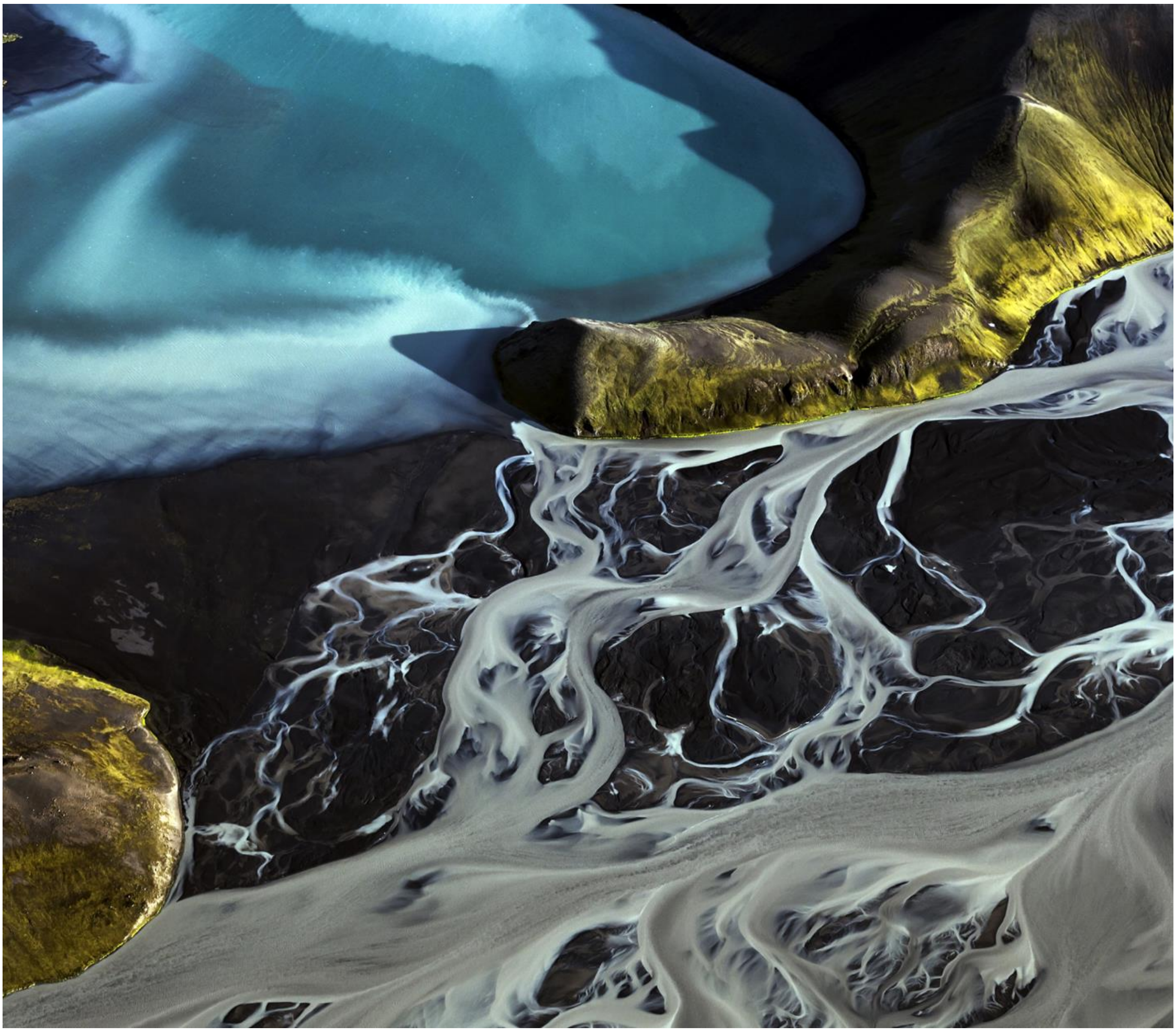
Baillie Gifford

International Concentrated Growth 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.
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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.

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

International Concentrated Growth is a bottom-up equity strategy focused on exceptional international growth companies. It invests in businesses that are creating and benefiting from long-term structural changes in the economy and society. It holds 20–35 stocks, drawn from developed and emerging international markets, and has the latitude to invest up to 15% in US equities.

