

EM ex China Quarterly Update

31 March 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 incurrance 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	60
Typical Number of Holdings	40-80
Active Share	69%*
Rolling One Year Turnover	18%

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

Baillie Gifford Key Facts

Assets under management and advice	US\$290.9bn
Number of clients	655
Number of employees	1817
Number of investment professionals	393

“Technology is a word that describes something that doesn’t work yet.” Douglas Adams

A long time ago, one of my ex-colleagues excitedly offered to show me ‘the Internet’. Intrigued, I followed him to a computer terminal where he proceeded to click the mouse and slowly, very slowly (anyone remember dial up?) the front page of The Times newspaper appeared on the (enormous) CRT monitor. Mmm, show me more? More clicks and what seemed like five minutes later, the front page of the Financial Times appeared. This left me somewhat underwhelmed, what was the point of an extremely slow and fixed point version of something that I could readily access, read at my own speed and was eminently portable? Clearly, ‘the Internet’ would never catch on!

Now, thirty years on, I find myself at a similar point with Artificial Intelligence (AI). Last year I was also an early trialist of Chat GPT to the extent I was gleefully educating my teenage sons (who regard me as some weird analogue sub-species) about it. However, after a few months playing around in the ‘sandbox’, my interest has waned – how many silly poems about Labradors do you need; is this it? I have to remind myself of my initial introduction to ‘the Internet’; that early dial-up experience gave no clue to a world in which I would be able to make video calls, get directions and stream movies and pay for things in a cordless device no bigger than a wallet. I suspect our lives will be changed to an even greater extent by AI over the next twenty years, we just can’t see how at the moment.

Of course most of excitement about AI is taking place in the US stockmarket, though it seems the Magnificent Seven is being currently being culled to a Fantastic Four. Nonetheless, the AI story continues to have legs. Nvidia just announced its Blackwell Graphics Processing Unit (GPU) which will have twice the power to train AI models and five times the capability to conduct ‘inference’. As a younger and cleverer colleague explained, first AI models had to be trained, then they could start making inferences, i.e. conclusions or predictions. Currently roughly 60% of Nvidia’s chips are being used for training and 40% for inference – we are clearly at a relatively early stage in AI and yet high end semiconductor capacity is still constrained. Therefore a repetition of the dot.com boom bust doesn’t look imminent.

Moreover, if AI delivers on its promise, every single technology device will have to be re-

engineered and upgraded to include or provide access to AI. This could be an extended cycle in Tech. All the attention on AI is focussed on the US and US stockmarket, but this is likely to be a global phenomenon. While the leading edge chip design and software are undoubtedly US-centric, the picks and shovels of AI (and indeed most of the tech sector) are made in Emerging Markets (predominantly Asia, at present).

The main AI exposures in the Emerging Markets (EM) portfolio are predominantly in the semiconductor companies, foremost of which is probably TSMC in Taiwan. In recent years TSMC has undergone a massive capex programme. When this was initially announced by the company, reference was made to HPC – High Performance Computers. At the time, I had no clue as to what HPCs were or used for and even experts were unable to enlighten me; well now we know – AI. In manufacturing logic semiconductors designed by the likes of NVIDIA, AMD, Apple, Qualcomm, TSMC had, and has, terrific line of sight of what is coming down the pipeline especially as production planning with its partners has to take place months if not years ahead of the product launch.

Most electronics devices have a logic chip and memory chip. Nvidia’s chips operate at such speed that they require very powerful memory chips to support them. High Bandwidth Memory (“HBM”) chips are made by SK Hynix and Samsung Electronics in Korea. To keep up with the demands posed by AI, both companies have rapidly progressed to the third generation of HBM (“HBM3”) and are currently preparing to manufacture the next generation, HBM3E, which is approximately 25% faster than its predecessor. The race for ever faster and more efficient chips looks set to run and run.

Aside from the excitement in AI, we continue to find a wide array of interesting ideas across the Emerging Markets and competition for capital within the portfolio remains fierce.

Another country looking to boost its stock market is South Korea. As the Japanese market reaches new highs, Korea’s Financial Services Commission is proposing to borrow Japan’s playbook with its “Corporate Value-up Programme” to boost shareholder returns. Korean shares have historically traded at a valuation discount to other Emerging Markets given the paucity of dividends and the opacity of some of the chaebol conglomerates. While the initiative is to be applauded, it is unlikely to produce much in the way of change in the portfolio as the companies

most likely to benefit from the programme are the low growth, low quality companies that we typically look to avoid. Nonetheless, we will continue to monitor developments and see if the proposals gain traction.

