

Baillie Gifford Pacific Fund

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Shareholder Rights Directive Annual Disclosure  
for the period 01 January 2023 to 31 December 2023



This disclosure is produced to meet our obligation to provide enhanced reporting under the Shareholder Rights Directive (SRD) requirements. It is not marketing material. This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients.

## Our Investment Strategy

We are long-term, active, growth investors focused on identifying those companies that can grow their earnings, in hard currency, faster than the market over the long-term. Stock prices are wildly unpredictable in the short-term, however, ultimately, share prices do reflect the earnings capability of a company over the long-term. So when we find a company that has the potential to grow its profits significantly over time, we must invest with the patience that allows a good decision to prove its worth. To this end, we ask clients to judge us over a 5 year plus time frame, over which period our aim is to outperform the MSCI AC Asia ex Japan Index, after fees.

## How We Make Investment Decisions

All investment ideas, whether existing holdings or new ideas, are discussed by the Emerging Markets Equity Team, at the weekly stock meeting. This is the opportunity to challenge and explore the research, drawing on the collective experience of the team.

The decision as to whether to buy or sell a stock is taken by co-investment managers, who typically meet on a monthly basis to discuss portfolio construction. Stock weightings are determined by a combination of the conviction in the investment case, the scale and probability of the relative expected return and the context of the holding in relation to the rest of the portfolio.

Our sell discipline is triggered if a company no longer meets our growth hurdle, if the investment case no longer stands up to scrutiny, if the valuation no longer leaves sufficient upside or if there are significantly better ideas elsewhere.

## Key Material Medium to Long Term Risks

Fundamental risk - the permanent loss of capital and the risk of missing out on companies which subsequently post strong returns. We therefore place significant emphasis in our investment management process on understanding the fundamentals of the companies in which we invest, including environmental, social and governance factors (ESG), which may impact the sustainability of future growth.

Portfolio risk - a failure to maintain an appropriate level of diversification at the strategy level. A series of investment guidelines are in place which are intended to ensure that there is a sufficient level of diversification.

Liquidity risk - a failure to maintain appropriate level of liquidity at the strategy level. We have a series of guidelines that ensure the strategy remains sufficiently liquid to enable positions to be exited or client cash flows to be managed with minimal impact.

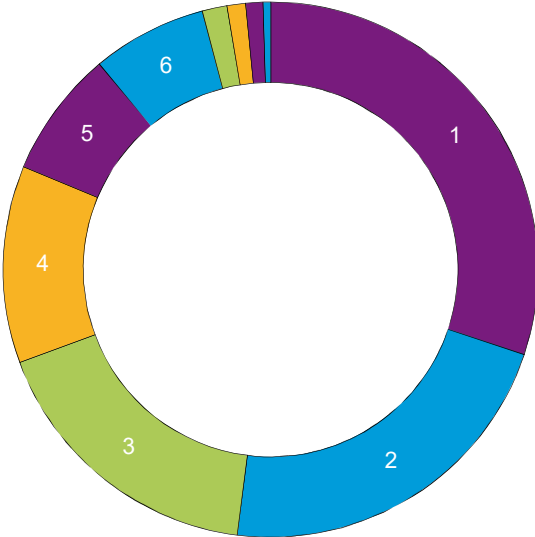
**Portfolio Composition**

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.

**Top Ten Holdings**

Asset Name	% of Portfolio
TSMC	5.7
Samsung Electronics	4.2
CNOOC	4.1
Reliance Industries Ltd	4.1
Tata Motors Ltd	3.0
Samsung Electronics Pref	2.9
Phoenix Mills	2.5
Accton Technology	2.4
Zijin Mining Group Co Ltd 'H'	2.4
HDFC Bank	2.3

**Geographic Analysis of Total Assets**



	%
1 China	30.1
2 India	21.8
3 South Korea	17.4
4 Taiwan	11.9
5 Vietnam	7.7
6 Indonesia	6.9
7 Singapore	1.5
8 Kazakhstan	1.1
9 Hong Kong	1.0
10 Cash	0.4

Source: Baillie Gifford & Co.  
Please note that totals may not add due to rounding.