Risk Analysis

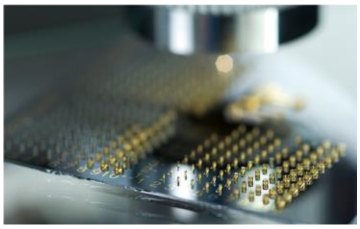
Key Statistics	
Number of Holdings	29
Typical number of holdings	20-35
Active Share	92%*
Rolling One Year Turnover	21%

*Relative to MSCI ACWI ex US Index. Source: Baillie Gifford & Co, MSCI.

The key to navigating a more uncertain world successfully and continuing to grow is the ability to adapt.

Some businesses in the portfolio are adapting to shifting geopolitical fault lines, others to a period of scarce growth capital. There are also those capitalising on new opportunities as they emerge, such as generative AI.

In this ever-evolving landscape, our commitment remains unwavering: to seek out companies that not only thrive amid disruption but actively drive change.



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

‘*The whole rational decision-making doctrine you’re taught in business school no longer applies.*’

We place great importance on our diverse academic partnerships, which broaden our insights and foster innovation. A relationship we value highly is with the distinguished economist and technology historian, Prof W Brian Arthur, whose insights have significantly deepened our understanding of the evolution of technology, increasing returns to scale and complexity economics. Prof Arthur provided us with early and insightful foresight into the transformative potential of Artificial Intelligence (AI) on the economy, well ahead of its widespread recognition.

The quote above reflects the core of our recent conversations with Prof Arthur, highlighting a mutual recognition that the shifting business environment demands a critical reassessment of established norms.

We’ve entered a more uncertain world. Optimisation no longer works well. Optimised systems are brittle and break when stressed – like rattling a table upon which you’ve built a house of cards. What has become essential is resilience. This involves the readiness to respond, the skill to manage situations effectively, and the ability to thrive in the face of change. In an era marked by instability, the key to navigating it successfully and continuing to grow is the ability to adapt.

Crossing the river by feeling the stones

Some businesses in the portfolio are adapting to shifting geopolitical fault lines, others to a period scarce of growth capital. The majority, steered by management teams in which we have confidence, are charting their own distinct course well. But they are ‘*crossing the river by feeling the stones.*’

Spotify exemplifies this approach, demonstrating a successful shift from costs escalating at twice the pace of revenue in 2022 to delivering growth and profitability today. It once again features as a top contributor to the portfolio's performance this quarter.

A key part of this has been CEO Daniel Ek’s drive to make the organisation nimbler by removing layers of management that represented ‘*the work around the work*.’ The focus on efficiency will continue this year, but we believe much of the heavy lifting has now been completed. These efforts have already begun to be meaningfully validated by Spotify's financial outputs. It has shifted from loss-making to profitability over the past year, with operating margins reaching 4.6 per cent in the first quarter, up from negative 5.1 per cent one year before.

We expect Spotify’s monetisation of its user base to continue to improve from here. Its value-to-price ratio for consumers is sufficiently compelling that it will capture a more significant share of that value. Some users spend 50 hours per month on Spotify, making it an exceptionally good-value form of entertainment.

But Spotify is feeling its way. Encouraged by record user growth last year, despite reducing sales and marketing spend, further reductions were made earlier this year. User growth slowed, albeit to a still respectable 19 per cent in the first quarter. In hindsight, this was likely too aggressive, but it is understandable given this is a new way of working for management. We are reassured that the company is taking a modest deacceleration seriously and we will be watching user trends closely over the coming quarters.

Not all companies or management teams are capable of the adaptation necessary to continue to thrive. It is our job to determine which those are and respond accordingly. It has become clearer that the COVID pandemic pulled forward several years of growth for European online fashion retail business Zalando, and that the business is more mature than we previously thought. More importantly, we also have concerns that management are not adapting to increasing competition from Chinese rivals and combined with the rise of resale marketplaces like Vinted, rekindling growth will be difficult. With this in mind, we have begun to reduce the holding in Zalando and use the proceeds to invest in new ideas for the portfolio.

