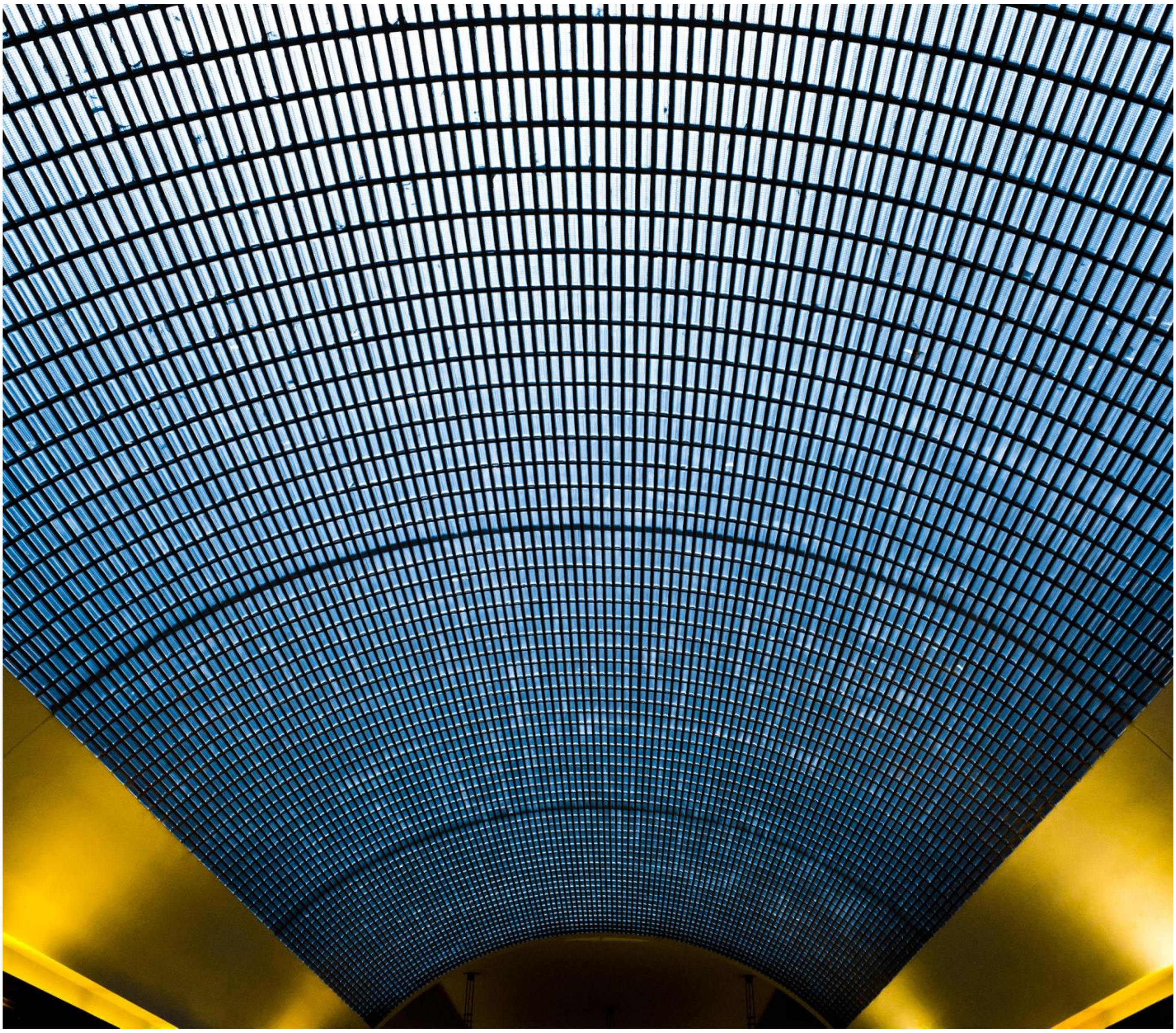
Global Alpha Quarterly Update

31 March 2025



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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

Global Alpha is a long-term, diversified, global equity strategy selecting growth stocks on a bottom up basis with a focus on fundamental analysis. The strategy combines the specialised knowledge of Baillie Gifford's investment teams with the experience of some of our most senior investors.

