencent's sustainable social value team. One example highlighted by the company is the cornerstone project with RMB 10 billion funding in to support Chinese young scientists in their fundamental research. Other topics we discussed during the meeting include Tencent's decarbonisation pathway and internal control of the anti-corruption campaign. Outcome: The meeting reassured us about the concrete practices on data protection. We believe the company respect and have sought a good balance between local laws and international norms. They will continue to improve data management as new challenges occur in the cyber world. We appreciate the company's mindset to carry on bigger social responsibility whenever they see a gap and their initiative to solve problems with stakeholders like the government and academia.

Company	Engagement Report
Zijin Mining Group Company Limited	Objective: To re-emphasize our expectations for disclosure on human rights auditing by April 2025 and to understand how Zijin influences overseas mines in which the company does not directly operate. Discussion: In addition to our previous thorough engagement on the Group's domestic sustainability practices, we discussed more about Zijin's overseas social and environmental challenges and how the company is overcoming them. Zijin stressed that community relationship building is and will always be the most material topic to gain the social license to operate and relentless efforts have been dedicated on this front, such as addressing the needs of the surrounding communities and seeking support from the local governments. Zijin is also working with international non-governmental organisations (NGOs) for constructive suggestions and managing its reputation. There are many mining projects globally in which Zijin is a shareholder rather than an operator. Take the Porgera mine in PNG as an example, Zijin has appointed two senior managers to sit on the board to influence the decisions. ESG matters are discussed at the board about twice every quarter. Barrick, the direct operator at the mine, has disclosed a roadmap to eliminate the problematic river tailings disposal method by 2028 partially thanks to Zijin's influence. Outcome: Knowing the details of on-the-ground practices of how Zijin's overseas subsidiaries tackle social and environmental issues is very helpful for us to be more assured that the company is upholding its commitments to sustainable mining. We appreciate the company's proactive approaches to reaching out to external NGOs and agencies for suggestions and reputation management. Zijin is well aware of our expectations for human rights-related disclosure and our timeline for it. The company promised to report once the information is reviewed by its US legal counsels. We will look out for the disclosure in the next year's reporting season

Votes Cast in Favour

Companies	Voting Rationale
Hyundai Motor India, Kaspi.kz ADR, Midea Group 'A', PDD Holdings Inc, Reliance Industries Ltd, Yifeng Pharmacy Chain 'A' - Stock Connect, Zhejiang Supor	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Eden Biologics Inc	EGM 30/10/24	1	We opposed the resolution to consent to the acquisition of RophiBio because it would mean holding shares directly in a private company with which we have no direct relationship. Further, we have concerns about the administrative and operational burden of maintaining that holding.
Kaspi.kz ADR	Special 19/11/24	5	We opposed the resolution to approve directors' remuneration as non-executive directors receive stock options, which could impair objectivity of independent board members. We also have concerns over the lack of detail regarding the terms of the option component.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Advanced Micro-Fabrication	Advanced Micro-Fabrication Equipment, or AMEC, is, in our assessment, China's best chip production equipment supplier. Its customer list includes TSMC, which demonstrates its product quality. The company is quickly narrowing the technological gap with its global competitors' offerings. As local sourcing becomes more critical for mainland chip foundries, we expect AMEC to do especially well. As the largest private company in the sector in China, it has both the financial heft and organisational skill to invest large sums in R&D productively, which is helping it broaden its range of front-end chip fabrication equipment profitably. Given the weakness in the broader Chinese market, the company has seen its valuation de-rate over the past three years, but its operational outlook is still strong. With the scope for renewed enthusiasm by mainland investors, we believe this to be an opportune time to take a new holding.
Hyundai Motor India	Hyundai Motor India (HMI) is the Indian operation of Hyundai Motor Group, the Korean automotive giant. The opportunity for growth is driven by a low but rising auto penetration rate and a strong premiumisation trend, both underpinned by rising wealth levels and an increasingly affluent middle class. Placed as the second largest brand in the market, boasting a broad and deep dealer, distribution and service network as well as a wide variety of drive train options, HMI is well placed to capitalise on this outlook. Further, the company benefits from a continued healthy relationship with its parent company and a return structure that ensures that growth will be significantly value accretive. Given these feature we decided to participate in the IPO.
Yifeng Pharmacy Chain	Yifeng is a leading pharmacy chain selling over-the-counter and prescription drugs through directly owned and franchised stores. It has a leading market position in Central-South and Eastern China with strong local economics including high store efficiency relative to peers. The market outside Central and Eastern China is large and fragmented, and Yifeng is expanding here organically and through acquisition. The long-term growth opportunity for this company is very large, given pharmacies are under-penetrated in China, whilst Yifeng should also benefit from the government's drive to encourage more sales of prescription drugs through retail pharmacies instead of hospitals. The company is run by a founder family management team with a strong track record and good alignment. We do not believe the valuation captures the scale of the growth opportunity or the quality of the business. Based on these attractions, we decided to take a position for the portfolio.

There were no complete sales during the period.

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