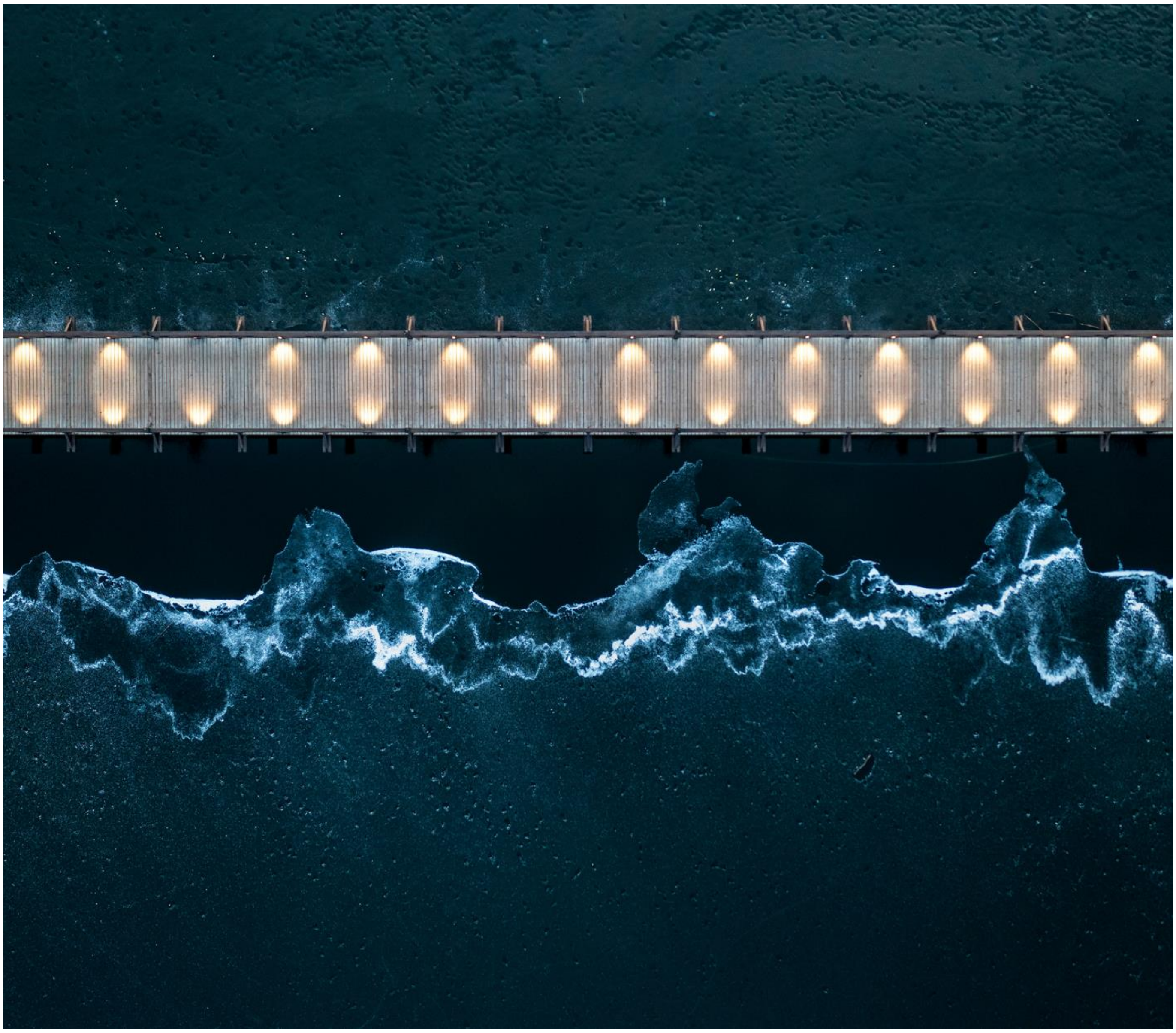
Baillie Gifford™

Worldwide Discovery Quarterly Update

31 December 2023



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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.