Adaptation of a different kind

Being adaptable isn’t only about navigating uncertainty; it's also about capitalising on opportunities as they present themselves. The hyperscalers, the major cloud computing providers, are rapidly adapting to opportunities presented by advances in generative AI. Financially, this is currently manifesting in rising capital expenditure budgets.

The recent reporting season was notable for the continued acceleration of spending on data centres. This year, Alphabet, Amazon, Microsoft, and Meta's combined capex budgets are expected to total around $190bn, almost 40 per cent more than last year.

All roads in generative AI currently lead to NVIDIA, and much of the hyperscalers' increased capex spending is dedicated to the purchase of its GPUs. This has propelled NVIDIA to vie with Microsoft for the title of the world's largest company with a market capitalisation of over $3tn. It continues to make a positive contribution to the portfolio's performance.

NVIDIA is at the forefront of the generative AI sector, but its leadership is rooted in a wide-ranging and evolving innovation ecosystem. Technological advancement is achieved by integrating existing technologies. NVIDIA's accomplishments represent a notable milestone within an extensive and burgeoning realm of possibilities, underpinned by a diverse array of technologies.

The holdings in Dutch lithography business ASML and Taiwanese semiconductor foundry TSMC both occupy essential positions in NVIDIA's supply chain, without which the feats it has achieved would not have been possible. This is arguably the most valuable supply chain in the world today and along with NVIDIA, both stocks have also made all-time highs during the quarter and made a positive contribution to the portfolio's performance.

We continued to build the exposure to the generative AI enablers—the picks and shovels that make innovation possible. Given recent share price strength, we have been taking some profit in NVIDIA, keeping the holding to approximately 10 per cent to remain within portfolio guidelines with respect to US weighting. The other side of this has been additions to the position in TSMC, which we view as a more diversified exposure to continued advances in AI. It is in a particularly strong position to benefit from future developments regardless of which type of technology or companies win out.

Preparation over Adaptation

The best businesses distinguish themselves not merely by their ability to adapt to changes but by their foresight and preparation for future challenges. This proactive approach allows them to navigate uncertainties with greater agility and resilience, ensuring sustained growth and innovation. Adyen, the Dutch digital payment company, exemplifies this strategy through its culture, long-term thinking, and recent counter-cyclical investment.

Adyen is one of the main detractors from the portfolio's performance over the quarter. Our confidence in its prospects remains high and we have taken the recent share price weakness as an opportunity to add to the holding. The shares underperformed following its first quarter update, which showed a 46 per cent year-on-year increase in processed payment volume, reaching €298bn. Revenue increased 21 per cent from the previous year, amounting to €438mn.

The market remains concerned by the apparent uncoupling between processed volumes and revenue growth. Is there a structural race to the bottom in take rates? We don't think there is. The overall take rate will be lumpy on a quarter-by-quarter basis. It's somewhat ironic that Adyen has only recently begun to provide quarterly financial details to help the market better understand its business. This particular fluctuation relates to the ramping of US volumes they process for Block's Cash App, rates for which were contracted many years ago. Critically Adyen's pricing strategy remains unchanged and it commands a premium for the quality of service it provides.

More important to the long-term investment case was confirmation that headcount increases have slowed considerably; a net increase of 26 people during the first three months of the year. The past two years have seen a significant increase in staff numbers which nearly doubled to around 4,000. Adyen is an exceptionally well-run business, and we supported management's counter-cyclical investment as they built the cost base to underpin growth ambitions for years to come.

'When the facts change, I change my mind – what do you do, sir?'

This quote is often attributed to the economist John Maynard Keynes. It reminds us of the need for mental flexibility and the willingness to change our opinions or decisions based on new evidence or information.

Last quarter, we sold the holding in Chinese Electric Vehicle (EV) manufacturer NIO, no longer believing it was well placed in the evolving global EV market. Our enthusiasm for potential investment opportunities in this market remains, and we have since added the leading Chinese EV and battery manufacturer BYD to the portfolio.

Our bar for investing in Chinese businesses remains high and we think this is a very special business. A structural winner with an enormous scale advantage in a large growth market. Its vertically integrated business model gives it operational and financial advantages against competitors and enables it to bring newer, lower cost, EVs equipped with the latest battery technology to the market. BYD is well positioned to thrive amidst intense competition in the domestic Chinese EV market.

