Baillie Gifford

# *Baillie Gifford Pacific Fund*

31 March 2024

## About Baillie Gifford

| | |
|---|---|
| **Philosophy** | Long-term investment horizon<br>A growth bias<br>Bottom-up portfolio construction<br>High active share |
| **Partnership** | 100% owned by 57 partners with average 21 years' service<br>Ownership aligns our interests with those of our clients<br>Enables us to take a thoughtful, long-term view in all that we do<br>Stability, quality and consistency |

## Investment Proposition

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

## Fund Facts

| | |
|---|---|
| Fund Launch Date | 17 March 1989 |
| Fund Size | £2969.4m |
| IA Sector | Asia Pacific Excluding Japan |
| Active Share | 70%* |
| Current Annual Turnover | 23% |
| Current number of stocks | 64 |
| Stocks (guideline range) | 50-100 |

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

## Fund Manager

| Name | Years' Experience |
|---|---|
| Roderick Snell* | 18 |
| Ben Durrant | 12 |

*Partner

## Fund Objective

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

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

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

### Periodic Performance

| | 3 Months | 1 Year | 3 Years (p.a.) | 5 Years (p.a.) |
|---|---|---|---|---|
| Class B-Acc (%) | 9.6 | 8.1 | -3.0 | 11.0 |
| Index (%)* | 3.4 | 2.1 | -3.7 | 2.9 |
| Target (%)** | 3.9 | 4.2 | -1.8 | 5.0 |
| Sector Average (%)*** | 2.7 | 0.3 | -2.5 | 4.1 |

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class returns calculated using 10am prices, while the Index is calculated close-to-close.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
*MSCI AC Asia ex Japan Index.
**MSCI AC Asia ex Japan Index (in sterling) plus at least 2% per annum over rolling five-year periods.
***IA Asia Pacific Excluding Japan Sector.

### Discrete Performance

| | 31/03/19-31/03/20 | 31/03/20-31/03/21 | 31/03/21-31/03/22 | 31/03/22-31/03/23 | 31/03/23-31/03/24 |
|---|---|---|---|---|---|
| Class B-Acc (%) | -1.2 | 86.6 | -5.7 | -10.4 | 8.1 |
| Index (%)* | -8.8 | 41.8 | -10.3 | -2.6 | 2.1 |
| Target (%)** | -6.9 | 44.6 | -8.5 | -0.6 | 4.2 |
| Sector Average (%)*** | -11.3 | 48.5 | -5.2 | -2.5 | 0.3 |

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class returns calculated using 10am prices, while the Index is calculated close-to-close.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
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***IA Asia Pacific Excluding Japan Sector.

## Market environment

The Asia ex Japan market overall had a positive quarter, while returns continued to be mixed across countries. India, Indonesia and Taiwan enjoyed strong returns, while China continued to underperform despite some recovery during the second half of the quarter.

While we have long term concerns on the trajectory of US-China relations, in the medium term we are feeling increasingly contrarian in the face of the overwhelmingly negative sentiment which has brought valuations of some great growth businesses down to almost fire sale levels. Fourth quarter company results have also been awash with higher dividends and bigger buybacks than anticipated.

While the overall outcome of the 'Two Sessions', China's annual parliamentary meeting, was somewhat underwhelming compared with market expectation of impactful stimulus package, Beijing did re-emphasise its support of private sector and pledged to 'create a stable, transparent and predictable policy environment'. This is clearly helpful in an environment in which there is much scepticism around China's regulatory intentions and implementation. A reduction in regulatory risk premium on Chinese companies, especially big tech, may help push valuations up.

Ben Durrant, co-manager of the Fund, went for research trips in both India and China during the quarter. He commented that 'while some Chinese companies we met noted that this was the first foreign investor visit in a long time, there was almost only standing room at the India investment conference'. While there is no denying the favourable macro tailwinds in India, we are mindful of the stretched valuation in small/mid cap space in particular. It is worth noting a decent portion of the Fund's India allocation is in large cap stocks where valuations remain sensible. Our enthusiasm remains mainly driven by the growth prospects of individual holdings.

