

EM ex China Quarterly Update

30 June 2024



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Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance and results of the portfolio. Material market or economic conditions will have an impact on investment results. The returns presented in this document are gross of fees unless otherwise stated and reflect the reinvestment of dividends and interest.

Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction costs and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that recommendations/ transactions made in the future will be profitable or will equal performance of the securities mentioned.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

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

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Product Overview

Emerging Markets ex China is a long-term, regional equity strategy that adds value through active management, by identifying and exploiting inefficiencies in growth companies listed in global emerging markets, excluding China.

Risk Analysis

Key Statistics

Number of Holdings	61
Typical Number of Holdings	40-80
Active Share	67%*
Rolling One Year Turnover	17%

*Relative to MSCI Emerging Markets ex China Index. Source: Baillie Gifford & Co, MSCI.

Baillie Gifford Key Facts

Assets under management and advice	US\$283.7bn
Number of clients	649
Number of employees	1738
Number of investment professionals	372

"We are what we always were in Salem, but now the little crazy children are jangling the keys of the kingdom, and common vengeance writes the law!"

Arthur Miller, *The Crucible: A Play in Four Acts*

I was recently in Cambodia on holiday and I promised our guide that I would recommend it to all and sundry. It is sandwiched between Thailand and Vietnam and an on/off beneficiary of Chinese investment and so relies on tourism and is well worth a visit. Angkor Wat at dawn is a preternatural experience, the Killing Fields are heartrending while the beaches on the islands are a truly tropical paradise. Many tourists bypass the capital, Phnom Penh, to see the temples at Siem Reap, but this is a mistake. Phnom Penh is a charming city where it is possible to travel just about anywhere for a dollar or two in an air-conditioned Grab (works just like Uber), or for even less in a tuktuk – if you enjoy heat, noise and carbon monoxide. There's plenty to see and do, though my wife dragged me to see a grass clock purely on the basis that it had featured in the BBC's reality show *Race Across the World* a few weeks earlier; this was a bit of a low point. We then had to go to the Elephant Bar at Raffles to 'work on our marriage' over gin and tonic. Nonetheless, Cambodia was a reminder, if any was needed, about how vibrant, dynamic and fascinating developing countries can be.

In previous quarters we have discussed how many Emerging Market economies have pursued conservative fiscal policies and orthodox monetary policies for much of the last decade. This is in stark contrast to many Developed Market economies which have done whatever it takes to avoid the unpleasant effects of a recession, be it covid-induced, or otherwise. The consequences of this have started to show up in the relative strength of Emerging Market currencies and bonds, though they have yet to set EM equities alight. Why is this? I was recently at a conference and in a poll fully half the attendees cited 'geopolitical risk' as their biggest concern.

Around 90% of the MSCI EM ex-China index constituents, by weight, are democratic. Recently, we have seen a smooth transition of power in India, Indonesia, Mexico and South Africa to name some of the most populous. The Middle East aside, the majority of the EM ex-China countries are fully functioning democracies. At a time when Western elections have become increasingly polarised, do Emerging Markets ex-China, continue to warrant a significant political discount?

One of the central tenets of an allocation to Emerging Markets was that it offered the benefits of diversification. This has sometimes been the case; in the first decade of the century, US large-cap stocks were essentially flat, while EM ex-China stocks were up significantly, driven by China's development and integration with the global economy. In more recent years, the benefits of diversification have been less apparent; even now, shares in Asian semiconductor makers are hitting new highs, driven by the very US-centric breakthroughs in Artificial Intelligence (AI). However, as we have pointed out, trading between Emerging Market (and Frontier Market) countries is on the rise and much of this trade is not being conducted in US dollars. In an era of raised geopolitical tensions, it is likely that most countries, including most EM countries, will try to chart a middle course; they will not be the 'Them' and they will not be the 'Us'. What they will offer is genuine opportunities and diversification. We have recently been looking at opportunities as far afield as Kazakhstan and Vietnam, but go see for yourself; perhaps I could recommend Cambodia?

