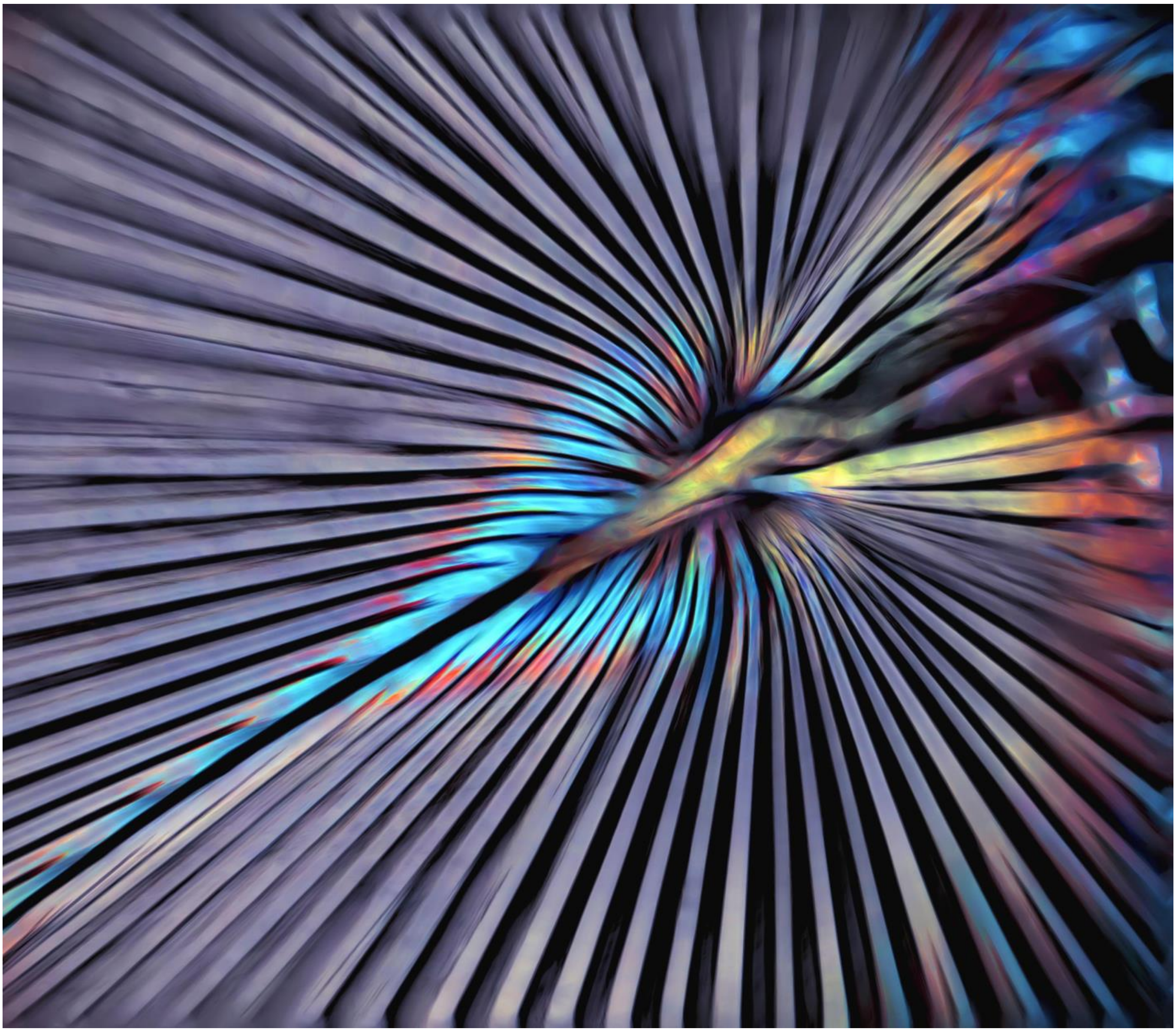
LTGG Quarterly Update

31 December 2024



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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

Long Term Global Growth is a very long term, concentrated global equity strategy focused on investing in exceptional growth companies from around the world. The approach is committed and expressly long term because we believe that investing in companies with the scope to grow to multiples of their current size over the next decade has the potential to transform the returns achieved for investors over time.

