

Asia ex Japan Quarterly Update

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30 September 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	57
Typical number of holdings	50-100
Active Share	69%*
Rolling One Year Turnover	27%

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

Asian markets' performance diverged this quarter with Chinese equities outperforming Taiwan and South Korea

A potential weakening of the US dollar, along with a shift in market sentiment in China, could provide further tailwind for the asset class

The portfolio is well supported by a diverse range of secular, cyclical, and idiosyncratic growth drivers



Baillie Gifford Key Facts

Assets under management and advice	US\$293.0bn
Number of clients	633
Number of employees	1708
Number of investment professionals	376

I recently travelled to Singapore for work. On my first morning, a colleague took me for 'kopi' at a small outdoor café nestled between skyscrapers before our first client meeting. The sweet, Nanyang-style coffee reminded me how commerce thrives with regional flavour. By the end of our coffee, I had also installed three essential local apps she recommended - Shopee, Grab, and Klook – to ensure a smoother trip.

A rough comparison to these apps' western equivalents would be Amazon, Uber, and TripAdvisor. It's impressive how homegrown platforms have flourished in Asia's diverse cultures and customs, even amid strong competition from multinational companies.

Take online shopping, for example. If you live in Southeast Asia, you're likely familiar with Shopee (owned by SEA Ltd). In South Korea, Coupang is the go-to platform for many. While in Kazakhstan, Kaspi dominates. All of these companies are leaders in their respective regions, successfully fending off western competitors and delivering 20% to 40% growth year-over-year. We expect them to continue outpacing market anticipations over the next five years or more, fitting well into the portfolio's 'pace growth' category.

China exemplifies future possibilities in eCommerce: penetration has reached 30% in China, compared to just 11% in Kazakhstan; China delivers 110 billion parcels annually, compared to India's 3 billion. However, the dynamics of China's platform economy are unique. Despite being integral to the daily lives of over a billion people, Chinese internet companies have been significantly derated due to risks associated with domestic regulatory crackdowns in recent years. As a result, many of these companies have been sidelined by global investors. Is this a trap or an opportunity?

The team's debate leaned toward the latter, as a turn of domestic policy appears imminent. Insights from one of our key China policy research providers indicates that SAMR, the country's anti-trust regulator, has drawn a clear line regarding platform regulation: the rectification phase is over. This also aligns with what we heard from the companies themselves: big tech firms are increasingly being seen as a vital pillar of China's innovation ecosystem.

This view was reinforced by the announcement of a series of new stimulus policies in Beijing in the last week of the quarter, which led to the largest one-week rally in Chinese stock markets since 2008.

While it's pre-mature to say the worst is behind us regarding China's structural economic challenges, the fact that the government is coming together with clear, coordinated policy communication could be enough to turn equity market sentiment, which has been extremely pessimistic in recent years. The portfolio holds a moderate overweight in China and has increased its exposures to Meituan (food delivery), Pinduoduo (eCommerce) and Tencent (social media and gaming) in recent quarters, while exiting positions in Alibaba (eCommerce).

The backbone of these 'soft tech' platforms lies in the hard tech of semiconductors. In the past quarter, NVIDIA CEO Jensen Huang has rivalled Jay Powell as the voice of short-term influence in the global stock market. The portfolio's semiconductor-related holdings – including foundry TSMC, memory chips maker SK Hynix, and Samsung Electronics – have all experienced a volatile period.

Is the AI super-theme losing momentum? Amara's law suggests that people, and by extension the market, always tend to overestimate the impact of a new technology in the short term, while underestimating its long-run potential. We see little reason that the silicon intensity of the global economy won't further increase. For the 'picks and shovels' made by Asian manufacturers, their enduring significance remains intact despite cyclical fluctuations. Many of these companies continue to align well with the portfolio's 'duration growth' category – those we believe could grow through cycles for much longer than market expects.

