Asia ex Japan Quarterly Update

31 March 2024

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Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

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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

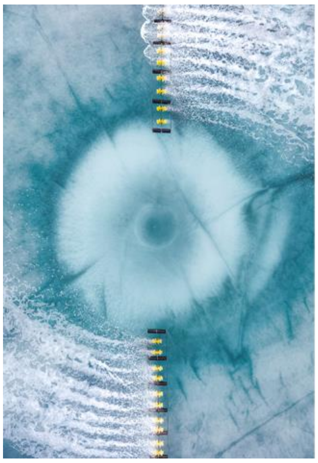
Asia ex Japan is a long-term, regional equity strategy adding value through active management by identifying and exploiting inefficiencies in growth companies predominantly listed on the MSCI Asia ex Japan index, or on other exchanges if the company derives most of its revenues from, or have most of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

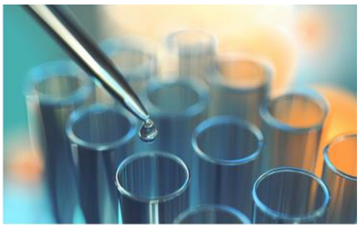
Risk Analysis

Key Statistics	
Number of Holdings	64
Typical number of holdings	50-100
Active Share	70%*
Rolling One Year Turnover	23%

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

- The Asia ex Japan markets rose during the quarter and the portfolio outperformed
- Sentiment in Chinese equity market showed some recovery during the quarter, but stock selection remains key
- Competition for capital in the portfolio is fierce, with a plethora of new ideas being discussed





Baillie Gifford Key Facts

Assets under management and advice	US$290.9bn
Number of clients	655
Number of employees	1817
Number of investment professionals	393

"Technology is a word that describes something that doesn't work yet." Douglas Adams

A long time ago, one of my ex-colleagues excitedly offered to show me 'the Internet'. Intrigued, I followed him to a computer terminal where he proceeded to click the mouse and slowly, very slowly (anyone remember dial up?) the front page of The Times newspaper appeared on the (enormous) CRT monitor. Mmm, show me more? More clicks and what seemed like five minutes later, the front page of the Financial Times appeared. This left me somewhat underwhelmed, what was the point of an extremely slow and fixed point version of something that I could readily access, read at my own speed and was eminently portable? Clearly, 'the Internet' would never catch on!

Now, thirty years on, I find myself at a similar point with AI. Last year I was also an early trialist of ChatGPT to the extent I was gleefully educating my teenage sons (who regard me as some weird analogue sub-species) about it. However, after a few months playing around in the 'sandbox', my interest has waned – how many silly poems about Labradors do you need; is this it? I have to remind myself of my initial introduction to 'the Internet'; that early dial-up experience gave no clue to a world in which I would be able to make video calls, get directions and stream movies and pay for things in a cordless device no bigger than a wallet. I suspect our lives will be changed to an even greater extent by AI over the next twenty years, we just can't see how at the moment.

Of course most of excitement about AI is taking place in the US stockmarket, though it seems the Magnificent Seven is being currently being culled to a Fantastic Four. Nonetheless, the AI story continues to have legs. NVIDIA just announced its Blackwell GPU which will have twice the power to train AI models and five times the capability to conduct 'inference'. As a younger and cleverer colleague explained, first AI models had to be trained, then they could start making inferences, i.e. conclusions or predictions. Currently roughly 60% of NVIDIA's chips are being used for training and 40% for inference – we are clearly at a relatively early stage in AI and yet high end semiconductor capacity is still constrained. Therefore a repetition of the dot.com boom bust doesn't look imminent.

Moreover, if AI delivers on its promise, every single technology device will have to be re-engineered and upgraded to include or provide access to AI. This could be an extended cycle in Tech. All the attention on AI is focussed on the US and US stock market, but this is likely to be a global phenomenon.

While the leading-edge chip design and software are undoubtedly US-centric, the picks and shovels of AI (and indeed most of the tech sector) are made predominately in Asia at present.