Performance

The portfolio continues to be barbelled with a well-diversified range of idiosyncratic positions. The halo of AI continues to impact the portfolio with TSMC once again amongst the top performers. TSMC has always been very careful not to gouge its customers, but it seems likely that some price rises may be in order by the end of the year. Such price rises are likely to be focussed on leading-edge products used in AI servers where it represents a relatively small component of the overall cost. The company is likely to be more conservative with its smartphone customers (Apple, Qualcomm and Mediatek) where it is a larger element of the cost and where nascent 'edge' applications have yet to drive a meaningful replacement cycle. Nonetheless, successful price rises will inevitably lead to an upgrade in earnings forecasts, potentially driving the share price higher in a stock that is already ~13% of the MSCI Index. This focuses debate within the team on whether we are at peak valuations, or merely in the foothills of a very large and enduring Tech cycle. For the time being we are giving more weight to the latter than the former.

SEA Limited has continued to be a robust contributor to performance again this quarter. The share price reached its recent nadir in mid-January since then it has approximately doubled. In truth, there had been some confusion within the market as to whether the company was prioritising growth or profitability. A recent dinner in Edinburgh with the management clarified that ultimately

they were pragmatic when it came to prioritisation. This has manifested itself in two decent quarters which has done much to restore the market's confidence. 1Q24 results saw revenues growing at 23% YoY while the ecommerce business, Shopee showed faster than expected progress towards break-even while the Gaming and the Fintech businesses remain profitable. The company retains a US\$ 8.6 billion cash position which puts it in an enviable position to invest at a time when some of its competitors are constrained by higher capital costs First Quantum Minerals also continued to contribute again this quarter. This has largely been the result of the surge in copper prices which peaked at over US\$ 5/lbs in May before correcting into the quarter end. The copper price tends to react to short term economic noise and is currently at a level which appears insufficient to prompt renewed investment but is not so high as to start provoking substitution (by Aluminium). Nonetheless, most forecasts suggest a supply deficit in the coming years both because of the energy transition but also because the power demands of AI are just beginning to be recognised. It is worth remembering that turning copper discoveries into producing assets can take decades; the supply response is likely to be slow and uneven, creating bottlenecks. First Quantum still has to try and negotiate the re-opening of its Cobre mine in Panama, which now has a new President-elect Jose Raul Mulino. One of his first priorities will be the budget given traffic in the Canal is restricted because of drought and Cobre (the second biggest contributor to government finances) is currently operating on a 'care and maintenance basis'. Fitch downgraded Panama's sovereign rating from BB+ to BBB- in March this year.

Bank Rakyat in Indonesia has been amongst the detractors this quarter. Rather against the run of play in Emerging Markets, the Bank of Indonesia raised its benchmark interest rates by 25 basis points to 6.25% in April. This was unwelcome for Bank Rakyat which was already suffering from rising credit costs in its small business and micro loan portfolio. Correspondingly, management lowered guidance for its loan growth, margins and credit costs for 2024. We regard this as a relatively short-term issue, as micro-lending is by its very nature a volatile business. The bank has moved quickly, hiring approximately 1,000 additional loan officers (to about 27,000) to improve collection and has significantly tightened credit controls. While these process improvements are welcome, micro-loans make up almost half of its loan book, a high proportion of which are fixed-rate loans. Accordingly, the Bank should benefit when the Indonesian rate cycle turns.

Samsung Electronics has also been a short-term performance detractor, though after a recent discussion

with the team, our enthusiasm remains high. We believe the memory business will be the main value creator for the company. It will allow the company to continue outgrowing the broader semiconductor market over the long term. Memory will remain cyclical, but it could be, on average, more profitable than historically, as supply remains consolidated. We could also see growth in the foundry business after heavy investment (Samsung is increasingly thought to be a highly reliable supplier to many large tech businesses) and we also could see High-Bandwidth-Memory really take off (they are in a near duopoly with SK Hynix (also held)). The large cash pile could also be profitably deployed. There are a number of potentially significant growth drivers here and more broadly, Korean support for Samsung remains strong.