Risk Analysis

Key Statistics	
Number of Holdings	40
Typical Number of Holdings	30-60
Active Share	88%*
Annual Turnover	19%

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

LTGG is well placed to thrive amidst geopolitical uncertainty and technological shifts because the portfolio contains some of the most adaptable companies in the world

Over our investment timeframe, the portfolio holdings will increasingly have to contend with the physical, societal and financial consequences of climate change. We continue to engage extensively on this topic

We have taken advantage of valuation disconnects by adding to a number of holdings. The portfolio is delivering very strong earnings growth. This is forecast to continue

Baillie Gifford Key Facts

Assets under management and advice	US$272.3bn
Number of clients	613
Number of employees	1682
Number of investment professionals	375

Please see here for the team's most recent thoughts on the portfolio and accompanying market environment. Included below is a brief attribution commentary and notable transactions for the quarter.

Market Environment

The fourth quarter of 2024 saw continued trends of the past 18 months, with the markets mainly propelled by Artificial Intelligence related stocks and the "Trump Trade". Following the US presidential elections, investor speculation focussed on Trump's agenda of protectionism, deregulation and tax cuts. Amid this backdrop, Long Term Global Growth continued to demonstrate resilience, posting strong absolute and relative returns.

Performance

Among the largest contributors to performance over the quarter were Applovin, Atlassian and Shopify.

Applovin: Shares have more than doubled since our initial purchase in October 2024. The company's latest results showed exceptional growth with revenues growing 39% and net income margin rising from 13% in Q3 2023 to 36% in Q3 2024. The sharp improvement highlights the success of its Axon technology in targeted advertising and positions the company well for its planned expansion beyond mobile game advertising into broader e-commerce.

Atlassian: The company's focus on cloud migration and AI driven features has strengthened its position in collaboration and productivity software, demonstrating successful strategy execution. Revenues for the quarter ending 30 September 2024 surpassed $1billion, up 21% year-over-year and exceeding market expectations. However, we continue to monitor the recent transition to a single CEO structure and the appointment of a new Chief Revenue Officer.

Shopify: Impressive growth and improving margins reflect the quality of Shopify's business. Q3 2024 revenues rose 26% year-over-year, with operating income outpacing this by increasing 130%. This marks six consecutive quarters of revenue growth in excess of 25% alongside expanding free cash flow margins, demonstrating the improved economics and returns following the divestment of its logistics operations in June 2023.

Among the largest detractors to performance over the quarter were PDD holdings, Nu holdings, and ASML.

PDD Holdings: PDD's rapid growth has become the norm, with a 5-year CAGR over 80% and improving profitability. With this backdrop, revenue growth of 44% and earnings growth of 60% year-over-year marked a deceleration and raised concerns about competition. After a deep-dive review, we believe PDD is well-positioned to maintain strong domestic and international growth, leveraging its scale for continued profit expansion.

Nu Holdings: Despite strong results for the quarter, revenue growth of 56% and a return on equity of 30%, shares dropped 30% in December driven by market sentiment on emerging markets and valuation concerns. With 110 million customers and a lower cost base, we believe the company will continue to thrive across diverse product offerings, market segments, and geographies.

ASML: ASML posted third quarter 2024 revenues of €7.5 billion, with a 28% net income margin, however this was below market expectations and company guidance due to weaker EUV demand from two of ASML's largest customers that experienced production issues, combined with a normalisation of sales from China. This, along with a downward revision of the 2025 outlook, raised concerns. While the semiconductor industry remains cyclical, we are evaluating lithography's role in advancing computing power, while noting the company's recent leadership change.

Notable Transactions

During the quarter, we added two companies to the portfolio: Applovin and Horizon Robotics.

Applovin, a leading advertising technology company in the mobile game market, benefits from its AI based models to improve ad targeting, boosting both customer returns and its own net revenue. Given the operating leverage inherent its business model, we see a clear path to 5x upside, and success in e-commerce could prove truly transformative to returns.

Horizon Robotics specialises in developing artificial intelligence solutions for the automotive industry, particularly in advanced driver assistance and autonomous driving. We have been following the company since 2016 when its founder left

Baidu (a former LTGG holding). Having had the opportunity to get to know the company over the last several years we've come to view Horizon Robotics as possessing one of the most talented and ambitious teams globally. This, combined with operating in a fast-growing area with applications beyond automotive, led us to take a small initial position for our clients at IPO.