## Performance

The Fund outperformed the benchmark over the quarter. Stock selection in India and China, and allocation to Vietnam are among the biggest contributors. In terms of the detractors to performance, it has been largely driven by individual stocks, rather than any obvious sector themes.

CNOOC is one of the largest overweights in the Fund and a top contributor to performance this quarter.  As China's largest oil and gas producer, CNOOC is systematically important to the country's energy security and has continuously expanded production. Its capex budget doubled over the five years from 2018 to 2023, and 2023 was the fifth straight year that it has achieved a record high production. Despite the solid delivered growth, the stock trades at a low price-to-earnings multiple with a high dividend yield.

A number of Indian holdings added positively to relative performance this quarter. Among them was JIO Financial Services ("JFS"), which was spun out of Reliance last year. As things stand, JFS is probably best described a 'conceptual financial services conglomerate'. Nonetheless it has two incredibly powerful advantages: the data from approximately 470 million JIO mobile phone subscribers and Reliance's ~ 18,700 retail stores; Mukesh Ambani's proven ability to deliver in India (whatever the political weather) and his enviable rolodex.

Tata motors, an India auto company, also added to relative performance this quarter. Tata motors has experienced a significant turnaround in the past few years, particularly with its Jaguar Land Rover (JLR) segment. The company's decision to focus on EVs for Jaguar brand and high-end models for Land Rover has been pivotal here. As market has recognised its successful turnaround, future upside will be contingent on the potential growth in the EV market, for both JLR and its domestic EV segment.

Silergy, a Chinese analog chip designer, detracted relative performance this quarter. China still imports majority of the analog chips it consumes and is very keen to become more self-sufficient. Silergy is one of the domestic leaders and the team believes it is well positioned to gradually take market share from foreign incumbents in the many years to come. 2023 was challenging for Silergy as demand was weak and the industry went through a painful period of inventory correction. However it appears that the cycle is now entering a sustainable period of expansion, and management guided that they could grow by 20%-30% during 2024.

Accton Technology, a Taiwan producer of data centre and server switches, also detracted. Despite that Q423 results were largely in-line with expectation, guidance for Q124 sales were conservative, as Accton started to plan the transition for newer spec therefore adjusted orders on older spec products. The promise of AI, as well as the increasing popularity of cloud computing and cloud services, have driven the demand for higher bandwidth, faster speed and lower latency performance. This means that high-speed switches will get more widely used. Our long term thesis remains that Accton could be a key beneficiary of the many tailwinds for network hardware in the medium to long term. Accton forecasts revenue growth of 15% p.a. over the next few years, with an increasing portion from AI related projects.

Another detractor was Merdeka Copper Gold. This is a family backed mining company in Indonesia. The company reported a net loss for FY2023 due to the drag in its nickel arm with lower pricing environment and weak operational performance from its Wetar Copper project. The Fund bought Merdeka a few years ago in anticipation of rapid production growth. This had worked well since purchase. However we acknowledged that whilst Merdeka has acquired very good assets in the past several years, it still needs to prove it can operate them well. The hiccups at the Wetar projects show the challenges. We decided to take profit and have exited the position during the quarter.

## Notable transactions

During the quarter, we sold a few positions in the Fund from the auto-related sector: Huayu and Minth (China auto parts), Geely (China OEM), Samsung SDI (Korean batteries); we also took profit from exiting a few names that have performed well: Star Health (India insurance) and Tata Steel (India industrial), Merdeka (Indonesia mining). We have added a holding from Vietnam, as well as two new holdings from China: PDD and Luckin Coffee (eCommerce/consumer).

More details on these transactions can be found in the Transactions section of this report.

