

Baillie Gifford™

Pan Europe Quarterly Update

30 June 2024



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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

Pan European Equities is a regional equity strategy that aims to generate positive long-term total returns through investment in European equities. We believe the European equity markets offer active managers a broad selection of high-quality companies capable of delivering attractive and sustainable earnings growth for shareholders.

Risk Analysis

Key Statistics

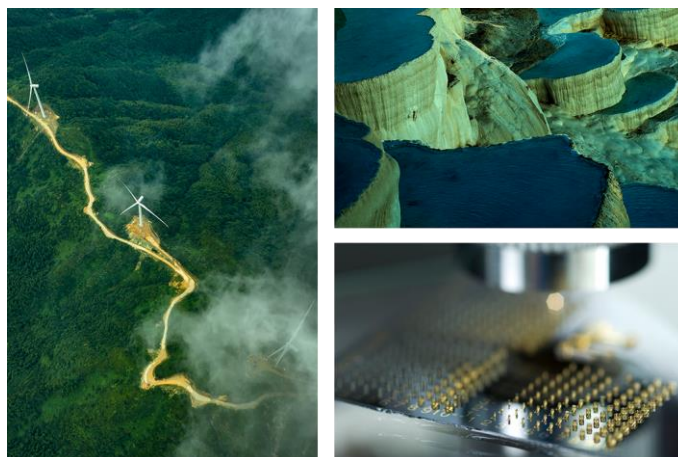
Number of Holdings	48
Typical Number of Holdings	30-50
Active Share	88%*
Rolling One Year Turnover	25%

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

The portfolio underperformed in the second quarter of 2024 due to share price weakness in some large holdings

In investment, it is important to discern between perception and reality. This is something recent performance and a trip to Poland have reinforced

The outlook for European growth investing looks strong. Secular growth, cyclical tailwinds and cheap valuations are combining to present an attractive cocktail



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

Perception Versus Reality

One of our favourite mental models is “the map is not the territory”. It reflects that one’s perceptions are unlikely to match reality. This mental model is so relevant to financial analysis. In the same way that maps are reductions of an actual territory, a discounted cash flow model, and all its inputs, are reductions of a company’s reality and prospects. It’s worth reminding yourself of this when some of our large holdings suffer sharp drawdowns, as happened to the portfolio in the second quarter of 2024 and which drove underperformance.

Results, comments, and guidance over the quarter from ultra-low-cost airline Ryanair, payments processor Adyen, and bioprocessing equipment manufacturer Sartorius Stedim spooked the market, sending their share prices tumbling. When you look at the headlines, you can understand why. Ryanair revised its outlook for airfare growth over the summer. Adyen’s results showed a decline in its take rate. While volatility in orders has prevented Sartorius Stedim from producing sequential improvements in its book-to-bill ratio. The easy extrapolation from these headlines is that these trends are going to persist and therefore, the companies look less valuable. As we know though, the map is not always the territory. In Ryanair’s case, even if we assume no growth in fares over the summer, they are still meaningfully higher than pre-pandemic. Further, it has grown capacity at a time when its competitors cannot lease any additional capacity, supporting share gains and medium-term pricing power. Adyen’s weaker take rate is related to scaling a large new customer, Cash App, which will support volume growth going forward, while its ability to charge a premium take rate remains intact given its superior product relative to peers. Meanwhile, Sartorius Stedim's recovery might have been delayed in the near term, but the long term looks far brighter. The growth of biologic drugs is set to outpace broad pharmaceuticals growth for many years, something that will require more bioprocessing machines and consumable equipment. As a market leader in the provision of this equipment, Sartorius Stedim can disproportionately benefit from this growth.

The best way to get a grasp of the territory is to get out and meet companies on their home turf. With that in mind, team members headed out to Poland in the second quarter.

Poland: a hunting ground for growth

In the early 2010s, the Polish government ran an advertising campaign with the headline: “What will you say when your child asks: why didn’t you invest in Eastern Poland?”. Many laughed at the time, but Poland’s striking economic success since the fall of communism is no joke. Since 1990, Poland’s GDP per capita has expanded at nearly eight per cent per annum to \$23,014—more than half the EU average. By the end of the decade, the Polish economy is expected to be as large as those of developed markets like Spain or Italy. With its success come a variety of exciting growth companies, many of which are little-known outside Poland.

