

## Fund objective

To outperform (after deduction of costs) the MSCI AC Asia ex Japan Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Asia Pacific Excluding Japan Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

## Investment proposition

The Fund is positioned as a long-term Asian (ex Japan) growth fund. Our aim is to identify quality companies that will outperform over a 5 year (or longer) time horizon. We have a strong preference for growth. The Fund is relatively index and sector agnostic, as we primarily focus on finding the best long-term Asian (ex Japan) investments irrespective of their country or sector. The Fund benefits from Baillie Gifford's substantial global investment resources, helping to produce a portfolio that typically holds 50-100 stocks with low turnover.

## Periodic performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	19.3	21.0	11.4	6.6
Index (%)*	13.1	17.6	12.1	6.0
Target (%)**	13.6	20.0	14.4	8.2
Sector Average (%)***	12.1	13.7	9.1	6.1
Sector Ranking	2/116	10/114	28/112	47/104

## Annual discrete performance

	30/09/20-30/09/21	30/09/21-30/09/22	30/09/22-30/09/23	30/09/23-30/09/24	30/09/24-30/09/25
Class B-Acc (%)	27.4	-21.6	-0.5	14.8	21.0
Index (%)*	10.0	-13.6	1.8	17.7	17.6
Target (%)**	12.2	-11.9	3.8	20.1	20.0
Sector Average (%)***	15.5	-10.5	0.2	13.9	13.7

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.  
Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

\*MSCI AC Asia ex Japan Index.

\*\*MSCI AC Asia ex Japan Index (in sterling) plus at least 2% per annum over rolling five-year periods.

\*\*\*IA Asia Pacific Excluding Japan Sector.

## Fund facts

Managers	Roderick Snell* / Ben Durrant
Fund launch date	17 March 1989
Fund Size	£2,683.48m
IA Sector	Asia Pacific Excluding Japan
Active share	67% <sup>†</sup>
Annual turnover	33%
Guideline number of holdings	50-100
Number of holdings	67
Structure	OEIC

\*Partner

<sup>†</sup>Relative to MSCI AC Asia ex Japan Index.

Source: Baillie Gifford & Co, MSCI.

## Top ten holdings

Holdings	% Total assets
Tencent	9.5
TSMC	9.4
Samsung Electronics	5.8
SK Square	4.3
MMG Limited	3.8
Sea Limited	3.4
Alibaba	3.3
Zijin Mining Group	3.0
Accton Technology	2.2
Military Commercial Joint Bank	2.0

### Stock level attribution

Top and bottom ten contributors to relative performance

#### Quarter to 30 September 2025

Stock name	Contribution %
MMG Ltd	1.5
Zijin Mining Group Co Ltd 'H'	1.0
Sanhua Intelligent Controls 'H'	0.6
Tencent	0.5
Accton Technology	0.5
Zijin Gold International	0.4
HDBank	0.3
Samsung Electronics	0.3
Military Commercial Joint Bank	0.3
CATL	0.3
Alibaba	-1.0
Equinox India Developments	-0.6
SK Square Co	-0.4
Meituan	-0.4
Silergy	-0.3
Delta Electronics	-0.3
PB Fintech	-0.3
DLF Ltd	-0.2
ICICI Prudential Life Insuranc	-0.2
FPT	-0.2

#### One year to 30 September 2025

Stock name	Contribution %
MMG Ltd	2.0
SEA Ltd	1.2
Accton Technology	1.1
Zijin Mining Group Co Ltd 'H'	1.1
SK Square Co	0.8
Sanhua Intelligent Controls 'H'	0.6
Tencent	0.4
Infosys Ltd	0.4
Military Commercial Joint Bank	0.4
Zijin Gold International	0.4
Meituan	-1.2
Equinox India Developments	-1.0
Alibaba	-0.8
Phoenix Mills	-0.7
Silergy	-0.6
Bank Mandiri	-0.6
Kaspi.Kz JSC GDR	-0.6
Xiaomi Corporation	-0.6
DLF Ltd	-0.6
ICICI Prudential Life Insuranc	-0.5

Source: Revolution, MSCI. Baillie Gifford Pacific Fund relative to MSCI AC Asia ex Japan Index.