## Market Outlook

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

## Stock Level Attribution

### Top and Bottom Ten Contributors to Relative Performance

#### Quarter to 31 March 2024

| Stock Name | Contribution (%) |
|---|---|
| CNOOC | 1.4 |
| Tata Motors | 0.6 |
| Jio Financial Services Limited | 0.6 |
| MMG Limited | 0.5 |
| Eo Technics | 0.5 |
| Phoenix Mills | 0.5 |
| ZiJin Mining | 0.4 |
| DLF | 0.4 |
| AIA | 0.4 |
| SK Hynix | 0.4 |
| Silergy | -0.6 |
| Accton Technology | -0.4 |
| Samsung Engineering | -0.4 |
| Hyundai Mipo Dockyard | -0.3 |
| Merdeka Copper Gold | -0.3 |
| TSMC | -0.3 |
| Hon Hai Precision | -0.2 |
| HDFC Bank | -0.2 |
| Nexteer | -0.2 |
| Samsung SDI | -0.2 |

#### One Year to 31 March 2024

| Stock Name | Contribution (%) |
|---|---|
| CNOOC | 1.9 |
| Tata Motors | 1.9 |
| Phoenix Mills | 1.5 |
| DLF Ltd | 1.5 |
| Eo Technics | 1.2 |
| Tencent | 0.8 |
| Reliance Industries | 0.8 |
| AIA | 0.8 |
| Indiabulls Real Estate | 0.7 |
| Kaspi Bank | 0.6 |
| Merdeka Copper Gold | -1.4 |
| Samsung SDI | -1.2 |
| SEA Limited | -0.9 |
| Ping An Insurance | -0.8 |
| JD.com | -0.7 |
| Samsung Engineering | -0.6 |
| Dada Nexus | -0.5 |
| Li Ning | -0.5 |
| TSMC | -0.5 |
| PDD Holdings | -0.4 |

Source: Revolution, MSCI. Baillie Gifford Pacific Fund relative to MSCI AC Asia ex Japan Index.
Some stocks may only have been held for part of the period.
All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.
As Attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Transactions from 01 January 2024 to 31 March 2024.

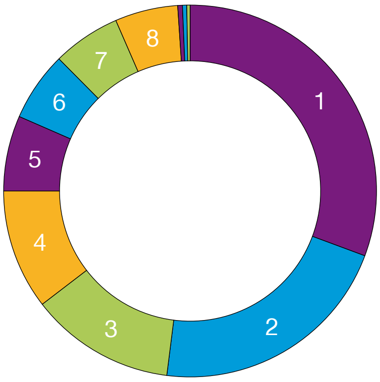
## New Purchases

| Stock Name | Transaction Rationale |
|---|---|
| Luckin Coffee Inc ADR | Luckin is the largest coffee company in the China, having recently overtaken Starbucks. The company was delisted and the founder expelled after fraudulent sales were revealed in 2020, however the new management team and backers have saved the business and built an exceptional mass market beverages brand. We met some of the new management and backers in China, and assess that the company still has years of growth ahead of it, and scope to increase profits further. A result of its controversial past, the company is still traded off-exchange in the US, but ample liquidity is available to make an investment. The company continues to meet all SEC requirements and is considering a listing in the US or HK in future. Continued operational growth and the prospect of a substantial re-rating in such an event make this potentially a very attractive investment. |
| Mobile World Investment | We have purchased a new holding in Mobile World Corp, a Vietnamese retailer. We have long admired its dominance in electronics retailing in the country, and more recently how it has outcompeted e-commerce operators and also managed the volatility during the pandemic. They have more recently used this core retailing competence to build out a 2,000-strong chain of modern grocery stores. However, the last year has been challenging for the company operationally. It has faced price competition due to inventory oversupply across all Vietnamese consumer electronics retailers. Secondly, Vietnam has faced a broader economic slowdown, which has resulted in slowing consumer spending in grocery. However, we believe this to be a classic capital cycle: the fundamentals of both of its businesses remain intact, competition has been weakened, and as a result the company will come out stronger in the long-term. We also believe the shares are now considerably undervalued. |
| PDD Holdings Inc | PDD has done a terrific job servicing the sizeable cost-conscious consumer market. Over the last few years they have carved out a formidable niche targeting low-income users in lower-tier cities with a deeply-discounted 'treasure hunt' experience that combines entertainment and commerce. We've been struck by how cash-generative the company has become as it has moved away from massive marketing promotions without losing any user traction, and how appealing their model is to a wide cross-section of stakeholders in Chinese society as it helps small farmers and merchants to reach a new user base while cutting out layers of middlemen. While we have been held back historically by questions around company structure, a recent conversation with the company was reassuring. Given its potential for massive operational upside, we felt PDD was worthy of a place in the portfolio. |
| SK Square | SK Square is an investment holding company, with the majority of its net asset value made up of its stake in SK Hynix. After assessing the demand and capex cycle for memory, we believe that SK Hynix's continues to be an attractive investment, and it is already owned for the portfolio. Furthermore, SK Square itself trades at a c.70% discount to its net asset value, and the company has committed to share buyback programs to narrow this discount. Coupled with recent government initiatives to narrow such discounts to book value, we see the possibility of both growth in the underlying asset and a narrowing of the discount. |