The main AI exposures in the portfolio are predominantly via the semiconductor companies, where the biggest holding in absolute terms is Samsung Electronics in Korea, followed by TSMC in Taiwan. Both companies have undergone massive capex programmes in recent years, in anticipation of the manufacturing demand by logic chip designers such as NVIDIA, AMD, Apple and Qualcomm under the backdrop of the rising promise of AI.

Most electronics devices have a logic chip and memory chip. NVIDIA's chips operate at such speed that they require very powerful memory chips to support them. High Bandwidth Memory ("HBM") chips are made by SK Hynix, as well as Samsung Electronics in Korea. To keep up with the demands posed by AI, both companies have rapidly progressed to the third generation of HBM ("HBM3") and are currently preparing to manufacture the next generation, HBM3E, which is approximately 25% faster than its predecessor. The race for ever faster and more efficient chips looks set to run and run.

We have also been long interested in looking at the supply chain, to identify potential winners within the highly sophisticated semiconductor industry. Datacentre and server switches made by Accton in Taiwan, and etching technology provided by EO Technics in Korea, are examples of niche expertise that is indispensable in the semiconductor ecosystem.

Aside from the excitement in AI, we continue to find a wide array of interesting ideas across Asia and competition for capital within the portfolio remains fierce. Foremost in the team's discussions and conversations with clients is obviously China. While we have long term concerns on the trajectory of US-China relations, in the medium term we are feeling increasingly contrarian in the face of the overwhelmingly negative sentiment which has brought valuations of some great growth businesses down to almost fire sale levels. However, this is to some extent known, so what could be the catalyst for an improved performance in share prices going forward?

One possible answer is a change in Chinese government policy. Tired of a domestic stockmarket in the doldrums, President Xi fired the head of China's securities regulator, the CSRC, on the 7th February. Since then the government machinery has made clear that 'responsible' state-owned and private companies alike should support their share prices either through dividends or share buy-backs. Not surprisingly, fourth quarter company results have been awash with higher dividends and bigger buybacks than anticipated.

While the overall outcome of the 'Two Sessions', the country's annual parliamentary meeting, was somewhat underwhelming compared with market expectation on impactful stimulus package, Beijing did re-emphasise its support of private sector and pledged to 'create a stable, transparent and predictable policy environment'. This is clearly helpful in an environment in which there is much scepticism around China's regulatory intentions and implementation, and a reduction in regulatory risk premium on Chinese companies, especially big tech, which may help push valuations up. If the China markets cease to be the one way bet of the last twelve months, what may happen to China's household savings which reached US$19.83 trillion in February (the highest figure on record)?

Another country looking to boost its stock market is South Korea. As the Japanese market reaches new highs, Korea's Financial Services Commission is proposing to borrow Japan's playbook with its "Corporate Value-up Programme" to boost shareholder returns. Korean shares have historically traded at a valuation discount to other Emerging Markets given the paucity of dividends and the opacity of some of the chaebol conglomerates. While the initiative is to be applauded, it is unlikely to produce much in the way of change in the portfolio as the companies most likely to benefit from the programme are the low growth, low quality companies that we typically look to avoid. Nonetheless, we will continue to monitor developments and see if the proposals gain traction.

Ben Durrant, co-manager of the portfolio, went on research trips to both India and China during the quarter. He commented that 'while some Chinese companies we met noted that this was the first foreign investor visit in a long time, there was almost only standing room at the Indian investment conference'. The 'China pessimism' stands in stark contrast with the 'India optimism'. While there is no denying the favourable macro tailwinds in India, we are mindful of the stretched valuations in small/mid cap space in particular. It is worth noting a decent portion of the India allocation is in large cap stocks where valuations remain sensible. Our enthusiasm remains mainly driven by the growth prospects of individual holdings in the portfolio, with a good balance between the 'old India' (real estates and financials) and increasingly, the 'new India' (fintech, digital-driven businesses).

Performance

The index rose over the quarter and the portfolio outperformed. Stock selection in India and China, and the allocation to Vietnam were among the biggest contributors.