Some stocks may only have been held for part of the 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. See the List of Holdings section of this report for the stocks held.

## Sector

	Fund (%)	Index (%)	Difference (%)
Information Technology	26.2	28.7	-2.5
Consumer Discretionary	18.0	15.2	2.8
Financials	16.7	20.3	-3.5
Industrials	12.4	7.6	4.9
Communication Services	11.0	10.9	0.1
Materials	9.8	3.7	6.1
Energy	2.8	2.8	0.1
Real Estate	2.2	2.0	0.2
Consumer Staples	0.5	3.2	-2.7
Health Care	0.0	3.7	-3.7
Cash	0.3	0.0	0.3

## Geography

Top ten locations	Fund (%)	Index (%)	Difference (%)
China	42.4	35.3	7.1
Taiwan	14.7	22.0	-7.4
South Korea	12.5	12.4	0.0
India	10.8	17.2	-6.4
Vietnam	10.0	0.0	10.0
Singapore	3.9	4.1	-0.2
Hong Kong	1.8	4.7	-2.9
Indonesia	1.6	1.3	0.3
Kazakhstan	1.1	0.0	1.1
Thailand	1.0	1.2	-0.1
Total	99.7	98.2	-

Source: Baillie Gifford & Co, MSCI. Index: MSCI AC Asia ex Japan Index. As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading and does not necessarily represent a bank overdraft.

## Portfolio characteristics

	Fund	Index
Market Cap (weighted average)	GBP 185.6bn	GBP 197.2bn
Price/Book	3.1	2.0
Price/Earnings (12 months forward)	14.7	14.8
Earnings Growth (5 year historic)	14.3%	10.1%
Return on Equity	20.5%	13.6%
Predicted Beta (12 months)	1.1	N/A
Standard Deviation (trailing 3 years)	17.3	15.4
R-Squared	0.8	N/A
Delivered Tracking Error (12 months)	5.9	N/A
Sharpe Ratio	1.1	1.2
Information Ratio	0.3	N/A
Number of geographical locations	10	N/A
Number of sectors	10	N/A
Number of industries	31	N/A

Source: FactSet, Revolution, APT, Baillie Gifford & Co, MSCI. Index: MSCI AC Asia ex Japan Index. We have provided these characteristics for information purposes only.

In particular, we do not think index relative metrics are suitable measures of risk. Fund and Index figures are calculated excluding negative earnings.

## Market environment

While the year is not yet complete, it has been pleasing to see the asset class building some momentum in 2025. Against a backdrop of rising trade tensions and geopolitical uncertainty, few would have expected that Asian equities would be one of the strongest global performers.

We tend to invest in longer-term time horizons, but it is worth reflecting on what has been going on this year. In many ways, it is about perception catching up with reality: several Asian economies have been running conservative fiscal policy, orthodox monetary policy and maintained political stability.

Perhaps the biggest change in perception this year has been on China. Chinese stocks are up sharply this year and whilst most news flow tends to focus on tariffs and a potential deal with the US, it is important to remember that most Chinese companies earn their revenues at home. China's retail sales are ten times larger than its exports to the US.

Turning to India, the Fund remains underweight. This has been helpful in 2025, as the market's strong momentum in prior years has softened. Our stance does not signal long-term concerns from a top-down perspective, with GDP growth at 7.8 per cent, the macro-outlook is attractive. However, from a bottom-up perspective, valuations remain demanding relative to growth prospects.

Lastly, AI has proved a helpful tailwind in recent months. Initially this was felt by the hardware makers such as TSMC and SK Hynix (the Fund has exposure to SK Hynix through its parent company, SK Square), but the demands of AI have percolated through much of the supply chain - there are numerous Asian beneficiaries of the hyperscalers' capital expenditure, a number of the best of which are held in the Fund.

## Performance

The MSCI Asia ex Japan Index rose strongly in the third quarter, led by China, South Korea and Taiwan, and the Fund outperformed meaningfully.

Among top contributors this quarter was Samsung Electronics. After a weak first half, weighed by challenges in both its memory and foundry businesses, sentiment improved as qualification for Nvidia and AMD orders turned the newsflow more positive. In addition, the announcement of a US\$16.5 billion multi-year chip supply deal with Tesla - the largest in Samsung's foundry history - further boosted confidence, underlining its ambition to challenge TSMC in advanced logic. With over ₩100 trillion in cash, Samsung remains well placed to invest across its businesses.