One of the first things we noticed in Warsaw was the number of construction projects underway. Tramlines were being extended, roads were being repaired, and dreary communist-era blocks were being refurbished and given attractive new façades. According to one CEO we met, Poland is now the “largest building site in Europe.” This is partly because of rising incomes and public investment, but there’s also a near-term driver in the form of EU subsidies, which are being used to upgrade Poland’s infrastructure. Poland’s growth has attracted multinational companies to set up shop there. Amazon launched a dedicated site in 2021, while numerous tech companies have sought to take advantage of talented, and cheap, developers and engineers by opening offices in Warsaw and elsewhere. Despite this influx of Western influence, homegrown Polish champions have achieved formidable market positions across a range of industries, bucking trends we have seen elsewhere.

We have held the e-commerce marketplace Allegro since its Initial Public Offering (IPO) in 2021. With the market growing and e-commerce penetration just 15 per cent of total retail sales, it’s no wonder why the likes of Amazon, Shopee and Shein have sought to apply the models which have made them successful elsewhere to the Polish market. Logically, these well-funded Goliaths should crush the competition of Allegro. However, much like the shepherd David, Allegro has proved impervious to the overtures. Allegro is so entrenched in Poland. It has roughly the same market share Amazon has in the US at 40 per cent and one in every two Poles is a customer. Its loyalty program, Smart! has over five million members and it has spread its product offering to include a ‘buy now, pay later’ service, Allegro Pay, which

merchants love because it has a 1.35 times multiplier effect on consumer spending. A trip to the territory helps you appreciate their dominance. Warsaw is littered with InPost lockers into which you can see countless Allegro packages being delivered before being picked up by consumers via a few taps on an app. Old habits clearly die hard, to the detriment of new entrants. The perception that Allegro's market share will crumble still dogs the valuation but our trip to Poland gives us even more confidence that perception does not represent reality.

It's not just in e-commerce that shopping habits are changing, changes are underway in physical retail too. Poland is experiencing an explosion in grocery store chains. While supermarkets have been the norm in Western Europe for decades, Polish consumers have traditionally shopped at small, independent grocers and butchers. These businesses are now giving way to supermarkets, partly because young Poles are reluctant to take them over from their parents, but mostly because small businesses lack the economies of scale to offer the bargain prices that Polish consumers demand. We've been following the discount supermarket Dino Polska for some time and have been impressed by its extraordinary rate of store expansion—it opens a new store almost every day—and its ability to reinvest cash at consistently high rates of return. Meeting Dino and its larger competitor, Biedronka, allowed us to compare the two companies side by side. While both are impressive businesses run by excellent management teams, they have slightly different strategies: Biedronka fights with Lidl for market share in the cities, while Dino focuses on the countryside, opening stores in locations that are too rural to support a competitor. The perception that had kept us from taking a position earlier was that it would soon run out of room for further expansion. However, our visit and our meetings helped us understand the reality that even its home region is far from fully from fully penetrated. The store expansion opportunity has a long runway and could even include international expansion in time. Meeting Dino on the ground was the catalyst to get us over the line on the investment case and we were pleased to take a new holding for the portfolio in June.

Poland's journey from Soviet satellite to a high-income democracy is a European success story. While European investors are frequently drawn to the high-tech manufacturers, biotechs, and luxury

houses found in Western Europe, growth comes in all shapes and sizes, and Poland's rapid economic development offers fertile hunting ground for underappreciated growth companies. Perhaps the child in the 'invest in Eastern Poland' campaign was onto something.

Outlook

Despite underperforming in the second quarter, we continue to believe that the winds are blowing in the portfolio's favour. Secular growth, cyclical growth and valuations are aligning.