We have written in our most recent monthly commentary about elections in Emerging markets. There are of course exceptions, but generally, most governments are neither as good as hoped, nor as bad as feared. One country that has seen a short-term impact is Mexico. The new President, Claudia Sheinbaum, is very much a protégé of the outgoing AMLO, and is very much seen as the continuity candidate. However, fears that her supermajority will allow her to pursue the more radical parts of her agenda has spooked markets. The equity market has sold off, including conglomerate FEMSA and Banco Banorte, which are in the portfolio. We see nothing at present to suggest that either companies' long-term prospects have been affected by Sheinbaum's ascendancy, especially as her initial cabinet appointments reflect a measure of continuity and moderation. It is likely that Mexico's economic fortunes will ultimately be more greatly influenced by the outcome of the US elections in November.

We continue to be positive on the Emerging Markets ex-China asset class, with the portfolio positioned accordingly. We continue to find a wide variety of opportunities in countries that benefit from supply chain re-alignment, have critical commodity resources, or have large and under-served domestic markets.

Performance Objective

To outperform the MSCI Emerging Markets ex China Index over the long term.

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	6.5	4.3	2.2
1 Year	20.5	19.7	0.9
Since Inception	4.3	5.4	-1.1
USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	6.6	4.4	2.2
1 Year	19.8	19.0	0.9
Since Inception	1.5	2.5	-1.0
EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	7.4	5.2	2.2
1 Year	22.0	21.1	0.9
Since Inception	3.9	5.0	-1.1
CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	7.7	5.5	2.2
1 Year	23.9	23.0	0.9
Since Inception	4.8	5.9	-1.1
AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	4.1	2.0	2.1
1 Year	19.5	18.6	0.8
Since Inception	5.0	6.1	-1.1

Annualised periods ended 30 June 2024. 3 Month & 1 Year figures are not annualised.

Inception date: 31 December 2021

Figures may not sum due to rounding.

Benchmark is MSCI Emerging Markets ex China Index.

Source: Revolution, MSCI.

The EM ex China composite is more concentrated than the MSCI Emerging Markets ex China Index.

Discrete Performance

GBP	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Composite Net (%)	N/A	N/A	N/A	17.3	20.5
Benchmark (%)	N/A	N/A	N/A	7.6	19.7
USD	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Composite Net (%)	N/A	N/A	N/A	22.8	19.8
Benchmark (%)	N/A	N/A	N/A	12.7	19.0
EUR	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Composite Net (%)	N/A	N/A	N/A	17.7	22.0
Benchmark (%)	N/A	N/A	N/A	8.0	21.1
CAD	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Composite Net (%)	N/A	N/A	N/A	26.0	23.9
Benchmark (%)	N/A	N/A	N/A	15.6	23.0
AUD	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Composite Net (%)	N/A	N/A	N/A	26.8	19.5
Benchmark (%)	N/A	N/A	N/A	16.4	18.6

Benchmark is MSCI Emerging Markets ex China Index.

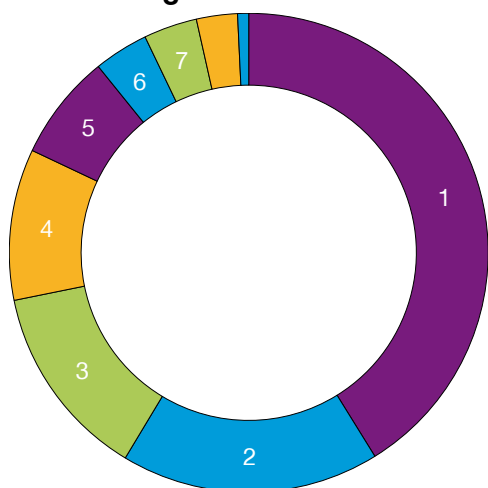
Source: Revolution, MSCI.