Encouraged by recent social reforms, the team have been looking again at Saudi Arabia to see if there are any companies that warrant a place in the portfolio. From a top down perspective, Saudi Arabia looks interesting; in 2021, the Saudi government launched the National Investment Strategy which is looking to invest over US\$ 3trn in the coming decades to transform the economy. However, from a bottom up perspective, approximately half of the market is financials while perhaps another quarter is in sectors such as telecoms or utilities which are unlikely to ever meet our growth hurdle. There is quite a long tail of mid cap stocks but few are the entrepreneurial, founder-led type of businesses that we look for. One company that has caught our eye is Tadawul, the Saudi Stock Exchange, whose merits are being actively discussed in the team.

Other areas of discussion have been Brazilian financials and Indian financials and whether Turkey and even Argentina are becoming investable again. From a bottom up perspective, we are finding lots of ideas bubbling up in a wide variety of countries often at very reasonable valuations. From a top down perspective, perhaps the biggest thing that equity investors are missing is that most EM countries, unlike most Developed Markets (DM) countries, have been running orthodox economic policies and that central banks moved pre-emptively and aggressively ahead of the US Federal Reserve, achieving a level of credibility that perhaps they have not previously enjoyed. This is starting to become pronounced in EM bond markets, how long before EM equity markets take notice? Paraphrasing Douglas Adams, perhaps 'EM' is a word that describes something that hasn't worked yet'

Performance

The benchmark rose slightly over the quarter and the portfolio outperformed. It feels as though for this quarter at least, share prices showed a greater connection to company fundamentals though in a year with so many elections, this is unlikely to remain the case. As you will remember, the portfolio is between structural and cyclical growth stocks and this diversification continues to be rewarded. We have talked above about TSMC

which is a core element in manufacturing AI semiconductor chips; given the enthusiasm for the theme and the company's strong guidance at its most recent quarterly results, it is no surprise that it was a top contributor this quarter. Some investors have concern about the 'Taiwan risk' which ignores advanced plans for two new fabs in the US, two in Japan and one in Germany, which should come to fruition in the next two or three years.

India has performed strongly over the last 15 months or so. We agree that it is perhaps the best long term story in Emerging Markets, but valuations, especially in the mid cap space, are now at nose bleed levels and we remain happier in the large cap stocks where valuations remain sensible. To prove the point, Reliance Industries, a long term holding in the portfolio, was again amongst the contributors to performance. Perhaps a more novel contributor this quarter was, JIO Financial Services ("JFS"), which was spun out of Reliance last year. As things stand, JFS is probably best described as a 'conceptual financial services conglomerate'. Nonetheless, beyond a large stake in Reliance that dominates the current value of the business, it has two incredibly powerful advantages: the data from approximately 470 million JIO mobile 'phone subscribers and Reliance's ~ 18,700 retail stores; and, Mukesh Ambani's proven ability to deliver in India (whatever the political weather) with his enviable rolodex. JFS have signed one deal so far, a 50/50 joint venture with Blackrock to distribute investment products.

Unsurprisingly, copper miner First Quantum Minerals ("FQM"), was a significant part of our discussions with clients at the tail end of last year. You will remember that Panama's Supreme Court ruled that FQM's contract to operate the Cobre mine was unconstitutional despite the mine employing one in fifty Panamanians (directly and indirectly) and being the second largest contributor to the Panamanian budget, after the Canal. There is unlikely to be any resolution to this issue anytime soon, with the next general election scheduled for May and a new president and government chosen in July. The market currently values the Cobre mine at about zero in FQM, ignoring the possibility that a new contract may be renegotiated with the new government, or that FQM will be compensated by the international arbitration process. As a result, we subscribed to a US\$ 1bn equity issue (there was also an accompanying US\$ 1.6bn high yield bond issue) in February. In our view, the refinancing package pushes out debt maturities, enhances liquidity and makes the company much more

resilient and in a stronger position in any negotiations. Following these capital raisings, the share price has appreciated, contributing to performance.

