Developed Asia inc Japan Quarterly Update

30 June 2024

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Past Performance

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

Developed Asia inc Japan is a long-term, regional equity strategy adding value through active management by identifying and exploiting inefficiencies in growth companies predominantly listed in Japan, Hong Kong, Singapore, Australia and New Zealand.

Risk Analysis

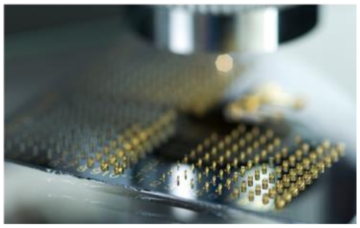
Key Statistics	
Number of Holdings	47
Typical Number of Holdings	30-50
Active Share	80%*
Rolling One Year Turnover	22%

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

Japan continued to dominate the narrative this quarter.

Returns have diversified beyond exporters and traditional sectors, resulting in the portfolio delivering a negative return but outperforming the index this quarter.

During the quarter we made two new purchases, SEA Limited and Nakanishi. We funded these from two sales.



Baillie Gifford Key Facts

Assets under management and advice	US$283.7bn
Number of clients	649
Number of employees	1738
Number of investment professionals	372

Market Environment

Japan once again dominated the market narrative. Here the stock market continued its impressive rally, with the Topix hitting a 34-year high. The period also saw the Yen reach a 38-year nadir, despite central bankers spending a record ¥9.8tn in an attempt to prop it up. In this environment, it is perhaps unsurprising that many cyclical companies, which we believe are more reflective of the past than the future, have continued to outperform. This is illustrated by goods exporters, which have seen healthy sales numbers despite underwhelming global economic growth. That said, there is also growing evidence suggesting a diversification of returns beyond such exporters and more traditional sectors like mining, oil & gas, and automobiles. This has already resulted in the portfolio outperforming the index despite a negative return in the most recent quarter. We expect this trend to accelerate. With its 3,000-plus listed companies, the country remains a fertile ground for active stock pickers and we are as excited as ever about the opportunities on offer.

It is worth noting that some real economic data points have contrasted slightly with Japan's stock market resurgence, notably household and government consumption, both of which remain muted. However, there is optimism that a virtuous circle of wage growth and inflation will come to fruition later in the year. The conditions for this are ripe: last quarter workers secured the biggest pay rise in three decades, and the Bank of Japan ended negative interest rates. This should feed into price increases across the board, from industrial companies to consumer goods. Historically Japanese firms have had to rely on volume growth, so this means they now have an extra lever to pull to increase returns. Japan has also seen a strong rebound in tourism, with the country now forecast to receive 34m visitors over the course of 2024. Though big-spending Chinese tourists are yet to reach pre-covid levels, this rebound is helpful for the discretionary goods element of the portfolio, such as skincare leviathan Shiseido. Zooming in on the companies themselves, the corporate landscape has seen especially positive signs of change, with business reinvestment rebounding and shareholders in Japan moving up the priority list. This widespread emphasis on better governance and operational efficiency bodes well for the asset class as a whole. As noted below, we have seen it play out in many of the holdings.

Another notable area this quarter was China-related exposure. Here there are signs that investors are selectively returning to the country, after a difficult couple of years where many wondered aloud if it had become "un-investable". The portfolio benefited directly from this through exposure to technology giant Tencent, as well as Hong Kong Exchange which saw a pick-up in quarter-on-quarter trading volumes. Additionally, AIA, the Hong Kong-based insurance group, has returned to growth and posted promising operational results. Whilst overall consumer spending in China remains muted relative to pre-COVID trends, we are therefore beginning to see green shoots come through for these holdings. Moreover, a surge in the manufacturing sector should bolster longer-term opportunities for innovative companies servicing that space, such as industrial robot maker FANUC and machine vision firm Keyence, both of which are held in the portfolio.