Risk Analysis

Key Statistics	
Number of Holdings	95
Typical Number of Holdings	70-120
Active Share	80%*
Rolling One-Year Turnover	23%

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

As reverberations from Donald Trump's administration led to investors becoming more cautious, the portfolio finished slightly behind the benchmark

We spent the quarter bringing new ideas into the portfolio that widen the range of growth drivers and position our clients well for a changing world

The portfolio remains balanced and ambitious. The valuation premium over the index is modest and the holdings are delivering on their growth potential

Baillie Gifford Key Facts

Assets under management and advice	US$254.3bn
Number of clients	586
Number of employees	1670
Number of investment professionals	372

Frequency, unambiguity, novelty and negativity are the factors that drive headlines. Fast-developing events are more likely to be reported. Balance is unhelpful and boring, and nuance is complex, so news usually swings from one position to the other depending on where the weight of opinion lands in the moment. Bad news sells better than good news, and in a world of the 24-hour news cycle, speed matters. People are built to worry.

We've often been drawn to experiments that look at the effect of reducing the frequency of the news. A publication produced every twenty years would present a very different commentary on what had happened since the last edition. It would surely note China's rise, perhaps pointing out that its share of global GDP has leapt from under 5% in 2005 to approximately 17% today.[1] It might point out that the USA has retained a similar share throughout, helped by continued technology innovation. It could note the proportion of the world's population living in extreme poverty has fallen from 29% to 8%[2], or that CO_2 emissions have fallen by 30% per person in the US and are broadly flat globally on the same measure[3].

Most of the individual headlines pointing one way or the other would have largely cancelled one another out, with a few trends emerging from the back and forth. This underpins our focus on identifying only the emerging important trends and filtering out the associated noise. We have constructed the Global Alpha portfolio so that it can prosper across a wide range of scenarios while positioning it for where we think the biggest shifts in society are likely to take us.

We agree that two of the most reported trends today, the emergence of AI and changing global politics, are among the most important considerations for investors in the years ahead. Our five-year time horizon provides a different perspective, and our stock-picking approach means that we express our views selectively and only where the returns look to be substantially skewed in our client's favour. Our reward-seeking approach means that we will remain open-minded in casting our net widely in our hunt for companies with the potential to meet our '2x in five years' return hurdle, but our Research Agenda will focus on these two topics and some of the most important strands that extend from them. We will publish it as a series of articles this year that chart our progress.

Responding to the environment

Performance finished behind the MSCI ACWI benchmark in a quarter that saw lots of price movement net out to a broadly neutral outcome in US dollars, and a fall in many other currencies. Increasing question marks about the impact of US economic policy, led to rising caution from investors in US markets in particular, with the S&P 500 falling by more than 5% over the quarter. Rather than focus on trying to divine the future through reading these macro tea leaves, we remain focussed on company fundamentals and taking advantage of the volatility for long-term benefit. We have added more new holdings than usual to the portfolio on the strength of ideas that we have found amidst a wide spread of valuations. Some link directly into these two large topics, while others are deliberately uncorrelated. In a time of relatively narrow stock market focus, we're building a wide base for growth in the portfolio.

Dispersion in stock market valuations has given us the chance to take money out of successful technology businesses including Netflix, Shopify, The Trade Desk and Mercado Libre and redeploy that into different opportunities. We have moved on completely from two great businesses, Analog Devices and Schibsted, where the valuation more than reflected our enthusiasm. Finally, we sold two others that appeared to have been left behind by change. The Japanese cosmetics business Shiseido seems to be falling out of relevance with its customers, and the lithium producer Albemarle no longer has the hold on supply that we hoped it would retain.

Broadening Artificial Intelligence Beneficiaries

Turning to our first major structural trend, AI, we're finding ideas at both ends of the AI value chain in our search for great return opportunities. Producing the chips that will power the next generation of computing is a complicated process that requires astonishing levels of precision. This has created a web of materials businesses, equipment manufacturers and fabricators that spans the globe. Looking beyond the headlines of a fragmenting global trade backdrop, we expect pockets of global expertise to persist in this highly specialist area. As a

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1 Ranked: Top 6 Economies by Share of Global GDP (1980-2024)

2 Share of population living in extreme poverty, 1990 to 2024

3 Per capita CO_2 emissions

result, we have taken a new holding in the Japanese business, Disco, a manufacturer of dicing, grinding and polishing machines used in the manufacture of semiconductor chips. With a level of precision equivalent to being able to splice a human hair into more than 30 strands, Disco's machines enable the intricate geometry essential for the manufacture of the most advanced, 3-dimensional, chip architectures.

At the opposite end of the spectrum, we're finding more companies that are using AI in applications that materially improve their business. During the quarter we took new holdings in the payroll software business Paycom, the advertising platform AppLovin and the customer relationship software business Salesforce. Salesforce is using AI to develop digital assistants that promise to automate large parts of customer relationship roles. Its Agentforce offering is gaining traction and Salesforce can deploy it at a scale and pace that others will struggle to match.