## Complete Sales

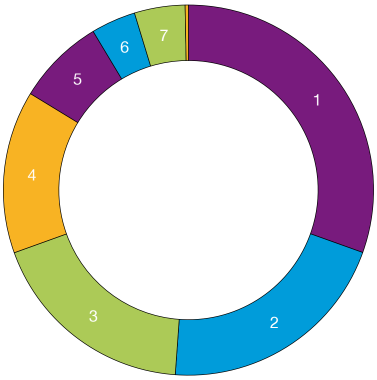
| Stock Name | Transaction Rationale |
| --- | --- |
| Binh Minh Plastics | While we still admire the business, given limited liquidity in the company, we have sold the position after a strong run of recent performance. |
| Dada Nexus | Dada Nexus was sold following the company's disclosure that advertising revenue and costs had both been overstated. Despite this appears to be an accounting issue rather than a cash issue, it called into question both the internal controls in the business as well as the potential for advertising growth in future, given past growth has been lower than previously reported. As a result, despite the fall in price, we felt that it does not necessarily meet our investment criteria anymore, and so we sold the position. |
| Geely Automobile Holdings | Geely has historically offered an attractive combination of traditional vehicle OEM competence, combined with a flexible approach to hybrid and battery EV model development. However, competitive intensity in the new energy vehicle segments remains very high. With the founder's alignment having shifted given substantial investments outside the listed entity, our confidence in Geely navigating this change to its own benefit has decreased, and so we have sold the holding. |
| Huayu Auto Systems | Huayu Automotive is an auto parts manufacturer. The company boasts leading market shares, is investing a meaningful amount in R&D and maintains an attractive return structure with a strong balance sheet. We had expected growth to come from its current customers continuing to outperform, adding additional product lines and extending its customer base. However, our conviction in the potential for significant growth has declined, especially relative to more exciting ideas that are competing for capital within the portfolio. We sold out of our holding in Huayu in order to fund higher growth ideas elsewhere. |
| Hyundai Mipo Dockyard | We invested in Hyundai Mipo Dockyards at a cyclical low in mid-2020, since which point the share price has doubled. With the valuation now less compelling, we have sold the holding to fund higher-potential investments elsewhere. |
| Merdeka Copper Gold | We sold Merdeka Copper Gold, as the business will be entering a more difficult operational phase. It is commencing the task of bringing its large mines on stream and into production. We believe there are likely to be significant challenges that are not reflected in the share price and so we exited the position |
| Minth Group | We are increasingly concerned that the auto industry is facing a significant shift towards a phase of price deflation, with likely impact on the supply chain. Minth's returns appear to have fallen over recent years and our engagement with management suggests that this may be more structural than we had expected. As a result of these fundamental shifts in the growth outlook we have decided to sell the holding. |
| Nexteer | Nexteer was sold as we feel the increasing risk of oversupply and competition among auto OEMs risks hitting the sustainable profitability for companies in the Chinese automotive supply chain like Nexteer. |
| Ningbo Peacebird | With limited confidence in growth from here, we have sold the investment in Ningbo Peacebird. |
| PT Astra International | We have sold the holding in PT Astra International to fund new investments elsewhere where we see stronger growth. |
| Samsung SDI | We have sold the holding in Samsung SDI, following recent research into how the battery market is evolving. While Samsung SDI's battery business has continued to grow strongly, so has much of the rest of the industry, and we believe that supply growth is likely to outpace demand over the next five years. This calls into question the earnings growth potential for the company, though we will continue to monitor the broader industry and their own progress from here |
| Star Health | Star Health was sold as we do not believe that its growth rate warranted its high valuations. |
| Tata Steel Ltd | With margins reaching peak levels and significant capital going into the sector, we believe we may have reached the peak of profitability in the industry and therefore exited the position. |
| Vietnam Prosperity Joint Stock Commercial Bank | We have sold the position in VP Bank in order to fund other investments in Vietnam where we believe there to be greater upside. |