MMG, another top contributor to performance, is a leading copper producer that has delivered excellent operational results amidst a favourable backdrop for copper. Supported by robust demand from the energy transition and limited supply growth in the industry, MMG achieved record first-half copper sales of 237,000 tonnes, including a significant rebound at its

Las Bambas mine. Net debt reduction of over \$900m has strengthened the balance sheet to its best level in a decade and management reaffirmed production guidance of up to 522,000 tonnes for 2025, supporting its aspiration to become a top 10 global producer.

Sanhua Intelligent Controls was another notable contributor and a recent purchase for the Fund. The company is a global leader in heating, ventilation and air-conditioning control components (HVAC). Sanhua conducted an IPO in Hong Kong during the quarter which should enhance its access to international markets and this likely provided the catalyst for strong share price performance, alongside solid operating results and a positive earnings surprise.

On the other hand, Alibaba detracted from relative returns, as it performed strongly but it was not held for the full quarter. Though, it was repurchased for the Fund in September as our confidence in its renewed strategy has led to the position being rebuilt. There appears to be a new level of aggression with the company's investment approach, with significant investment into AI and cloud. Alibaba remains the leader in China's private sector cloud infrastructure, where both margins and growth are showing encouraging improvement.

Embassy Developments is one of India's leading listed developers, created by the merger of Embassy Group and Indiabull Real Estate earlier in the year. It detracted from performance this quarter due to weak sentiment towards Indian real estate. While near-term volatility is expected in this space, we believe Embassy has credible assets, strategic optionality via its REIT platform and the potential to rebuild confidence as it delivers on its development agenda.

Lastly, Meituan reported disappointing results once again this quarter as heightened competition in food delivery continued to pressure margins, despite double-digit revenue growth. However, we remain constructive on Meituan's scale, ecosystem and integration into everyday life in China. Its network effects across over 600 million users in one of the world's most complex markets gives us the confidence that it can withstand this more challenging period.

## Notable transactions

Fund activity was high during the quarter, reflecting our conviction in new ideas.

Six new holdings were added. We reintroduced Alibaba, encouraged by its renewed strategic clarity and significant investment plans in cloud and AI infrastructure. We also purchased Didi, which continues to dominate the Chinese ride-hailing market with unrivalled scale and data capabilities. Another addition was HDB Financial Services, a newly listed subsidiary of HDFC Bank, which offers long-term growth potential in India's underpenetrated financial services sector. Sanhua Intelligent Controls was also purchased, providing exposure to both established HVAC markets and emerging robotics applications. We invested in Vietnam Techcom Bank, a leading consumer bank benefiting from favourable demographics and rising financial inclusion. Finally, we added

Zijin Gold International (a subsidiary of Zijin Mining), we participated as a cornerstone investor in the IPO.

To fund these new ideas, we sold four holdings: Jadestone Energy, JD.com, Vietnam's Bank for Foreign Trade and Phoenix Mills.

### **Market Outlook**

We remain positive about the outlook for the asset class. This is not because of the short-term market strength, but more because of our enthusiasm for the long-term potential of the growth opportunities ahead. Clearly sentiment towards Asian equities is improving, though, there could still be a long way to go given starting valuations. The last six months have seen strong operational performance by many of the companies in the Fund and this gives us the confidence that the rise in share prices can be sustained. There will obviously be volatility along the way, so the Fund remains suitably diversified.

Transactions from 01 July 2025 to 30 September 2025.

