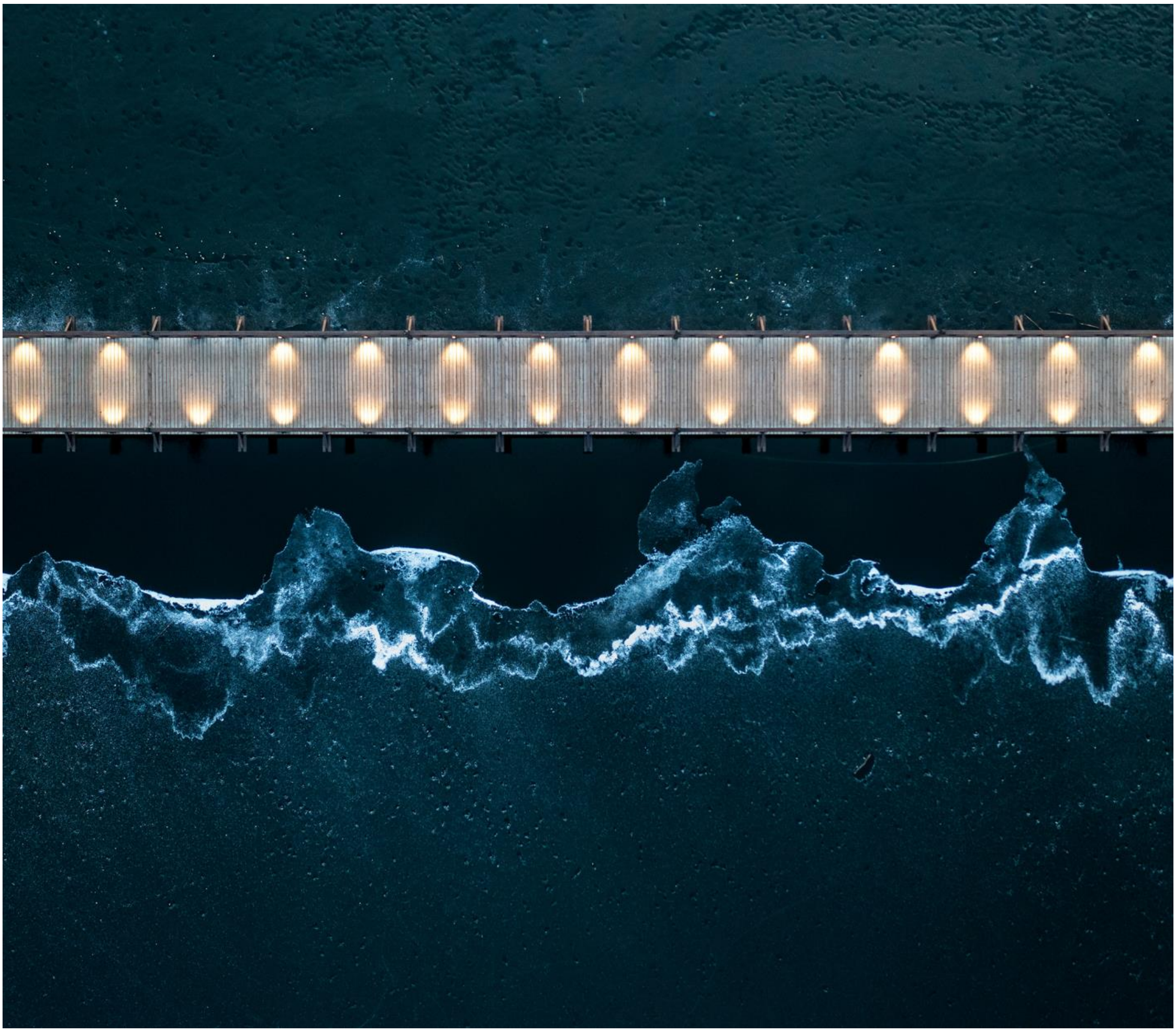
Asia ex Japan Quarterly Update

31 December 2023



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Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 bailliegifford.com