CNOOC is one of the largest overweights in the portfolio and a top contributor to performance both for 2023 and this quarter. CNOOC is China's largest oil and gas producer and it has been held in the portfolio, on and off, for the past 15 years. The recent overweight was initiated in 2018. CNOOC is systematically important to China's energy security and has continuously expanded production. Its capex budget doubled over the five years from 2018 to 2023, and 2023 was the fifth straight year that it has achieved a record high production. Despite the solid delivered growth, the stock trades at a low price-to-earnings multiple with a high dividend yield. The team sees a decent chance of it meeting our investment hurdle of doubling in five years' time.

India has performed strongly over the last 15 months or so and a number of the Indian holdings added positively to relative performance this quarter. Among them was JIO Financial Services ("JFS"), which was spun out of Reliance last year. As things stand, JFS is probably best described a 'conceptual financial services conglomerate'. Nonetheless it has two incredibly powerful advantages: the data from approximately 470 million JIO mobile phone subscribers and Reliance's ~ 18,700 retail stores; and, Mukesh Ambani's proven ability to deliver in India (whatever the political weather) and his enviable rolodex. JFS have signed one deal so far, a 50/50 joint venture with Blackrock to distribute investment products.

In terms of the detractors to performance, there haven't been many obvious themes. Two companies stand out though, the first of which is Silergy, a Chinese analog chip designer. This was a relatively newer holding which the portfolio purchased last year. China still imports majority of the analog chips it consumes and is very keen to become more self-sufficient. Silergy is one of the domestic leaders and the team believes it is well positioned to gradually take market share from foreign incumbents in the many years to come. 2023 was challenging for Silergy as demand was weak and the industry went through a painful period of inventory correction. However it appears that the cycle is now entering a sustainable period of expansion, and management guided that they could grow by 20%-30% during 2024.

Another detractor was Merdeka Copper Gold. This is a family backed mining company in Indonesia. The company reported a -$21million net loss for FY2023 due to the drag in its nickel arm with lower pricing environment, and weak operational performance from its Wetar Copper project. The portfolio bought Merdeka in early 2020 in anticipation of rapid production growth. This had worked well as the shares have more than doubled since then. However we acknowledge that whilst Merdeka has acquired very good assets in the past several years, it still needs to prove it can operate them well. The hiccups at the Wetar projects show the challenges. We decided to take profit and have exited the position during the quarter.

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	11.2	3.4	7.8
1 Year	9.0	2.1	6.8
3 Years	-2.7	-3.7	1.0
5 Years	11.1	2.9	8.1
10 Years	12.0	7.4	4.5
Since Inception	9.9	7.1	2.8

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	10.1	2.4	7.7
1 Year	11.3	4.4	7.0
3 Years	-5.5	-6.5	1.0
5 Years	10.4	2.3	8.1
10 Years	8.9	4.5	4.4
Since Inception	9.1	6.3	2.8

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	12.7	4.8	7.9
1 Year	12.0	5.0	7.0
3 Years	-2.9	-3.8	1.0
5 Years	11.2	3.1	8.2
10 Years	11.6	7.1	4.5
Since Inception	9.3	6.5	2.8

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	13.0	5.1	7.9
1 Year	11.3	4.4	7.0
3 Years	-3.2	-4.2	1.0
5 Years	10.6	2.5	8.1
10 Years	11.2	6.6	4.5
Since Inception	9.6	6.8	2.8

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	15.2	7.1	8.1
1 Year	14.3	7.1	7.2
3 Years	-0.6	-1.6	1.0
5 Years	12.3	4.0	8.2
10 Years	12.8	8.2	4.6
Since Inception	9.7	6.9	2.8

Annualised periods ended 31 March 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: FE, Revolution, MSCI.
The Asia ex Japan composite is more concentrated than the MSCI AC Asia ex Japan Index.