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	14

Rolling One Year Turnover is calculated as the lesser of the sum of all purchases and the sum of all sales in each month divided by the monthly average market value, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon.

Transaction costs:	%
Explicit transaction costs	0.14
Implicit transaction costs	0.16

Explicit costs are directly observable and include broker commissions and transaction taxes and fees. Implicit costs are the indirect costs associated with buying and selling of securities. Specifically, implicit costs represent the differential between the actual transaction price (excluding taxes and commissions) and the mid-market price of the asset when the order to transact was transmitted to a third-party. Due to the methodology used, overall transaction costs may be 'negative' if individual securities are purchased below the prevailing mid-price or conversely sold above the mid-price. Current MiFID II guidance requires us to disclose these costs, even if they result in a negative figure (i.e. an implicit gain to the investor).

Our Governance and Sustainability Approach

We look beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on their long-term prospects, including material governance and sustainability factors which we believe will positively or negatively affect the financial returns of an investment. In keeping with our decentralised and autonomous culture, we are comfortable with our various investment strategies taking different approaches to reach the same goal of properly assessing and weighing up governance and sustainability considerations in the investment process. Further information regarding our approach is detailed in our Governance and Sustainability Principles and Guidelines available in the About Us section of our website.

Our Approach to Voting and Engagement

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource the responsibility of voting to third-party suppliers. We utilise research from proxy advisers for information only. Additionally, Baillie Gifford does not lend securities on behalf of our clients. Where a client chooses to lend securities, we may consider requesting that clients recall any securities on loan to enable us to vote if we deem a meeting to be significant or contentious.

We engage regularly with management and board members to identify and understand issues and to monitor performance. Analysts from the Governance and Sustainability team regularly join our investors for these meetings, in addition to meetings that they will arrange directly with company representatives to discuss specific issues. Further details of Baillie Gifford's approach to voting and engagement is outlined in our Governance and Sustainability Principles and Guidelines document available in the About Us section of our website.

Detailed below are the engagements and the most significant votes we have carried out.

## Company Engagement

Engagement Type	Company
Environmental	Brilliance China Automotive Holdings Limited, Genius Electronic Optical Co., Ltd, Han's Laser Technology Industry Group Co., Ltd., Indiabulls Real Estate Limited, JD.com, Inc., Li Ning Company Limited, MMG Limited, Meituan, Midea Group Co., Ltd., Ningbo Peacebird Fashion Co.,Ltd., PT Merdeka Copper Gold Tbk, Reliance Industries Limited, Samsung Electronics Co., Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited
Social	Baidu, Inc., JD.com, Inc., Li Ning Company Limited, MMG Limited, Meituan, Minth Group Limited, PT Bank Rakyat Indonesia (Persero) Tbk, Reliance Industries Limited, Samsung Electronics Co., Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited
Governance	Alibaba Group Holding Limited, Baidu, Inc., Bizlink Holding Inc., Brilliance China Automotive Holdings Limited, CNOOC Limited, Coupang, Inc., Guangzhou Kingmed Diagnostics Group Co., Ltd., HDFC Bank Limited, Han's Laser Technology Industry Group Co., Ltd., Hyundai Mipo Dockyard Co., Ltd., JD.com, Inc., Jio Financial Services Limited, KE Holdings Inc., Kingdee International Software Group Company Limited, Koh Young Technology Inc., Li Ning Company Limited, MMG Limited, MediaTek Inc., Meituan, Nexteer Automotive Group Limited, PT Merdeka Copper Gold Tbk, Reliance Industries Limited, Samsung Electronics Co., Ltd., Samsung Engineering Co., Ltd., Sea Limited, Silergy Corp., Taiwan Semiconductor Manufacturing Company Limited, Techtronic Industries Company Limited, Tencent Holdings Limited, The Phoenix Mills Limited, Viglacera Corporation, Zhejiang Supor Co., Ltd., Zijin Mining Group Company Limited
Strategy	Brilliance China Automotive Holdings Limited, Reliance Industries Limited, Zijin Mining Group Company Limited

## Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies 80	Companies 38	Companies 13
Resolutions 929	Resolutions 101	Resolutions 26

## Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
Accton Technology	AGM 15/06/23 Resolution(s): 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Brilliance China Automotive	AGM 20/06/23 Resolution(s): 2.B, 2.C, 4.A, 4.C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
China Conch Venture holdings limited	AGM 20/06/23 Resolution(s): 3C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Indiabulls Real Estate	OTH 18/05/23 Resolution(s): 1	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Kingdee Int'l Software Group	AGM 18/05/23 Resolution(s): 7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Li Ning	AGM 14/06/23 Resolution(s): 3.1B, 3.1C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Nickel Mines	AGM 31/05/23 Resolution(s): 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Phoenix Mills	AGM 22/09/23 Resolution(s): 8	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Samsung SDI Co Ltd	AGM 15/03/23 Resolution(s): 2.1	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Silergy	AGM 26/05/23 Resolution(s): 6	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Techtronic Industries	AGM 12/05/23 Resolution(s): 3.A, 7, 8	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Tencent	AGM 17/05/23 Resolution(s): 5	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Tencent	EGM 17/05/23 Resolution(s): 1A-7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Wuxi Lead Intelligent Equip. 'A'	EGM 15/02/23 Resolution(s): 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

### Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
Bank Mandiri	AGM 14/03/23 Resolution(s): 3	We opposed the remuneration for the board as independent directors receive incentive-based pay which we believe could compromise their objectivity. This resolution is significant because we opposed remuneration.
Bank Mandiri	AGM 14/03/23 Resolution(s): 8	We opposed the election of directors due to a lack of disclosure of the candidates ahead of the meeting. This resolution is significant because we opposed the election of a director.
Bank Rakyat Indonesia	AGM 13/03/23 Resolution(s): 3	We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity. This resolution is significant because we opposed remuneration.