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Product Overview

Worldwide Discovery is a concentrated, long-term, global equity strategy investing predominantly in growth companies that are initially lower down the market cap spectrum. The strategy selects stocks on a bottom-up basis with a focus on companies that have a strong culture of innovation and entrepreneurialism.

Risk Analysis

Key Statistics	
Number of Holdings	65
Typical Number of Holdings	50-75
Active Share	99%*
Rolling One Year Turnover	11%

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

Holdings are generally responding well to challenging operating conditions

The current valuations of high-potential, early-stage businesses look undemanding and attractive

We enter 2024 with excitement and optimism; the macro fears have lessened, and numerous holdings are approaching influential catalysts

Key Facts

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

The progress of civilisation has been characterised by critical technologies, from the printing press to internet data transfer and battery storage, becoming more affordable and capable over time, allowing use cases to proliferate and influence society. Moore's law – the prediction that computing power will double every two years while the cost will halve – is perhaps the best-known of these.

Yet, the unit cost reduction of genomic sequencing over the last two decades puts this in the shade. In 2001, it would cost around $1 billion to sequence a human genome; now, this is less than $1,000. A rate of change far outstripping Moore's Law.

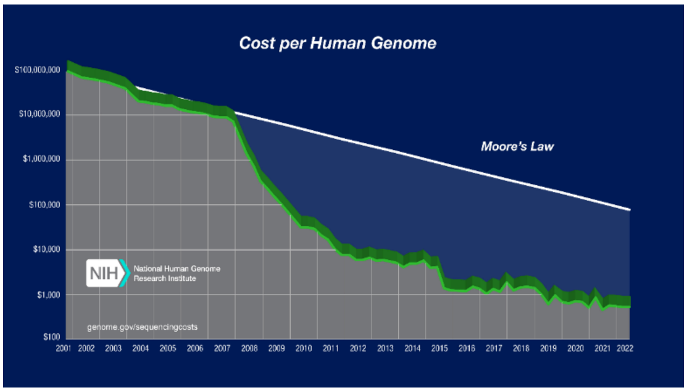


Figure 1: National Human Genome Institute (https://www.genome.gov/about-genomics/fact-sheets/DNA-Sequencing-Costs-Data)

As with other technologies, unit cost reductions will be critical in the eventual democratisation of DNA analysis. Moving this technology from research labs into medical or clinical applications or even into the hands of consumers is unlocking a new era of disease insight and a deeply personalised clinical experience. We've been intrigued by this possibility for several years.

Having attended the Oxford Nanopore Technologies (ONT) Capital Markets Day in October, we're even more excited that the company could be at the vanguard of this revolution. ONT, owned in the portfolio since its listing in 2021, commercialises an exquisitely sensitive molecular sensor that can "read" long strands of DNA in real-time. This is a richer data source than the short-strand technology favoured by many rivals. Researchers have historically used traditional short-strand DNA sequencing to interrogate genomes but have struggled to make meaningful inroads into medical or clinical applications. ONT's system overcomes many of these hurdles by examining the DNA bases and the extra signals missed by other technologies. By reading the 'whole genome' in real-time and being able to filter for targeted sequences, its system is gaining the attention of forward-thinking clinicians.

The company favours a low-cost, decentralised model, which promotes sequencing in the hands of users. Take its latest P2 device – it offers unparalleled sequencing capabilities, massively cutting time-to-answer and increasing the scale of experiments labs can perform. Its capex cost of $10k compares very favourably to peers' big, centralised genome analysis centres. With accompanying cost reductions in its consumables, ONT projects a cost per genome of between $400-$700 within the next few years. This accessibility should unlock new areas of opportunity, not only in clinical medicine but also in nascent markets like veterinary, agriculture, and food. Success could see the addressable market grow from c.$6.2bn in 2022 to a projected $150bn in 2032. Today, ONT only has a mid-single-digit market share, making the opportunity evident and exciting.

The Capital Markets Day itself was highly encouraging. A notable highlight was a session with clinicians about their use of the device and possible future commercial opportunities. Management also spoke about the commercial function's recent development, doubling its size and hiring critical individuals with experience at competitors. It's also focussed its sales message on mid-to-high-end products, such as the P2, and actively pursued partnerships, characterised by a recently announced deal with BioMérieux and a collaboration with the Mayo Clinic.