Discrete Performance

GBP	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Composite Net (%)	-2.3	88.0	-6.8	-9.4	9.0
Benchmark (%)	-8.8	41.8	-10.3	-2.6	2.1

USD	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Composite Net (%)	-7.1	109.2	-11.0	-14.9	11.3
Benchmark (%)	-13.2	57.8	-14.4	-8.5	4.4

EUR	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Composite Net (%)	-4.9	95.3	-6.0	-12.9	12.0
Benchmark (%)	-11.2	47.3	-9.6	-6.3	5.0

CAD	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Composite Net (%)	-1.0	84.8	-11.6	-7.8	11.3
Benchmark (%)	-7.5	39.3	-14.9	-0.9	4.4

AUD	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Composite Net (%)	7.9	68.1	-9.8	-4.6	14.3
Benchmark (%)	0.8	26.8	-13.2	2.5	7.1

Benchmark is MSCI AC Asia ex Japan Index (MSCI AC Far East ex Japan Index prior to 31 January 2011).
Source: FE, Revolution, MSCI.
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 March 2024

Stock Name	Contribution (%)
CNOOC	1.4
Tata Motors	0.6
Jio Financial Services Limited	0.6
MMG Limited	0.5
Eo Technics	0.5
Phoenix Mills	0.5
ZiJin Mining	0.4
DLF	0.4
AIA	0.4
SK Hynix	0.4
Silergy	-0.6
Accton Technology	-0.4
Samsung Engineering	-0.4
Hyundai Mipo Dockyard	-0.3
Merdeka Copper Gold	-0.3
TSMC	-0.3
Hon Hai Precision	-0.2
HDFC Bank	-0.2
Nexteer Automotive	-0.2
Samsung SDI	-0.2

One Year to 31 March 2024

Stock Name	Contribution (%)
CNOOC	1.9
Tata Motors	1.9
Phoenix Mills	1.5
DLF	1.4
Tencent	1.3
Eo Technics	1.2
Alibaba	1.1
Reliance Industries	0.8
AIA	0.8
Indiabulls Real Estate	0.7
Merdeka Copper Gold	-1.4
Samsung SDI	-1.2
Sea Limited	-1.1
Ping An Insurance	-0.8
Alibaba	-0.8
JD.com	-0.7
Samsung Engineering	-0.6
Dada Nexus	-0.5
Samsung Electronics	-0.5
Li Ning	-0.5

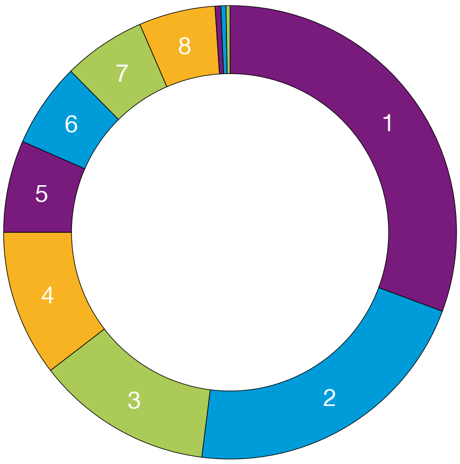
Source: Revolution, MSCI. Asia ex Japan composite relative to MSCI AC Asia ex Japan Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions 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
Samsung Electronics	Producer of consumer and industrial electronic equipment	9.6
TSMC	Semiconductor manufacturer	8.7
CNOOC	Chinese oil and gas explorer and producer	5.1
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	4.2
SK Hynix	Korean manufacturer of electronic components and devices	3.1
Tencent	Technology conglomerate	2.7
Zijin Mining	Chinese mining company	2.7
DLF	Indian real estate	2.4
MMG Limited	Chinese mining company	2.3
MediaTek	Taiwanese electronic component manufacturer.	2.3
Total		43.1

Totals may not sum due to rounding.