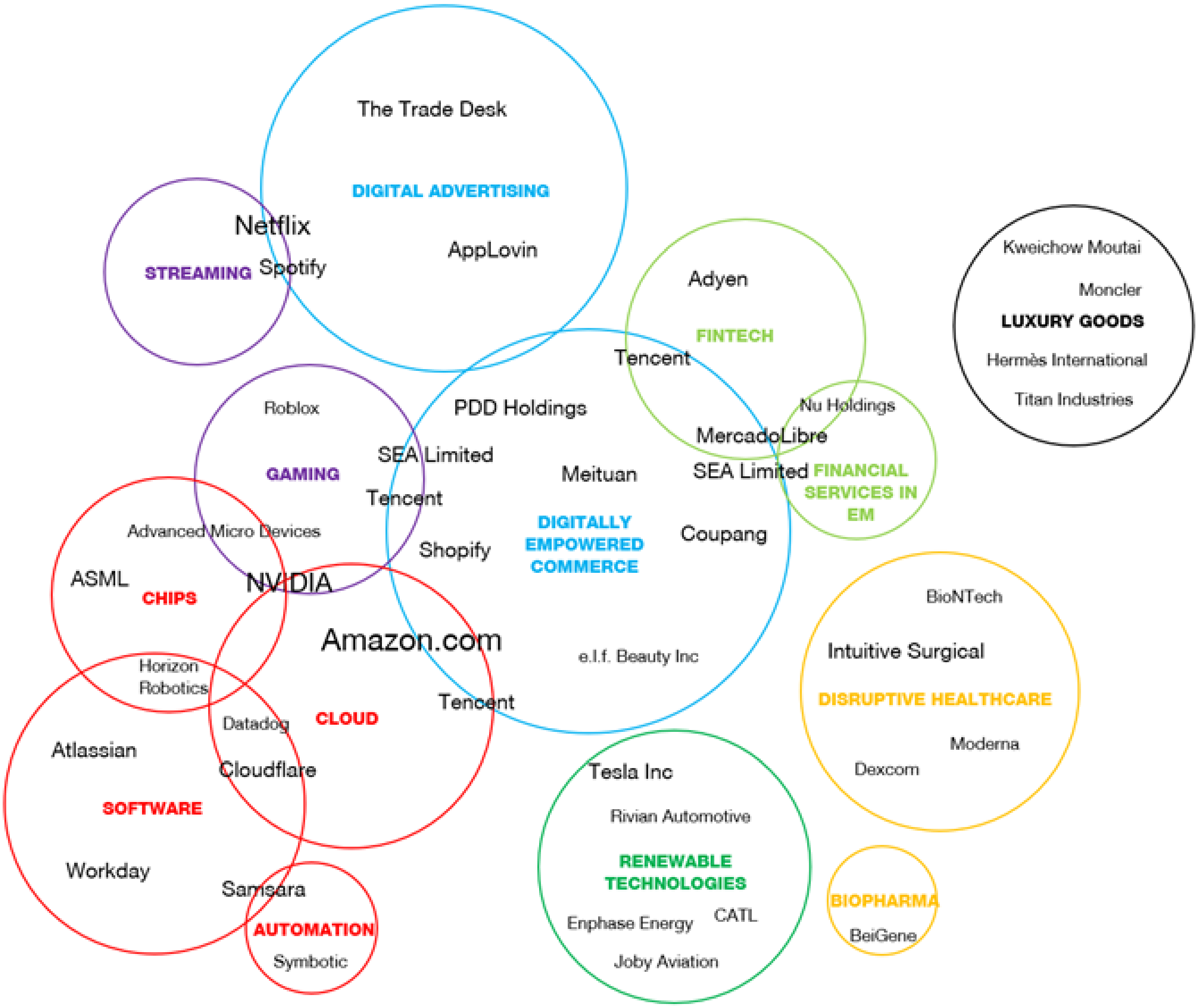
We sold our position in HDFC Bank during the quarter. The merger between HDFC Ltd and HDFC Bank, along with significant management changes, weakened our conviction in the company's cultural advantage, which was a key part of our investment thesis. To generate meaningful upside from here would require both improved profitability and faster growth, which are now at odds. Given more compelling opportunities elsewhere, we decided to redeploy the capital.