Company	Meeting Details	Voting Rationale
Bank Rakyat Indonesia	AGM 13/03/23 Resolution(s): 8	We opposed the changes to the composition of the company's management due to lack of disclosure of the changes. This resolution is significant because we opposed the election of a director.
China Conch Venture holdings limited	AGM 20/06/23 Resolution(s): 6, 7	We opposed two resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because it received greater than 20% opposition.
China Oilfield Services Ltd 'H'	AGM 24/05/23 Resolution(s): 8	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because it received greater than 20% opposition.
CNOOC	AGM 31/05/23 Resolution(s): 2	We opposed the election of a non-executive director because they are non-independent and are a member of the Audit Committee, which we believe should be comprised entirely of independent directors. This resolution is significant because we opposed the election of a director.
DLF Ltd	AGM 04/08/23 Resolution(s): 3	We opposed the election of one non-independent director due to concerns over their suitability and previous board experience. This resolution is significant because we opposed the election of a director.
Geely Automobile Holdings	EGM 28/04/23 Resolution(s): 1, 3	We opposed two resolutions related to the 2023 Share Option Scheme due to concerns regarding eligible participants and because the potential dilution levels from requested awards is not in the interests of shareholders. This resolution is significant because we opposed remuneration.
Huayu Auto Systems 'A'	AGM 16/06/23 Resolution(s): 7	We opposed the resolution on related party transactions due to concerns with the fairness and risk of the transactions. This resolution is significant because it received greater than 20% opposition.
Li Ning	AGM 14/06/23 Resolution(s): 7	We opposed the amendments to the articles of association because the provision to shorten meeting notification is not in the best interests of shareholders. This resolution is significant because it received greater than 20% opposition.
Li Ning	EGM 14/06/23 Resolution(s): 1, 2	We opposed the Share Option Scheme and Share Award Scheme due to the inclusion of single trigger change in control provisions and because the potential dilution levels are not in the interests of shareholders. This resolution is significant because we opposed remuneration.
Merdeka Copper Gold	EGM 12/04/23 Resolution(s): 2	We opposed the report on the company's implementation of the long term incentive program due to a lack of disclosure. This resolution is significant because we opposed remuneration.
Minth Group	AGM 31/05/23 Resolution(s): 16, 18	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Minth Group	AGM 31/05/23 Resolution(s): 19	We opposed the amendments to the articles of association because one amendment reduces the notice period for extraordinary general meetings, which is not in the best interests of foreign investors voting by proxy. This resolution is significant because it received greater than 20% opposition.
MMG Ltd	AGM 25/05/23 Resolution(s): 2.A, 2.B	We opposed two non-independent directors who sit on the Audit Committee. We believe that the Audit Committee should be fully independent given its important oversight and scrutiny function. This resolution is significant because we opposed the election of a director.
Nexteer	AGM 20/06/23 Resolution(s): 3A3	We opposed the election of a non-independent director because they are a member of the audit committee, which we believe should be comprised entirely of independent directors. This resolution is significant because we opposed the election of a director.
Nexteer	AGM 20/06/23 Resolution(s): 5A	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because it received greater than 20% opposition.
Nickel Mines	AGM 31/05/23 Resolution(s): 2	We opposed the appointment of a the Board Chair given the ratio of independence on the board. This resolution is significant because we opposed the election of a director.
PB Fintech	AGM 23/09/23 Resolution(s): 7-11	We opposed five resolutions relating to executive remuneration, due to concerns with the stretch of performance targets and ability for retesting under the 2021 employee stock option plan. This resolution is significant because we opposed remuneration.
Phoenix Mills	AGM 22/09/23 Resolution(s): 10	We opposed the election of a non-executive director because of concerns regarding over boarding. This resolution is significant because we opposed the election of a director.
Vedanta Ltd	OTH 28/04/23 Resolution(s): 2	We opposed the election of one director due to concerns with the overall level of board independence. This resolution is significant because we opposed the election of a director.
Vietnam Prosperity Joint Stock Commercial Bank	AGM 18/04/23 Resolution(s): 11	We opposed the general authority to make capital contributions because of a lack of disclosure on the parameters of the authority such as price. This resolution is significant because we opposed a merger/acquisition.
Vietnam Prosperity Joint Stock Commercial Bank	AGM 18/04/23 Resolution(s): 6	We opposed the employee share option plan due to concerns with the large discount on share price. This resolution is significant because we opposed remuneration.
Vinh Hoan	OTH 25/07/23 Resolution(s): 1	We opposed the employee stock ownership plan because options can be issued at a significant discount to market price. This resolution is significant because we opposed remuneration.



Company	Meeting Details	Voting Rationale
Zai Lab HK Line	AGM 20/06/23 Resolution(s): 13	We opposed executive compensation due to retention awards granted during the year. We do not believe that these awards are justified or that they are in the best long term interests of shareholders. This resolution is significant because it received greater than 20% opposition.
Zai Lab HK Line	AGM 20/06/23 Resolution(s): 14	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because it received greater than 20% opposition.

### Significant Abstentions

Company	Meeting Details	Voting Rationale
Samsung Engineering Co Ltd	AGM 16/03/23 Resolution(s): 1	We abstained on the financial statements as the annual report, including the auditor's opinion, was not disclosed ahead of the voting deadline. This resolution is significant because it received greater than 20% opposition.

### Conflicts of Interest

Baillie Gifford maintains a firm-wide Conflicts Matrix, which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. Baillie Gifford's firm wide conflict of interest disclosure is available in the Important Disclosures area of our website

We recognise the importance of managing potential conflicts of interest that may exist when we engage with or vote at a company with whom we have a material business or personal relationship and the Governance and Sustainability team is responsible for monitoring these possible material conflicts of interest.

The Governance and Sustainability team's approach to dealing with conflicts of interest in relation to voting and engagement can be found in our Investment Stewardship Activities report which is available in the Governance and Sustainability area of our website.