Performance

The performance for the quarter although positive relative to the benchmark was negative in absolute terms. Following what has been a difficult period for growth investing, we believe we are finally seeing a shift in market sentiment and a narrowing of the dislocation between fundamentals and share price returns. This is especially true for Japan, which accounts for around two-thirds of the portfolio, and those holdings with large China exposure.

Among the top contributors to performance were **MS&AD Insurance**, **Tencent** and **Recruit**.

MS&AD Insurance, the Japanese insurance company, was the main contributor. Our investment case is centred on its core domestic non-life business where pricing benefits from it being one leg of a regulated, three-player oligopoly; the firm also generates a large float which can be invested towards further growth or returned to investors. Over the quarter, the market reacted well to the firm's plans to improve shareholder value. For example, management are now focussing on higher profitability product lines in the underwriting business and are conducting a share buyback of up to 8.2% of shares (worth ¥190bn). The announcement of the latter led to a sharp jump in the share price. In response to a price-fixing scandal later last year, the firm is also actively enhancing its governance structures, including shedding its cross-held shares over the next two years. We believe this bodes well for the future and continue to follow its operational progress closely.

Tencent, the Chinese technology conglomerate, was another major contributor. Here we are excited about the firm's gaming arm which has both been performing well internationally and become less shackled by government regulation at home. This domestic recovery is illustrated by the new game *Dungeons and Fighter,* which is currently dominating China's mobile download charts. We are also optimistic about its advertising business, where it appears to have finally found its feet against competitor Douyin. More broadly, management has made a clear commitment to delivering profits and capital returns to shareholders. This was evidenced by robust first-quarter results, with revenue and profit growth up 6% and 23% year-on-year respectively, comfortably beating consensus forecasts. The market reacted positively to this, as well as to plans to double a share buyback program to at least $12.8bn for 2024. Whilst not material to our investment case, we believe the latter is helpful in boosting investor interest in the company after what has been a difficult period for Chinese equities. We continue to have faith in management's ability and in a company, culture focussed on continuous innovation.

Recruit, Japan's largest staffing company, also performed well during the quarter. This is a well-run business whose core recruitment arm is benefitting from rising demand for workers in a country with a shrinking labour force. It also has a software arm which provides mission critical products for customer needs (such as inventory management or CRM systems) and, through its *Indeed* and *Glassdoor* brands, runs the world's largest job and company information platforms. These platforms make their money from advertising but are actively experimenting with other monetization models. Overall, this is a collection of capital-light businesses that can invest healthy cash flow into future growth and shareholder returns. The shares have been weak in recent years due to investors focussing on the risks of an uncertain macroeconomic environment. The recent increase in the share price therefore reflects a pessimistic market reacting positively to better-than-expected financial results. In contrast, we have always been optimistic. Over the long term, more automation is needed in the recruitment industry, more costs need to be cut, and there should be a higher turnover of employees. Recruit looks set to benefit from all of these trends.

Among the bottom performers were **James Hardie**, **SMC** and **DENSO**.

James Hardie, the world leader in fibre cement products, was the main detractor for the quarter. This may seem strange considering the firm reported record full year results for net sales, adjusted Earnings before interest, taxes, depreciation, and amortization (EBITDA) and net income. However, it simultaneously posted slightly disappointing fourth-quarter results, with both adjusted net income and EBIT falling short of consensus estimates by 3%. This was mainly due to an increase in expenses for both SG&A and Research and Development (R&D), with the former increasing by 40% year-on-year. As usual, we take a long-term view and are unperturbed by these market fluctuations. We view higher reinvestment as positive and retain faith in management's ability to make sensible capital allocation decisions that will result in future growth.

SMC, a leading manufacturer of pneumatic devices, was another significant detractor. Shares fell in May after a month-on-month slowdown in equipment sales. This disappointed investors, who had previously been optimistic about the company's sales growth prospects after a surge in China-based orders the month before. The long shadow of unsold inventory also affected market confidence. Despite these short-term setbacks, over the long term, we remain optimistic that SMC is well placed to benefit from a structural trend towards increasing factory automation, as well as an increasing global emphasis on energy efficiency. The customer-obsessed firm creates high-quality products which account for a small proportion of a client's costs but are mission-critical for their success; this has helped it increase market share in important developed markets like North America, and to become the dominant player in developing markets like China and Vietnam.