#### New Purchases

Stock name	Transaction rationale
Alibaba	We have taken a fresh holding in Alibaba, after observing their change in strategy in both AI Cloud and e-commerce. There appears to be a new confidence, aggression and clarity in the company's investment approach. They remain the leader in private-sector cloud infrastructure in China, and margins and growth are accelerating there, which, following the experience elsewhere in the world, could surprise in the scale of its eventual opportunity. We continue to build our conviction that this heavily incremental investment in cloud infrastructure and quick commerce will have high incremental returns on investment, and this is initially reflected in a moderated position size relative to the size of the company.
DiDi Global ADR	Didi is the dominant player in China's online ride-hailing market with more than 70 per cent share in terms of Gross Transaction Value (GTV). At the same time, Didi is also expanding internationally in Latin America and Asia with ride-hailing, food delivery and fintech services. Exceptional operational efficiency, lower-cost EVs, and, in the long run, potentially robotaxis, are all likely to contribute to Didi's ability to bring down the cost of ride-hailing and unlock demand. Indeed, we believe low-teens GTV growth is likely for the next five years. We also believe that Didi's profitability can significantly improve largely as a result of stronger scale, better cost control and the potential for a rising take-rate. Currently, Didi's take rate is about 19 per cent, which is well below peers (more than 22 per cent) and the regulatory cap (29 per cent). The profitability drag from the international expansion is also falling as Didi scales overseas (for example, Mexico is almost break-even). Didi is also preparing for the growth of robotaxis in the future: it has a proprietary robotaxi division and aims to deploy more than 10,000 vehicles in 2027. One of our major concerns, historically, was Didi's run-in with the Chinese policymakers which resulted in a forced delisting in the US. However, we believe government relations have improved substantially since then, with the management team working hard to rectify their past errors. Indeed, in May 2025, Didi was featured on CCTV Channel 1 (a government TV channel) as a good example of a company that was contributing to society via employment. We believe relisting progress is being made and that we may also benefit from a re-rating in the shares once the stock is no longer traded over the counter only.
HDB Financial Services	HDB Financial services is a newly-listed subsidiary of HDFC Bank, India's largest bank and one of its most trusted institutions. Its main focus is on retail and SME (small and medium-sized enterprises) lending. Lending businesses in India currently have an attractive mix of profitable growth and reasonable valuations. HDB Financial is particularly attractive because of its diversified customer and asset base, the strength of its brand name, and the quality of its governance and ownership from HDFC Bank. Given these factors, we believe the shares offered at IPO to be undervalued and so have made an investment.
Sanhua Intelligent Controls 'H'	Sanhua Intelligent Controls is the world's largest manufacturer of heating, ventilation and air-conditioning (HVAC) control components and a global leader in automotive thermal management system components. It is often the 'invisible hand' behind many of the world's air conditioners, refrigerators, EVs, and robots, providing the critical components and systems that make these differentiated products energy-efficient, reliable, and intelligent. Its key competitive advantages lie in its scale, brand, vertical integration, strong R&D/innovation focus (working closely with clients like Midea and Tesla) and its diversified product and revenue mix (overseas revenues now almost half of total). We expect growth to come from multiple sources, including ongoing domestic replacement in HVAC, overseas expansion that is boosted by an industry shift towards standardised energy efficiency labelling and stricter environmental standards, the automotive business and its nascent yet potentially significant opportunity in bionic robots (it makes the actuator modules for Tesla's humanoid robot, Optimus). We bought the initial position in Sanhua as part of its Hong Kong Equity Offering.
Vietnam Technological and Commercial Joint Stock B	Vietnam Techcom Bank (TCB) is a leading consumer bank in Vietnam, with a dominant market share in the affluent segment of the population. They have a particular focus on real estate lending, where they leverage off close relationships with developers and their mortgage taking clients. The bank has one of the strongest deposit franchises in the country and significant capital which can support future growth. As the real estate sector improves after a difficult few years, TCB is likely to be one of the major beneficiaries hence taking a holding for the fund.
Zijin Gold International	We participated as a cornerstone investor in the IPO of Zijin Gold, a subsidiary of Zijin Mining, China's largest copper and gold mining company, as we believed the IPO underprices the value of the company's existing reserves and operational capability.