Market Outlook

Our outlook remains unchanged. We aim to invest in a concentrated portfolio of exceptional growth companies over the long term. We seek out companies that can grow to multiples of their current size, have a sustainable competitive advantage, are led by visionary and entrepreneurial management teams with a clear path to long-term profitability.

The LTGG Euler Diagram

The diagram below represents our current view of stock concentrations in the LTGG model portfolio. We have identified what we believe to be the key driver(s) of each stock and have grouped stocks as appropriate. Circle sizes are based on the aggregate stock holding weights in the portfolio and some stocks are represented in more than one circle. The font size is indicative of the size of the holding in the portfolio – the larger the font the larger the position within the portfolio. We use this diagram as an input to our consideration of risk and diversification in the portfolio and we review it on an ongoing basis. The classifications are subject to change over time as our views evolve.



Performance Objective

No formal performance objective but typically compared with MSCI ACWI Index or FTSE All World Indices achieving +3% p.a., net of fees, over typical global equity index over rolling 5 year periods.
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	12.7	6.1	6.5
1 Year	28.0	20.1	7.9
3 Year	0.0	8.7	-8.7
5 Year	15.1	11.8	3.3
10 Year	18.1	12.2	5.9
Since Inception	14.5	10.5	4.0

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	5.2	-0.9	6.1
1 Year	25.7	18.0	7.7
3 Year	-2.6	5.9	-8.5
5 Year	13.9	10.6	3.3
10 Year	15.5	9.8	5.7
Since Inception	12.3	8.4	3.9

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	13.4	6.8	6.5
1 Year	34.1	25.9	8.2
3 Year	0.5	9.3	-8.8
5 Year	15.7	12.4	3.3
10 Year	17.3	11.5	5.8
Since Inception	13.3	9.4	3.9

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	12.0	5.5	6.5
1 Year	37.1	28.7	8.4
3 Year	1.7	10.6	-8.9
5 Year	16.2	12.9	3.3
10 Year	18.1	12.2	5.9
Since Inception	12.7	8.8	3.9

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	17.9	11.1	6.8
1 Year	38.6	30.1	8.5
3 Year	2.8	11.8	-9.0
5 Year	16.8	13.4	3.4
10 Year	18.8	12.9	5.9
Since Inception	13.5	9.6	3.9

Annualised periods ended 31 December 2024. 3 Month & 1 Year figures are not annualised.
Inception date: 29 February 2004
Figures may not sum due to rounding.
Benchmark is MSCI ACWI Index.
Source: Revolution, MSCI.
The LTGG composite is more concentrated than the MSCI ACWI Index.

Discrete Performance

GBP	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
Composite Net (%)	95.8	3.4	-39.7	29.5	28.0
Benchmark (%)	13.2	20.1	-7.6	15.9	20.1

USD	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
Composite Net (%)	102.1	2.4	-46.4	37.2	25.7
Benchmark (%)	16.8	19.0	-18.0	22.8	18.0

EUR	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
Composite Net (%)	85.4	10.2	-42.9	32.6	34.1
Benchmark (%)	7.2	28.1	-12.6	18.7	25.9

CAD	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
Composite Net (%)	98.5	1.6	-42.5	33.6	37.1
Benchmark (%)	14.8	18.0	-12.0	19.5	28.7

AUD	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
Composite Net (%)	84.1	8.7	-42.6	36.4	38.6
Benchmark (%)	6.4	26.3	-12.0	22.1	30.1

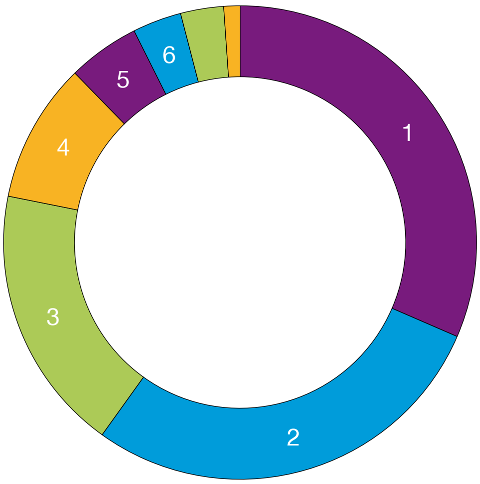
Benchmark is MSCI ACWI Index.
Source: Revolution, MSCI.
The LTGG composite is more concentrated than the MSCI ACWI Index.