DENSO, Japan's largest car parts manufacturer, was also a detractor over the period. It has close ties to the Toyota group, which makes up around half its sales; it was therefore hurt by the sharp selloff in Toyota Motor Corp after the latter downgraded profit guidance by 20% for the full financial year. However, it maintains an edge in electronic components and advanced safety technologies. These have helped it succeed in the domestic market and should allow it to increase its share of North American and Chinese customers in the Electric Vehicle (EV) and Hybrid Electric Vehicle (HEV) space. Its unwinding of cross-shareholdings in companies like Toyota has also given it the balance sheet needed to invest in further growth opportunities. However, the stock has performed well over our holding period and much of the upside may already be reflected in its valuation. We are therefore monitoring the investment case closely.

Notable Transactions

During the quarter we made two new purchases, **Sea Limited** and **Nakanishi.**

We have been following SEA since its Initial Public Offering (IPO) in 2017, and especially closely since the increasing expansion of the Shopee platform over the last five years. The Singaporean company is a unique and powerful ensemble of different growth businesses, ranging from gaming to eCommerce to financial services, pulled together by a decentralised and extremely adaptable culture. It is also led by an innovative founder, Forrest Li. We took advantage of a confluence of price weakness, improvements in the competitive position, and increasing underlying profitability to initiate a position.

Nakanishi is a Japanese dental equipment manufacturer that commands a high market share in the European and Japanese markets. It is particularly strong in rotary cutting tools and premium dental equipment. In developed countries, ageing demographic trends are driving demand for its products, whilst in emerging economies dental demand is growing alongside rising standards of living and tightening hygiene regulations. Its share price has been weak lately owing to falling profit margins related to recent acquisitions in China and North America; however, we believe these purchases will improve the company's technological and distribution capabilities in the future.

These were funded through complete sales of **Ryman Healthcare** and **Tsingtao Brewery**. The former is a New Zealand based developer of elderly care facilities, where we have concerns over the company’s capital management as well as a high level of senior management turnover. The latter is a leading brewer in China; here we believe the companies will no longer be able to grow its margins at historic rates due to the markets it operates in reaching maturity.

Outlook

We are incredibly excited about the current positioning of the portfolio. The prospect of price increases in Japan, as well as a resurgence of tourism, looks set to benefit the many Japanese companies we own. We are also seeing a positive shift in investor sentiment change regarding China, as well as strong operational progress in Hong Kong-based holdings that should translate into share price returns. Amongst the smaller regions of this asset class, we remain enthusiastic about opportunities in Singapore and Australia. In the former, we are mainly seeing this play out in the technology sector; here new buy SEA and wealth management platform iFast, both of which suffered post-COVID, have seen a return to more robust growth. In Australia, we are also positive about the potential for innovation in a market dominated by technologically unsavvy incumbents. REA Group, Australia’s leading property website, is a prime example of this disruption in action.

Many readers will be wondering what we are doing in the Artificial Intelligence (AI) space. Here we have been thinking deeply about the role this technology will play across the value chain. For some firms, such as Sea and REA, the technology will improve the customer experience and thus increase their growth potential. Others like Softbank, the Japanese conglomerate, look set to profit more directly from this structural tailwind; the firm is the largest shareholder in chip architecture firm Arm, and its founder Masayoshi Son believes his calling is to further artificial super intelligence (ASI). Finally, we think AI has the potential to reduce costs across the board, especially for back-office functions. This will benefit those firms that at first glance seem furthest removed from the vanguard of technological revolutions. Indeed, it was the share prices of consumer goods and industrial firms that saw the greatest gains from the computer boom of the 1980s, as enhanced visibility into inventory and other key operational improvements fed through to their bottom lines. Will this happen with AI? We are watching closely.