BYD also has an enormous opportunity for expansion into overseas markets, especially other Asian markets and the Global South more broadly. To safeguard their domestic auto industries, Western governments have already begun raising tariffs on Chinese EVs to counteract what they view as state subsidies provided to Chinese manufacturers. The EU has imposed provisional tariffs of up to nearly 40% on EVs shipped from China. Meanwhile, the US has raised tariffs on Chinese EVs to over 100%, effectively blocking nearly all Chinese EV imports. Despite these early measures, we believe that Western markets, especially Europe, will continue to be accessible to Chinese manufacturers. We think this is particularly true for vertically integrated manufacturers with superior margin structures such as BYD.

We have also further reduced the holding in Tesla. Our original Tesla investment case has played out. It has become one of the leading EV manufacturers in the world. Upside from here requires belief in its ability to successfully deliver a ‘second act’ in autonomous driving. While we recognize Tesla's promising prospects in autonomous driving, competition in this area is intensifying. A smaller holding size is commensurate with the balance between risk and reward from here.

Growth in an uncertain world

We have often found that the most interesting people in the world, with the most useful insights and the greatest propensity to share them, do not work in finance. The richness of human experience cannot be fully captured by financial metrics or economic models alone. There’s a wealth of wisdom beyond quantitative confines.

Engaging with experts outside the finance world helps generate distinctive investment ideas and reduces the risk of groupthink.

We are entering an uncertain world. The winds of change blow fiercely, reshaping industries, economies, and societies. In this ever-evolving landscape, our commitment remains unwavering: to seek out companies that not only thrive amidst disruption but actively drive change.

Performance Objective

3%+ p.a. over 5 year rolling periods vs index.
The performance objective is aspirational and is not guaranteed. We don't use it to compile the portfolio and returns will vary. A single performance objective may not be appropriate across all vehicles and jurisdictions. We may not meet our investment objectives if, for example, our growth investment style is out of favour, or we misjudge the long-term earnings growth of our holdings.

Periodic Performance

GBP	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	1.9	1.1	0.8
1 Year	11.0	12.8	-1.8
3 Year	-7.7	4.0	-11.7
5 Year	11.1	6.2	4.9
10 Year	15.0	7.5	7.4
Since Inception	13.6	8.1	5.5

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	2.0	1.2	0.8
1 Year	10.3	12.2	-1.8
3 Year	-10.4	1.0	-11.4
5 Year	10.9	6.1	4.9
10 Year	11.6	4.3	7.2
Since Inception	11.6	6.1	5.4

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	2.8	2.0	0.8
1 Year	12.3	14.2	-1.9
3 Year	-7.3	4.4	-11.8
5 Year	12.3	7.3	4.9
10 Year	14.3	6.9	7.4
Since Inception	12.3	6.9	5.5

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	3.2	2.3	0.9
1 Year	14.1	16.0	-1.9
3 Year	-7.4	4.4	-11.8
5 Year	11.9	7.0	4.9
10 Year	14.4	7.0	7.4
Since Inception	11.8	6.4	5.4

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-0.3	-1.2	0.8
1 Year	10.0	11.8	-1.8
3 Year	-6.8	5.0	-11.8
5 Year	12.0	7.1	4.9
10 Year	15.5	8.0	7.5
Since Inception	12.3	6.8	5.5

Annualised periods ended 30 June 2024. 3 Month & 1 Year figures are not annualised.
Inception date: 31 March 2004
Figures may not sum due to rounding.
Benchmark is MSCI ACWI ex US Index.
Source: Revolution, MSCI.
The International Concentrated Growth composite is more concentrated than the MSCI ACWI ex US 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 (%)	49.5	43.8	-39.0	16.2	11.0
Benchmark (%)	-1.5	21.9	-7.9	8.3	12.8

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 (%)	45.2	60.7	-46.4	21.6	10.3
Benchmark (%)	-4.4	36.3	-19.0	13.3	12.2

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 (%)	47.2	52.2	-39.2	16.5	12.3
Benchmark (%)	-3.1	29.1	-8.1	8.6	14.2