These new holdings have extended our exposure to companies in the AI value chain, which accounts for over a quarter of the portfolio. These range from the technology giants NVIDIA, Microsoft and Amazon to more specialised operators of critical enabling technology and companies that deliver AI-enabled applications to end customers.

Long-term investing in a changing world

While continued advances in AI appear relatively predictable on a long-term time horizon, future geopolitical change seems less foreseeable.

Understanding this important but unpredictable trend requires a multi-layered approach. We assess how different environments are likely to influence the holdings, consider thematic concentrations in the portfolio and direct our research to where change looks most meaningful. We aim to construct a portfolio that is advantaged across a wide range of possible outcomes. We have the luxury of being able to view the world from several different vantage points. The world may look like it is deglobalizing from Washington or Berlin, but it doesn't feel the same from Rio or Mumbai. Perspective matters.

Only a quarter of the USA's GDP relies on trade, making it far more inward-looking than the rest of the world (the global average is more like 60%). The apparent economic license to experiment with tariffs in the near term comes with trade-offs attached, including the impact of perceived instability. Much has been made of the US trade deficit in goods, but less of the trade surplus in services. The nuance matters. Companies and industries will face radically different dynamics. Some companies will carry on unaffected. New regional champions could spring up in freshly protected competitive environments. We are testing the portfolio against the following hypothesis:

Trade tariffs will be an enduring feature and trade friction with the US in both directions will increase on a timeline that stretches beyond Donald Trump's time in office.

We have already made changes to the portfolio that reflect our developing thinking. Through our trading so far this year, we have selectively reduced the US exposure. US companies have benefited from a stable geopolitical and policy environment, but we have questioned the sustainability of a US valuation premium on this basis. We had previously sold holdings that depend on low friction in cross-border trade for profitable growth. Examples include Estee Lauder, Pernod Ricard and Adidas.

At the same time, we are finding individual opportunities that look well-set for growth, scoring well against the criteria below and helping position the portfolio for a changing world.

Insensitivity to the political backdrop. An obvious way to control for political uncertainty is to seek out holdings that can make progress in most scenarios. We already own several great growth holdings that operate primarily in a single market in a single country or region, where the deciding factor will be their ability to attract substantial market share. As well as providing attractive individual return potential, these companies tend to dampen down political risk in the portfolio over a long-enough time frame.

Nubank, the Brazilian online bank and a new purchase during the quarter, will certainly be affected by the health of the Brazilian economy, and the other Latin American economies it operates in, but most of its growth depends on attracting customers to its network and expanding the range of financial services it provides. It has a huge cost advantage over the incumbents, and we expect it to grow substantially in the coming years.

More broadly, reversing globalisation could create a larger population of regional businesses with winners in each area. Over the past couple of years, we have already carefully repositioned our Chinese holdings in the portfolio in this light. Our holdings in businesses such as the Latin American retail platform Mercado Libre, the Asian-based e-commerce businesses SEA and Coupang and UK housebuilder Bellway align well with long-term demand trends and a strong domestic or regional focus.

This feature is also evident in our US facing consumer holdings, which depend primarily on new and more efficient ways to reach the consumer (via technology infrastructure and advertising innovation) as well as improving customer experiences. Broader sentiment may at times speed or slow growth for these holdings, but our return potential from this important part of the portfolio depends mostly on where consumers are going, not how much they are spending overall.

Adaptability. Another way to control political change is to hold companies with fantastic management teams and inherently flexible businesses. The best companies have a wonderful knack for adjusting to the environment they operate in while maintaining ambition. Several positions in the portfolio have navigated generations of challenges, from the likes of Mastercard and S&P Global in the US to the Swedish industrial compressor business Atlas Copco.

Adaptability is expressed in business models, as well as management, as is the case with the new holding in Uber. Having successfully navigated the birth of the ride-hailing industry and the development of regulatory frameworks around the world, Uber has now matured into the dominant player in the on-demand transportation market. Uber's flywheel (where greater demand attracts more drivers, which increases coverage and leads to faster pick-ups and lower prices, which in turn attracts more demand to the platform) leaves it exceptionally well placed to navigate future transformations such as the deployment of autonomous vehicles. The company also continues to invest in newer areas such as freight, logistics, advertising and rentals, all while generating increasing amounts of free cash.

Leaning into uncertainty. Shaky sentiment towards durable trends can provide us with great opportunities to establish new positions. Our new holding in Enphase Energy, which makes equipment for residential solar energy systems, is one example. The political concerns are domestic rather than international in this instance. Enphase's share price has tumbled on worries about the impact of changing government policy towards renewable energy generation. We think that economic arguments for solar electricity generation to roll out across the USA are strong and Enphase is poised to play a key role in this move.