Performance Objective

+2% p.a. over 5 years, gross of fees vs index.
The performance objective is aspirational and is not guaranteed. We don't use it to compile the portfolio and returns will vary. A single performance objective may not be appropriate across all vehicles and jurisdictions. We may not meet our investment objectives if, for example, our growth investment style is out of favour, or we misjudge the long-term earnings growth of our holdings.

Periodic Performance

GBP	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-1.9	-2.2	0.3
1 Year	3.1	12.0	-8.9
3 Year	-6.0	4.4	-10.4
5 Year	1.7	5.7	-4.0
10 Year	7.9	8.3	-0.3
Since Inception	8.1	7.8	0.4

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-1.9	-2.2	0.3
1 Year	2.5	11.3	-8.9
3 Year	-8.7	1.4	-10.1
5 Year	1.5	5.5	-4.0
10 Year	4.7	5.0	-0.3
Since Inception	6.3	5.9	0.4

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-1.1	-1.4	0.3
1 Year	4.3	13.3	-9.0
3 Year	-5.6	4.9	-10.4
5 Year	2.8	6.8	-4.0
10 Year	7.3	7.6	-0.3
Since Inception	8.4	8.0	0.4

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-0.8	-1.1	0.3
1 Year	6.0	15.1	-9.2
3 Year	-5.6	4.8	-10.4
5 Year	2.5	6.5	-4.0
10 Year	7.4	7.7	-0.3
Since Inception	7.9	7.5	0.4

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-4.1	-4.4	0.3
1 Year	2.1	11.0	-8.8
3 Year	-5.1	5.4	-10.5
5 Year	2.6	6.6	-4.0
10 Year	8.4	8.7	-0.3
Since Inception	8.0	7.6	0.4

Annualised periods ended 30 June 2024. 3 Month & 1 Year figures are not annualised.
Inception date: 31 August 2009
Figures may not sum due to rounding.
Benchmark is MSCI Pacific Index.
Source: Revolution, MSCI.
The Developed Asia inc Japan composite is more concentrated than the MSCI Pacific Index.

Discrete Performance

GBP	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22	30/06/22-30/06/23	30/06/23-30/06/24
Composite Net (%)	11.6	17.1	-21.3	2.5	3.1
Benchmark (%)	0.8	14.6	-6.6	8.9	12.0

USD	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22	30/06/22-30/06/23	30/06/23-30/06/24
Composite Net (%)	8.4	30.9	-30.8	7.3	2.5
Benchmark (%)	-2.1	28.1	-17.9	14.0	11.3

EUR	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22	30/06/22-30/06/23	30/06/23-30/06/24
Composite Net (%)	9.9	24.0	-21.5	2.8	4.3
Benchmark (%)	-0.7	21.3	-6.8	9.3	13.3

CAD	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22	30/06/22-30/06/23	30/06/23-30/06/24
Composite Net (%)	12.9	19.1	-27.9	10.1	6.0
Benchmark (%)	2.0	16.5	-14.4	17.0	15.1

AUD	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22	30/06/22-30/06/23	30/06/23-30/06/24
Composite Net (%)	10.4	20.1	-24.4	10.8	2.1
Benchmark (%)	-0.2	17.5	-10.3	17.8	11.0

Benchmark is MSCI Pacific Index.
Source: Revolution, MSCI.
The Developed Asia inc Japan composite is more concentrated than the MSCI Pacific Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 30 June 2024

Stock Name	Contribution (%)
MS&AD Insurance	1.1
Toyota Motor	0.8
Recruit Holdings	0.5
United Overseas Bank	0.5
Tencent Holdings	0.4
SoftBank Group	0.4
Olympus	0.4
Shiseido	0.2
Hong Kong Exchanges & Clearing	0.2
Murata	0.2
James Hardie Industries	-0.8
SMC	-0.5
Hitachi	-0.4
Techtronic Industries	-0.4
Denso	-0.3
Fast Retailing	-0.3
Sugi Holdings	-0.3
Commonwealth Bank Of Australia	-0.2
freee K.K.	-0.2
Tokio Marine	-0.2