The competition for semiconductor supremacy will be one of the most critical narratives in geopolitics, national security, and economic prosperity in the coming decades. China still spends more on importing semiconductors than it does on oil. This reliance on foreign chips is perceived by Beijing as a significant external vulnerability, thus localisation remains a strong tailwind for domestic producers to displace their international competitors. Recently, we added SG Micro to the portfolio, an analog chip designer listed on China's A-share market.

At the same time however, we have been taking profits from more traditional cyclical sectors – energy, materials, and Indian real estate. While they continue to represent a significant portion in the portfolio's 'surprise growth' category, we see the possibility to further upgrade the portfolio's growth profile elsewhere, particularly through idiosyncratic, rapid growth opportunities that are attractively valued. Recent additions include Luckin Coffee,

which has grown to three times the size of Starbucks in China, but is trading on 15x forward earnings; Mobile World, a Vietnamese electronic retailer which is at an inflection point of turning its grocery chain business to profit; and Kaspi, which trading on just 12x forward earnings despite achieving 40% of revenue growth.

The shape of the portfolio reflects our genuinely optimistic outlook for investing in Asian growth companies at the current juncture. Rather than being driven by a single theme, the portfolio is supported by a diverse range of secular, cyclical, and idiosyncratic growth drivers - and it remains attractively valued. The MSCI Asia ex Japan index trades at just above half of the price to book value ratio of the MSCI all country world index. Meanwhile the portfolio, which is set to deliver nearly double the forward earning growth of the MSCI Asia ex Japan index, is trading at a price-to-forward earnings ratio that is roughly on par with it. A peer comparison analysis shows while the portfolio ranks in the middle of the pack on valuations compared to others, it stands above the 90th percentile in terms of forward growth expectations.

### Performance

There were three major themes that have impacted portfolio performance this quarter: the turmoil in global technology stocks during the summer, new stimulus measures announced by the Chinese government, and a general pullback in global oil / commodity markets. The portfolio underperformed its reference index during the quarter, while year-to-date and longer-term excess returns remain healthy.

JD.com is a high-quality online retailer in China. It had been caught in a perfect storm in recent years – regulatory scrutiny on the internet sector, increasing domestic eCommerce competition, and slow progress in its attempts to penetrate to lower tier cities. As a result, its share price had fallen significantly. We appreciate that JD.com has built a reliable platform for higher-ticket items, and has successfully maintained this strong brand despite competition. It has also focused on cost-efficiency and profitability in recent years and is actively buying back shares lately. We believe its shares were significantly undervalued and continued to hold. JD.com's share price rallied by 50% during the quarter and was one of the biggest contributors to performance.

Meituan, food delivery company in China, also added to performance this quarter. Meituan

continues to show resilient growth despite the weaker macro conditions. Revenues are growing faster than order volumes given higher advertising demand from merchants in food delivery, and competition has become more rational in the in-store, hotel and travel sector. The announcement of an increase in the size of their share buyback reflects the company's confidence in its outlook and the cheap valuation.

In a similar vein, South East Asia's gaming, eCommerce and fintech business SEA Ltd was also a strong positive contributor. Strong 2Q24 results were the catalyst, with revenues +22% year-over-year and a return to profitability. All three segments of the businesses shown decent growth: its flagship game 'Free Fire' was the most downloaded mobile game globally during the quarter, its Fintech unit's consumer and SME (small and medium size enterprise) active users grown by nearly 60% year-over-year, and its eCommerce unit is anticipated to become profitable by year end. These positives, combined with a US\$ 9.0 billion cash pile suggests it is well placed to continue to grow strongly.

CNOOC, China's largest offshore oil and gas producer, which had been a key performance contributor in the past several quarters, detracted this quarter. Despite delivering +26% quarter-over-quarter net profit, with production firmly staying ahead of guidance, CNOOC's share price was weak likely due to falling oil prices during the quarter. There were also concerns that slowing Chinese economy may further weigh on demand. A large part of our investment case was anchored on the strategic importance of CNOOC to China's energy self-sufficiency and security, good visibility on its capex and production growth, as well as a steady dividend payout of ~7%. These remain intact. While CNOOC has been a top overweight in the portfolio and has performed very well over the holding period, more recently we have trimmed the position partially to take profit.

