

Baillie Gifford Pacific Fund

31 December 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 58 partners with average 20 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Investment Proposition

The Fund is positioned as a long-term Asian (ex Japan) growth fund. Our aim is to identify quality companies that will outperform over a 5 year (or longer) time horizon. We have a strong preference for growth. The Fund is relatively index and sector agnostic, as we primarily focus on finding the best long-term Asian (ex Japan) investments irrespective of their country or sector. The Fund benefits from Baillie Gifford's substantial global investment resources, helping to produce a portfolio that typically holds 50-100 stocks with low turnover.

Fund Facts

Fund Launch Date	17 March 1989
Fund Size	£2960.5m
IA Sector	Asia Pacific Excluding Japan
Active Share	69%*
Current Annual Turnover	26%
Current number of stocks	62
Stocks (guideline range)	50-100

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

Fund Manager

Name	Years' Experience
Roderick Snell*	18
Ben Durrant	12

*Partner

Fund Objective

To outperform (after deduction of costs) the MSCI AC Asia ex Japan Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Asia Pacific Excluding Japan Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	-1.4	11.6	-3.5	8.9
Index (%)*	-0.8	14.5	1.4	4.1
Target (%)**	-0.3	16.9	3.5	6.2
Sector Average (%)***	-1.1	10.0	0.5	4.3

Source: FE, Revolution. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.

*MSCI AC Asia ex Japan Index.

**MSCI AC Asia ex Japan Index (in sterling) plus at least 2% per annum over rolling five-year periods.

***IA Asia Pacific Excluding Japan Sector.

Discrete Performance

	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
Class B-Acc (%)	60.4	6.5	-20.2	0.8	11.6
Index (%)*	21.5	-3.6	-9.2	0.3	14.5
Target (%)**	23.9	-1.7	-7.4	2.4	16.9
Sector Average (%)***	20.0	1.5	-6.9	-1.0	10.0

Source: FE, Revolution. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.

*MSCI AC Asia ex Japan Index.

**MSCI AC Asia ex Japan Index (in sterling) plus at least 2% per annum over rolling five-year periods.

***IA Asia Pacific Excluding Japan Sector.

Market Background

It was another quarter in which we saw significant political events dominate headlines with Donald Trump re-elected as the 47th President of the United States. The unpredictable nature of arguably the world's most powerful man probably means any opinions expressed on what 2025 might look like should be held lightly.

Within the region, China delivered one of the best returns 2024, after three years of decline. 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.

Most recently, the news has also been focussed on South Korea's political turmoil which began with President Yoon's attempted martial law declaration. The fact that it was summarily blocked within hours by the National Assembly speaks volumes to the degree that democracy is now firmly embedded in the country. We expect our holdings to be largely unaffected in fundamental terms given the likes of Samsung Electronics and SK Hynix are more linked to global tech cycles, but we expect a political risk premium may cap multiples until a longer-term solution is found.

Despite pockets of turbulence, the promise of Artificial Intelligence (AI) has continued to drive robust demand throughout the semiconductor sector. The portfolio has around 30% direct 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.

Performance

The Fund underperformed its reference index during the quarter, while the full year and longer-term excess returns remain healthy.

Samsung Electronics, South Korean technology conglomerate, continued to detract this quarter. Samsung currently faces challenges in both its foundry business and high-end memory chips business. In foundry its gap with TSMC has been widening and in memory it lagged SK Hynix in the latest development of high-bandwidth memory chips. The investment team is currently reviewing Samsung, while recognising current valuations of less than 1.0x price-to-book have priced in so much of the bad news.

Zijin Mining, a Chinese copper and gold miner, has detracted this quarter. Despite reporting record profits for Q3 2024, declining copper prices in Q4 and news about lower-than-expected output from a few mines weighed on share prices. We believe that the long-term demand supply outlook for copper remains very

attractive given limited supply due to resource scarcity and low capex investment from developed market peers. The investment case is further supported by Zijin's value-accretive overseas expansions, strong upside potential from a few high-quality projects, as well as high dividend payout.

Not owning Xiaomi has also detracted. It is a consumer electronics company focusing on smart phones. Share prices surged in the recent quarter on back of the news of Xiaomi's launch of smart electric vehicles.

Accton, a networking solutions provider based in Taiwan, added to performance this quarter. Over the past 5 years the company has successfully transformed its business from traditional network interface cards to advanced AI accelerators, which now accounts for 40% of its revenue, up from 16% in 2019. Accton is a key supplier to Amazon. The strong demand for Amazon's AI accelerators as well as solid shipments of its datacentre switches have contributed to Accton's record high sales.

PB Fintech is another contributor to performance this quarter. The online insurance distributor reported another strong quarter of growth in revenue, with improving margin. The company is force for positive change in the growing 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. We believe its scale-driven efficiency and productivity will continue to foster growth in an underpenetrated industry.

Not owning Alibaba has also added to performance this quarter. Its share price surged at end of September on back of the stimulus news but has fallen back to August levels. While the company is maintaining growth, the competition it faces, in the eCommerce space, remains intense.