Ref: 88803

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Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance and results of the portfolio. Material market or economic conditions will have an impact on investment results. The returns presented in this document are gross of fees unless otherwise stated and reflect the reinvestment of dividends and interest.
Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction costs and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results.
It should not be assumed that recommendations/ transactions made in the future will be profitable or will equal performance of the securities mentioned.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

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

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

Asia ex Japan is a long-term, regional equity strategy adding value through active management by identifying and exploiting inefficiencies in growth companies predominantly listed on the MSCI Asia ex Japan index, or on other exchanges if the company derives most of its revenues from, or have most of their assets in, non-developed markets.

Risk Analysis

Key Statistics	
Number of Holdings	74
Typical number of holdings	50-100
Active Share	74%*
Rolling One Year Turnover	14%

*Relative to MSCI AC Asia ex Japan Index. Source: Baillie Gifford & Co, MSCI.

Asian markets returns diverged in 2023, with Chinese market underperforming majority of the rest

With many positive conditions aligning, the asset class looks well poised to deliver strong future returns

As the strategy comes to its 35th anniversary in 2024, we reflect on what has and has not worked for investors in Asia

Baillie Gifford Key Facts

Assets under management and advice	US$287.6bn
Number of clients	674
Number of employees	1831
Number of investment professionals	395

As the world's largest and most populated continent, Asia shows great diversity in many aspects: economic conditions, cultural practices, and institutional frameworks. We've warned several times before about the dangers of trying to generalise too much about such a diverse set of markets. As we pass the turn of the year and reach a natural time for reflection, this has been put clearly into perspective by the striking difference in fortunes between the winners and losers in the region during 2023.

Investors in India, Taiwan, and South Korea all enjoyed strong absolute returns, but those in China were left wanting. You'll likely remember the huge levels of enthusiasm (hype) around China's post lockdown reopening at the beginning of 2023. However, hot money quickly fled the Chinese market when the economic data showed that growth expectations had run ahead of reality. Despite well publicised problems though, especially in the property market, the IMF still expect a 5.4% growth rate in 2023 for China. As you know, we're not especially interested in China's GDP growth rate, but we would still suggest that this is a position that most other big countries in the world would be delighted to be in!

We will come back to China's domestic story and our deliberations there, but it's worth reflecting more broadly before doing so. Towards the end of 2023, the Federal Reserve indicated that, as US inflation data has improved, it could stop increasing interest rates and is now signalling that they will come down again. This has potentially meaningful implications for growth assets. However, as Asian investors, we are equally, if not more interested, in the implications for the strength of the US Dollar.

We should put this into longer term context: the USD has essentially been on an upward trajectory since the Global Financial Crisis. It's been suggested in financial commentary for many years that a strong USD is bad for Emerging Asia, as some countries are traditionally linked with an overreliance on dollar financing. The dollar trajectory is likely to continue to impact market sentiment, but we must ask whether the dollar influence is in fact waning in some cases, and what might the implications of this be?

Over the years, some Asian countries have found themselves with reputations as export titans, with 'the West' being key beneficiaries of the low-cost goods and services on offer. But since the turn of the millennium, more and more of the exports from Asian markets have been making their way to other countries within the region. Almost 60% of Asian trade now takes place within the continent.

This greater inter-continental trade is happening while increasing technical, regulatory, and cultural barriers are being put in place between the West and China. Of note is that in 2023, FDI into China has fallen by around 90% compared with 2022 (for context, China is on track to attract less FDI in 2023 than Poland did in 2022). However, as this splintering occurs, trade doesn't just freeze up. Rather, it naturally needs to find other economic routes. The trade volume between China and ASEAN countries is now larger than the trade volume between the European Union and the US. We must then think through the potentially significant implications of this for the likes of Indonesia, India or Vietnam, alongside other major USD trade barriers, such as sanctions against Russia.