Clearly sentiment has softened towards AI recently and this has affected many of the semiconductor stocks, notably Samsung Electronics in Korea. Samsung's share has been weak this year, which likely relates to investors' concerns regarding the conventional memory chips cycle, and a delay in the qualification of its next generation HBM (high bandwidth memory) chips. This is a very cyclical industry but looking longer term, Nvidia's AI chips need similarly powerful High Bandwidth Memory ("HBM") chips to support them. And if AI does prove to have utility, then the ramification is that we will all

have to buy new 'phones, tablets and laptops' that are AI ready. This could be a very big technology cycle, which will benefit the South Korean memory chip makers.

Kaspi, the Kazakh super app, detracted this quarter. The company has recently been the subject of a short-seller attack to which the company has responded. It is alleged the company has taken Russian money; Kaspi have stated that only 1% of customer accounts are non-residents. It is also alleged that Kaspi has been used for money laundering; the company made clear that only an equivalent of US\$ 2,000 can be transferred each month, there is no access to Swift and no facility to open US\$ or GB£ accounts. The Kazakh regulator has come out in support of Kaspi and stated, "The Bank fully complies with the sanction's regime of the United States, the European Union and other foreign countries." Earlier in the year, we commissioned extensive due diligence on Kazakhstan (was it likely to be sanctioned) and on the company itself. We also visited the company in Kazakhstan a couple of weeks ago and so are currently sceptical about the allegations.

## Outlook

We believe that today represents one of the most promising starting points of investing in Asia. There is a growing number of world-class growth companies emerging in the region, valuations are appealing, and the macro landscape is becoming increasingly resilient.

Asia has already reshaped the global economic landscape with three massive transformations: post-war Japan, the East Asian tigers, and China. Now the wave is expanding southward to India and Southeast Asia, home to more than two billion people. This new era of Asia commerce, however, will likely be more home grown, rather than being driven by exporting everything from televisions to t-shirts to western consumers.

While the West and China try to untie their knots, Asian countries are strengthening their economic and commercial links with each other. Intra-regional trade has grown steadily in the past two decades to 60%. A 2022 UPS report suggests that intra-Asia trade could double by 2030. Around 500 Chinese companies redomiciled or registered in Singapore in 2022. Rising rental cost has become a common complaint among expats in Singapore – perhaps another indicator of the regional boom.

This inward shift has meaningful implications. More regional trade has led to increased capital flows. Asian investors now own 60% of the stock of foreign direct investments in their own region (excluding the financial hubs of Hong Kong and Singapore). Asian local banks now account for more than half of the region's cross-border banking, compared to just a third before 2008. As goods, services and talent circulate more within the region, as opposed to leaving it, there is less incentive to hold dollars and euros throughout the supply chain and subsequently recycle profits into Western assets like US treasuries. Instead, deals are far more likely conducted in renminbi, rupees or rupiahs, with profits reinvested back into these billion-plus home markets. This could initiate a hugely self-sustaining, positive feedback loop for trade, investment, and capital returns within the region.

It's easy to fall into a 'why bother' mindset when investing in Asia, as this is often viewed as a 'trade' based only on external catalysts such as weaker dollar, higher global growth, or China's rise. While these may have provided useful rationales for capitalising the first three waves of growth in Asia, the fourth wave may emerge from very different currents.