Over 2023, ONT has grown sales by more than 45%, outperforming peers to take market share. This can rightfully be considered a period of solid execution amid a challenging operating environment. Pleasingly, it's far from the only holding to have done this. Health systems globally have faced several challenges, including staffing shortages, rising costs of care, and biotech funding pressures. While our holdings have not escaped entirely unscathed, for many, their propositions resonate with or directly combat the current problems. Schrodinger's small-molecule modelling software allows for more digital drug discovery, saving time and money. All the world's top 20 pharmaceutical businesses use its software, and sales are growing at around 15%. Cologuard from Exact Sciences, with its ease of testing and class-leading accuracy, facilitates early detection of colorectal cancer. It's the US market leader, doing millions of tests annually, and is forecasted to grow around 30% annually. Catching such cancers earlier transforms the patient's survival chances and reduces subsequent strain on health systems. Twist Biosciences has developed scalable production for synthetic DNA – a key component in many health and life science processes, from next-generation sequencing to antibody libraries for drug discovery. Despite its clients tightened research and development (R&D) budgets, it's grown sales by more than 15% because its services are required and offered at a lower cost than traditional alternatives. Notably these aren't businesses exposed to clinical risks; in the manner of conventional biotech, these are viable commercial organisations whose ongoing success will be determined by relative strength of execution. So, although the broader healthcare sector is experiencing challenges, these could act as accelerants for our problem-solving businesses, whose propositions are often lower cost or more efficient than the status quo.

Examples of holdings executing well amid a demanding operating environment are not confined to healthcare. Axon, the law enforcement technology solutions business, has now delivered seven consecutive quarters of more than 30% top-line growth. At the same time, margins have expanded, driven by the increased proportion of higher-margin software sales. We'd also highlight progress by MercadoLibre, the Latin American e-commerce giant and financial services provider. The company has continued rapidly expanding its e-commerce business, with overall volumes up around 40%. Resultant operational leverage is making incremental returns more attractive. We could also point to AeroVironment, CyberArk, or Veeco as other stellar examples. It's a reminder that large parts of the portfolio are in excellent health and have made significant strides during 2023.

This is not to downplay some holdings' issues navigating the turbulent operating environment. For those like Everbridge or LivePerson, this critically undermined the investment thesis, and we've moved on. Yet, for others, we now sense an emergence of fitter, stronger, more efficient businesses. Teladoc is a prime example, with tentative signals that its holistic care programme is finally gaining traction. Ocado, too, falls into this category. The rollout of partner fulfilment centres has been slower than predicted, yet those launched are reaching a scale where efficiency advantages are evident. The expansion into non-grocery segments also unlocks significant market areas, as shown by the recent agreement with pharmacy business McKesson Canada.

What is striking, though, is the market's current disinterest in many of these businesses. To us, this is creating an apparent and attractive valuation abnormality.

The valuation opportunity

Based on our analysis, small-cap equities look at historically cheap levels relative to large (e.g. S&P100 vs. S&P600, price divided by 10-year average earnings), reversing a decade-plus trend. The prevailing narrative attributes this reversal almost exclusively to central banks aggressively hiking interest rates. Further, we have heard suggestions that the higher interest rates and accompanying increase in the cost of capital are prohibitive to investing in early-stage companies. It's assumed that when interest rates go up, early-stage smaller companies will be less attractive to investors who will want to put their money into investments which offer greater short-term certainty.

We question, however, whether this relationship is as simple or robust as many would have you believe.

Partly, our thinking is formed by looking at previous interest rate increases and the subsequent performance of US small caps in the aftermath. Historically, small-cap investing has worked in periods of higher central bank rates. While the aggressiveness of today's hikes may be unusual, the actual numbers are far from it. In similar conditions, historically, shares in smaller companies have prospered (e.g. Russell 2000 returns in the three years following rate increases in 1986, 1994 and 2004).