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 (%)	51.3	46.1	-44.2	24.7	14.1
Benchmark (%)	-0.3	23.9	-15.6	16.3	16.0

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 (%)	48.0	47.4	-41.5	25.6	10.0
Benchmark (%)	-2.6	25.0	-11.6	17.1	11.8

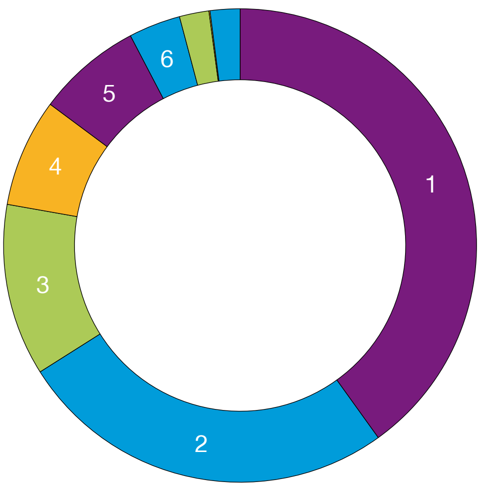
Benchmark is MSCI ACWI ex US Index.
Source: Revolution, MSCI.
The International Concentrated Growth composite is more concentrated than the MSCI ACWI ex US Index.

Top Ten Largest Holdings

Stock Name	Description of Business	% of Portfolio
MercadoLibre	Latin American e-commerce and fintech platform	12.2
ASML	Semiconductor equipment manufacturer	11.5
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	9.0
Spotify	Streaming platform for audible content	8.7
Adyen	Online payments platform	4.5
Hermès International	Luxury goods	4.5
Ferrari	Designs and manufactures luxury cars	4.4
Meituan	Chinese online services platform	4.2
Moderna	Biotechnology developing mRNA-based therapeutics	3.4
Coupang	South Korean e-commerce	3.1
Total		65.6

Figures may not sum due to rounding.

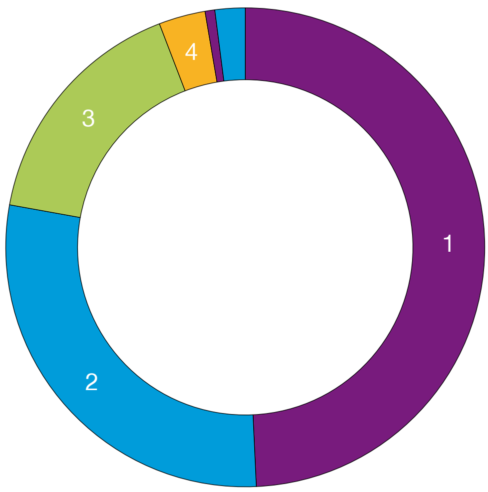
Sector Weights



		%
1	Consumer Discretionary	40.1
2	Information Technology	26.0
3	Communication Services	11.7
4	Health Care	7.4
5	Financials	7.2
6	Consumer Staples	3.5
7	Industrials	2.0
8	Materials	0.1
9	Cash	2.0

Figures may not sum due to rounding.

Regional Weights



		%
1	Europe (ex UK)	49.3
2	Emerging Markets	28.6
3	North America	16.3
4	UK	3.1
5	Developed Asia Pacific	0.7
6	Cash	2.0

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	25	Companies	2	Companies	1
Resolutions	395	Resolutions	5	Resolutions	1

Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., NVIDIA Corporation, Taiwan Semiconductor Manufacturing Company Limited
Social	Adyen N.V., Taiwan Semiconductor Manufacturing Company Limited
Governance	Adyen N.V., Delivery Hero SE, Kering SA, Moderna, Inc., Taiwan Semiconductor Manufacturing Company Limited, Tesla, Inc., Wise Payments Ltd
Strategy	Adyen N.V., Ginkgo Bioworks Holdings, Inc., MercadoLibre, Inc.