## 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

<b>GBP</b>	<b>Composite Net (%)</b>	<b>Benchmark (%)</b>	<b>Difference (%)</b>
3 Months	-2.1	4.2	-6.3
1 Year	15.9	17.7	-1.9
3 Years	-3.2	1.2	-4.3
5 Years	10.7	5.1	5.6
10 Years	11.2	7.7	3.5
Since Inception	9.8	7.3	2.5
<b>USD</b>	<b>Composite Net (%)</b>	<b>Benchmark (%)</b>	<b>Difference (%)</b>
3 Months	3.9	10.6	-6.7
1 Year	27.3	29.4	-2.1
3 Years	-3.3	1.0	-4.3
5 Years	12.6	6.9	5.7
10 Years	9.1	5.7	3.4
Since Inception	9.2	6.7	2.5
<b>EUR</b>	<b>Composite Net (%)</b>	<b>Benchmark (%)</b>	<b>Difference (%)</b>
3 Months	-0.3	6.2	-6.4
1 Year	20.8	22.7	-2.0
3 Years	-2.1	2.3	-4.4
5 Years	12.0	6.4	5.6
10 Years	10.5	7.0	3.5
Since Inception	9.3	6.8	2.5
<b>CAD</b>	<b>Composite Net (%)</b>	<b>Benchmark (%)</b>	<b>Difference (%)</b>
3 Months	2.6	9.1	-6.6
1 Year	27.2	29.3	-2.1
3 Years	-1.2	3.2	-4.4
5 Years	13.0	7.3	5.7
10 Years	11.2	7.7	3.5
Since Inception	9.7	7.2	2.5
<b>AUD</b>	<b>Composite Net (%)</b>	<b>Benchmark (%)</b>	<b>Difference (%)</b>
3 Months	0.0	6.4	-6.4
1 Year	18.4	20.4	-1.9
3 Years	-2.0	2.3	-4.4
5 Years	11.9	6.3	5.6
10 Years	11.7	8.2	3.5
Since Inception	9.7	7.1	2.5

Annualised periods ended 30 September 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

<b>GBP</b>	<b>30/09/19- 30/09/20</b>	<b>30/09/20- 30/09/21</b>	<b>30/09/21- 30/09/22</b>	<b>30/09/22- 30/09/23</b>	<b>30/09/23- 30/09/24</b>
Composite Net (%)	43.0	27.9	-20.9	-0.9	15.9
Benchmark (%)	12.6	10.0	-13.6	1.8	17.7
<b>USD</b>	<b>30/09/19- 30/09/20</b>	<b>30/09/20- 30/09/21</b>	<b>30/09/21- 30/09/22</b>	<b>30/09/22- 30/09/23</b>	<b>30/09/23- 30/09/24</b>
Composite Net (%)	50.0	33.4	-34.5	8.4	27.3
Benchmark (%)	18.2	14.7	-28.5	11.3	29.4
<b>EUR</b>	<b>30/09/19- 30/09/20</b>	<b>30/09/20- 30/09/21</b>	<b>30/09/21- 30/09/22</b>	<b>30/09/22- 30/09/23</b>	<b>30/09/23- 30/09/24</b>
Composite Net (%)	39.4	35.0	-22.5	0.3	20.8
Benchmark (%)	9.8	16.1	-15.4	3.0	22.7
<b>CAD</b>	<b>30/09/19- 30/09/20</b>	<b>30/09/20- 30/09/21</b>	<b>30/09/21- 30/09/22</b>	<b>30/09/22- 30/09/23</b>	<b>30/09/23- 30/09/24</b>
Composite Net (%)	51.3	26.5	-29.0	6.6	27.2
Benchmark (%)	19.2	8.8	-22.4	9.5	29.3
<b>AUD</b>	<b>30/09/19- 30/09/20</b>	<b>30/09/20- 30/09/21</b>	<b>30/09/21- 30/09/22</b>	<b>30/09/22- 30/09/23</b>	<b>30/09/23- 30/09/24</b>
Composite Net (%)	41.1	32.4	-26.4	8.0	18.4
Benchmark (%)	11.2	13.8	-19.6	10.9	20.4