In terms of the detractors to performance, two companies stand out, the first of which is Petrobras. Petrobras has been one of the top contributors to performance over the last two calendar years and importantly over the much longer term too. This has been driven by relatively stable oil prices, strong operational performance, prodigious cashflow generation, debt repayment, dividend distributions and an unusually long period of government non-interference. However, in early March there was disappointment that the dividend announced for 4Q23 was only in line with minimum policy (i.e. just under US\$ 3bn), which should be viewed in the context of solid operational fundamentals (nearly US\$ 6bn of Free Cash Flow (FCF) generated in the quarter) and a healthy balance sheet. It was later confirmed on the results call that while the executive board had recommended a special dividend and the independents had voted in favour, this was voted down by government representatives on the board. This was then followed by comments in the media from both the President and the Minister of Mines and Energy about the need for Petrobras to balance their private and public interests, including investing in the energy transition. However, the Finance Minister suggested in interviews a few days later that dividends would be paid once there was greater confidence that Petrobras would be able to deliver on the projects set out in its strategic plan. There is an obvious alignment of interests here given the importance of Petrobras dividends to alleviating Brazil's fiscal deficit. In short, we're minded to regard this as part of the usual noise around Petrobras and something that we are prepared to look through.

Another detractor and an area of debate within the team is HDFC Bank. In its pre-merger guise Housing Development Finance Company ("HDFC") was a long standing holding in the portfolio. However, since the merger in July last year, opinion is becoming more divided. Some in the team have been disappointed by the short-term post-merger indigestion and fear that this is the tip of the iceberg. Others in the team think that some disruption was inevitable given the merger of two such big beasts and that in time these 'growing pains' will abate. The discussion of HDFC Bank has led to a broader review of the opportunities in Indian Financial sector, whether it be the merits of

established, yet smaller, competitors such as ICICI Bank and Axis Bank, or digital based newcomers such as PB Fintech or JFS. Watch this space.

Performance Objective

+3% p.a. over rolling 5 year 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	6.3	5.1	1.2
1 Year	18.1	18.5	-0.4
Since Inception	1.9	4.0	-2.1
USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	5.3	4.1	1.2
1 Year	20.7	21.1	-0.4
Since Inception	-1.2	0.9	-2.0
EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	7.7	6.5	1.2
1 Year	21.4	21.8	-0.4
Since Inception	1.1	3.2	-2.1
CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	8.1	6.8	1.2
1 Year	20.7	21.1	-0.4
Since Inception	1.9	4.0	-2.1
AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	10.1	8.9	1.3
1 Year	23.9	24.3	-0.4
Since Inception	3.7	5.8	-2.1

Annualised periods ended 31 March 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	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	N/A	N/A	N/A	-3.3	18.1
Benchmark (%)	N/A	N/A	N/A	-7.2	18.5
USD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	N/A	N/A	N/A	-9.2	20.7
Benchmark (%)	N/A	N/A	N/A	-12.8	21.1
EUR	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	N/A	N/A	N/A	-7.0	21.4
Benchmark (%)	N/A	N/A	N/A	-10.7	21.8
CAD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	N/A	N/A	N/A	-1.7	20.7
Benchmark (%)	N/A	N/A	N/A	-5.5	21.1
AUD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	N/A	N/A	N/A	1.8	23.9
Benchmark (%)	N/A	N/A	N/A	-2.2	24.3

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.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 March 2024

Stock Name	Contribution (%)
TSMC	0.7
SK Hynix	0.4
Nu Holdings	0.4
SEA Limited	0.4
First Quantum Minerals	0.4
Jio Financial Services Limited	0.3
MediaTek	0.3
Saudi Tadawul Group	0.3
Reliance Industries	0.2
Vale	0.2
HDFC Bank	-0.4
MercadoLibre	-0.4
Accton Technology	-0.3
Petrobras	-0.3
Hon Hai Precision	-0.3
B3	-0.3
Samsung SDI	-0.2
Banco Bradesco	-0.2
Raizen	-0.2
Remgro	-0.2

One Year to 31 March 2024

Stock Name	Contribution (%)
Petrobras	1.5
SK Hynix	0.8
MediaTek	0.6
Nu Holdings	0.6
TSMC	0.6
Reliance Industries	0.4
Cemex	0.3
Saudi Tadawul Group	0.3
Lundin Mining	0.3
Motherson Sumi Systems	0.2
First Quantum Minerals	-1.3
SEA Limited	-1.0
Samsung SDI	-0.9
HDFC Bank	-0.8
Accton Technology	-0.4
LG Chemical	-0.4
Quanta Computer	-0.3
Naspers	-0.3
PTT Exploration and Production	-0.3
PT Vale Indonesia Tbk	-0.3