Company	Engagement Report
Ginkgo Bioworks	Objective: In April, we met with management on two occasions: a one-on-one meeting with chief executive officer Jason Kelly and at the company's Fermentation conference. Given some of the challenges it has faced since listing in 2021, we wanted to focus on Ginkgo's strategic evolution and assess its long-term growth prospects and market credibility. Discussion: Ginkgo Bioworks has adapted its strategy to harness future opportunities, notably through AI and expanding service offerings. Its partnership with Google to use AI in biology aims to enhance protein engineering, leveraging Ginkgo's extensive biological database. This strategic shift towards AI integration is expected to increase success rates and reduce costs. The company introduced Lab-Data-as-a-Service, attracting significant pharmaceutical partnerships. This garnered market interest and highlighted Ginkgo's credibility with its customers. This new business model, alongside the Technology Network (an AI research and development (R&D) collaboration hub for customers), facilitates collaborations and enhances Ginkgo's service ecosystem, offering scalable solutions to customers. Ginkgo's focus on biosecurity, with products like Ginkgo Canopy and Horizon, underscores its commitment to global challenges. These avenues represent growth and societal impact. The discussion with management identified key performance indicators (KPIs), which include revenue growth from new services, partnerships and biosecurity product development. Challenges have involved integrating services into customer workflows and adapting to a flexible business model, highlighting the need for continuous evolution and flexibility to meet market demands. Ongoing assessment of Ginkgo's company culture is also crucial. Outcome: Ginkgo Bioworks' strategic shift towards AI, service model innovation and biosecurity focus appears favourable for future growth. These developments, focusing on KPIs and addressing past challenges, demonstrate Ginkgo's potential for long-term success and provide some confidence in its direction. We will continue to track progress closely.
Kering	Objective: Following recent challenges faced by its flagship brand, Gucci, we met with Kering's chief executive officer, François-Henri Pinault, and chief financial officer to gain reassurance on the company's growth runway and to understand succession plans. Discussion: While there are positive aspects related to brand resilience and the potential growth of other brands, the company is currently facing significant challenges, including sales decline, transition challenges and succession uncertainty. Gucci's declining sales in recent quarters have been attributed to both internal and external factors, such as a weak Chinese market and the transition to new collections by Sabato De Sarno. We discussed leadership's focus on elevating Gucci's brand through the Ancora collection, avoiding price reductions to maintain brand integrity, and improving inventory management. Having Francesca Belletini, deputy chief executive officer of the group, spend two days a week at Gucci highlights a hands-on approach to addressing the brand's challenges. Additionally, Pinault's candid discussion on succession planning revealed a forward-looking perspective on leadership transition. Outcome: Since we first purchased Kering in 2008, the company has demonstrated resilience and strategic foresight, showcasing the enduring appeal of luxury even in challenging times. The company is in the midst of a 12-18 month transition period for Gucci, and the full impact of this strategy will take time to unfold.

Company	Engagement Report
Moderna	Objective: Ahead of Moderna's 2024 AGM, we had a call with the company's chief legal officer and her team to better understand the board's approach to refreshment and executive compensation. We have been advocating for compensation alignment, long-termism, and board refreshment for several years, and we again were able to ask about the board's plans in these areas. Discussion: While there have been recent rotations between board committees, Moderna informed us that we can expect board refreshment within the next 12 months. Following an external board review, it is looking for pharmaceutical expertise and is interested in experience in responsible AI and government affairs. We agreed that more expertise in these areas will be essential for the company's ambitions in the next five years. Again, we expect to see further improvement and long-termism in executive compensation in the next plan. Finally, we discussed Moderna's approach to equal pay, ESG, and its work with suppliers to reduce their emissions. We questioned its approach to climate risk, on which it has done a company-wide assessment in 2023. Outcome: We continue to support Moderna's long-term shareholders and look forward to any announcement of new board directors. On the call, we queried whether Moderna would consider a more differentiated and simplified approach to its compensation plan. We plan to discuss this again before the company sets future plans.
Tesla, Inc.	Objective: Ahead of the 2024 AGM, we engaged with Tesla's board to discuss two significant resolutions: the reincorporation of the company from Delaware to Texas and the ratification of chief executive Elon Musk's 2018 Option Award. We sought to better understand the rationale for both proposals and why the board considered them important for Tesla's long-term strategy. Discussion: We spoke to board chair Robyn Denholm and the company's general counsel. Given the technical nature of both proposals, we supplemented these discussions with independent legal advice. These conversations built upon the extensive disclosures provided in Tesla's proxy statement. Specifically, we discussed the process, culminating in the board putting forward reincorporation and ratification proposals. We discussed the similarities and differences between Delaware and Texas law regarding shareholder rights and protections. We also queried using a Special Committee consisting of only one independent director and how the board thinks about the infancy of Texas corporate law relative to Delaware. The conversations helped us better understand how both proposals fit with Tesla's appeal of the Delaware Chancery Court's original judgement to rescind Musk's 2018 award, including various post-AGM scenarios. Outcome: These discussions were critical to informing the analysis of each proposal and our final voting decisions. After considering the available information, we opposed the reincorporation to Texas and supported the ratification of Musk's 2018 award for clients with whom we have voting discretion. We do not believe the move from Delaware to Texas is in clients' best interests due to the infancy of the Texas business courts, concerns over the fiduciary duties of controlling shareholders to other stockholders, and reservations about the process leading up to the reincorporation vote. Regarding ratifying the 2018 option award, we acknowledge the process and governance deficiencies outlined in the Delaware judgement. However, we believe an agreement between the majority of shareholders and the chief executive officer should be honoured. We were consulted before the grant in 2018, believing then and now that the structure of the option grant provided good alignment with our clients' best interests. Both proposals were subsequently approved by shareholders. We look forward to continuing our dialogue with the company, including discussions on strengthening its corporate governance.