Notable Transactions

New Purchase: during the quarter we added two new Chinese holdings - Yifeng, a chain pharmacy and AMEC, China's leading semiconductor equipment supplier. Both are listed in the domestic A-share market. We also participated in Hyundai Motor India's Initial Public Offering (IPO).

Market Outlook

While macro conditions remain resilient in the region supported by recent Chinese policy pivot, 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 no 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.

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 more rewarding than attempting to precisely pick entry points. As the co-portfolio manager Ben Durrant recently mentioned during Baillie Gifford's 'disruption 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 the portfolio's 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 is disproportionately positioned to benefit from this progress.

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	-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	-0.6
TSMC	-0.5
Xiaomi	-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. Baillie Gifford Pacific Fund relative to MSCI AC Asia ex Japan Index.

Some stocks may only have been held for part of the 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. See the List of Holdings section of this report for the stocks held.

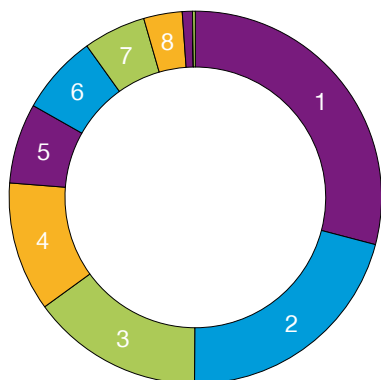
Transactions from 01 October 2024 to 31 December 2024.

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 Research and Development (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 for you.
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 Initial Public Offering (IPO).
Yifeng Pharmacy	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.

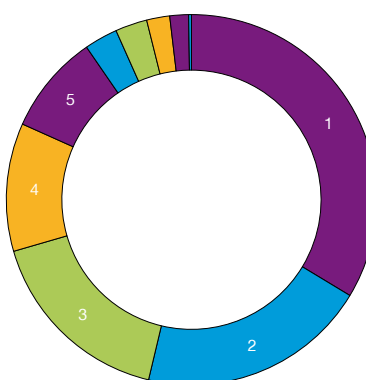
There were no complete sales during the period.

Sector Exposure



		%
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

Geographic Exposure



		%
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	Others	1.6
10	Cash	-0.2

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading, and does not necessarily represent a bank overdraft.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	9.9
Tencent	Technology conglomerate	6.5
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
Samsung Electronics	Producer of consumer and industrial electronic equipment	3.2
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		39.9

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

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, [here](#).

Asset Name	Fund %	Asset Name	Fund %
TSMC	9.9	Vietcombank	0.4
Tencent	6.5	Vinh Hoan	0.4
Samsung Electronics	5.5	Lufax Holding	0.4
CNOOC	3.5	Advanced Micro-Fabrication Equipment	0.3
Reliance Industries	3.3	Viglacera	0.3
Accton Technology	2.9	Fabrinet	0.3
Sea Limited	2.8	Koh Young Technology	0.3
Meituan	2.8	Li Ning	0.3
MediaTek	2.5	Hyundai Motor India Limited	0.2
SK Hynix	2.4	Jadestone Energy	0.2
MMG Limited	2.4	Brilliance China Automotive	0.2
Phoenix Mills	2.3	Vietnam Technological and Commercial Joint Stock Bank	0.0
PB Fintech	2.2	Eden Biologics Inc	0.0
Zijin Mining	2.2	Cash	-0.2
DLF	2.1	Total	100.0
HDFC Bank	2.1		
HD Bank	2.1		
Kaspi.kz	2.0		
Equinox India Developments Ltd	1.9		
Midea	1.9		
Mobile World Investment Corporation	1.8		
ICICI Bank	1.8		
JD.com	1.8		
Ping An Insurance	1.8		
PDD Holdings	1.8		
Luckin Coffee	1.7		
Dragon Capital Vietnam Enterprise Investments	1.6		
Jio Financial Services Limited	1.4		
Bank Rakyat Indonesia	1.4		
Bank Mandiri	1.4		
EO Technics	1.3		
Military Commercial Joint Bank	1.3		
Silergy	1.3		
ICICI Prudential Life Insurance	1.2		
Zhejiang Supor	1.1		
Baidu.com	1.0		
Kuaishou Technology	1.0		
Chroma ATE	1.0		
Delhivery	1.0		
Coupang	0.9		
Hoa Phat Group	0.9		
SG Micro	0.9		
SK Square	0.8		
Techtronic Industries	0.8		
KE Holdings	0.7		
Tata Motors	0.7		
ASM Pacific Tech.	0.5		
Yifeng Pharmacy Chain	0.5		
AirTAC International Group	0.5		

Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Inc	17 March 1989	GB0006063340	0606334	0.65	0.72
Class B-Acc	20 March 2000	GB0006063233	0606323	0.65	0.72

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

MSCI Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

This document contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Investment Advice Law (“Qualified Clients”).

The Fund’s share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients’ capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 31 December 2024 and source is Baillie Gifford & Co unless otherwise stated.

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 bailliegifford.com