So, higher rates are not in and of themselves terminal to smaller companies investing. Therefore, today's singular narrative that this alone has led to the recent downward adjustment of valuation multiples by the market looks hasty. In many ways, we understand this since people often reach for simple heuristics when confronted with complex situations, but to do so misses the nuance of what is happening today.

Instead of myopically looking at one factor, we'd argue that a confluence of stressors has prompted the current volatility. The cumulative shocks of a pandemic, inflationary pressures, and yes, a monetary pivot as central banks have raised interest rates, but also escalating geopolitical tensions and not being able to pinpoint where we are within the economic cycle have led to a paralysed and shell-shocked market psyche.

Amid this much uncertainty, investors' horizons have shrunk to the point that they are unwilling, or perhaps unable, to consider organisational developments or proposition enhancements at a company that do not positively impact returns in the next 12 to 18 months.

The result of the market's presently short horizons is a bifurcated approach to growth. We've observed that companies are rewarded when a company's growth carries near-term momentum, a degree of linear predictability, and immediately profitable economics. Given the strong product positioning and highly recurring business models, we would include our more commercially developed holdings, such as the aforementioned MercadoLibre, Axon and CyberArk, as broadly fitting such criteria.

But where a significant component of a company's growth opportunity resides further out and hinges on further strategic progress, we see a repeating pattern of the market, giving it little to no credit in the current environment. ONT is one example, but the portfolio contains many names that fit this description, such as Beam Therapeutics, Novocure, Schrodinger, and Sprout Social. Hence, we've actively reallocated capital from those commercially more developed holdings, which we believe are approaching fair value, into these earlier, pronouncedly under-valued opportunities.

As long-term investors, we typically consider a company's relevance over at least five years. We are used to having a longer horizon than most, but we cannot remember when it felt this extreme. Being a long-term investor in small, growing, disruptive businesses feels powerfully contrarian in a novel and exciting fashion.

Ultimately, this will pass. We will return to an environment that is more sensible of the underlying worth of the company. In the meantime, we endeavour to capitalise on the enticing opportunities available right now, which will benefit clients for the years ahead.

2024: An exciting year of unlocks

Despite the positive steps by many holdings, overall, 2023 has been another slightly bruising year. Annual performance is disappointing and does not reflect what we intend to deliver to clients. Yet, to be clear, we're emerging with a clear sense of hope and optimism. There are signs of movement in the battle with inflation, that the measures that have been so painful for equity markets may finally have the desired effect. Recent better-than-expected US inflation data and a possible path toward US Federal Reserve rate cuts in 2024 provide cautious optimism. Ultimately, this will take care of itself and is beyond our control. What we can control, however, is the calibre of the portfolio and the nature of the opportunities contained. Here, we're hugely excited about what's to come. We are entering an influential year or two with significant events or catalysts for many established holdings.

For Discovery, however, the engine room of growth should always be holdings making operational advancements which unlock elements of the investment case. In this regard, 2024 has the potential to be a bumper, fascinating year. We look forward to Alnylam continuing the development of its clinical pipeline, notably a study in transthyretin amyloid cardiomyopathy (a cause of heart failure in older adults) reports early in 2024. Success here significantly expands the label approval of a drug already in the market. It is also due to report on a phase 2 study in hypertension later in 2024, tackling a much larger patient population than any of its existing treatments. It will also be a significant year for Ambarella, the edge artificial intelligence (AI) semiconductor company, as it rolls out its full-stack autonomous driving system. It's betting automakers will value its white-labelled, flexible approach relative to the more regimented offerings from competitors such as Mobileye. This represents an ambitious attempt by a small, innovative company to use years of knowledge in vision processing to tackle the considerable obstacles of autonomous driving. Finally, we see a significant opportunity for LiveRamp, with the phasing out of cookies, to assume a critical role as the consumer identifier of choice for digital advertising. It's conducting beta testing to assist Google with this process. LiveRamp's strategic value would significantly increase if this became a permanent partnership.

We could go on, but the point is that we're enthused about what operational developments are on the horizon for much of the portfolio. Given the currently attractive valuations, this is a potent and potentially rewarding combination. We recognise clients have worn much pain to this point and are grateful for this patience and tolerance, but we believe the probabilities of long-term attractive returns now look tilted in our favour.