## Sector Exposure




| | | % |
|---|---|---|
| 1 | Information Technology | 30.8 |
| 2 | Financials | 21.5 |
| 3 | Consumer Discretionary | 12.7 |
| 4 | Energy | 10.5 |
| 5 | Communication Services | 6.6 |
| 6 | Real Estate | 6.1 |
| 7 | Materials | 5.9 |
| 8 | Industrials | 5.5 |
| 9 | Consumer Staples | 0.4 |
| 10 | Health Care | 0.4 |
| 11 | Cash | -0.3 |

## Geographic Exposure




| | | % |
|---|---|---|
| 1 | China | 30.6 |
| 2 | India | 20.8 |
| 3 | South Korea | 18.5 |
| 4 | Taiwan | 14.3 |
| 5 | Vietnam | 7.7 |
| 6 | Indonesia | 3.9 |
| 7 | Others | 4.4 |
| 8 | Cash | -0.3 |

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading, and does not necessarily represent a bank overdraft.

### Top Ten Holdings

| Stock Name | Description of Business | % of Portfolio |
|---|---|---|
| Samsung Electronics | Producer of consumer and industrial electronic equipment | 9.6 |
| TSMC | Semiconductor manufacturer | 8.7 |
| CNOOC | Chinese oil and gas explorer and producer | 5.1 |
| Reliance Industries | Indian conglomerate in energy, textile, digital and financial services and more | 4.2 |
| SK Hynix | Korean manufacturer of electronic components and devices | 3.1 |
| Tencent | Technology conglomerate | 2.7 |
| Zijin Mining | Chinese mining company | 2.7 |
| DLF | Indian real estate | 2.4 |
| MMG Limited | Chinese mining company | 2.3 |
| MediaTek | Taiwanese electronic component manufacturer | 2.3 |
| Total | | 43.1 |

## Voting Activity

| Votes Cast in Favour | | Votes Cast Against | | Votes Abstained/Withheld | |
|---|---|---|---|---|---|
| Companies | 17 | Companies | 4 | Companies | 1 |
| Resolutions | 76 | Resolutions | 6 | Resolutions | 1 |

| |
|---|
| We had a discussion with PDD, a portfolio holding, on their Environmental, Social and Governance (ESG) strategies including international regulatory engagement, compliance alongside business expansion, and disclosure |
| We joined others from the Asian Corporate Governance Association in a group meeting with the Chair of Samsung Electronics |
| We undertook research into sustainable data centres and opportunities for solutions providers |