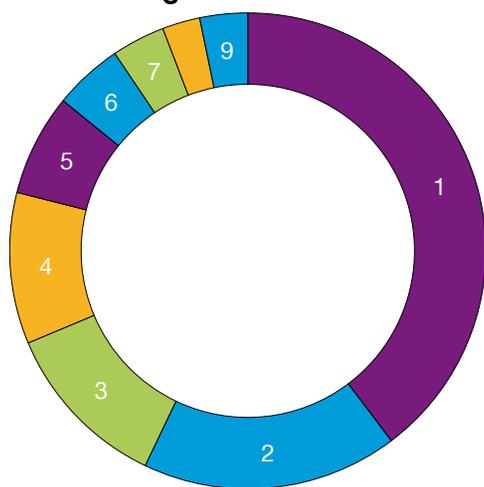
Source: Revolution, MSCI. EM ex China composite relative to MSCI Emerging Markets ex China Index.

The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the portfolio's performance and a description on how the attribution is calculated is available on request. Some stocks may not have been held for the whole period. All attribution figures are calculated gross of fees, relative to the index from stock level up, based on closing prices. As attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	15.2
Samsung Electronics	Producer of consumer and industrial electronic equipment	8.9
Petrobras	Oil exploration and production company	4.6
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	4.4
MercadoLibre	Latin American e-commerce and fintech platform	4.2
SK Hynix	Korean manufacturer of electronic components and devices	3.9
MediaTek	Taiwanese electronic component manufacturer.	3.9
FEMSA	Mexican beverages producer	2.0
Bank Rakyat Indonesia	Indonesian Bank	2.0
Tata Consultancy Services	Indian software developer	2.0
Total		51.2

Sector Weights



	%
1 Information Technology	39.7
2 Financials	17.4
3 Energy	11.6
4 Consumer Discretionary	10.3
5 Materials	6.9
6 Consumer Staples	4.7
7 Industrials	3.6
8 Communication Services	2.6
9 Cash	3.2

Figures may not sum due to rounding.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	19	Companies	4	Companies	1
Resolutions	138	Resolutions	10	Resolutions	1

Michelle participated in the Saudi Arabia Ministry of Economy and Planning Corporate Sustainability Working Group

We joined others from the Asian Corporate Governance Association in a group meeting with the Chair of Samsung Electronics

We undertook research into sustainable data centres and opportunities for solutions providers

Company Engagement

Engagement Type	Company
Environmental	Hyundai Motor Company, PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras, Sea Limited
Social	Hyundai Motor Company, PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras
Governance	Credicorp Ltd., Hyundai Motor Company, Natura &Co Holding S.A., Ncsoft Corporation, PT Bank Rakyat Indonesia (Persero) Tbk, PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras, Samsung Electronics Co., Ltd., Sea Limited
Strategy	Credicorp Ltd., Hyundai Motor Company, PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras

Company	Engagement Report
Credicorp	<p>Objective: Baillie Gifford met Credicorp's CEO and executive chairman to learn more about the company's strategic approach towards governance, leadership, and the ongoing cultural transformation that fosters innovation and financial inclusion.</p> <p>Discussion: The CEO and executive chairman shared their reflections on governance structures to support cultural transformation and innovation, emphasising the shift from short-term goal compensation to a structure where long-term objectives are intricately linked with executive remuneration and high performers rewarded. The executives shared how they collaborate, along with board updates, which has brought in more technology, risk and retail expertise. The meeting was an opportunity to learn more about how the leadership team thinks about innovation and product development, focusing on digital transformation and the story behind the inception and growth of Yappe. The CEO highlighted its ESG strategy as a Governance first, then Social, then Environmental strategy. The meeting concluded with the CEO's offer for a follow-up session with its chief economist and links to social analysts.</p> <p>Outcome: The meeting with Credicorp's leadership offered insights into the company's strategic direction, governance and innovation. It underscored Credicorp's commitment to cultural transformation, financial inclusion and staying ahead in the competitive landscape.</p>
Petrobras	<p>Objective: To learn more about Petrobras' updated strategy, how the company thinks about opportunities and risks, and to encourage ambitions in operational emissions reductions.</p> <p>Discussion: As part of our Petrobras engagement, we met with the CFO in December and the new Head of Energy Transitions in February. Both meetings provided an opportunity to hear about how the company thinks about decarbonisation and future products and services. The CFO discussed the opportunities and challenges for a longer-term transition, highlighting a focus on decarbonising operations through continued efficiency measures and cautiously investing in transition-related projects to ensure profitability. The meeting with the CFO was an opportunity to ask the company why operational emissions targets could not be even more ambitious. Petrobras aims to maintain an upstream CO₂e/BOE target of 15kg by 2025. This low target benefits from the profile of current sites, and the company will need to work to keep emissions flat despite growing production. In our meeting with the Head of Energy Transitions, we learned more about Brazil's potential opportunities for onshore wind and solar, green hydrogen production and a new framework for carbon capture, usage and storage (CCUS) offshore. The company sees the importance of regulation in Brazil for unlocking transition opportunities, especially for aviation fuel decarbonisation.</p> <p>In our follow-up email, we continued to encourage ambition in operational emissions as we see others in the industry committed to achieving a 50 per cent decrease in Scope 1 and 2 by 2030, sought clarity on the approach to methane reporting and the company's guidance for exploration in any critical habitats.</p> <p>Outcomes: The meetings and follow-up were helpful in further understanding the company's approach to navigating the complexities of the energy transition.</p>