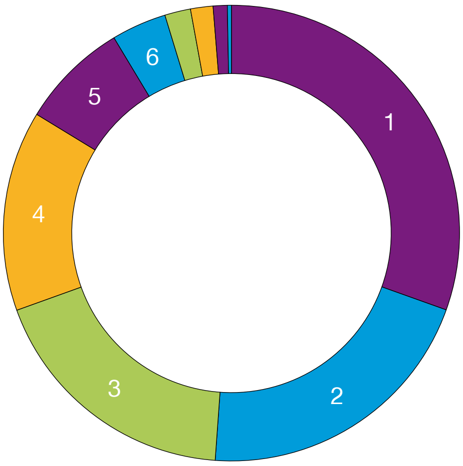
Sector Weights



		%
1	Information Technology	30.8
2	Financials	21.5
3	Consumer Discretionary	12.7
4	Energy	10.5
5	Communication Services	6.6
6	Real Estate	6.1
7	Materials	5.9
8	Industrials	5.5
9	Consumer Staples	0.4
10	Health Care	0.4
11	Cash	-0.3

Totals may not sum due to rounding

Geographical Location Weights



		%
1	China	30.6
2	India	20.8
3	South Korea	18.5
4	Taiwan	14.3
5	Vietnam	7.7
6	Indonesia	3.9
7	Kazakhstan	1.8
8	Singapore	1.6
9	Hong Kong	1.0
10	Cash	-0.3

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	17	Companies	4	Companies	1
Resolutions	76	Resolutions	6	Resolutions	1

We had a discussion with PDD, a portfolio holding, on their ESG strategies including international regulatory engagement, compliance alongside business expansion, and disclosure

We joined others from the Asian Corporate Governance Association in a group meeting with the Chair of Samsung Electronics

We undertook research into sustainable data centres and opportunities for solutions providers

Company Engagement

Engagement Type	Company
Environmental	Brilliance China Automotive Holdings Limited, CNOOC Limited, Sea Limited
Social	CNOOC Limited
Governance	Brilliance China Automotive Holdings Limited, CNOOC Limited, DLF Limited, EO Technics Co., Ltd., Li Ning Company Limited, Military Commercial Joint Stock Bank, PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Samsung Electronics Co., Ltd., Sea Limited
Strategy	Brilliance China Automotive Holdings Limited, PDD Holdings Inc., Silergy Corp.

Company	Engagement Report
PDD Holdings	Objective: To gain further insights from PDD including international regulatory engagement, compliance alongside business expansion, and ESG disclosure. Discussion: In January, investors met with PDD's Head of Capital Markets and talked about its ESG-related strategies. PDD emphasised its commitment to openness in engaging with consumer protection authorities in the US, UK, and EU. Despite challenges linked to their Chinese origins, there's a proactive stance towards regulatory and media inquiries, with a system in place to remove dubious products, leveraging their Chinese supply chain knowledge. Although still in the early stages, the company are receptive to feedback on ESG topics, whilst acknowledging that they will need to evolve in tandem with their global business growth. They appointed a Dutch independent director specialising in food safety and toxicology in August 2023. It was helpful for investors to have discussions with the company which contrasts with some external commentary. The backdrop of intense scrutiny and the potential for regulatory challenges were acknowledged, highlighting the complex environment in which they operate. Outcome: The meeting provided additional insights into the company's strategic approach to regulatory transparency, compliance, and ESG disclosures. We will follow up with the company further on sustainability and supply chain management and encourage more standardised ESG reporting.
Samsung Electronics	Objective: To learn more about the company's corporate governance and sustainability approach and encourage continued progress. Discussion: In January, we joined a group meeting organised by the Asian Corporate Governance Association with Mr Hanjo Kim, the chairman of the board at Samsung Electronics. We also spoke to the IR in February ahead of the annual general meeting in March. Samsung is committed to improving its corporate governance standards and has undergone a three-year review to benchmark global-leading companies. The board is enhancing pre-reporting, independent director feedback and member contributions. The company is aligning incentives with long-term company performance. We were able to hear more about the distinct roles within the company's leadership, mainly how the board's chair and the executive chairman work together. There is currently no plan for JY Lee to join the board. The company has reiterated its commitment to reducing greenhouse gas emissions, transitioning to renewable energy and enhancing product efficiency, but has more work to do on these topics. Outcome: The meetings provided further insights into the company's governance, the roles of the chairman and the executive chairman, and strategic investment opportunities. We will have a follow-up meeting with the company regarding the sustainability targets and commitments.