## Company Engagement

| Engagement Type | Company |
|---|---|
| Environmental | Brilliance China Automotive Holdings Limited, CNOOC Limited, Sea Limited |
| Social | CNOOC Limited |
| Governance | Brilliance China Automotive Holdings Limited, CNOOC Limited, DLF Limited, EO Technics Co., Ltd., Li Ning Company Limited, Military Commercial Joint Stock Bank, PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Samsung Electronics Co., Ltd., Sea Limited |
| Strategy | Brilliance China Automotive Holdings Limited, PDD Holdings Inc., Silergy Corp. |

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

| Asset Name | Fund % |
|---|---|
| Samsung Electronics | 9.6 |
| TSMC | 8.7 |
| CNOOC | 5.1 |
| Reliance Industries | 4.2 |
| SK Hynix | 3.1 |
| Tencent | 2.7 |
| Zijin Mining | 2.7 |
| DLF | 2.4 |
| MMG Limited | 2.3 |
| MediaTek | 2.3 |
| Bank Rakyat Indonesia | 2.1 |
| EO Technics | 2.1 |
| Phoenix Mills | 2.0 |
| Tata Motors | 2.0 |
| Jio Financial Services Limited | 2.0 |
| Accton Technology | 1.9 |
| Kaspi.kz | 1.8 |
| Ping An Insurance | 1.8 |
| Bank Mandiri | 1.8 |
| HDFC Bank | 1.8 |
| HD Bank | 1.6 |
| ICICI Bank | 1.6 |
| Luckin Coffee | 1.6 |
| Dragon Capital Vietnam Enterprise Investments | 1.5 |
| JD.com | 1.4 |
| Sea Limited | 1.4 |
| Midea | 1.4 |
| Delhivery | 1.3 |
| Baidu.com | 1.3 |
| Koh Young Technology | 1.3 |
| Military Commercial Joint Bank | 1.3 |
| Zhejiang Supor | 1.2 |
| PB Fintech | 1.2 |
| Indiabulls Real Estate | 1.2 |
| Kuaishou Technology | 1.2 |
| ICICI Prudential Life Insurance | 1.1 |
| Mobile World Investment Corporation | 1.1 |
| Meituan | 1.1 |
| Silergy | 1.0 |
| China Oilfield Services | 1.0 |
| Hoa Phat Group | 0.9 |
| SK Square | 0.9 |
| PDD Holdings | 0.8 |
| Techtronic Industries | 0.8 |
| Alibaba | 0.8 |
| Samsung Engineering | 0.8 |
| Coupang | 0.8 |
| AirTAC International Group | 0.6 |
| Lufax Holding | 0.6 |

| Asset Name | Fund % |
|---|---|
| Genius Electronic Optical | 0.5 |
| KE Holdings | 0.5 |
| Ping An Bank | 0.5 |
| Viglacera | 0.4 |
| Vietcombank | 0.4 |
| Kingdee International Software | 0.4 |
| Vinh Hoan | 0.4 |
| Guangzhou Kingmed Diagnostics Group | 0.4 |
| Bizlink | 0.3 |
| Li Ning | 0.3 |
| Han's Laser Technology | 0.3 |
| Brilliance China Automotive | 0.2 |
| Hong Kong Exchanges & Clearing | 0.2 |
| Jadestone Energy | 0.2 |
| Eden Biologics Inc | 0.0 |
| Cash | -0.3 |
| Total | 100.0 |

Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

| Share Class | Share Class Inception Date | ISIN | SEDOL | Annual Management Fee (%) | Ongoing Charge Figure (%) |
|---|---|---|---|---|---|
| Class B-Inc | 17 March 1989 | GB0006063340 | 0606334 | 0.65 | 0.71 |
| Class B-Acc | 20 March 2000 | GB0006063233 | 0606323 | 0.65 | 0.71 |

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

| | |
|---|---|
| MSCI | Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. |

### Additional Geographical Location Information

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

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

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

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

All information as at 31 March 2024 and source is Baillie Gifford & Co unless otherwise stated.

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