Over the long term, secular growth will propel companies addressing friction in society to exceptional returns. One of the newest holdings, Novo Nordisk, is pioneering a solution to obesity and its associated comorbidities, a market which could be worth more than \$100bn annually. ASML's lithographic systems are enabling the development of ever more advanced semiconductor chips, and demand for those chips could mean that chip sales reach \$1tn per year by 2030. Meanwhile, Nexans is manufacturing and delivering high voltage cables to connecting offshore wind farms to electricity grids; a record \$59bn was committed for offshore wind projects in 2023 as governments hit the accelerator on meeting climate goals. The diverse range of secular trend exposures should provide large market opportunities for the portfolio which we believe will be reflected in long-term performance.

We are at a cyclical inflection point which should benefit growth companies in Europe. Scars from the Covid period are healing with inflation now much more benign, European households' disposable income has risen and wage growth is expected to continue in the near term. Businesses are seeing demand for their products return after a very weak 2023 and this has been visible in companies' reporting in 2024. However, these inflection points are yet to be factored into valuations for the types of growth opportunities we typically find, particularly those in the small and mid-cap reaches of the index.

With these three features aligning, the outlook for long-term returns from this portfolio looks strong. That the market is yet to fully realise this reflects our opportunity. In equity markets, the territory eventually overwhelms the map and reality overwhelms perception when the evidence becomes too much to ignore. We believe that evidence is building.

Performance Objective

+2-3% p.a. gross of fees 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	-0.8	0.9	-1.6
1 Year	5.2	13.0	-7.8
3 Year	-10.0	7.7	-17.7
5 Year	2.0	7.9	-5.9
10 Year	5.9	8.0	-2.1
Since Inception	6.3	8.3	-2.0
USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-0.7	0.9	-1.6
1 Year	4.6	12.4	-7.7
3 Year	-12.7	4.5	-17.2
5 Year	1.8	7.8	-5.9
10 Year	2.8	4.8	-2.0
Since Inception	4.3	6.3	-2.0
EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	0.1	1.7	-1.6
1 Year	6.5	14.4	-7.9
3 Year	-9.7	8.1	-17.8
5 Year	3.1	9.1	-6.0
10 Year	5.3	7.4	-2.1
Since Inception	6.3	8.3	-2.0
CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	0.4	2.0	-1.6
1 Year	8.2	16.2	-8.0
3 Year	-9.7	8.1	-17.8
5 Year	2.8	8.8	-6.0
10 Year	5.4	7.4	-2.1
Since Inception	7.3	9.3	-2.0
AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	-3.0	-1.4	-1.6
1 Year	4.3	12.0	-7.7
3 Year	-9.2	8.7	-17.9
5 Year	2.9	8.8	-6.0
10 Year	6.4	8.5	-2.1
Since Inception	8.5	10.6	-2.0

Annualised periods ended 30 June 2024. 3 Month & 1 Year figures are not annualised.

Inception date: 30 April 2013

Figures may not sum due to rounding.

Benchmark is MSCI Europe Index.

Source: Revolution, MSCI.

The Pan Europe composite is more concentrated than the MSCI Europe 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 (%)	13.1	34.0	-39.2	13.8	5.2
Benchmark (%)	-3.5	21.5	-5.6	17.1	13.0
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 (%)	9.8	49.8	-46.5	19.1	4.6
Benchmark (%)	-6.3	35.8	-17.0	22.6	12.4
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 (%)	11.3	41.9	-39.3	14.1	6.5
Benchmark (%)	-5.0	28.6	-5.9	17.5	14.4
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 (%)	14.4	36.2	-44.3	22.2	8.2
Benchmark (%)	-2.4	23.5	-13.6	25.8	16.2
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 (%)	11.9	37.4	-41.6	23.0	4.3
Benchmark (%)	-4.5	24.6	-9.4	26.7	12.0

Benchmark is MSCI Europe Index.

Source: Revolution, MSCI.