Top Ten Largest Holdings

Stock Name	Description of Business	% of Portfolio
Amazon.com	E-commerce, computing infrastructure, streaming and more	7.1
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	5.2
Netflix	Streaming platform	4.1
The Trade Desk	Advertising platform	4.0
Meituan	Chinese online services platform	4.0
Intuitive Surgical	Surgical robots and consumables	3.9
Shopify	Cloud-based commerce platform provider	3.9
Cloudflare	Web infrastructure and cybersecurity provider	3.8
Tesla Inc	Electric vehicles, autonomous driving technology and energy solutions	3.4
Spotify	Streaming platform for audible content	3.3
Total		42.5

Figures may not sum due to rounding.

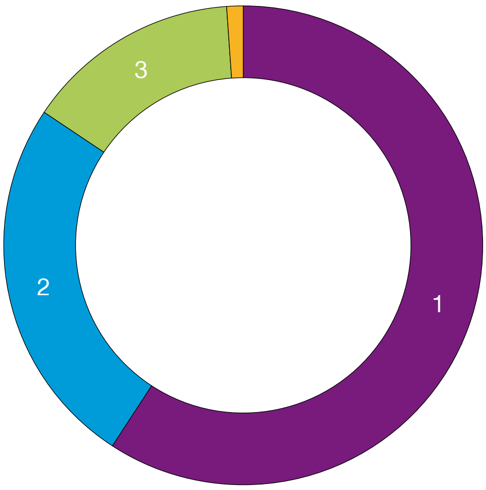
Sector Weights



		%
1	Information Technology	31.5
2	Consumer Discretionary	28.4
3	Communication Services	18.2
4	Health Care	9.6
5	Financials	4.9
6	Consumer Staples	3.3
7	Industrials	2.9
8	Cash	1.1

Figures may not sum due to rounding.

Regional Weights



		%
1	North America	59.2
2	Emerging Markets	25.2
3	Europe (ex UK)	14.5
4	Cash	1.1

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	6	Companies	4	Companies	None
Resolutions	44	Resolutions	6	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	Amazon.com, Inc., Enphase Energy, Inc., Moderna, Inc., PDD Holdings Inc., Sea Limited, Shopify Inc., Tencent Holdings Limited, Tesla, Inc., The Trade Desk, Inc.
Social	Advanced Micro Devices, Inc., Amazon.com, Inc., Cloudflare, Inc., PDD Holdings Inc., Rivian Automotive, Inc., Sea Limited, Tencent Holdings Limited, The Trade Desk, Inc.
Governance	ASML Holding N.V., Amazon.com, Inc., AppLovin Corporation, Enphase Energy, Inc., Horizon Robotics, Kweichow Moutai Co., Ltd., Moderna, Inc., Moncler S.p.A., Rivian Automotive, Inc., Shopify Inc., Symbotic Inc., Tesla, Inc., Titan Company Limited
Strategy	AppLovin Corporation, Cloudflare, Inc., Horizon Robotics, Joby Aviation, Inc., Moderna, Inc., Moncler S.p.A., Rivian Automotive, Inc., Roblox Corporation, Sea Limited, Symbotic Inc., Tencent Holdings Limited, The Trade Desk, Inc.