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 30 September 2024

Stock Name	Contribution (%)
Tencent	0.5
JD.com	0.4
Meituan	0.4
SEA	0.4
HDBank	0.3
Ping An Insurance	0.2
Hon Hai Precision	0.2
Luckin Coffee	0.2
KE Holdings	0.2
ICICI Prudential Life Insurance	0.2
CNOOC	-1.0
Alibaba	-0.9
Samsung Electronics	-0.7
Kaspi Bank	-0.7
SK Hynix	-0.6
Eo Technics	-0.4
Reliance Industries	-0.4
MMG	-0.4
Equinox India Developments	-0.3
Mediatek	-0.3

## One Year to 30 September 2024

Stock Name	Contribution (%)
Phoenix Mills	1.1
SEA	0.9
CNOOC	0.8
Tencent	0.8
Tata Motors	0.7
PB Fintech	0.6
DLF	0.5
Zijin Mining	0.4
Mediatek	0.4
HDBank	0.3
Samsung Electronics	-0.8
TSMC	-0.6
Merdeka Copper Gold	-0.5
Samsung Engineering	-0.5
Baidu.com	-0.5
Alibaba	-0.4
Kaspi Bank	-0.4
Ping An Insurance	-0.4
China Oilfield Services	-0.4
PDD Holdings	-0.4

Source: Revolution. Asia ex Japan composite relative to MSCI AC Asia ex Japan Index.

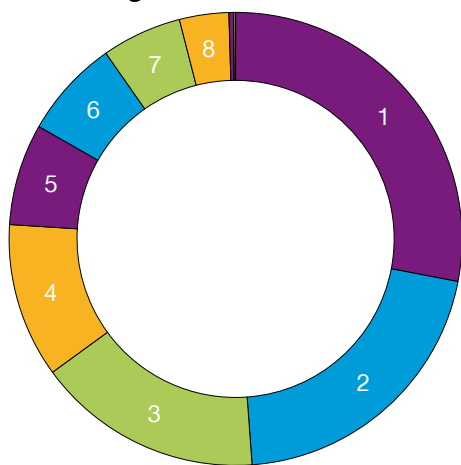
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the portfolio's performance and a description on how the attribution is calculated 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	9.4
Samsung Electronics	Producer of consumer and industrial electronic equipment	6.6
Tencent	Technology conglomerate	6.4
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	3.8
CNOOC	Chinese oil and gas explorer and producer	3.3
Meituan	Chinese online services platform	2.9
SK Hynix	Korean manufacturer of electronic components and devices	2.5
Zijin Mining	Chinese mining company	2.5
MMG Limited	Chinese mining company	2.4
Phoenix Mills	Commercial property management	2.4
<b>Total</b>		<b>42.2</b>

Totals may not sum due to rounding.

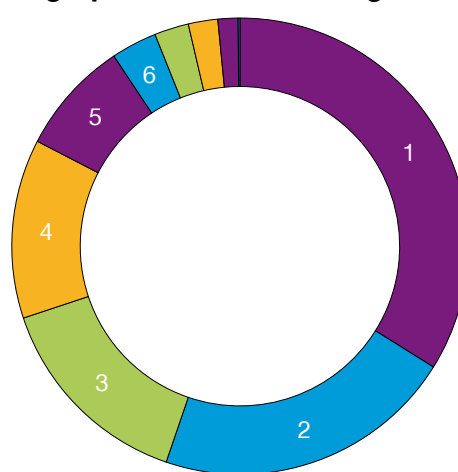
**Sector Weights**



	%
1 Information Technology	28.1
2 Financials	20.9
3 Consumer Discretionary	16.2
4 Communication Services	11.1
5 Energy	7.3
6 Real Estate	7.1
7 Materials	5.7
8 Industrials	3.5
9 Consumer Staples	0.3
10 Health Care	0.0
11 Cash	-0.1