The Pan Europe composite is more concentrated than the MSCI Europe Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 30 June 2024

Stock Name	Contribution (%)
Hypoport	1.0
Schibsted	0.7
Prosus	0.4
Avanza Bank	0.4
Spotify Technology	0.4
Allegro.eu	0.3
Atlas Copco	0.3
Softcat	0.3
Airbus	0.2
Games Workshop	0.2
Sartorius Stedim Biotech	-1.2
Ryanair	-0.8
Adyen	-0.7
IMCD Group	-0.5
Moncler	-0.4
AutoStore	-0.3
Evotec	-0.3
Dassault Systemes	-0.3
AstraZeneca	-0.3
Renishaw	-0.3

One Year to 30 June 2024

Stock Name	Contribution (%)
Schibsted	2.4
Spotify	1.7
Hypoport	1.6
Adevinta	1.2
Nestle	0.7
Lonza	0.6
Reply Spa	0.5
Atlas Copco	0.5
EQT	0.5
LVMH	0.4
Novo Nordisk	-1.4
Sartorius Stedim Biotech	-1.2
Kering	-0.9
Farfetch	-0.9
DSV	-0.9
Adyen	-0.9
Evotec	-0.9
Soitec	-0.9
AUTO1	-0.8
HelloFresh	-0.8

Source: Revolution, MSCI. Pan Europe composite relative to MSCI Europe Index.

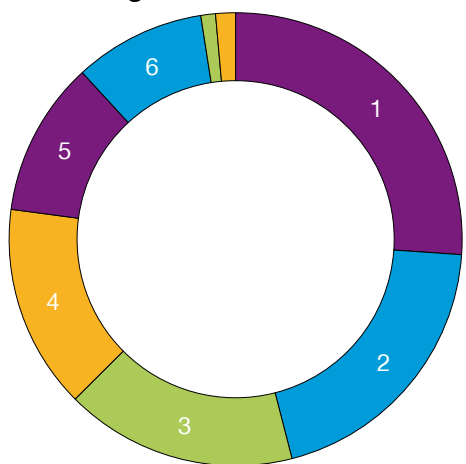
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the portfolio's performance and a description on how the attribution is calculated 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
Hypoport	Provides technology-based financial products and services	4.9
Prosus	Portfolio of online consumer companies including Tencent	4.3
Schibsted	Media and classifieds advertising platforms	3.9
ASML	Semiconductor equipment manufacturer	3.8
Games Workshop	Manufacturer and retailer of table top wargames and miniature figurines	3.5
Topicus.com	Acquirer of vertical market software companies	3.5
Atlas Copco	Manufacturer of industrial compressors	3.5
DSV	Freight forwarder	3.2
Reply	IT consulting and systems integration provider	3.1
Ryanair	European low-cost airline	3.1
Total		36.8

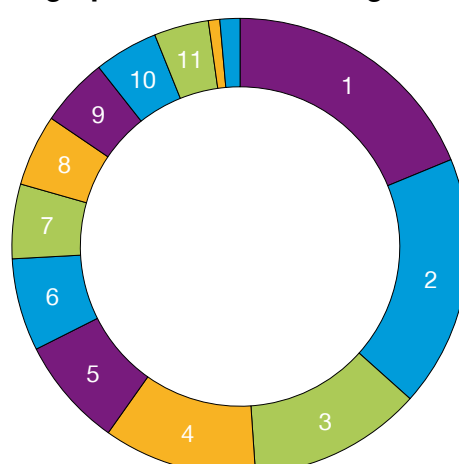
Totals may not sum due to rounding.

Sector Weights



	%
1 Industrials	26.1
2 Information Technology	19.9
3 Consumer Discretionary	16.5
4 Financials	14.6
5 Health Care	11.1
6 Communication Services	9.4
7 Consumer Staples	1.0
8 Cash	1.4

Geographical Location Weights



	%
1 Sweden	18.8
2 Netherlands	17.8
3 UK	12.3
4 France	10.9
5 Switzerland	7.8
6 Denmark	6.6
7 Ireland	5.3
8 Italy	5.1
9 Germany	4.9
10 Norway	4.5
11 Poland	3.9
12 Luxembourg	0.8
13 Cash	1.4

Totals may not sum due to rounding

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	32	Companies	9	Companies	4
Resolutions	676	Resolutions	31	Resolutions	6

Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., Beijer Ref AB (publ), Ryanair Holdings plc
Social	Adyen N.V., Ryanair Holdings plc
Governance	Adyen N.V., AutoStore Holdings Ltd., Avanza Bank Holding AB (publ), Beijer Ref AB (publ), Camurus AB (publ), Compagnie Financière Richemont SA, Dassault Systèmes SE, Epiroc AB (publ), Exor N.V., IMCD N.V., Kering SA, Ryanair Holdings plc, Schibsted ASA
Strategy	Adyen N.V., Avanza Bank Holding AB (publ), Beijer Ref AB (publ)

Company	Engagement Report
Adyen	<p>Objective: This quarter, we held two meetings with Adyen's sustainability team and chief financial officer. One focused on our ongoing climate engagement, specifically on Adyen's emissions reduction targets and downstream emissions progress. In the second meeting, we provided input into Adyen's materiality exercise to identify the most significant ESG issues for the business.</p> <p>Discussion: Regarding climate, we encouraged Adyen to take a bottom-up approach to target setting. It is taking a thoughtful approach, and we hope to see targets soon. Disappointingly, it has rolled back its work on engaging customers on emissions after seeing little demand for its offset at the point of payment trial. We suspect this has also been influenced by the criticism it received for previously offering low-quality offsets through the consultant Southpole.</p> <p>This was the second year we provided an investor perspective on Adyen's ESG materiality exercise. We were encouraged to see the company respond to the feedback we offered last year. The backdrop to this request is the EU's latest sustainability disclosure regulation, the Corporate Sustainability Reporting Directive (CSRD), which requires companies to assess and prioritise ESG issues for reporting purposes against the two dimensions of impact (defined as 'how the company affects people and the environment') and financial materiality (described as 'effects that flow through to the company's bottom line'). CSRD introduces complex and onerous reporting requirements, so we were eager to understand how internal processes have adapted in response.</p> <p>Outcome: Our climate engagement improved our knowledge of Adyen's emissions reduction approach, and we provided the company with guidance on what we think is best practice. We welcome the opportunity to continue supplying Adyen with our input in their CSRD materiality exercise.</p>
Beijer Ref	<p>Objective: We conducted an in-depth discussion with the chief executive officer to improve our understanding of the company's sustainability initiatives and leadership in natural refrigerants, which could offer an edge and first-mover advantage. Beijer Ref is an HVAC and refrigeration distributor, and sustainability tailwinds form part of the investment case. F-gas regulation speeds up equipment replacement cycles as part of the transition to natural refrigerants, which offer a substantially lower emissions profile. We also discussed the integration of recent acquisitions in the US.</p> <p>Discussion: Beijer Ref is proactively addressing the bottlenecks to adopting natural refrigerants by offering training to installers and educating its customer base. Due to its broad scope and ambition, it believes efforts in this area are differentiated from others in the market. The training covers all branded products it distributes, the full spectrum of natural refrigerants, and is available to all (ie not just existing customers). Beijer Ref supports the transition to natural refrigerants in its regional markets by ensuring they can access the parts required for ongoing maintenance and repair. It is a decentralised business, but its 'centres of excellence' spread specialised knowledge on natural refrigerants and green technology across the firm. It currently has one of these in Italy but is in the process of setting up additional centres in Australia and the US. We also learned that the integration of Heritage Distribution in the US has gone well and has provided a platform for two additional acquisitions in the region.</p> <p>Outcome: We gained additional insight into Beijer Ref's proactive approach to supporting the transition to natural refrigerants in cooling technology, including its differentiated training offering. This is important as it offers the potential to grow its total addressable market by speeding up equipment replacement cycles.</p>

Company	Engagement Report
Kering	<p>Objective: Following recent challenges faced by its flagship brand, Gucci, we met with Kering's chief executive officer, François-Henri Pinault, and chief financial officer to gain reassurance on the company's growth runway and to understand succession plans.</p> <p>Discussion: While there are positive aspects related to brand resilience and the potential growth of other brands, the company is currently facing significant challenges, including sales decline, transition challenges and succession uncertainty. Gucci's declining sales in recent quarters have been attributed to both internal and external factors, such as a weak Chinese market and the transition to new collections by Sabato De Sarno. We discussed leadership's focus on elevating Gucci's brand through the Ancora collection, avoiding price reductions to maintain brand integrity, and improving inventory management. Having Francesca Belletini, deputy chief executive officer of the group, spend two days a week at Gucci highlights a hands-on approach to addressing the brand's challenges. Additionally, Pinault's candid discussion on succession planning revealed a forward-looking perspective on leadership transition.</p> <p>Outcome: Since we first purchased Kering in 2008, the company has demonstrated resilience and strategic foresight, showcasing the enduring appeal of luxury even in challenging times. The company is in the midst of a 12-18 month transition period for Gucci, and the full impact of this strategy will take time to unfold.</p>