One Year to 30 June 2024

Stock Name	Contribution (%)
MS&AD Insurance	2.4
Recruit Holdings	0.9
SoftBank Group	0.8
SBI Holdings	0.7
Cochlear	0.5
Daikin Industries	0.4
REA	0.3
Sony	0.3
Oriental Land	0.3
United Overseas Bank	0.3
Shiseido	-1.9
Galaxy Entertainment Group	-0.9
SMC	-0.8
Hitachi	-0.7
Toyota Motor	-0.6
Ryman Healthcare	-0.6
Mitsubishi UFJ Fin Grp	-0.6
Hong Kong Exchanges & Clearing	-0.5
Sumitomo Mitsui	-0.5
Cosmos Pharmaceutical	-0.5

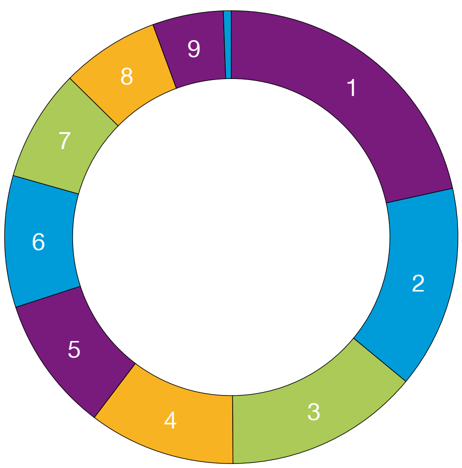
Source: Revolution, MSCI. Developed Asia inc Japan composite relative to MSCI Pacific Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions 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
MS&AD Insurance	Japanese insurer	5.3
Baillie Gifford Japanese Smaller Cos Fund	Japanese smaller companies investment fund	5.1
SoftBank Group	Telecom operator and technology investor	5.0
United Overseas Bank	Singaporean commercial bank	4.7
Recruit Holdings	Property, lifestyle and HR media	4.2
SBI Holdings	Online financial services	3.9
SMC	Producer of factory automation equipment	3.5
Olympus	Medical imaging and precision tools manufacturer	3.4
James Hardie Industries	Building products manufacturer	3.4
WHSP	Investment holding company	3.0
Total		41.5

Totals may not sum due to rounding.

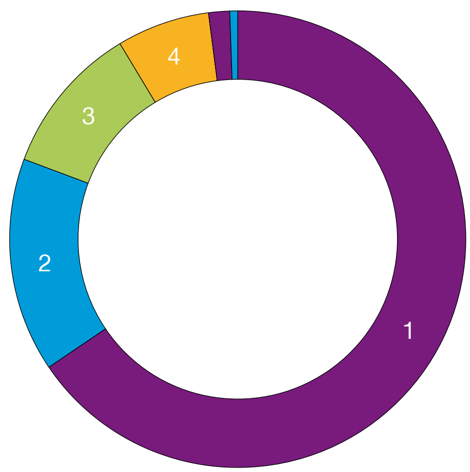
Sector Weights



		%
1	Financials	21.5
2	Industrials	14.5
3	Communication Services	13.9
4	Consumer Discretionary	10.5
5	Health Care	9.7
6	Consumer Staples	9.4
7	Information Technology	8.0
8	Materials	7.0
9	Baillie Gifford Pooled Funds	5.1
10	Cash	0.6

Totals may not sum due to rounding

Geographical Location Weights



		%
1	Japan	65.5
2	Australia	15.2
3	Hong Kong	10.7
4	Singapore	6.6
5	New Zealand	1.5
6	Cash	0.6

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	22	Companies	5	Companies	None
Resolutions	235	Resolutions	15	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	BHP Group Limited, Nintendo Co., Ltd., Sea Limited, Washington H. Soul Pattinson and Company Limited
Social	BHP Group Limited
Governance	BHP Group Limited, Fanuc Corporation, MS&AD Insurance Group Holdings, Inc., Murata Manufacturing Co., Ltd., Nintendo Co., Ltd., Recruit Holdings Co., Ltd., SBI Holdings, Inc., Sea Limited, Sysmex Corporation
Strategy	AIA Group Limited, Nintendo Co., Ltd.