The EM ex China composite is more concentrated than the MSCI Emerging Markets ex China Index.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	17.4
Samsung Electronics	Producer of consumer and industrial electronic equipment	8.0
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	4.5
MercadoLibre	Latin American e-commerce and fintech platform	4.3
MediaTek	Taiwanese electronic component manufacturer.	4.2
SK Hynix	Korean manufacturer of electronic components and devices	4.0
Petrobras	Oil exploration and production company	4.0
Axis Bank	Banking services throughout India	2.3
Naspers	Media and e-commerce company	2.3
Hyundai Motor Company	Korean auto manufacturer	2.1
Total		53.2

Sector Weights



	%
1 Information Technology	41.2
2 Financials	17.5
3 Consumer Discretionary	13.2
4 Energy	10.2
5 Materials	7.2
6 Industrials	3.7
7 Consumer Staples	3.6
8 Communication Services	2.8
9 Cash	0.7

Figures may not sum due to rounding.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	28	Companies	9	Companies	5
Resolutions	331	Resolutions	21	Resolutions	17

Company Engagement

Engagement Type	Company
Environmental	CEMEX, S.A.B. de C.V., HDFC Life Insurance Company Limited, Ivanhoe Mines Ltd., KGHM Polska Miedz S.A., Raizen S.A., Samsung Electronics Co., Ltd., Sea Limited, Taiwan Semiconductor Manufacturing Company Limited, Valeura Energy Inc.
Social	CEMEX, S.A.B. de C.V., HDFC Life Insurance Company Limited, Ivanhoe Mines Ltd., PT Bank Rakyat Indonesia (Persero) Tbk, Samsung Electronics Co., Ltd., Taiwan Semiconductor Manufacturing Company Limited, Valeura Energy Inc.
Governance	CEMEX, S.A.B. de C.V., First Quantum Minerals Ltd., Fomento Economico Mexicano, S.A.B. de C.V., HDFC Life Insurance Company Limited, Ivanhoe Mines Ltd., KGHM Polska Miedz S.A., PT Bank Mandiri (Persero) Tbk, Raizen S.A., Samsung Electronics Co., Ltd., Sea Limited, Taiwan Semiconductor Manufacturing Company Limited, Valeura Energy Inc.
Strategy	MercadoLibre, Inc., Nu Holdings Ltd., Raizen S.A., Valeura Energy Inc.

Company	Engagement Report
FEMSA	<p>Objective: To further understand FEMSA's use of an Accelerated Share Repurchase (ASR) programme when buying back ADRs and share wider research findings on the topic.</p> <p>Discussion: Baillie Gifford's Head of Trading followed up with the company Treasurer and Investor Relations in FEMSA to better understand its recent share buyback through an ASR programme. Research has found that due to the implementation of execution products, 20 per cent (by value) of share buybacks were undermining shareholder interests. There is limited awareness of this topic in company management teams and on boards.</p> <p>FEMSA employs two buyback strategies: It buys back shares directly in the local Mexican market, controls the trading, and the broker acts as an agent. It also buys back ADRs through an ASR program, where the broker acts as Principal. In Mexico, locally-listed companies may only buy back stock on the local exchange. The options to buy back depositary receipts listed in the US are either by way of a tender offer or a derivative product such as an ASR. We had questions about the terms of the ASR and how the company buys and negotiates. The company acknowledged the challenges negotiating the terms of its first contract and reported that it subsequently tightened the contract terms on its second, recently announced ASR. The process has good oversight as the FEMSA Finance Committee reports to the Board on all buyback matters.</p> <p>Outcome: As supportive investors, we wanted to help raise awareness in the company about potential pitfalls. We will continue to follow up on this topic.</p>
Ivanhoe Mines	<p>Objective: To learn more about the company's strategy and priorities, particularly in the context of the Kamo-a-Kakula mine in the DRC.</p> <p>Discussion: The Kamo-a-Kakula mine in the DRC is one of the largest copper resources in the world and is a joint venture with Ivanhoe, Zijin Mining and the Government of the Democratic Republic of the Congo (DRC). How the DRC benefits from the Kamo-a-Kakula mine will be important for the long-term success of this critical copper site. Last year, the mine was responsible for 7 per cent of DRC's GDP, set to be 10 per cent. The government will start seeing additional benefits next year from its 20 per cent shareholding, royalties and taxes under the mining code. Ivanhoe is investing in the future hydroelectric capacity in the DRC to ensure the stability of the energy supply, but this is a country where less than 20 per cent of the population still has access to electricity. At the same time, it does not yet have emissions and waste targets because it is still sorting out its energy requirements in the DRC. The company has recently implemented short-term diesel generation measures and additional capacity through the Zambian grid. Ivanhoe is investing significantly in various local community programmes and working to build positive relationships, prioritising local employment and health and safety. It had an unfortunate fatality recently at the Kamo-a-Kakula mine but reported it is working through lessons learned to achieve zero fatalities.</p> <p>Outcome: The discussions further helped us understand the business's material sustainability priorities and the seriousness with which the company views these issues.</p>