**Complete Sales**

Stock name	Transaction rationale
Jadestone Energy P 50p	Following a series of operational disappointments, we have sold the position in Jadestone Energy.
JD.com	We decided to sell the holding in JD.com given the declining confidence in capital allocation. Its historic strengths of 1P control of its ecommerce inventory, next-day logistics network, and a trustworthy retailer all remain true, but decreasingly relevant. Core business margins have improved and GMV growth has come through as expected, but the company has reinvested cash flow in a very expensive quick commerce competition with Meituan and then Alibaba. We understand why they are doing this as a defensive move, but do not believe they have a right to win here compared to Meituan or Alibaba, so perceive this to be value-destructive, and so have decided to sell.
JSC Bank for Foreign Trade of Vietnam	We have sold the holding in Vietnam's Bank for Foreign Trade to concentrate our Vietnamese investment allocation into businesses with more focused exposure to the domestic economy, including the Fund's two other existing Vietnamese bank holdings.
Phoenix Mills	Phoenix Mills has performed well operationally and even more so in share price terms. While we continue to like their long-term retail assets and management's alignment with shareholders, at the current valuation we see more upside elsewhere in the region, so we have sold the investment here to fund those.

**Voting activity**

Votes cast in favour		Votes cast against		Votes abstained/withheld	
Companies	20	Companies	3	Companies	None
Resolutions	155	Resolutions	4	Resolutions	None

**Company engagement**

Engagement type	Company
Environmental	Contemporary Amperex Technology Co., Limited, MMG Limited, Meituan, Midea Group Co., Ltd., Zijin Mining Group Company Limited
Social	MMG Limited, Zijin Mining Group Company Limited
Governance	Goneo Group Co., Ltd., Kanzhun Limited, PT Bank Mandiri (Persero) Tbk, Zijin Mining Group Company Limited
Strategy	Contemporary Amperex Technology Co., Limited, Goneo Group Co., Ltd., Grab Holdings Limited, Meituan, Zijin Mining Group Company Limited

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, [here](#).



Asset name	Fund %
Tencent	9.5
TSMC	9.4
Samsung Electronics	5.8
SK Square	4.3
MMG Limited	3.8
Sea Limited	3.4
Alibaba	3.3
Zijin Mining Group	3.0
Accton Technology	2.2
Military Commercial Joint Bank	2.0
CNOOC	1.9
Meituan	1.8
HD Bank	1.7
Luckin Coffee	1.7
PDD Holdings	1.7
MediaTek	1.6
Kuaishou Technology	1.6
Mobile World Investment Corporation	1.6
Vietnam Technological and Commercial Joint Stock Bank	1.5
EO Technics	1.5
Midea	1.5
Zhejiang Sanhua Intelligent Controls	1.5
HDFC Bank	1.4
Dragon Capital Vietnam Enterprise Investments	1.4
Chifeng Jilong Gold Mining Industry Co.	1.3
CATL	1.2
ICICI Bank	1.2
PB Fintech	1.2
Kaspi.kz	1.1
Fabrinet	1.0
Chroma ATE	1.0
DiDi Global	1.0
Ping An Insurance	1.0
Equinox India Developments Ltd	1.0
Reliance Industries	1.0
Kanzhun Limited	0.9
Zijin Gold International	0.9
Bank Rakyat Indonesia	0.9
Coupang	0.9
SG Micro	0.8
Delhivery	0.8
Bajaj Finserv	0.8
Hoa Phat Group	0.7
Zhejiang Supor	0.7
Bank Mandiri	0.7
ICICI Prudential Life Insurance	0.7
HDB Financial Services	0.7

Asset name	Fund %
FPT	0.7
Eicher Motors Limited	0.7
Pony.ai	0.7
DLF	0.6
Silergy	0.6
InterGlobe Aviation Limited	0.6
KE Holdings	0.5
Goneo Group	0.5
Haidilao International	0.5
Techtronic Industries	0.5
Grab	0.5
Lufax Holding	0.4
Advanced Micro-Fabrication Equipment	0.4
ASM Pacific Tech.	0.4
Yifeng Pharmacy Chain	0.4
AirTAC International Group	0.3
Viglacera	0.3
Hyundai Motor India Limited	0.2
Vinh Hoan	0.1
Eden Biologics Inc	0.0
Cash	0.3
Total	100.0

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Share class	Share class inception date	ISIN	SEDOL	Annual management fee (%)	Ongoing charge figure (%)
Class B-Inc	17 March 1989	GB0006063340	0606334	0.65	0.71
Class B-Acc	20 March 2000	GB0006063233	0606323	0.65	0.71

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

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**Additional geographical location information**

**Israel:** This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients' capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 30 September 2025 and source is Baillie Gifford & Co unless otherwise stated.

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Ref: 177122