Company	Engagement Report
Amazon.com, Inc.	Objective: Continuing our long-term engagement with the company, we met with Amazon's experienced environmental, social and governance (ESG) team to discuss several ongoing sustainability concerns. The areas of discussion this time included employee engagement, supply chain transparency, human rights implications with cloud-hosting, AI governance and commitment to decarbonisation. Discussion: The open and frank discussion enabled us to understand the company's position on a variety of subjects. For each concern raised, we were provided with numerically supported evidence to robustly defend the company's position and counter suggestions of unsustainable practices. We heard about various company-wide initiatives to support employee engagement, including the company's 'Dragonfly' software tool that records employee safety-related feedback to turn into measurable action - over 200,000 observations were actioned in 2023. The company's efforts to meaningfully improve working conditions have reduced recorded injury rates to substantially below the industry average. We also learned about efforts to engage and monitor the company's vast supply chain to reduce the risk of human rights abuses. We were informed about the company's continued, substantial decarbonisation ambitions, including contracting 28GW of renewable power in 2023, equivalent to more than 50 per cent of the installed capacity in the whole of the UK. Finally, the company highlighted the recent board appointment of Stanford University adjunct professor Dr. Andrew Ng. He was previously the head of Google Brain, Baidu's chief scientist and is currently the managing partner of an AI venture fund. His appointment will help to inform the board's perspective on the opportunities and challenges that AI presents from both a social and commercial perspective. Outcome: Given the scale and complexity of the company's operations, we expect to continue regularly engaging with the company on a number of sustainability challenges. Unlike some of Amazon's technology peers, the company continues to listen and engage with long-term investors on challenging topics. We were able to hear the company's thoughts on different subjects that have regularly appeared on shareholder proposals and we will continue to constructively engage and thoughtfully vote on each proposal.
AppLovin Corporation	Objective: The purpose of the meeting with chief executive officer (CEO) Adam Foroughi was to further understand the growth opportunity, competitive landscape, and company culture. Discussion: It became apparent during this meeting that the market does not fully comprehend the earnings growth potential from incremental improvements in Applovin's technology. Instead, it anchors off the growth of the gaming market. Foroughi outlined Applovin's early efforts in extending its technological expertise beyond gaming into e-commerce, with initial pilots proving as performant as Meta's advertising engine. Success here could provide true outlier returns. Foroughi's leadership style reflects an intense focus on operational excellence and technological innovation. He maintains a lean organization of 400 core advertising technology professionals, who are compensated competitively. The company culture emphasises meritocracy and performance, with almost zero churn and a focus on in-person collaboration among research teams based in Silicon Valley, Beijing, and Dubai. Outcome: This was a valuable fact-finding meeting and also provided valuable milestones for us to consider when assessing the company's future success.

Company	Engagement Report
Rivian Automotive, Inc.	Objective: We had a discussion with Rivian's head of labour and employee relations to better understand the nature of recent incident reporting, the company's views on potential unionisation, and implications for corporate culture. Discussion: Rivian is at an important inflection point in scaling production of its expanding line-up of vehicles. We are cognisant of the inherent challenges in scaling vehicle production, having been longstanding shareholders in Tesla. For Rivian, it has arguably been even more complicated, as they ramped production during a global pandemic and amid global supply chain disruption. Nevertheless, Rivian recognises that safety must be a top priority. Our discussion provided a deeper understanding of the practical implementation of employee health and safety measures, as well as processes around reporting. There were only two Occupational Health and Safety Administration (OSHA) final citations in 2023, and none so far this year - evidence of improvement. The company's employee survey is also trending positively in terms of feedback on the issue. On unionisation, we were reassured by the high degree of employee alignment with the financial success of the business and that the company maintains a strong direct relationship with its workers. Outcome: The engagement left us confident that Rivian takes employee safety seriously and has been making progress on this front. This is evidenced by the decline in final (OSHA) citations and the improvement in employee survey results.
Rivian Automotive, Inc.	Objective: To further our understanding of Rivian's partnership with Volkswagen. Discussion: We had a catch-up post-earnings with Rivian's CEO. We discussed the partnership between Rivian and VW. From VW's perspective, the partnership is important as it has burned lots of money and failed to develop its own software system. Partnering with Rivian is a much more cost-effective option. We also discussed the short-term macroeconomic challenges impacting EV demand, especially with Trump potentially incentivising hybrid and internal combustion engine vehicles. However, management is absolutely confident that electrification is an inevitable long-term trend, and they will manage the business for that future. Outcome: Ongoing, Rivian is continuing to develop and the partnership with VW will be helpful for Rivian as it scales.
Symbotic Inc.	Objective: We met with Carol Hibbard chief financial officer (CFO) to discuss Symbotic's material weaknesses in its financial reporting. Discussion: There were two material weaknesses in Symbotic's financial controls: (i) timing of expense recognition, which management discovered themselves ahead of their year-end audit; and (ii) an issue relating to cost recognition across different contract types, discovered by Symbotic's auditor. While actions are being taken to address these issues, Hibbard shared our view that the company's revenue and cost recognition is very complicated. Within a particular project, both cost recognition and revenue recognition will differ across different elements of the deployment, and between different projects. We made the point that Symbotic listed in 2022 via a SPAC (special purpose acquisition vehicle), meaning it was not subjected to the same extent of financial controls that the traditional IPO process entails. The appointment of Hibbard to Symbotic last year brought valuable public company CFO experience and she has since worked to bring in similar additional resource, but acknowledged that more needs to be done in terms of finance team buildout and talent upgrading. Outcome: Based on our research and engagement, the balance of evidence suggests these material weaknesses result from incompetency, not dishonesty. Nor do they relate to customer pushback on whether contractual milestones have been hit. But the combination of complexity and immaturity of the business means that execution risks around Symbotic's financial controls have not yet receded. More experience and scale should help on this front. Cost projections are likely to improve for each new contract as the company gains more knowledge from prior deployments (currently 44), while growth also enables more negotiation power with suppliers and customers that should be conducive to greater standardisation.