Company	Engagement Report
Raizen	<p>Objective: We met with Raizen's chief financial officer (CFO) and head of investor relations as part of a wider investment meeting to better understand the sustainability opportunities linked to its sugar, ethanol and mobility businesses.</p> <p>Discussion: Raizen is a Brazilian joint venture between Cosan and Shell specialising in sugar production and ethanol. Our climate team recently undertook an avoided emissions review of Raizen, and this meeting provided an opportunity to follow up on some questions. Raizen sees sustainability opportunities through sugar traceability and the decarbonising role of ethanol. Brazilian policy continues to support biofuel blending for vehicles to reduce emissions, and the CFO also shared his perspectives on the future of electric vehicles and hybrid in Brazil. Its second-generation ethanol E2G (made from sugarcane waste) can be widely used, but it sees particular opportunities in decarbonising aviation (through Sustainable Aviation Fuel SAF). It recently opened its second E2G plant and has a target for 20 in total by 2030, noting long-term contracts and opportunities with Shell and others. We also discussed the Grupo Nos partnership with OXXO, which has seen rapid expansion and strategic alignment with FEMSA. The CFO highlighted plans for capital allocation, focusing on agriculture, E2G, refinery opportunities and fuel distribution. They are divesting from some businesses where they do not see long-term growth.</p> <p>Outcome: This meeting provided further insights into Raizen's sustainability-related opportunities.</p>
SEA Limited	<p>Objective: We met with Sea Ltd to continue discussing board composition and remuneration and hear an update on the company's developing climate strategy.</p> <p>Discussion: Our engagement focused on board recruitment, including management's considerations and efforts in recruiting new board members, focusing on finding individuals with the correct skill set. We also discussed remuneration, particularly a recent executive compensation cap. Sea Ltd clarified its remuneration approach and reassured us that employee pay is competitive. The meeting also provided an opportunity to question the company's climate change strategy. While there are no immediate plans to set decarbonisation targets, Sea Ltd has considered climate and has published scope 1 and scope 2 emissions data, indicating relatively low emissions. Future emissions reductions are expected to result from broader operational improvements.</p> <p>Outcome: Overall, our engagement highlighted ongoing efforts and challenges in board recruitment, which we will continue to monitor. Sea Ltd's actions reflect responsiveness to investor concerns and a willingness to improve governance and environmental stewardship.</p>
Valeura	<p>Objective: To provide feedback to Valeura and discuss opportunities for further progress on its sustainability priorities and disclosures.</p> <p>Discussion: Our engagement with Valeura Energy Ltd has focused on operational safety, emissions, and the company's growth strategy. Valeura acquired assets in Thailand from KrisEnergy and Mubadala, which are focused on extracting value through well-managed operations. Following our meetings last year with the chief operating officer (COO) and the chief executive officer, where material sustainability topics were discussed, it was helpful to see it delivered on its promise to provide disclosures on emissions and safety topics, incorporating many of the suggestions we had previously offered. Our most recent call with the COO was an opportunity to give feedback on its recent report. Following acquisitions, it has been working to gather baseline data before setting targets. It now reports scope 1 and 2 emissions and methane as a separate line. We discussed some challenges and opportunities it sees regarding its assets for setting targets. Venting continues to be a challenge at one of its assets. It sees longer-term opportunities in gas. We also discussed suggestions about future climate risk reporting, health and safety standards, and managing material topics for its business.</p> <p>Outcome: We are encouraged by the progress, particularly in emissions reporting and safety measures and look forward to seeing the detailed emissions targets. We will continue to support and bring challenge to Valeura in these areas.</p>