Company	Engagement Report
Wise	Objective: To understand and provide feedback on the company's London listing, proposed changes to executive incentive plans, and chief financial officer succession. Discussion: Wise is a young growth company that facilitates international money transfers. We had three meetings with different members of the senior management team. We spoke first with the group's General Counsel to discuss the FCA's proposed changes to the UK Listing Rules. It was explained that one detail in the proposals would make it difficult for Wise to transfer from its current standard listing into the new 'commercial companies' category on the London market. If its listing is moved to the new 'transition category', it might restrict the company's membership in the FTSE indices. We were told that Wise representatives have been engaging with the Financial Conduct Authority, Treasury and other bodies to seek a resolution before the new rules are finalised and implemented in early July. We discussed the specific issue and potential remedies. Separately, the chair, the remuneration committee chair and the chief executive officer (CEO) consulted us at an early stage regarding proposed changes to the structure of the executive incentive plan. While it is highly unusual for the CEO to participate in remuneration discussions, we were comfortable in this case because the CEO and co-founder, Kristo Kaarmann, has not participated in any incentive plan since the Wise IPO and confirmed he has no intention to do so. His alignment is achieved via his shareholding. It was explained that the group's experience of recruiting a new chief financial officer (CFO), Emmanuel Thomassin, who will join in October from Delivery Hero, had catalysed the review. However, it was also recognised that there would be merit in aligning the structure of the CFO's pay more closely with the approach taken by the rest of the group. We accept that Wise's business and operations must compete globally for talent. On that basis, the 'hybrid' incentive plan structure proposed, by straddling UK and US practice, is a reasonable compromise. We discussed details, including the size of awards, vesting timelines and performance linkage. Overall, while it's an unusual incentive structure for a UK plc, we can see why it would work for Wise at its current stage of development. Our final engagement was an introductory call with the Interim CFO, Kingsley Kemish. He has worked at Wise for several years and will return to senior group finance director when Emmanuel Thomassin arrives. Matt Briers, who served as the Wise CFO for almost eight years, stepped down in March to focus on recovering from an accident. While the circumstances leading to the succession were unexpected and unfortunate, the succession process appears to have been managed smoothly. Outcome: As we approach the conclusion of the FCA's review of the Listing Rules, we are supportive of the effort being made by Wise to ensure the best outcome for the company's listing in London. Considering the remuneration proposals in the context of the company's specific circumstances, we have indicated support for the proposed incentive structure. The next step will be to review the final outcome following its wider consultation. Finally, adding the interim CFO to our contacts list in and around the Wise boardroom was good. Engagements such as those undertaken with Wise this quarter are crucial to our investment process, helping us build and extend relationships with investee companies.