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	9.2	7.3	1.9
1 Year	-2.5	10.8	-13.3
3 Year	-20.4	6.2	-26.6
5 Year	2.9	10.3	-7.4
Since Inception	5.4	7.6	-2.2

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	14.0	12.1	1.9
1 Year	3.4	17.4	-14.1
3 Year	-22.2	3.8	-26.0
5 Year	3.0	10.3	-7.4
Since Inception	5.1	7.3	-2.2

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	9.3	7.4	1.9
1 Year	-0.1	13.4	-13.6
3 Year	-19.5	7.4	-26.9
5 Year	3.7	11.1	-7.4
Since Inception	5.6	7.8	-2.2

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	11.2	9.3	1.9
1 Year	0.6	14.3	-13.7
3 Year	-21.3	5.0	-26.3
5 Year	2.2	9.6	-7.3
Since Inception	5.4	7.6	-2.2

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	7.9	6.0	1.8
1 Year	2.7	16.7	-14.0
3 Year	-19.0	8.1	-27.1
5 Year	3.6	11.0	-7.4
Since Inception	7.0	9.2	-2.2

Annualised periods ended 31 December 2023. 3 Month & 1 Year figures are not annualised.
Inception date: 30 June 2017
Figures may not sum due to rounding.
Benchmark is MSCI ACWI Small Cap Index.
Source: Revolution, MSCI.
The Worldwide Discovery composite is more concentrated than the MSCI ACWI Small Cap 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 (%)	30.8	75.1	-21.6	-34.0	-2.5
Benchmark (%)	20.4	13.2	17.6	-8.0	10.8

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 (%)	36.0	80.6	-22.3	-41.4	3.4
Benchmark (%)	25.2	16.8	16.5	-18.3	17.4

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 (%)	38.5	65.7	-16.4	-37.5	-0.1
Benchmark (%)	27.5	7.2	25.4	-12.9	13.4

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 (%)	29.2	77.5	-23.0	-37.1	0.6
Benchmark (%)	18.9	14.8	15.5	-12.3	14.3

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 (%)	36.2	64.6	-17.6	-37.1	2.7
Benchmark (%)	25.4	6.4	23.7	-12.4	16.7

Benchmark is MSCI ACWI Small Cap Index.
Source: Revolution, MSCI.
The Worldwide Discovery composite is more concentrated than the MSCI ACWI Small Cap Index

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2023

Stock Name	Contribution (%)
MarketAxess	0.8
Ocado	0.7
Twist Bioscience	0.7
Axon Enterprise	0.6
Schrodinger	0.5
Zillow	0.4
CyberArk	0.4
Upwork	0.4
MercadoLibre	0.3
JFrog	0.3
STAAR Surgical	-0.9
Appian	-0.8
Genmab	-0.6
Alnylam Pharmaceuticals	-0.3
Cardlytics	-0.2
Ceres Power	-0.2
Novocure	-0.2
ShockWave Medical	-0.2
Oxford Nanopore Technologies	-0.2
Exact Sciences	-0.1

One Year to 31 December 2023

Stock Name	Contribution (%)
Zillow	1.2
Schrodinger	1.1
Exact Sciences	1.1
MercadoLibre	1.1
Axon Enterprise	1.0
CyberArk Software	0.7
Twist Bioscience	0.7
Aerovironment	0.6
LiveRamp	0.5
JFrog	0.5
Novocure	-3.7
Alnylam Pharmaceuticals	-3.2
STAAR Surgical	-1.6
Chegg	-1.2
Genmab	-1.2
Kingdee International Software Group	-1.0
Oxford Nanopore Technologies	-0.7
Trupanion	-0.7
Abcellera Biologics	-0.6
Ambarella	-0.6