Votes Cast in Favour

Companies	Voting Rationale
Accton Technology, Advantech Co., Allegro.eu, Axis Bank, B3 S.A., Coupang, First Quantum Minerals, Grupo Financiero Banorte, ICICI Bank Ltd, Ivanhoe Mines, Jio Financial Services Ltd, KGHM Polska Miedz, Kaspi.kz ADR, Lundin Mining, Mediatek, MercadoLibre, Natura &Co Hdg, PTT Exploration and Production, Petrobras Common ADR, Petrobras Pref ADR, Raia Drogasil, Reliance Industries Ltd, SCB X, TSMC, Tata Consultancy Services, WNS Global Services, Walmex, Weg Sa	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
B3 S.A.	AGM 04/25/24	6	We opposed a resolution to confer our votes on unknown directors should the slate of directors change.
KGHM Polska Miedz	AGM 06/07/24	11.G	We opposed the remuneration report due to concerns with a lack of disclosure on performance targets, and lack of long-term remuneration component.
Natura &Co Hdg	AGM 04/26/24	4	We opposed the request to elect directors via cumulative voting, instead supporting the slate of directors.
Natura &Co Hdg	AGM 04/26/24	6	We opposed a resolution to confer our votes on unknown directors should the slate of directors change.
Natura &Co Hdg	AGM 04/26/24	9	We opposed the request to elect directors individually, instead supporting the slate of directors.
Petrobras Common ADR	Annual 04/25/24	15	We opposed the resolution to approve the classification of one director as independent as we do not believe this director to be considered independent.
Petrobras Common ADR	Annual 04/25/24	18	We opposed the election of the chairman due to ongoing governance concerns and a lack of independent directors on the board.
Petrobras Common ADR	Annual 04/25/24	24	We opposed remuneration due to a lack of disclosure regarding how awards are treated when executives leave the business.
Petrobras Common ADR	Annual 04/25/24	3	We opposed the slate of directors electing instead to vote on the individual candidates via cumulative voting.
Petrobras Common ADR	Annual 04/25/24	6	We opposed the slate of directors electing instead to vote on the individual candidates via cumulative voting.
Petrobras Common ADR	Annual 04/25/24	7, 23	We opposed two resolutions to allow our votes to be recast on the slate of directors should the slate change due to concerns regarding unknown candidates being added.
PTT Exploration and Production	AGM 04/01/24	4	We opposed the auditor's remuneration because we have concerns with the level of non-audit fees which we think could compromise the auditor's independence.