As Louis Gave, one of the macro researchers we follow, puts it, "these countries can now use their own currencies to pay for the commodities they need to power their growth and the machine tools they need to industrialize". Extending this thinking, we might suggest that a reduction in USD trade dependency and USD based capital and infrastructure spending, leads to less volatile economic cycles for these countries in the future. The bull case here would be that lower dollar dependency and lower volatility could then lead to higher asset valuations.

We've discussed the macro-outlook with many of our clients over the past year and the broad picture hasn't changed. Inflation is well controlled, interest rates are largely falling. Fiscally, governments in Asian countries are in good shape and the growth outlook remains encouraging, while the starting point for valuations today isn't demanding. As ever there is much to watch, not least because of a busy election schedule in 2024. But the economic backdrop to our stock picking is a favourable one.

This year our Asia ex-Japan strategy marks its 35th anniversary. Of the approximately 140 investment managers currently offering such a strategy, only a handful can claim to have been doing so for this long. We recently wrote a paper entitled 'A long view of the east', summarising what we have learnt over this period of monumental change. I would recommend having a read. It highlights our reflections on what has and has not worked for investors in Asia and the benefits of a long-term, pragmatic approach to growth.

The evidence over time clearly shows that stock selection has been the main driver of long term returns for our investment approach. To this end, we will continue to spend the majority of our time focused on companies. And happily, we're extremely enthusiastic about the number of opportunities available, across a wide range of countries and sectors. Looking at the portfolio in aggregate, the growth characteristics are still strong and valuations are still around about the market level on average. We believe we're well set to outperform. Importantly, that's with strong absolute return prospects too.

Performance

It was a year in which the portfolio performed broadly in line with the benchmark. Encouragingly, the longer term relative returns remain strong. Semiconductor related names contributed to excess returns as well as stock selection in India, while China was the biggest detractor.

The portfolio's allocation to China remains a moderate underweight to the index, but with an underlying exposure that looks very different to the wider opportunity set. Stock picking is deliberately focused on where we have highest long-term conviction. Some of the holdings are geared to the consumer, where we are hopeful of confidence incrementally improving, though unfortunately we don't expect a rapid catalyst here. Holdings most closely linked to the Chinese consumer, including JD.com (e-Commerce) and Li Ning (sportswear) have detracted over the last year. The country appears determined not to stimulate in a big bang fashion, despite dry powder being available. Perhaps this is driven by a determination not to make things even worse in the property market with more leverage.

It's worth picking out the Chinese financial sector as an area of weakness. Ping An Insurance is an example of a holding that has seen its share price decline. We have been debating the merits of this position. On the one hand, it retains a strong brand presence in Chinese insurance, competing against poor state-run peers. The structural drivers remain in place for the insurance market, with a lack of a social security net and rising middle class incomes over the long term. On the other hand, we are noticing a change in tone from the government towards the private financial sector and are wary of a possible increase in regulatory pressure. We wonder if we should expect more 'national service' for the likes of Ping An. This remains a source of debate in the team.

When we compare China with India, we get perhaps the two most stark contrasting examples of polarised sentiment towards in Asia. In China, market participants have been penal and valuations now look extremely low. Having peaked at around 45% of the Asia ex Japan index, China's weight is now down to around 30%. Meanwhile India's weight in the index has roughly doubled in the past three years and is now close to 20%. Market valuations for a number of the midcaps in particular have reached prohibitively high levels. One of our colleagues returned from a trip to the country in November, commenting that he has 'never been on an investment trip where everybody was so unconditionally positive about the future'. India has been an overweight in the portfolio and holdings including Tata Motors (automobile) and DLF (real estate) were among top contributors to performance both in the fourth quarter and the full year. While we remain excited for India's promise, we have been gradually trimming our overweight and are cautious on the stretched valuations in some areas of the market. It is also worth noting that a few of our key large cap holdings in India do have relatively modest multiples, especially when compared to the elevated levels seen in certain sectors.