Company	Engagement Report
BHP Group Limited	Objective: The purpose of the meeting was to assess mining company BHP's progress in addressing the aftermath of the 2015 Samarco mine dam failure in Brazil, focusing on social, environmental and legal remediations. Attendees included BHP's ESG and IR representatives. The discussion centred on the final stages of remediation efforts, compliance with UN global compact principles and ongoing legal challenges. Discussion: Significant progress was noted across social remediations. The Renova Foundation, which was set up to administer the compensation and resettlement, is nearing the completion of resettlement and cash compensation programmes. Despite the absence of a fixed deadline, a considered approach has been taken, involving multiple stakeholders to ensure a durable administration of the process. The variety of resettlement options reflects a flexible approach to meeting the needs of the affected communities. Environmental remediation has largely been successful, with water quality restored to pre-disaster levels in 2018 and long-term projects underway to rejuvenate fish populations and riverbank ecosystems. Legal remediation presents a mixed picture, with ongoing negotiations with the Brazilian government and a significant UK civil case expected to continue until 2029. Samarco Social License to Operate (SLO) shows signs of improvement, with efforts to engage the community in the mine reopening process and changes implemented to the tailings management strategies to improve trust. Outcome: The meeting underscored BHP's comprehensive and multi-faceted approach towards remediation following the Samarco disaster. The progress in social and environmental remediation reflects a commitment to stakeholder engagement. However, the ongoing legal challenges highlight the complexity of fully resolving the disaster's aftermath. The improvement in Samarco's SLO and the anticipation of further upgrades by third-party ESG data providers indicate a positive trajectory for BHP. We continue to monitor progress in this area, with more milestones expected to be completed by the end of the 2024 calendar year.
Nintendo	Objective: We met with gaming company Nintendo's Investor Relations Team to assess Nintendo's climate action, board composition and share incentives approach. Discussion: We started by discussing Nintendo's lack of emissions reduction targets and poor Transition Pathway Initiative (TPI) scoring. This score led to Nintendo's inclusion on investment restriction lists, which harmed the company's access to capital. While no commitment was made to a timeline to set more stringent targets, the company was receptive to our feedback about the potential implications. On governance, IR shared that Nintendo has taken steps to improve the composition of its board to include more independence and diversity of thought. A newly appointed board member appears to have relevant skills in merchandising; however, progress could still be made on the proportion of outside directors to provide effective challenges. Share incentives were also discussed. Stock awards as a percentage of overall pay are low, representing only 3 per cent of total pay. The discussion revealed a cautious approach to stock awards in part due to volatility through gaming console cycles. We fed back the principles underlying our support for share-based incentives, particularly the alignment with shareholders. They said they would take our feedback on board. Outcome: While there are signs of progress on shareholder engagement and board construction, gaps remain in climate action and share incentive alignment. We will continue to monitor Nintendo's progress on these topics.

Company	Engagement Report
SEA Limited	Objective: We met with Sea Ltd to continue discussing board composition and remuneration and hear an update on the company's developing climate strategy. Discussion: Our engagement focused on board recruitment, including management's considerations and efforts in recruiting new board members, focusing on finding individuals with the correct skill set. We also discussed remuneration, particularly a recent executive compensation cap. Sea Ltd clarified its remuneration approach and reassured us that employee pay is competitive. The meeting also provided an opportunity to question the company's climate change strategy. While there are no immediate plans to set decarbonisation targets, Sea Ltd has considered climate and has published scope 1 and scope 2 emissions data, indicating relatively low emissions. Future emissions reductions are expected to result from broader operational improvements. Outcome: Overall, our engagement highlighted ongoing efforts and challenges in board recruitment, which we will continue to monitor. Sea Ltd's actions reflect responsiveness to investor concerns and a willingness to improve governance and environmental stewardship.