Company	Engagement Report
<p>PTT Exploration and Production</p>	<p>Objective: To gain insights into PTTEP's long-term strategy, particularly regarding sustainability and capital allocation.</p> <p>Discussion: We met with the chairman and CEO and senior managers from finance and Investor Relations. PTTEP outlined its long-term strategy, emphasising the energy trilemma: security, affordability and sustainability, with energy security in Thailand as a business priority. PTTEP aims to maintain a focus on gas while exploring new opportunities. We learned more about the rationale behind the recent Scottish wind farm investment and how the company thinks about future investments. The company is focusing on gas in Thailand as well as neighbouring countries and is considering additional investments where there are strategic partnerships. The discussion on decarbonisation provided further context around PTTEP's ambition for net zero by 2050 for Scope 1 and 2 emissions. We learned more about investments in carbon capture and the current challenges. We also asked about the approach the company takes to handling social risks and opportunities in Myanmar and other locations.</p> <p>In our follow-up correspondence, we continued to encourage ambition regarding operational emissions.</p> <p>Outcome: The meeting provided insights into PTTEP's strategic direction, approach to sustainability and capital allocation, priorities for decarbonisation and addressing social risks, potential for long-term growth and responsiveness to stakeholder concerns.</p>
<p>Samsung Electronics</p>	<p>Objective: To learn more about the company's corporate governance and sustainability approach and encourage continued progress.</p> <p>Discussion: In January, we joined a group meeting organised by the Asian Corporate Governance Association with Mr Hanjo Kim, the chairman of the board at Samsung Electronics. We also spoke to the IR in February ahead of the annual general meeting in March.</p> <p>Samsung is committed to improving its corporate governance standards and has undergone a three-year review to benchmark global-leading companies. The board is enhancing pre-reporting, independent director feedback and member contributions. The company is aligning incentives with long-term company performance. We were able to hear more about the distinct roles within the company's leadership, mainly how the board's chair and the executive chairman work together. There is currently no plan for JY Lee to join the board. The company has reiterated its commitment to reducing greenhouse gas emissions, transitioning to renewable energy and enhancing product efficiency, but has more work to do on these topics.</p> <p>Outcome: The meetings provided further insights into the company's governance, the roles of the chairman and the executive chairman, and strategic investment opportunities. We will have a follow-up meeting with the company regarding the sustainability targets and commitments.</p>