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
NVIDIA	Annual 06/26/24	4	We supported the shareholder proposal on simple majority voting. We believe that supermajority voting requirements can lead to entrenchment and make it difficult to implement positive corporate government reforms.
Tesla Inc	Annual 06/13/24	12	We supported the shareholder resolution requesting the company commit to a moratorium on deep-sea mining, or if they cannot commit to disclose their rationale. We believe experts should take the time to set the rules and by supporting the moratorium, Tesla would reinforce the authority of the International Seabed Authority and the wider network of experts seeking to close the knowledge gaps.
Tesla Inc	Annual 06/13/24	6	We supported the shareholder resolution requesting a reduction in director terms. We are supportive of annual elections as it increases accountability to shareholders and works to reduce entrenchment.
Tesla Inc	Annual 06/13/24	7	We supported a shareholder resolution requesting the company adopt a majority voting standard and remove the supermajority voting standard. We are generally supportive of the removal of the supermajority provision as its presence makes the passing of other governance-positive amendments to bylaws improbable.
Tesla Inc	Annual 06/13/24	8	We supported the shareholder resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. We believe quantitative disclosure would help us understand and monitor the company's efforts. This is consistent with how we have voted on this resolution previously.

Companies	Voting Rationale
ASML, Adyen NV, Atlas Copco B, BioNTech ADR, Coupang, Delivery Hero AG, Ferrari NV, Ginkgo Bioworks Holdings Inc, Hermes International, Kering, Kinnevik, L'Oreal, M3, Meituan, MercadoLibre, Moderna Inc, NVIDIA, Ocado, Shopify 'A', Solaredge Technologies Inc, Spotify Technology SA, TSMC, Tencent, Tesla Inc, Zalando SE	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Delivery Hero AG	AGM 06/19/24	15	We opposed the election of one director due to a lack of detail on the skills and experience that he would bring to the board.
Tesla Inc	Annual 06/13/24	10	We opposed the shareholder resolution requesting a report on the effects and risks associated with Electromagnetic Radiation and Wireless technologies. We are satisfied that Tesla adheres to all regulatory requirements. Further, according to latest scientific studies there is no conclusive evidence that radiofrequency exposure from wireless devices is harmful to humans.

Company	Meeting Details	Resolution(s)	Voting Rationale
Tesla Inc	Annual 06/13/24	11	We opposed the shareholder resolution requesting the company assess the feasibility of integrating sustainability metrics into executive compensation. While there has been controversy surrounding the CEO's pay package and compensation of board members, it is not clear how a report assessing the integration of sustainability metrics in executive compensation plans will provide meaningful information on those issues.
Tesla Inc	Annual 06/13/24	3	We opposed the request to move the company's state of incorporation from Delaware to Texas. While we accept that, at an absolute level, shareholder rights in both jurisdictions are substantively the same, we think that given the infancy of Texas' business courts, and due to Texas law being silent on fiduciary duties of controlling shareholders to other shareholders, that on balance the move could be detrimental to the interests of minority shareholders.
Tesla Inc	Annual 06/13/24	9	We opposed the shareholder resolution requesting the company adopt a policy on freedom of association and collective bargaining. These rights are enshrined in the National Labor Relations Act and like any US company, Tesla must comply with the law and this is not a matter for company policy. This is consistent with how we have voted on this resolution previously.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Solaredge Technologies Inc	Annual 06/05/24	3	We abstained on the executive compensation as we do not believe the performance conditions are sufficiently stretching.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Byd Company	We have taken a new holding in BYD Co, China's leading manufacturer of battery electric vehicles and plug-in hybrid vehicles. We believe BYD is a structural winner in the rapidly evolving EV market: its vertically integrated business model gives it operational and financial advantages against competitors and enables it to bring newer lower-cost EVs equipped with the latest battery technology to the market more quickly than anyone else. This makes BYD well-positioned to thrive amidst intense competition in the domestic Chinese EV market. We think BYD has an enormous opportunity to expand into overseas markets, especially other Asian markets, Latin America, and potentially Europe, depending on the regulatory and geopolitical outlook. We also think that there is optionality in BYD's battery business, which manufactures batteries for other EV makers as well as BYD's own cars.

There were no complete sales during the period.

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