Votes Cast in Favour

Companies	Voting Rationale
Bank Mandiri, Bank Rakyat Indonesia, China Oilfield Services Ltd 'H', DLF Ltd, Eo Technics Co Ltd, Guangzhou Kingmed 'A', HDBank, HDFC Bank, Han's Laser Technology 'A', Koh Young Technology, Midea Group 'A', SK Hynix Inc, Samsung Electronics, Samsung Engineering Co Ltd, Samsung SDI Co Ltd, Vietnam Prosperity Joint Stock Commercial Bank, Zhejiang Supor	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Bank Mandiri	AGM 07/03/24	3	We opposed the remuneration for the board as independent directors receive incentive-based pay which we believe could compromise their objectivity.
Bank Mandiri	AGM 07/03/24	8	We opposed the election of directors due to a lack of disclosure of the candidates ahead of the meeting.
Bank Rakyat Indonesia	AGM 01/03/24	3	We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity.
Bank Rakyat Indonesia	AGM 01/03/24	7	We opposed the changes to the composition of the company's management due to lack of disclosure of the changes.
Eo Technics Co Ltd	AGM 28/03/24	1	We opposed the financial statements as the annual report, including the auditor's opinion, was not disclosed ahead of the voting deadline.
Guangzhou Kingmed 'A'	EGM 31/01/24	5.1	We opposed the election of one director because we have concerns over his suitability to serve on the board as he was criticised by Shanghai Stock Exchange.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Vietnam Prosperity Joint Stock Commercial Bank	OTH 02/01/24	1	We abstained on the company's restructuring plan associated with bad debt handling due to a lack of disclosure.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
Hyundai Mipo Dockyard	We did not vote due to selling out of the stock.

New Purchases

Stock Name	Transaction Rationale
Luckin Coffee	Luckin is the largest coffee company in the China, having recently overtaken Starbucks. The company was delisted and the founder expelled after fraudulent sales were revealed in 2020, however the new management team and backers have saved the business and built an exceptional mass market beverages brand. We met some of the new management and backers in China, and assess that the company still has years of growth ahead of it, and scope to increase profits further. A result of its controversial past, the company is still traded off-exchange in the US, but ample liquidity is available to make an investment. The company continues to meet all SEC requirements and is considering a listing in the US or HK in future. Continued operational growth and the prospect of a substantial re-rating in such an event make this potentially a very attractive investment.
Mobile World Investment Corporation	We have purchased a new holding in Mobile World Corp, a Vietnamese retailer. We have long admired its dominance in electronics retailing in the country, and more recently how it has outcompeted e-commerce operators and also managed the volatility during the pandemic. They have more recently used this core retailing competence to build out a 2,000-strong chain of modern grocery stores. However, the last year has been challenging for the company operationally. It has faced price competition due to inventory oversupply across all Vietnamese consumer electronics retailers. Secondly, Vietnam has faced a broader economic slowdown, which has resulted in slowing consumer spending in grocery. However, we believe this to be a classic capital cycle: the fundamentals of both of its businesses remain intact, competition has been weakened, and as a result the company will come out stronger in the long-term. We also believe the shares are now considerably undervalued.
PDD Holdings	PDD has done a terrific job servicing the sizeable cost-conscious consumer market. Over the last few years they have carved out a formidable niche targeting low-income users in lower-tier cities with a deeply-discounted 'treasure hunt' experience that combines entertainment and commerce. We've been struck by how cash-generative the company has become as it has moved away from massive marketing promotions without losing any user traction, and how appealing their model is to a wide cross-section of stakeholders in Chinese society as it helps small farmers and merchants to reach a new user base while cutting out layers of middlemen. While we have been held back historically by questions around company structure, a recent conversation with the company was reassuring. Given its potential for massive operational upside, we felt PDD was worthy of a place in the portfolio.
SK Square	SK Square is an investment holding company, with the majority of its net asset value made up of its stake in SK Hynix. After assessing the demand and capex cycle for memory, we believe that SK Hynix's continues to be an attractive investment, and it is already owned for the portfolio. Furthermore, SK Square itself trades at a c.70% discount to its net asset value, and the company has committed to share buyback programs to narrow this discount. Coupled with recent government initiatives to narrow such discounts to book value, we see the possibility of both growth in the underlying asset and a narrowing of the discount.