Votes Cast in Favour

Companies	Voting Rationale
Banco Bradesco Pn ADR, Bank Mandiri, Bank Rakyat Indonesia, Cemex ADR, Credicorp, Escorts Kubota Ltd, FEMSA ADR, HDFC Bank, HDFC Life Insurance Co Ltd, Hyundai Motor Co, ICICI Bank Ltd, KGHM Polska Miedz, Koh Young Technology, NAVER Corp, NCsoft, SK Hynix Inc, Samsung Electronics, Samsung SDI Co Ltd, Samvardhana Motherson International	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Bank Mandiri	AGM 03/07/24	3	We opposed the remuneration for the board as independent directors receive incentive-based pay which we believe could compromise their objectivity.
Bank Mandiri	AGM 03/07/24	8	We opposed the election of directors due to a lack of disclosure of the candidates ahead of the meeting.
Bank Rakyat Indonesia	AGM 03/01/24	3	We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity.
Bank Rakyat Indonesia	AGM 03/01/24	7	We opposed the changes to the composition of the company's management due to lack of disclosure of the changes.
Cemex ADR	Annual 03/22/24	5D, 5F, 7B, 8A	We opposed four resolutions relating to the election of two independent directors to the board and board committees. These directors both have long tenures which we believe could act to compromise their independence.
Cemex ADR	Annual 03/22/24	5G	We opposed the election of an independent director to the board because they serve on seven additional public boards, and we are concerned that he is overcommitted and does not have sufficient time to effectively discharge his duties at CEMEX.
NCsoft	AGM 03/28/24	1	We opposed the financial statements as the annual report, including the auditor's opinion, was not disclosed ahead of the voting deadline.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
KGHM Polska Miedz	EGM 02/13/24	5	We abstained on the changes to the composition of the supervisory board due to a lack of disclosure.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Natura & Co.	Natura is a company we know well having initially invested for clients during its IPO. It sells sustainable beauty and cosmetics products in Brazil and continues to be controlled by its founders who remain large shareholders. Over the past few years, Natura engaged in value destructive M&A including the purchases of both Avon International and The Body Shop, along with Aesop which was successful. It financed these acquisitions with debt. Recently, the cost of that debt rose in Brazil and forced Natura to re-evaluate. It has now sold The Body Shop, and Aesop, leaving it with a strong balance sheet. Management seem committed to improving the core operating performance of the Brazilian, and to a lesser extent Mexican businesses. We believe the core of the business to be worth more, and possibly significantly more, than the valuation of the company today. As the complexity of these sales subside, we expect the business to re-rate higher.
PB Fintech	We have recently invested in PB Fintech, which runs Policybazaar, the leading insurance aggregator in India. They are a force for positive change in the growing Indian insurance market, by offering a better and cheaper customer experience. Their approach increases trust, prices risk more efficiently, and ultimately should be far more cost-effective than the traditional model of door-to-door insurance sales. While near-term there's uncertainty around the pace at which insurance shifts online in the country, we are optimistic about the ultimate value of, and returns from, this business.
Valeura Energy	Valeura Energy is an energy company based in Canada and has made two acquisitions in 2022 in offshore Thailand, as well as retaining its prospective onshore gas acreage in Turkey. The acquisitions in Thailand appear to be at very attractive prices, benefiting from a vendor which had gone into receivership and a national energy company which was a strategic seller. Valeura should benefit from strong cash flows and rising production, while being well placed to make more acquisitions. We bought a small holding for the portfolio.

Complete Sales

Stock Name	Transaction Rationale
Hanon Systems	Hanon Systems, based in Korea, makes a variety of climate control equipment for the automobile industry (heaters, coolers, air-conditioning systems, radiators, fans, compressors, etc). The Hyundai Motor Group accounts for about half of sales, with other large customers including Ford, Volkswagen, Tesla and BMW. Hanon is a leading global player in its markets and benefits from long-term contracts. It is especially well-placed in the electric vehicle market. However, we have become increasingly worried that price deflation is becoming the norm in the auto and auto parts industry and that, despite its strong market position, Hanon is not immune from declining profit margins and returns. We have sold the holding.
HDFC Bank	In July 2023, HDFC Bank merged with HDFC Corp, the leading provider of home loans in India, which had been a long-standing holding in the portfolio. The rationale for the merger included the opportunity for significant cross-selling to customers across different parts of the group, a reduction in funding costs and a steady improvement in financial returns. We have become increasingly concerned about the risks around the deal, including cultural differences across different parts of the bank, managing the complexities of such a large transaction, a tougher competitive environment, particularly for bank deposits, and the likelihood that HDFC Bank relaxes its credit quality standards in the quest for higher yield. We feel the risks for this investment are skewed to the downside given still lofty expectations. We sold the holding.
Samsung SDI	We have sold the holding in Samsung SDI, following recent research into how the battery market is evolving. While Samsung SDI's battery business has continued to grow strongly, so has much of the rest of the industry, and we believe that supply growth is likely to outpace demand over the next five years. This calls into question the earnings growth potential for the company, though we will continue to monitor the broader industry and their own progress from here

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