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Reply Spa	AGM 23/04/24	4A	Italian governance allows shareholders to submit 'slates' of directors for election at the AGM. We voted in favour of the 'slate' proposed by the controlling shareholder as it contained most of the incumbent board and, we therefore, did not vote on the 'slate' proposed by minority shareholders. This is routine and non-contentious.
Reply Spa	AGM 23/04/24	7A	Italian governance allows shareholders to submit 'slates' of auditors for election at the AGM. We voted in favour of the 'slate' proposed by the controlling shareholder as it contained most of the current statutory auditors and we, therefore, did not vote on the 'slate' proposed by minority shareholders. This is routine and non-contentious.
Companies	Voting Rationale		
ASML, Adyen NV, Allegro.eu, Assa Abloy 'B', Atlas Copco B, AutoStore Hdgs, Avanza Bank Holding, Beijer Ref, CRISPR Therapeutics, Camurus, Dassault Systemes, EQT, EXOR, Epiroc B, Eurofins, Evotec, Hypoport, IMCD Group NV, Kering, Kingspan Group, Kinnevik, LVMH, Mettler-Toledo, Moncler, Nexans, Reply Spa, Rightmove, Schibsted B, Spotify Technology SA, Topicus.Com Inc, Vostok New Ventures, adidas	We voted in favour of routine proposals at the aforementioned meeting(s).		

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
CRISPR Therapeutics	Annual 30/05/24	11	We opposed the resolution to approve an increase to the company's capital band as we believe the request to be excessive and not aligned with shareholders' best interests.
CRISPR Therapeutics	Annual 30/05/24	14	We opposed this resolution as the content of issues that might arise cannot be known at this time.
CRISPR Therapeutics	Annual 30/05/24	5a-5d	We opposed four resolutions to elect a director to the Compensation Committee because of concerns with executive pay.
CRISPR Therapeutics	Annual 30/05/24	8	We opposed the resolution to approve an increase in conditional capital for employee equity plans as we believe the request to be excessive and not aligned with shareholders' best interests.
Dassault Systemes	MIX 22/05/24	17-22	We opposed six resolutions on delegation of authority to the board to conduct mergers and related activities. We do not believe it is in the best interests of shareholders to delegate authority on these matters.
Dassault Systemes	MIX 22/05/24	6, 8-10	We opposed four resolutions relating to executive compensation due to concerns with the complexity of variable compensation.
Eurofins	MIX 25/04/24	9	We opposed the remuneration policy as we do not believe the performance conditions attached to the new long-term incentive award are sufficiently stretching.