Complete Sales

Stock Name	Transaction Rationale
Binh Minh Plastics	While we still admire the business, given limited liquidity in the company, we have sold the position after a strong run of recent performance.
Dada Nexus	Dada Nexus was sold following the company's disclosure that advertising revenue and costs had both been overstated. Despite this appears to be an accounting issue rather than a cash issue, it called into question both the internal controls in the business as well as the potential for advertising growth in future, given past growth has been lower than previously reported. As a result, despite the fall in price, we felt that it does not necessarily meet our investment criteria anymore, and so we sold the position.
Geely Automobile Holdings	Geely has historically offered an attractive combination of traditional vehicle OEM competence, combined with a flexible approach to hybrid and battery EV model development. However, competitive intensity in the new energy vehicle segments remains very high. With the founder's alignment having shifted given substantial investments outside the listed entity, our confidence in Geely navigating this change to its own benefit has decreased, and so we have sold the holding.
Huayu Auto Systems	Huayu Automotive is an auto parts manufacturer. The company boasts leading market shares, is investing a meaningful amount in R&D and maintains an attractive return structure with a strong balance sheet. We had expected growth to come from its current customers continuing to outperform, adding additional product lines and extending its customer base. However, our conviction in the potential for significant growth has declined, especially relative to more exciting ideas that are competing for capital within the portfolio. We sold out of our holding in Huayu in order to fund higher growth ideas elsewhere.
Hyundai Mipo Dockyard	We invested in Hyundai Mipo Dockyards at a cyclical low in mid-2020, since which point the share price has doubled. With the valuation now less compelling, we have sold the holding to fund higher-potential investments elsewhere.
Merdeka Copper Gold	We sold Merdeka Copper Gold, as the business will be entering a more difficult operational phase. It is commencing the task of bringing its large mines on stream and into production. We believe there are likely to be significant challenges that are not reflected in the share price and so we exited the position
Minth Group	We are increasingly concerned that the auto industry is facing a significant shift towards a phase of price deflation, with likely impact on the supply chain. Minth's returns appear to have fallen over recent years and our engagement with management suggests that this may be more structural than we had expected. As a result of these fundamental shifts in the growth outlook we have decided to sell the holding.
Nexteer	Nexteer was sold as we feel the increasing risk of oversupply and competition among auto OEMs risks hitting the sustainable profitability for companies in the Chinese automotive supply chain like Nexteer.
Ningbo Peacebird	With limited confidence in growth from here, we have sold the investment in Ningbo Peacebird.
PT Astra International	We have sold the holding in PT Astra International to fund new investments elsewhere where we see stronger growth.
Samsung SDI	We have sold the holding in Samsung SDI, following recent research into how the battery market is evolving. While Samsung SDI's battery business has continued to grow strongly, so has much of the rest of the industry, and we believe that supply growth is likely to outpace demand over the next five years. This calls into question the earnings growth potential for the company, though we will continue to monitor the broader industry and their own progress from here
Star Health	Star Health was sold as we do not believe that its growth rate warranted its high valuations.
Tata Steel	With margins reaching peak levels and significant capital going into the sector, we believe we may have reached the peak of profitability in the industry and therefore exited the position.
Vietnam Prosperity Joint Stock Commercial Bank	We have sold the position in VP Bank in order to fund other investments in Vietnam where we believe there to be greater upside.

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