Elsewhere it has been pleasing to see the holdings in the semiconductor supply chain performing well. Both Accton (switches for data centres) and EO technics (etching equipment) are among top contributors of the year. The global excitement around AI as an investment theme of late has supported their share prices, but we are careful to differentiate the hype from the reality surrounding this theme and remain focused on the operational progress reported by the companies.

Compared to 2022, last year saw the return of a stronger link between operational performance of companies and returns to their investors. For stock pickers, this is very welcome. The companies in the portfolio have delivered a 5-year average earning growth rate that is well ahead of the index, and earnings are expected to continue to outgrow the market average.

As suggested in the article '<u>A long view of the east</u>', staying open minded to where growth might come from, irrespective of sector or geography, has been a key tenet of our investment success over the last 35 years. There are multiple growth drivers that are in play in the region and a genuinely diverse set of high quality growth companies to select from. A lot of Asian companies are at the forefront of global trends, and when you look at the portfolio holdings, there is a good reflection of many of these.

At the current juncture, we see many positive conditions aligning for Asian investors. In particular, Asia is growing faster than rest of world and we are investing in the growthier companies within Asia. The portfolio companies are in good financial health overall. Asia is trading at discount to developed markets, yet the portfolio, although outgrowing its index, is trading at a roughly the same valuation level (looked at using price-to-earnings ratio) versus the index. This makes for a very interesting starting point. We are optimistic about the potential for strong future returns, both relative to the index, and more importantly, in absolute terms.

Performance Objective

To outperform the MSCI AC Asia ex Japan 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	0.7	1.9	-1.2
1 Year	0.3	0.3	0.0
3 Years	-5.0	-4.2	-0.8
5 Years	11.4	4.0	7.4
10 Years	10.9	6.9	4.0
Since Inception	9.6	7.0	2.6

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	5.2	6.5	-1.3
1 Year	6.3	6.3	0.0
3 Years	-7.2	-6.4	-0.7
5 Years	11.4	4.0	7.4
10 Years	8.0	4.2	3.9
Since Inception	8.9	6.3	2.6

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	0.8	2.1	-1.2
1 Year	2.7	2.7	0.0
3 Years	-4.0	-3.2	-0.8
5 Years	12.2	4.7	7.4
10 Years	10.4	6.5	3.9
Since Inception	9.0	6.4	2.6

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	2.6	3.8	-1.3
1 Year	3.5	3.5	0.0
3 Years	-6.1	-5.3	-0.8
5 Years	10.6	3.3	7.3
10 Years	10.4	6.4	3.9
Since Inception	9.3	6.7	2.6

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-0.5	0.7	-1.2
1 Year	5.7	5.7	0.0
3 Years	-3.3	-2.5	-0.8
5 Years	12.1	4.7	7.4
10 Years	11.0	7.0	4.0
Since Inception	9.3	6.7	2.6

Annualised periods ended 31 December 2023. 3 Month & 1 Year figures are not annualised.
Inception date: 31 December 1989
Figures may not sum due to rounding.
Benchmark is MSCI AC Asia ex Japan Index (MSCI AC Far East ex Japan Index prior to 31 January 2011).
Source: Revolution, MSCI.
The Asia ex Japan composite is more concentrated than the MSCI AC Asia ex Japan Index.

Discrete Performance

GBP	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Composite Net (%)	24.4	60.6	6.5	-19.7	0.3
Benchmark (%)	13.9	21.5	-3.6	-9.2	0.3

USD	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Composite Net (%)	29.4	65.7	5.5	-28.7	6.3
Benchmark (%)	18.5	25.4	-4.5	-19.4	6.3

EUR	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Composite Net (%)	31.8	52.0	13.5	-24.0	2.7
Benchmark (%)	20.7	15.0	2.8	-14.1	2.7

CAD	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Composite Net (%)	22.9	62.8	4.6	-23.5	3.5
Benchmark (%)	12.5	23.2	-5.3	-13.5	3.5