Company	Meeting Details	Resolution(s)	Voting Rationale
Evotec	AGM 10/06/24	2.1	We opposed the ratification of the acts of the former CEO, Werner Lathaler, for the past fiscal year, due to concerns relating to an ongoing investigation regarding purported actions carried out by him during his tenure.
EXOR	AGM 28/05/24	10	We opposed the remuneration report due to the discretionary cash payments made to the former and current chairs, which are not accompanied by a convincing rationale.
EXOR	AGM 28/05/24	50	We have opposed the remuneration policy due to concerns over the uncapped discretion to make off-cycle awards to directors. This decision is also based on the precedence of awarding such payments in the past.
LVMH	MIX 18/04/24	10-12, 14, 15	We opposed five resolutions relating to executive compensation. We continue to have concerns with a lack of disclosure of performance targets and believe better disclosure would allow shareholders to assess the stringency of target setting and ultimately the alignment between pay and performance. Furthermore, we are concerned by the company's lack of response to minority shareholder dissent to executive compensation at recent annual general meetings.
Companies		Voting Rationale	
CRISPR Therapeutics		We opposed the executive compensation as the company granted retention awards during the year which we do not believe are aligned with shareholders' best interests.	
Mettler-Toledo		We opposed the executive compensation as we do not believe the performance conditions are sufficiently stretching.	
Camurus, Kingspan Group		We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Beijer Ref	AGM 23/04/24	8.C	We abstained on the remuneration report due to a lack of disclosure of performance targets, which makes it difficult for shareholders to assess the ambition of targets or alignment of outcomes with performance.
Eurofins	MIX 25/04/24	E.2	We abstained on the resolution, which sought authority to increase the authorised share capital because the potential dilution levels are not in the interests of shareholders.
Reply Spa	AGM 23/04/24	100	We abstained on two resolutions relating to the remuneration policy due to a lack of disclosure.
Reply Spa	AGM 23/04/24	110	We abstained on the remuneration report due to a lack of disclosure.
Reply Spa	AGM 23/04/24	7B	Italian governance allows shareholders to submit 'slates' of auditors for election at the AGM. We voted in favour of the 'slate' proposed by the controlling shareholder as it contained most of the current statutory auditors and we, therefore, did not vote on the 'slate' proposed by minority shareholders. This is routine and non-contentious.

Company	Meeting Details	Resolution(s)	Voting Rationale
Schibsted	AGM 26/04/24	9.B	We abstained on the election of the director who chairs the remuneration committee to encourage greater transparency in the remuneration report.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
Lonza	We did not vote due to the practice known as "blocking" - the rules in some markets which restrict us from selling the shares during the period between the votes being cast and the date of the meeting.

New Purchases

Stock Name	Transaction Rationale
Ashtead	Ashtead is an equipment rental company operating predominantly in the US. We believe the business benefits from a structural shift towards increased rental penetration, underpinned by compelling economic and regulatory drivers. In addition, we see Ashtead as one of the leading consolidators in this very fragmented industry. We believe its scale and continued investments make it very hard for smaller mom and pop competitors to match the breadth and availability of its equipment offer and high value added services it provides to customers. We see scope for the company to double market share again over the next decade and do not believe this potential is reflected in the valuation.
Auto Trader	AutoTrader is the dominant advertising portal for second hand cars (but increasingly also new cars) in the UK whose consumer reach and engagement is many times larger than competitors. The bulk of its revenues will come from professional car 'retailers' - both franchises and smaller independents - who will pay a monthly fee to advertise their cars. AutoTrader is a 'must have' selling tool for car retailers and the natural 'go to' website for buyers. We think the business has very strong pricing power and should be able to deliver an attractive long-term profile of growing revenues and profits. Over the last couple of years, we have become more enthusiastic about AutoTrader as the company has been developing a suite of products enabling car dealers to sell, and consumers to buy, vehicles online. It is evolving from an advertising to a transaction platform. We think this embeds it even further within the auto ecosystem in the UK and allows it to address a much larger share of the customer wallet. We think this will underpin low double digit earnings growth over the medium-term which is not reflected in the current valuation.
Dino Polska	Dino Polska is a grocery store chain, focused on rural areas of Poland. It is expanding its store count rapidly and we believe it can continue to do so for around a decade, reinvesting its free cash flow at a high rate of return. It operates in areas where it faces little to no competition, and its format means it can operate in areas more sparsely populated than other discounters, creating a strong competitive advantage. Meanwhile the presence of the founder as its controlling shareholder gives us confidence that there is long-term alignment between the company and shareholders. Its valuation has come down recently, providing an opportunity to buy a company with a long growth runway at what we believe is a discounted price for the portfolio.
Experian	Experian provides credit information, data, software and analytical services to businesses and consumers. It enables businesses to form an opinion on the creditworthiness of potential customers and helps consumers to understand and improve their ability to borrow. It also protects its businesses and individual customers against fraud and identity theft threats. We see Experian as exceptionally well-placed to benefit from the inexorable trend towards the digitisation of all aspects of both consumer and corporate life. Over the past five years, the company has invested significantly in its innovation capabilities and is opening up a myriad of new growth opportunities as a result. We believe Experian will continue to enjoy a very long growth runway in its core markets in the US, the UK and Brazil.
Novo Nordisk	We have taken a new position in Novo Nordisk, a Danish pharmaceutical company. It has seen a recent rapid transformation from a steady compounding business focusing on diabetes care and clotting, to leading the way in GLP-1 weight-loss drugs. Its pioneering development of the medication Semaglutide could be transformational for millions of sufferers of metabolic diseases and, indeed, for the company itself. Semaglutide addresses a large, global market and it is being studied to see if it has use cases beyond obesity, including in renal and cardiac diseases. This grants Novo Nordisk a long and, potentially, very significant growth opportunity, something we believe it will execute on given the concentrated market structure, the long-term focus of the company and its culture of innovation. The stock has risen strongly in the past few years but the valuation is appealing to us on the basis that it continues its fast, profitable growth as this makes the multiple look attractive on a long-term view.