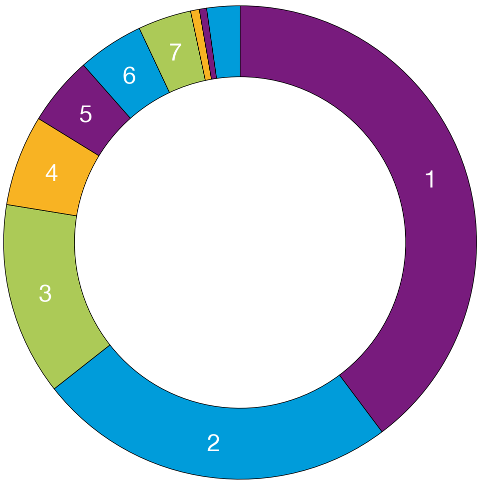
Source: Revolution, MSCI. Worldwide Discovery composite relative to MSCI ACWI Small Cap Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions 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
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	7.5
Zillow	US online real estate services	4.7
Ocado	Online grocery retailer and technology provider	4.5
MarketAxess	Electronic bond trading platform	4.5
Schrödinger	Biopharmaceutical & technology company	3.9
Axon Enterprise	Law enforcement equipment and software provider	3.7
Exact Sciences	Non-invasive molecular tests for early cancer detection	3.7
Oxford Nanopore Tech	Biotech company	3.6
AeroVironment	Small unmanned aircraft and tactical missile systems	3.0
Sprout Social	social meadia management firm	2.6
Total		41.8

Figures may not sum due to rounding.

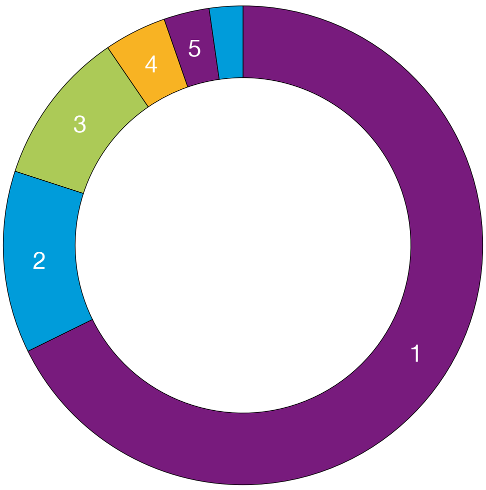
Sector Weights



		%
1	Health Care	39.8
2	Information Technology	24.6
3	Industrials	13.2
4	Financials	6.2
5	Real Estate	4.7
6	Consumer Staples	4.5
7	Consumer Discretionary	3.6
8	Communication Services	0.6
9	Materials	0.5
10	Cash	2.3

Figures may not sum due to rounding.

Regional Weights



		%
1	North America	67.7
2	UK	12.3
3	Emerging Markets	10.4
4	Developed Asia Pacific	4.2
5	Europe (ex UK)	3.1
6	Cash	2.3

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	7	Companies	3	Companies	None
Resolutions	67	Resolutions	3	Resolutions	None

The engagement meetings this quarter have focussed on corporate governance.
Our recent research has included several companies related to the energy transition.

Company Engagement

Engagement Type	Company
Environmental	AeroVironment, Inc., Ambarella, Inc., Appian Corporation, Axon Enterprise, Inc., BlackLine, Inc., Cellectis S.A., Codexis, Inc., DLocal Limited, JFrog Ltd., NovoCure Limited, Progyny, Inc., QuantumScape Corporation, Twist Bioscience Corporation
Social	M3, Inc.
Governance	AeroVironment, Inc., BlackLine, Inc., Codexis, Inc., NovoCure Limited, QuantumScape Corporation, Zuora, Inc.

Votes Cast in Favour

Companies	Voting Rationale
Cellectis, Cellectis ADR, Fiverr Intl, Genus, LivePerson Inc, Renishaw, iRobot	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Cellectis	MIX 12/22/23	6	We voted against this pro-forma resolution in line with management's recommendation. There is a legal obligation under the French Commercial Code for companies to propose retirement-account share purchase plans at a discount for employees. However, this plan is currently not included within the framework of the Company's existing employee stock-based compensation policy.
Cellectis ADR	Special 12/22/23	6	We voted against this pro-forma resolution in line with Management's recommendation. There is a legal obligation under the French Commercial Code for companies to propose retirement-account share purchase plans at a discount for employees. However, this plan is currently not included within the framework of the Company's existing employee stock-based compensation policy.
Fiverr Intl	Annual 10/25/23	2	We opposed the resolution which sought authority to increase the authorised share capital because the potential dilution levels are not in the interests of shareholders and specific need for such an increase was not demonstrated.