AUD	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Composite Net (%)	29.6	51.0	12.0	-23.5	5.7
Benchmark (%)	18.7	14.2	1.4	-13.5	5.7

Benchmark is MSCI AC Asia ex Japan Index (MSCI AC Far East ex Japan Index prior to 31 January 2011).
Source: Revolution, MSCI.
The Asia ex Japan composite is more concentrated than the MSCI AC Asia ex Japan Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2023

Stock Name	Contribution (%)
Silergy	0.6
Alibaba	0.5
DLF	0.5
Tencent	0.4
Mediatek	0.4
Tata Motors	0.4
Phoenix Mills	0.3
Koh Young Technology	0.3
Samsung Electronics	0.3
HDBank	0.2
Ping An Insurance	-0.6
CNOOC	-0.5
PDD Holdings	-0.4
Alibaba	-0.4
TSMC	-0.3
Baidu.com	-0.2
Merdeka Copper Gold	-0.2
China Oilfield Services	-0.2
MMG Limited	-0.2
SEA Limited	-0.2

One Year to 31 December 2023

Stock Name	Contribution (%)
Tata Motors	1.3
Accton Technology	1.2
EO Technics	1.0
DLF	0.9
Phoenix Mills	0.8
CNOOC	0.8
Mediatek	0.6
AIA	0.6
Tencent	0.6
HDBank	0.5
JD.com	-1.2
Merdeka Copper Gold	-1.1
Ping An Insurance	-0.9
Samsung Electronics	-0.9
Li Ning	-0.6
Samsung SDI	-0.6
TSMC	-0.6
PDD Holdings	-0.6
SEA Limited	-0.5
LONGi Green Energy Technology	-0.4

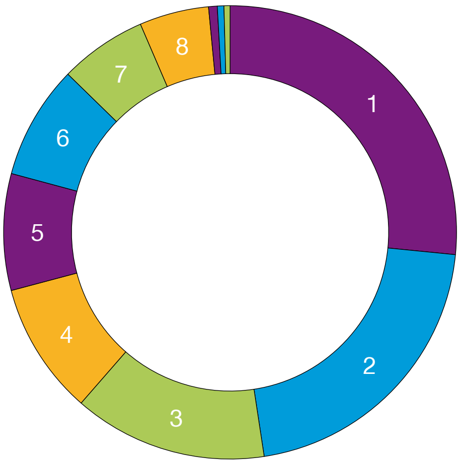
Source: Revolution, MSCI. Asia ex Japan composite relative to MSCI AC Asia ex Japan Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions 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 Largest Holdings

Stock Name	Description of Business	% of Portfolio
Samsung Electronics	Producer of consumer and industrial electronic equipment	7.1
TSMC	Semiconductor manufacturer	5.7
CNOOC	Chinese oil and gas explorer and producer	4.1
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	4.1
Tata Motors	Producer of automobiles and parts	3.0
Phoenix Mills	Commercial property management	2.5
Accton Technology	Manufacturer of computer network products	2.4
Zijin Mining	Chinese mining company	2.4
HDFC Bank	Indian banking and financial services	2.3
Bank Rakyat Indonesia	Indonesian Bank	2.3
Total		35.9

Totals may not sum due to rounding.

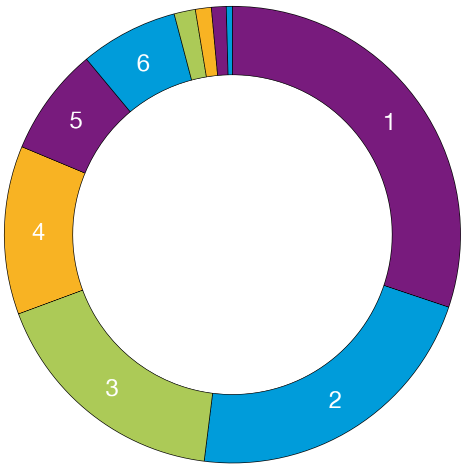
Sector Weights



		%
1	Information Technology	26.6
2	Financials	21.0
3	Consumer Discretionary	13.8
4	Energy	9.4
5	Materials	8.3
6	Industrials	8.1
7	Real Estate	6.2
8	Communication Services	5.0
9	Consumer Staples	0.6
10	Health Care	0.5
11	Cash	0.4