More widely, we remain enthused about the prospects for profitable growth driven by a US infrastructure upgrade. The rate of decay of existing infrastructure means that Americans will demand improvement. Reshoring will require stronger infrastructure to support rising industrial activity. Technology leadership will depend on the buildout of new essentials attached to data storage, processing and transmission. This leads us to a more specific hypothesis within the US:

US infrastructure spending will survive amendments to the policies of previous administrations.

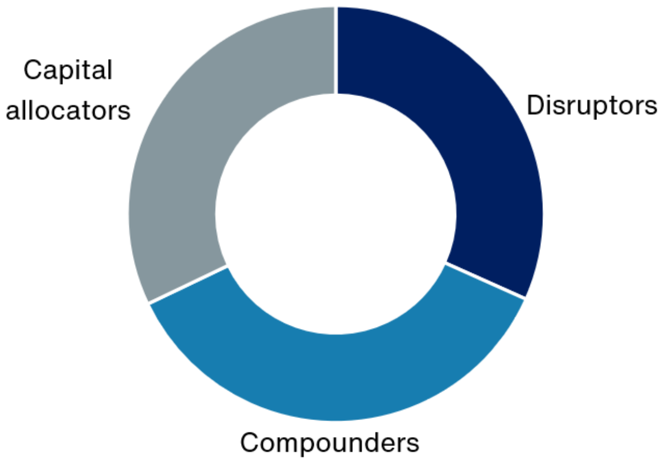
We have built up a cluster of holdings in companies with strong positions in supply-constrained industries. Utility poles and plastic pipes, already owned in the portfolio via Stella-Jones and Advanced Drainage Systems, might not usually set the pulses of growth investors racing. Our willingness to go looking in unfashionable places plays to our advantage.

These features are behind our new holding in WillScot, a provider of temporary site offices and storage facilities that has amassed a 50% share of modular space through repeated acquisitions. Commercial projects need site services and WillScot is the clear scale provider. A recent acquisition failure cast a cloud over the share price. We viewed this as a great entry point rather than something to worry about and have taken the chance to bring it into the portfolio.

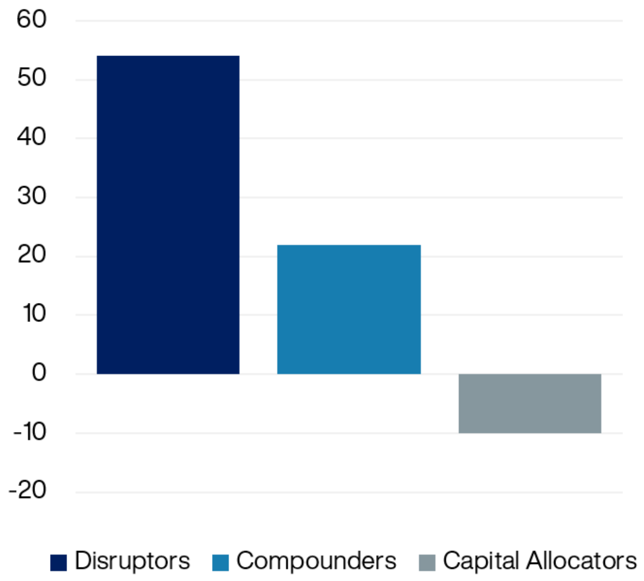
The outcome

The portfolio remains well-balanced across the three growth profiles. We reduced positions where valuation rises have eaten into the upside from here. This has provided us with space to bring new thinking into the portfolio that plays into the most important investment trends of the next several years and provides our clients with more ways to win.

Weight (%)



P/E Premium (%)



Overall, the portfolio trades at a modest premium to the index while delivering much more, and more varied, growth potential. We are willing to pay up where the scale of growth justifies it, primarily in our Disruptors holdings. Encouragingly we continue to unearth companies that trade at undemanding valuations where the longer-term implications of improving quality and demand growth appear to have been overlooked by the stock market.

We are challenging ourselves from the top down with thematic research and scenario testing and we will report on this in detail as 2025 unfolds. We expect these efforts to highlight yet more uncommon ideas for the portfolio.

We cannot predict exactly when markets will wake up to the attractions of these businesses. Nobody can. But, underpinned by the evident quality of the businesses we own, we have put our clients' portfolios in the best possible position to benefit as the fundamentals are reflected in share prices. We are grateful for our client's ongoing support and are confident we will repay the patience.