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
Aehr Test Systems	Aehr Test Systems develops and sells testing equipment to the semiconductor industry. Its unique wafer-level testing solution enables early detection of faulty transistors and reduces the cost and time wasted packaging these into modules. Aehr's solution is particularly well suited to the growing silicon carbide industry, where yields remain relatively low, and Aehr has already seen traction with some leading players in the space. We are intrigued by the potential for Aehr to become the de facto standard in testing silicon carbide. In addition, there is scope in time for Aehr to leverage the technology across multiple markets, which are equally exciting - including silicon photonics, memory devices and gallium nitride power devices.
American Superconductor Corp	American Superconductor Corp specialises in designing and manufacturing power systems and superconducting wire. Whilst the company has had mixed fortunes operating in the wind turbine industry over the past decade, consistent investment in R&D has laid the ground for sizeable new opportunities to emerge in naval power systems and renewable grid infrastructure.
dLocal	dLocal is a payment processor company with a focus on emerging markets, notably Latin America and MENA. Cross-border e-commerce in these regions is fraught with challenges - most payments are local, credit card fraud is rampant, and the regulatory and tax landscape is constantly evolving. dLocal solves a significant pain point for global merchants wishing to do business in these markets. It enables them to receive money from customers and send money to suppliers across the fragmented local payments landscape through a single point of integration, rather than multiple country-by-country connections with local banks and acquirers. It already counts leading global merchants like Netflix, Didi, Spotify and Google as customers. Penetration of e-commerce across emerging markets remains low, creating a long runway for growth. As the first mover in these geographies, dLocal might be well placed to benefit as such secular growth drivers play out over time.

Complete Sales

Stock Name	Transaction Rationale
BASE	The recent growth rates from BASE, a provider of e-commerce services to Japanese SMEs, have been poor. While some of this reflects the normalisation of spending patterns post-COVID, it likely also reflects a more competitive market dynamic. The company has started experimenting with different revenue models to help re-invigorate the business, alongside growing its payments-focused activities. With the equity rating currently reflecting a return to pre-Covid growth rates and an impending swing to profitability, we see limited upside in retaining the position; hence, we sold the shares.
Everbridge	We sold the holding in Everbridge, a provider of critical event management tools to corporations, as we had decreased confidence in the company's ability to deliver superior growth in the future. Management change, salesforce disruption, and a maturing product offering have combined to restrict the company's delivered growth of Everbridge, regarding revenue and profits. While some efforts have been taken to address these challenges, we think their impacts will persist, limiting customer growth and new companies signing up to Everbridge.
LendingTree	Our case for Lending Tree was based on its potential to be an important intermediary for households looking for a wide range of financial products. While they have made some progress, they have not fulfilled the potential we saw in the model, and acquisitions have increased the business's risk profile. Given our investment thesis had been undermined, we sold the holding.
LivePerson Inc	We sold the small holding in Liveperson following a review of our smaller positions. By providing automated, asynchronous messaging services to companies, we had hoped that Liveperson could carve out a strong position as consumer-centric companies updated their customer service functions from legacy voice-based call centres. Execution by the company has been poor, and this has been compounded by some sub-optimal M&A activity that has created both distraction and balance sheet stress. More recently, the arrival of Chat-GPT functionality created a long-term risk to the company's competitive moat. Liveperson's competitive advantage stems from its database of resolved customer enquiries; it's unclear how much of this could be rapidly unpicked through sophisticated Local-Language-Models (LLMs) trained on appropriate content.
Rightmove	We sold the position in Rightmove, the dominant UK residential property portal, as we felt the growth potential was adequately captured in the valuation. With such a dominant position, Rightmove has become overly dependent upon price increases to drive growth in recent years. While we sense that the product still represents good value to the real estate agents who subscribe to Rightmove, for it to deliver the type of growth we require, we believe it would have to experiment around commercialisation and monetisation, something we sense it's reluctant to do meaningfully.

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