Totals may not sum due to rounding

Geographical Location Weights



		%
1	China	30.1
2	India	21.8
3	South Korea	17.4
4	Taiwan	11.9
5	Vietnam	7.7
6	Indonesia	6.9
7	Singapore	1.5
8	Kazakhstan	1.1
9	Hong Kong	1.0
10	Cash	0.4

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	14	Companies	3	Companies	2
Resolutions	74	Resolutions	4	Resolutions	2

Michelle Brown, senior Enviornmental, Social and Governance (ESG) analyst, spent time in both India and China during Q4, expanding relationships with a range of portfolio companies and industry peers

Site visit to one of the mines of Zijin Mining, a portfolio holding, allowed for deeper engagement around the environmental and social implications of their operations

A meeting with Sustainalytics helped us further understand the rating agency's assessment of portfolio company Li Ning, which was upgraded to UNGC Compliant recently

Company Engagement

Engagement Type	Company
Environmental	Brilliance China Automotive Holdings Limited, Han's Laser Technology Industry Group Co., Ltd., Indiabulls Real Estate Limited, MMG Limited, Midea Group Co., Ltd., Ningbo Peacebird Fashion Co.,Ltd., Reliance Industries Limited, Tencent Holdings Limited, Zijin Mining Group Company Limited
Social	MMG Limited, Reliance Industries Limited, Tencent Holdings Limited, Zijin Mining Group Company Limited
Governance	Alibaba Group Holding Limited, Brilliance China Automotive Holdings Limited, HDFC Bank Limited, Han's Laser Technology Industry Group Co., Ltd., Jio Financial Services Limited, KE Holdings Inc., Koh Young Technology Inc., MMG Limited, Reliance Industries Limited, Sea Limited, Tencent Holdings Limited, The Phoenix Mills Limited, Zijin Mining Group Company Limited
Strategy	Brilliance China Automotive Holdings Limited, Reliance Industries Limited, Zijin Mining Group Company Limited