Vitec	We took a new holding in vertical market software (VMS) serial acquirer, Vitec, for the portfolio. VMS is specialised, mission-critical software for the industry a particular provider serves. While these businesses do not offer much of an organic growth opportunity, the fact that the VMS industry is so fragmented and cash generative gives serial acquirers like Vitec the opportunity to continually reinvest cash flows at high rates of return and generate strong inorganic growth. Despite having already produced an impressive 22% compound revenue growth rate over the past decade, Vitec is still in the early stages of its growth opportunity. It has only made acquisitions in the Nordics and the Netherlands thus far and over time will expand into other European geographies, meaning it still has a long runway of acquisition-led growth ahead of it. Its track record gives us confidence it can execute on this opportunity, as does its strong reputation which should make it an acquirer of choice for VMS companies.
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Complete Sales

Stock Name	Transaction Rationale
adidas	We have sold the position in German sportswear company, Adidas. In recent years, Adidas has endured tough times, stemming from matters including the conclusion of its Yeezy partnership with Kanye West, lost market share in China and cultural atrophy. A turnaround has begun under new CEO Bjorn Gulden and with early signs being positive, the valuation has risen and we have decided to use this as an opportunity to fund other ideas.
Delivery Hero	We have sold the position in online food delivery company Delivery Hero. Online food delivery has been a very competitive industry since its inception. This led companies like Delivery Hero to continually reinvest in expanding its geographic footprint and into new business lines, something which led to high market shares in many markets across the world. However, this investment has been at the expense of profitability and free cash flow generation, something which contributed to its significant share price fall in 2022 as the market regime shifted. Delivery Hero has pulled several levers to increase profitability and it looks on track to produce free cash flow in the coming year. While this is a positive, we note that it is still subject to irrational competitive behaviour in some of its markets as peers look to take market share. This highlights that, even in a changed environment, fierce competition will still be a factor and could depress long-term margins. Selling the position enabled us to re-allocate the capital to other ideas with more sustainable competitive advantages.
Evotec	Our investment case for Evotec was that it was a unique contract research organisation (CRO). It had a growing traditional business, working with customers on pre-clinical tasks, and an interesting 'Innovate' segment which would co-develop, and co-own, drugs with customers. We also noted the role that the CEO had played in fostering a strong culture and pointing the business in that strategic direction. Since investing, however, the CEO has stepped down and his newly appointed replacement is being tasked with turning around the business and there has been a re-organisation of the business units. This has broken our investment case and as a result, we sold the holding.
FD Technologies	We have chosen to sell the position in FD Technologies (formerly First Derivatives). Although the company's underlying technology offering remains interesting, we have been disappointed by the pace of execution, and have concerns over the ownership structure of the business so have opted to redeploy the capital into higher conviction ideas.
Hargreaves Lansdown	We have sold the portfolio's holding in UK savings and investments platform, Hargreaves Lansdown. The company has been ceding market share to lower cost alternatives. In order to stave off further share losses it will likely need to reduce fees while also investing in its technology platform, something which we believe could result in more share price weakness in the near to medium term. With this in mind, we exited in favour of funding other ideas.
Oxford Nanopore	We have sold the holding in Oxford Nanopore, a manufacturer of gene sequencing machines. With profitability unlikely to be achieved within a reasonable time frame, we have decided to allocate the capital to other ideas.

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