Company	Engagement Report
Tencent Holdings Limited	Objective: To better understand Tencent's updated data management practices and suggest actions to align with the international best practices; to learn the company's signature value-added social projects. Discussion: We continue our dialogue on data management with Tencent as supportive shareholders who are challenged by their non-compliant list status at a third-party environmental, social and governance (ESG) rating agency. We discussed the international norms of data protection and the regulatory landscape of data in the People's Republic of China (PRC). Tencent has made significant progress in making the content policy transparent to its users and disclosing external requests for data for public scrutiny. The company reiterated that as a United Nations Global Compact (UNGC) signatory, it firmly upholds the commitments to data and privacy protection. The next steps will focus on further strengthening the technology power to prevent cybersecurity attacks, especially in gaming and its fintech services. We also discussed the signature projects conducted by Tencent's sustainable social value team. One example highlighted by the company is the cornerstone project with RMB 10 billion funding in to support Chinese young scientists in their fundamental research. Other topics we discussed during the meeting include Tencent's decarbonisation pathway and internal control of the anti-corruption campaign. Outcome: The meeting reassured us about the concrete practices on data protection. We believe the company respect and have sought a good balance between local laws and international norms. They will continue to improve data management as new challenges occur in the cyber world. We appreciate the company's mindset to carry on bigger social responsibility whenever they see a gap and their initiative to solve problems with stakeholders like the government and academia.
Tesla, Inc.	Objective: We have engaged with Tesla's chair on various governance topics. Following the 2024 annual general meeting (AGM), which saw shareholders approve the reincorporation of the company in Texas, and the US election campaign, in which Tesla's chief executive officer (CEO) featured prominently, we wanted to understand how the board is reacting to these developments. We also wanted to take the opportunity to advocate for the enhancement of governance structures and processes. Discussion: We had a call with Tesla's chair in which she informed us that the move to Texas has gone well, and that the board is pleased with the commercial courts being established there. She noted the results of the AGM and the extensive shareholder support for governance changes, which the board is still considering. The board is actively looking for new directors to enhance its independence, which we were encouraged by, and heard about the positive impact that its more recent appointees are having by mentoring Tesla's senior management, which sits below the CEO. We spent much of the meeting discussing recent promotions among the strong cohort of Tesla's leadership. The chair plays a very active role in managing and supporting this group, and long-term succession planning appears top of her mind. This prompted a discussion on whether the CEO can hold a political advisory position and meaningfully contribute to the company. While the chair was surprised at the extent of the CEO's involvement in the Trump campaign, she was unwavering in her conviction that the CEO remains committed to Tesla and in his ability to successfully juggle different roles. She has seen no change in the CEO's involvement to date, which is mainly in the deployment of new technologies and with the engineering teams involved. It is among these engineers that he adds significant value. Outcome: We will continue to emphasise our support for independence on the board and improving governance practices at Tesla, while monitoring developments among its leadership closely.