Company	Engagement Report
Alibaba Group Holding Limited	Objective: We held several engagements with Alibaba, the Chinese e-commerce platform, to discuss progress and next steps in its organisational restructuring. Our most recent engagement with the company sought to understand management's rationale for (a) cancelling the IPO for its cloud business and (b) founder Jack Ma's structured share sale plan. Discussion: In a meeting with Chairman Joe Tsai at our Edinburgh offices, we were told about the Alibaba partnership's reasons for reorganising the company. In their view, the new governance structure created divisional CEOs for faster and nimbler decision-making to compete more effectively with fast-moving competitors. The company also shed some of its non-core businesses (e.g. gradually withdrawing from India and selling stakes in other businesses) and split its assets into six business units to allow for better alignment, improved operational efficiency, an easing of the regulatory burden, and potentially some de-risking of the company from possible US sanctions. In this context, we met separately with the CEO and CFO of Cainiao, Alibaba's logistics business (which may be one of the first units to IPO), to delve into its domestic and overseas market opportunities and its competitive edge. Following these engagements, we then learned of the cancellation of the public listing of the cloud business, Alibaba Cloud, in the context of the US announcing that it would expand its restrictions on China's access to semiconductors. If such a spin-out were to occur, management believes that it could result in competition between Alibaba and Alibaba Cloud for domestic computing resource for artificial intelligence. While Alibaba may lead a domestic alternative solution, manufacturing will be the main bottleneck. The timing of the IPO cancellation was unfortunate in that it coincided with an announcement that founder Jack Ma's family had entered a pre-structured share sale plan earlier in 2023, giving them the ability to sell stock over a one-year period beginning in November 2023. We were informed the sale is with a view to raise funds to invest in agriculture and charitable endeavours, and shares included in the plan represent 8 per cent of Ma's and his affiliates' total ownership. Outcome: Our engagements in recent months have helped us evaluate scenarios for Alibaba's future growth following the company's restructuring. It also confirmed the lack of correlation between the IPO cancellation and founder Jack Ma's share sale plan.
Brilliance China Automotive Holdings Limited	Objective: To hear updates and share perspectives on the long-term strategy of the business, commitments to China's dual carbon goals and corporate governance improvements. Discussion: Following the March 2021 suspension from the stock exchange, the company put the required measures in place in line with the guidance issued by the Hong Kong Stock Exchange. This meeting was a follow up to previous meetings and to hear about how governance changes have been implemented in recent years. The company noted that the independent report and third-party review helped them to assess root causes, and a range of new controls have since been put in place. Anecdotal examples of culture change were also provided. We encouraged the company to take steps to continue to build trust with investors, including a meeting with board members. The meeting also provided the opportunity to hear about the strategy in relation to electric vehicles (EV) and internal combustion engines (ICE), along with future strategic opportunities as well as operational environmental targets. Brilliance manufactures and sells BMW vehicles and components in China. BMW has increased its stake in the joint venture to 75 per cent (from 50 per cent). Brilliance noted continued emphasis on electric vehicles for specific models. The board is also thinking about other potential opportunities. Brilliance provides some information on its environmental priorities but directed us to BMW Group China's specific disclosures for further detailed information. Outcome: We are pleased with the progress being made but would like to see the company take further steps to rebuild trust and will continue to monitor progress.

Company	Engagement Report
Reliance Industries Limited	Objective: To assess the company's ambitions, targets, succession planning and future growth opportunities. Discussion: We met with the company as well as other organisations during our recent trip to India. The first meeting focused on a range of topics across telecoms, retail, media and energy, and a follow-up discussion (as part of a wider group) provided further understanding of the New Energy business and the company's climate strategy. Reliance's business areas are energy-hungry, including data centres for telecoms and refineries for the oil-to-chemical business. The company's decarbonisation commitments (Net Carbon Zero by 2030) sit alongside its New Energy investments via integrated solar manufacturing with energy storage, electrolyser manufacturing and green hydrogen production. The company is reviewing round-the-clock power opportunities for each business user, which can include combinations of solar and other green energy. The company sees opportunities to significantly reduce its energy costs once its captive renewable energy is ready. The solar PV manufacturing facility is expected to be ready within the year, and by early 2027, both the solar and battery facilities are expected to be operational and fully integrated. On the question of whether anticipated changes in climate were causing the company to adjust operating practices in any areas, no further information was provided. Outcome: The discussions provided an important opportunity to assess and calibrate the company's ambition, strategy and targets, given poor disclosures on some topics.
Sea Limited	Objective: We met with founder and CEO Forrest Li and Chief Operating Officer Yanjun Wang in Singapore to discuss management's strategic decision to lean into long-term growth at the expense of near-term profitability. Discussion: Last time we met with Forrest Li in our Edinburgh offices, he suggested that SEA would cap its losses at a breakeven level, beyond which it would happily reinvest in future growth should opportunities arise. That breakeven point has now arrived. Opportunities have also appeared. SEA's ecommerce platform, Shopee, is therefore reinvesting and expanding, translating into top-line rather than bottom-line growth at this stage. However, the stock market appears to dislike this and reads it as a change in strategy. Li believes the market wants SEA to just continue to post linear increases in profit, whereas he believes it is too early in the company's growth trajectory for that. He frames it as a test of reward today versus (larger) reward tomorrow. Given the operational stresses that the company has faced over the past year or so, there had been a risk that the company reined in its risk-taking at the expense of its long-term growth. Reassuringly for long-term investors, Li's remarks suggest that SEA's quick-moving predatory impulse survives. Outcome: Management appears to be executing a strategy that is consistent and on the basis of strengthened operational performance. Of course, the long-term investment case is not without risk. However, our continued access to senior management has been helpful in gaining insights into SEA's strategic decision-making at a time when the stock market appears fixated on the short term.