Totals may not sum due to rounding

**Geographical Location Weights**



	%
1 China	34.0
2 India	21.4
3 Taiwan	14.7
4 South Korea	12.7
5 Vietnam	8.1
6 Indonesia	3.3
7 Singapore	2.4
8 Kazakhstan	2.1
9 Hong Kong	1.4
10 Cash	-0.1

## Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	15	Companies	3	Companies	2
Resolutions	98	Resolutions	3	Resolutions	9

## Company Engagement

Engagement Type	Company
Environmental	Coupang, Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Zijin Mining Group Company Limited
Social	Accton Technology Corporation, PT Bank Rakyat Indonesia (Persero) Tbk, Zijin Mining Group Company Limited
Governance	ASMPT Limited, Accton Technology Corporation, DLF Limited, Ho Chi Minh City Development Joint Stock Commercial Bank, Jadestone Energy plc, Koh Young Technology Inc., MMG Limited, Midea Group Co., Ltd., Techtronic Industries Company Limited, Zijin Mining Group Company Limited
Strategy	PT Bank Rakyat Indonesia (Persero) Tbk, Tencent Holdings Limited



Company	Engagement Report
Coupang	<p>Objective: To encourage Coupang to report scope 1 and 2 emissions to better understand its climate exposure and material risks.</p> <p>Discussion: Climate considerations are crucial to Coupang's success for two main reasons: urban pollution and regulatory compliance. Coupang operates in densely populated areas of Korea, with 70 per cent of the population living within seven miles of a fulfilment centre. Seoul, known for its narrow streets and high vehicle usage, ranks among the worst cities globally for air pollution. Additionally, as a company listed in the US, Coupang must adhere to the latest SEC requirements to disclose scope 1 and 2 emissions. Currently, the company prioritises recycling and green packaging over emissions disclosure.</p> <p>We recommended that Coupang begin disclosing its scope 1 and 2 emissions, though we advised against setting targets until the company has a clearer understanding of its carbon footprint. Furthermore, we offered the support of our Climate Team and agreed to provide examples of companies in similar sectors that we admire.</p> <p>Outcome: Following our meeting, the company indicated it is evaluating internally whether to include its scope 1 and 2 emissions in its forthcoming ESG report. We look forward to studying the report once published.</p>
Tencent	<p>Objective: To get insight from the company on gaming regulation trends and to learn the company's take on social value in gaming.</p> <p>Discussion: Tencent perceives the regulatory environment for gaming industry as generally supportive, drawing from recent policy documents and its own interactions with regulatory bodies. The supportive nature of these policies likely facilitates a more favourable environment for the development and distribution of video games. The company places a strong emphasis on innovation in gaming to foster new gameplay, content creation and the development of new technologies, which can benefit cross-sector applications and thus have broader implications. While we acknowledge the social headwinds which have been extensively discussed elsewhere, it was helpful to discuss the changing perspectives with a more positive focus on how game studios integrate social benefits into games, the protection of historic relics, promoting global cultural exchange, and advancing the use of AIGC (AI-generated content) tools.</p> <p>Outcome: The meeting provided additional insights into the company's strategic thinking on the regulatory environment and its social responsibility. It is helpful to learn that the social value of gaming extends beyond the gaming arena and that Tencent intends to contribute positively to society and national interests.</p>