Company	Engagement Report
The Trade Desk, Inc.	Objective: We met with chief executive (CEO), Jeff Green, to discuss the company's strategic positioning in the rapidly evolving advertising industry. We also met with investor relations, Chris Toth, to discuss environmental, social and governance (ESG) reporting progress. Discussion: The Trade Desk processes $13bn in a trillion-dollar market, with growth potential from existing clients and small and medium sized businesses (SMBs). The company is looking to address the fragmented market via partnerships with companies such as Shopify and strengthening ties with publishers like Disney and Spotify. On the ESG front, we have been supporting Chris Toth in his efforts to bring together disclosure and the company's view on its "purpose" for shareholders. On a climate basis, The Trade Desk has completed scope 1 and 2 emissions calculations, currently under auditor review, and is progressing with scope 3 data collection. While the company plans to discuss emissions reduction efforts, it has chosen not to set specific targets. Notably, it is exploring an innovative project to demonstrate the carbon efficiency benefits of streamlining the digital advertising supply chain by reducing intermediary platforms. Outcome: The meeting with Green highlighted to us that the company is gaining in relevance and influence. Green has been assembling the strategic pieces together for years to put The Trade Desk at the centre of a more transparent and effective open advertising ecosystem. Our meeting with Toth provided valuable insights into The Trade Desk's approach to ESG reporting and environmental initiatives. The company's practical approach to emissions reporting, combined with its strategic focus on supply chain efficiency, demonstrates a thoughtful balance between environmental consciousness and business objectives.

New Purchases

Stock Name	Transaction Rationale
AppLovin	We have purchased a new holding in Applovin for the portfolio. This performance advertising technology company has established a dominant position in the mobile game market. Its core software business grows as its artificial intelligence models power improvements in yield. As Applovin's AI models get better at targeting the right ad impressions to buy in order to deliver return-on-advertising-spend, the advertiser benefits and Applovin grows net revenue. The company's AI models have been improving their yield at a rapid clip, while very small percentage yield improvements can drive multiples of net revenue (2.5x net revenue requires 45bps of extra yield). These increases in net revenue come with >85% incremental EBITDA margin given strong operating leverage inherent in the business model, and the company requires negligible capital reinvestment for continued organic growth, allowing a clear path to 5x upside from growth in the core software business's cash flows over the next 5 years. There is additional upside potential from the company's emerging second act, namely its expansion beyond mobile game app advertising into ecommerce advertising - this new vertical is still experimental for Applovin but early signs are encouraging. Underpinning all of this is a starkly differentiated business culture defined by talent density and high performance, captained by an obsessive founder who has proven himself a capable capital allocator and aligned with our long-term horizon. Note the company also owns mobile game studios which they intend to divest as opportunities arise - these studios were strategically important in the early days of building Applovin's AI models but they are not part of our growth thesis. Their divestment is likewise immaterial to our upside case.
Horizon Robotics	We have followed Horizon Robotics' vision to create hardware and operating systems for artificial intelligence with interest since 2016. The company has focused its efforts on automotive chips and software, taking significant share in China from Western advanced driver-assistance system providers. We expect Horizon to benefit from further consolidation in the autonomous driving space. Creating a scalable solution requires co-design of hardware and software - which Horizon excels at - and the complexity of this task makes it less likely over the long term that individual vehicle brands or Tier 1 vendors will pursue their own capability. We think Horizon possesses one of the most talented and ambitious teams globally in this compelling growth area, with potential applications beyond automotive, and therefore we have taken a small initial position in the IPO.

Complete Sales

Stock Name	Transaction Rationale
HDFC Bank	We have sold the position in HDFC Bank. LTGG invests in growth companies with the potential to multiply in size and we believe HDFC has limited remaining runway to do so. For worthwhile upside from here, we require both improved profitability and an acceleration in loan growth, but the two are increasingly in tension with each other for HDFC. The merger between the erstwhile parent company HDFC ltd and HDFC Bank exacerbated this tension between growth and profitability, because the company must channel a material chunk of its deposit growth toward replacement of the former parent company's maturing debt. The resulting funding constraint creates a headwind to loan growth. Our long-term focus initially meant we were willing to look through some of the shorter-term headwinds to growth and profitability caused by the merger, but in the meantime our conviction in the company's cultural advantage has significantly diminished through management changes and demotions. The cultural advantage was the central pillar of our HDFC investment case, because it supported the exceptional asset quality HDFC has demonstrated over the years. The combination of this deterioration to the core investment thesis and truncated runway for upside led us to conclude HDFC no longer meets LTGG's high bar.

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