Company	Engagement Report
Zijin Mining Group Company Limited	Purpose: To further assess Zijin's strategy and performance on material environmental and social topics. Discussion: Following the September visit to the Ashele copper mine, we met with the management and one of the directors with oversight for ESG at the Shanghang headquarters and visited the Zijinshan copper-gold mine. We visited the open pit mine adjacent to a tailings site and various facilities around the mine, including one of the plants, the restored grounds, and the waterway. The visit provided an opportunity to better understand how the company implements its environmental and biodiversity policy and to discuss other topics such as assurance for their human rights due diligence. Whereas the Ashele site visit focussed more on social performance, the Zijinshan site visit was an opportunity for the company to share some of their environmental practices. The Zijinshan site now seeks to be a testbed for practices they can use elsewhere, including monitoring of pollution (monitors on vehicles, etc); recovery and rehabilitation of land while developing; creating a green working environment; and onsite supervision of water quality. It is clear that a significant amount of investment has gone into rebuilding trust in the mine following the 2010 waste spill. The company shared examples of what 'green mining' means to them, how they seek to showcase sustainable mining and how they are innovating in relation to their decarbonisation targets. Outcome: We continue to be encouraged by the company's willingness to communicate with investors. The importance the company has placed on environmental innovation and local social issues appears to be positive, and we believe will contribute to its long-term success.

Votes Cast in Favour

Companies	Voting Rationale
Geely Automobile Holdings, Han's Laser Technology 'A', Huayu Auto Systems 'A', JSC Bank for Foreign Trade of Vietnam, Kaspi.Kz JSC GDR, Midea Group 'A', Minth Group, Phoenix Mills, Ping An Bank 'A', Reliance Industries Ltd, Tata Motors Ltd, Wuxi Lead Intelligent Equip. 'A', Zhejiang Supor, Zijin Mining Group Co Ltd 'H'	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Han's Laser Technology 'A'	EGM 13/12/23	2, 4	We opposed two resolutions to amend the articles of association as the proposed removal of threshold of external donation restricts the shareholders' approval authority and may harm the interests of our clients.
Zijin Mining Group Co Ltd 'H'	EGM 08/12/23	10	We opposed the resolution to approve development of futures and derivative trading businesses of its subsidiaries as we find that the futures and derivatives trading activities are high-risk investments, and futures and derivatives trading whose purpose is not hedging will expose shareholders to additional and unnecessary market risks.

Companies	Voting Rationale
JSC Bank for Foreign Trade of Vietnam	We opposed the request to authorise other business. We do not believe this is in the best interests of clients who vote by proxy.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Han's Laser Technology 'A'	EGM 13/12/23	1	We abstained on the sale of assets due to a lack of sufficient information.
JSC Bank for Foreign Trade of Vietnam	EGM 24/11/23	2	We abstained on a resolution on the election of an additional director due to lack of disclosure on the identity of the candidate.

Votes Withheld

We did not withhold on any resolutions during the period.

There were no new purchases during the period.

Complete Sales

Stock Name	Transaction Rationale
Wuxi Lead Intelligent Equip. 'A'	We are seeing an increasing likelihood of multi-year overcapacity in the battery manufacturing industry in China, which would in turn reduce new capex investment in the sector. As a result we decided to sell the investment in Wuxi Lead Intelligent Equipment as we see a risk that their revenue growth disappoints over the coming years, given their focus on selling winding and stacking machines for battery factories.
Zai Lab HK Line	We sold due to the ongoing geopolitical issues which will likely make it harder for Zai Lab to partner with western pharmaceuticals, and broader concerns of an escalating regulatory crack down on the healthcare sector in China.

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