Votes Cast in Favour

Companies	Voting Rationale
AIA Group, Denso, FANUC, Galaxy Entertainment Group, Hong Kong Exchanges & Clearing, Keyence, LY Corp, MS&AD Insurance, Murata, Nintendo, Olympus, Recruit Holdings, SBI Holdings, SMC, SoftBank Group, Sugi Holdings, Sysmex Corp, Techtronic Industries, Tencent, Tokyo Electron, United Overseas Bank, iFAST Corp	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Galaxy Entertainment Group	AGM 14/05/24	2	We opposed the re-election of the deputy chair based on his accountability for failure to ensure the appropriate succession planning and refreshment, as well as the makeup of the board in his capacity as a member of the nomination committee and the chair of the corporate governance committee
Galaxy Entertainment Group	AGM 14/05/24	3, 4	We opposed the re-election of two directors who sit on the audit committee, as we deem their independence to be impaired. We prefer the audit committee to comprise unquestionably independent directors only.
Galaxy Entertainment Group	AGM 14/05/24	7.2, 7.3	We opposed two resolutions which sought authority to issue equity because the potential dilution and discount levels are not in the interests of shareholders.
iFAST Corp	AGM 26/04/24	10-15	We voted against six proposals relating to the issuance of shares under the 2024 performance share plan and share option schemes. The plans allow independent non-executive directors to participate which we believe is inappropriate as it could compromise their independence.
Murata	AGM 27/06/24	2	We opposed the request to make changes to the company's articles of association. One amendment seeks to remove the requirement for shareholder approval of the dividend. We regularly encourage companies to provide a shareholder vote on the dividend as we believe this is a fundamental shareholder right.
Techtronic Industries	AGM 10/05/24	4	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

Companies	Voting Rationale
Keyence	We opposed the low dividend payment as we believe the company's capital strategy is not in the interests of shareholders.
iFAST Corp	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Nakanishi	Nakanishi is a founder family-run dental equipment manufacturer that commands a high market share in the European and Japanese markets. It is particularly strong in rotary cutting tools and, more broadly, in the premium end of the dental equipment market. Ageing demographic trends in developed economies drive the demand for its products, and there is significant demand growth in emerging economies as standards of living rise and hygiene regulations are tightened. Nakanishi looks particularly well placed to exploit growth in the Chinese and North American markets, where it has recently made acquisitions. Its share price has been weak lately owing to falling profit margins related to these acquisitions, but we believe they will improve the company's technological and distribution capabilities in the future.
Sea Limited	We have been following SEA since IPO, and especially closely since the increasing expansion of the Shopee platform over the last five years. The company itself is a unique and powerful ensemble of different growth businesses, ranging from gaming to eCommerce to financial services, pulled together by a decentralised and extremely adaptable culture, led by an innovative founder, Forrest Li. We are taking advantage of a confluence of price weakness, improvements in the competitive position, and increasing underlying profitability to initiate a position.

Complete Sales

Stock Name	Transaction Rationale
Ryman Healthcare	Ryman is a New Zealand based developer of aged care facilities. The long-term growth opportunity, driven by the ageing demographics, continues to be attractive. However, we have concerns around Ryman's capital management, as the company's debt level increased significantly over the past few years. Also, we find the level of management turnover discouraging, including the exit of the CEO and CFO. Therefore, we decided to sell Ryman to invest in faster growth opportunities elsewhere.
Tsingtao Brewery	Tsingtao Brewery is a leading brewery in China. Our investment case centred on growth being delivered by increasing levels of beer consumption in China and 'premiumisation' trends. Benefitting from these trends, Tsingtao Brewery expanded its operating margins over the past five years. However, we believe the company may not be able to grow its margins at the historical rates achieved, as the markets in which it operates appears to be reaching maturity. Therefore, we decided to sell the holding in favour of other more exciting growth opportunities.

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