Company	Meeting Details	Resolution(s)	Voting Rationale
PTT Exploration and Production	AGM 04/01/24	5	We opposed the remuneration of the board of directors because we do not believe it is appropriate for non-executive directors to receive a bonus as it could compromise their ability to think and act independently.
Raia Drogasil	AGM 04/17/24	5	We opposed a resolution to recast our votes in the event the slate of directors changes. This is because we would not be able to assess the candidates.
SCB X	AGM 04/05/24	5	We opposed the remuneration of directors because of concerns relating to annual bonus payments linked to financial performance.
Weg Sa	AGM 04/23/24	6	We opposed the resolution to adopt cumulative voting. We are comfortable with the current composition of the board and therefore we are supporting management's slate of directors.
Weg Sa	AGM 04/23/24	8, 13	We opposed two resolutions to confer our votes on unknown directors should the slate of directors change.
Companies		Voting Rationale	
First Quantum Minerals		We opposed the executive compensation as we do not believe the performance conditions are sufficiently stretching.	
PTT Exploration and Production		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
Accton Technology	AGM 06/13/24	4.1	We abstained on the election of one director as the candidate was not disclosed ahead of the meeting.
KGHM Polska Miedz	AGM 06/07/24	15	We abstained on changes to the composition of the supervisory board due to a lack of disclosure of the changes.
Petrobras Common ADR	Annual 04/25/24	12A-12H	Under cumulative voting, we abstained on eight resolutions to elect directors chosen by the controlling shareholder instead choosing to support the candidates nominated by minority shareholders to improve board independence.
Petrobras Common ADR	Annual 04/25/24	22	We abstained on the slate of fiscal council members instead choosing to vote in favour of the election of candidates proposed by the minority shareholders.
Petrobras Common ADR	Annual 04/25/24	8	We abstained on one resolution to elect a director in order to allow us to vote on the individual candidates via cumulative voting.
Petrobras Pref ADR	Annual 04/25/24	21a	We abstained on the nomination of one candidate to the fiscal council to allow our vote to be cast for a separate candidate.
Petrobras Pref ADR	Annual 04/25/24	4b, 4c	We abstained on the nomination of two board directors in order to allow our vote to be cast for a separate director candidate.
Weg Sa	AGM 04/23/24	11	We abstained on the resolution to approve remuneration due to a lack of rationale provided for the significant increase in the overall remuneration cap for the forthcoming year.

Company	Meeting Details	Resolution(s)	Voting Rationale
Weg Sa	AGM 04/23/24	5	We abstained on the resolution to request a separate minority election of a member of the board of directors, as we are comfortable with the current composition of the Board.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
Mmc Norilsk Nickel	We did not vote in order to ensure that there is no risk of breaching sanctions regulations.
Moscow Exchange	We did not vote in order to ensure that there is no risk of breaching sanction regulations.
Moscow Exchange	We submitted no vote to avoid the risk of breaching sanctions.
Saudi Tadawul Group	We did not vote the meeting because the custodian does not facilitate voting in the market.
Sberbank Of Russia	We did not vote in order to ensure that there is no risk of breaching sanctions regulations.

New Purchases

Stock Name	Transaction Rationale
Axis Bank	Axis Bank is a medium-sized private sector bank in India, founded in 1994. It has successfully grown the scale and quality of its bank deposit franchise. It is now focusing on expanding its retail and small business loan books, particularly diversifying away from its core corporate credit franchise. It has also invested heavily in its digital capabilities to provide excellent customer service. Management is focused on growing the bank profitably and sustainably, while the valuation is reasonable, particularly in an Indian context.
Impala Platinum Holdings	Impala Platinum is a South African producer of platinum group metals (PGMs) with mining operations in South Africa, Zimbabwe and Canada. PGM prices have been weak in recent years. Most palladium is used in catalytic converters for diesel vehicles, while platinum has more end-uses with catalytic converters for gasoline cars being the most significant. The common heuristic is that growth in electric vehicles will translate into much lower PGM demand and hence weak PGM prices. The reality is more nuanced than that. Hybrid electric vehicles still need PGMs, while platinum electrolyzers may be widely used in green hydrogen. Impala has significant leverage to an increase in PGM prices. After a period of significant share price weakness, we bought a holding.
Kaspi.kz	Kaspi's combination of lending, e-commerce and payments has driven strong growth, and its competitive position in Kazakhstan is unrivalled. Continued operational progress and still-low valuations have warranted us revisiting the investment case. Our conversations with management have reassured us that a sizeable growth opportunity remains. The alignment between the government, the company, and shareholders appears stable. While we cannot rule out political or geopolitical risks, they have diminished. We believe the shares are attractive and have bought a holding.
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 out-competed e-commerce operators and also managed the volatility during the pandemic. They have 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.

There were no complete sales during the period.

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