Company	Engagement Report
Zijin Mining Group	<p><b>Objective:</b> As part of a three-year engagement plan with Zijin Mining, we visited its subsidiary, Julong Copper Mine in Tibet, to discuss its occupational safety management and equitable treatment of employees and contractors after a shaft falling accident. It is Zijin's largest mineral copper site in China and the third-largest globally.</p> <p><b>Discussion:</b> Julong Copper is one of Zijin's most important copper mines. The conversation opened with a candid acknowledgement from Julong Copper's chief executive. The incident led to a comprehensive review and overhaul of safety protocols, including equipment checks, personnel accountability, and enhanced contractor management. A strengthened risk assessment framework now categorises outsourced units to ensure safety standards, with financial incentives tied to safety performance. To prevent such accidents from reoccurring, Julong Copper has partnered with the China Occupational Safety and Health Association to enhance its safety management system. The subsidiary also reiterated its commitment to treating employees and contractors equally, sharing resources, safety training, working conditions, etc. We also visited the tailing ponds and discussed material topics such as ecological restoration, community engagement, and autonomous driving on mine sites.</p> <p><b>Outcome:</b> The discussion provided an overview of the subsidiary's current ESG practices. The recent improvement in safety protocols suggests that the company has taken steps to address the aftermath of the safety accident and is determined to avoid future occurrences. Efforts towards green mining and community involvement indicate the company's ongoing investment in sustainable operations. We will continue to monitor Zijin's progress to its responsible mining commitment going forward.</p>

Votes Cast in Favour

Companies	Voting Rationale
DLF Ltd, Delhivery Ltd, Equinox India Developments, HDFC Bank, ICICI Prudential Life Insurance, JSC Bank for Foreign Trade of Vietnam, Jio Financial Services Ltd, Kaspi.kz ADR, Midea Group 'A', PB Fintech, Phoenix Mills, Reliance Industries Ltd, SG Micro 'A', SK Square, Zhejiang Supor	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
DLF Ltd	AGM 07/08/24	3	We opposed the election of a non-independent director due to concerns over their suitability and previous board experience.
SG Micro 'A'	EGM 19/09/24	2.1	We opposed the election of one director due to concerns they are not suitably qualified.
Companies	Voting Rationale		
JSC Bank for Foreign Trade of Vietnam	We opposed the request to authorise other business. We do not believe this is in the best interests of clients who vote by proxy.		

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
JSC Bank for Foreign Trade of Vietnam	EGM 19/08/24	1	We abstained on the resolution to approve private placement due to the lack of disclosure.
JSC Bank for Foreign Trade of Vietnam	EGM 19/08/24	2	We abstained on the resolution to amend the articles due to the lack of disclosure.
JSC Bank for Foreign Trade of Vietnam	EGM 19/08/24	4, 5, 7-10	We abstained on six resolutions regarding board elections due to the lack of disclosure.
Midea Group 'A'	EGM 02/07/24	8	We abstained on the provision of guarantees to a controlled subsidiary because the provision does not stipulate the use of counter guarantees and also does not appear to be proportionate to the company's holding.

Votes Withheld

We did not withhold on any resolutions during the period.

## New Purchases

Stock Name	Transaction Rationale
ASM Pacific	We have made an investment in ASM Pacific, a semiconductor equipment supplier with a broad portfolio of packaging and fabrication equipment technology. There is potential for strong growth in their advanced packaging division, coupled with a cyclical upturn in their more mature segments. The company has a long track record of attractive returns on investment and attention to shareholder interests.

## Complete Sales

Stock Name	Transaction Rationale
China Oilfield Services	China Oilfield Services Limited (COSL) is a leading oil services company in China. Another holding in the portfolio, CNOOC, the leading Chinese oil exploration and production company, is its parent and largest customer. As such, the future success of COSL is highly correlated to the spending plans of CNOOC, which in turn should be related to the level of oil prices and fulfilling China's long term strategic goal of energy security. Whilst these attractions remain in place, we have become more concerned that COSL will be unable to raise its service and rental rates to the levels we had hoped for, given CNOOC's continued dominance. We have therefore decided to sell the holding to fund higher convection names elsewhere.
Kingdee	Having first purchased a stake in Kingdee in 2015, and taken out substantial profits over the intervening period, we have recently sold the last tranche of the investment in the company. We expect ERP software will continue to gain traction in China and Kingdee is now on a lower valuation compared to when we were last selling shares. However, we see continued weakness of the Chinese economy and state-owned competitors to Kingdee as risks to their ability to increase margins over the coming years, so fear profits will be hard to come by for the company. This has been a profitable investment and we now see better opportunities elsewhere



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