Performance Objective

+2% to 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 Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-6.9	-7.0	-4.2	-2.9	-2.7
1 Year	-2.9	-3.5	5.3	-8.8	-8.2
3 Year	3.3	2.6	8.1	-5.5	-4.8
5 Year	10.0	9.3	14.8	-5.5	-4.7
10 Year	10.4	9.6	10.9	-1.3	-0.6
Since Inception	11.1	10.3	10.0	+0.4	+1.1

USD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-4.0	-4.2	-1.2	-3.0	-2.8
1 Year	-0.8	-1.4	7.6	-9.0	-8.4
3 Year	2.6	2.0	7.4	-5.5	-4.8
5 Year	10.9	10.2	15.7	-5.5	-4.8
10 Year	8.8	8.1	9.4	-1.3	-0.6
Since Inception	9.1	8.4	8.1	+0.4	+1.1

EUR	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-8.0	-8.2	-5.3	-2.9	-2.7
1 Year	-0.8	-1.4	7.6	-9.0	-8.4
3 Year	3.7	3.0	8.5	-5.5	-4.8
5 Year	11.3	10.5	16.1	-5.5	-4.8
10 Year	8.8	8.1	9.3	-1.3	-0.6
Since Inception	9.9	9.2	8.8	+0.4	+1.1

CAD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net(%)	Difference Gross (%)
3 Months	-4.0	-4.1	-1.1	-3.0	-2.8
1 Year	5.6	4.9	14.5	-9.6	-8.9
3 Year	7.6	6.9	12.6	-5.7	-5.0
5 Year	11.2	10.4	16.0	-5.5	-4.8
10 Year	10.2	9.5	10.8	-1.3	-0.6
Since Inception	9.9	9.2	8.8	+0.4	+1.1

AUD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-4.7	-4.8	-1.9	-3.0	-2.8
1 Year	3.9	3.2	12.7	-9.4	-8.8
3 Year	9.2	8.5	14.3	-5.8	-5.1
5 Year	10.5	9.8	15.3	-5.5	-4.8
10 Year	11.1	10.3	11.6	-1.3	-0.6
Since Inception	10.2	9.5	9.1	+0.4	+1.1

Annualised periods ended 31 March 2025. 3 Month & 1 Year figures are not annualised.
Inception date: 31 May 2005
Figures may not sum due to rounding.
Benchmark is MSCI ACWI Index (MSCI World Index prior to 31 March 2008).
Source: Revolution, MSCI.
The Global Alpha composite is more concentrated than the MSCI ACWI Index.

Discrete Performance

GBP	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24	31/03/24-31/03/25
Composite Net (%)	55.5	-7.1	-4.7	17.6	-3.5
Benchmark (%)	39.6	12.9	-0.9	21.2	5.3

USD	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24	31/03/24-31/03/25
Composite Net (%)	73.0	-11.4	-10.5	20.2	-1.4
Benchmark (%)	55.3	7.7	-7.0	23.8	7.6

EUR	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24	31/03/24-31/03/25
Composite Net (%)	61.5	-6.4	-8.3	20.9	-1.4
Benchmark (%)	45.0	13.8	-4.7	24.5	7.6

CAD	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24	31/03/24-31/03/25
Composite Net (%)	52.8	-11.9	-3.0	20.1	4.9
Benchmark (%)	37.1	7.1	0.8	23.8	14.5

AUD	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24	31/03/24-31/03/25
Composite Net (%)	39.0	-10.1	0.3	23.3	3.2
Benchmark (%)	24.8	9.3	4.3	27.1	12.7

Benchmark is MSCI ACWI Index (MSCI World Index prior to 31 March 2008).
Source: Revolution, MSCI.
The Global Alpha composite is more concentrated than the MSCI ACWI Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to March 31, 2025

Stock Name	Contribution (%)
Tesla Inc	0.5
Apple	0.5
Prosus	0.5
Elevance Health	0.4
Broadcom	0.4
Doordash	0.3
AutoZone	0.3
Sea Limited	0.2
Royalty Pharma	0.2
AJ Gallagher	0.2
The Trade Desk	-0.8
Block	-0.6
TSMC	-0.4
Disco	-0.2
Novo Nordisk	-0.2
Datadog	-0.2
Amazon.com	-0.2
Martin Marietta Materials	-0.2
Norweigan Cruise Line Holdings	-0.2
Soitec	-0.2

One Year to March 31, 2025

Stock Name	Contribution (%)
Prosus	0.7
Doordash	0.6
Sea Limited	0.6
Alnylam Pharmaceuticals	0.6
Dutch Bros	0.5
Spotify Technology	0.4
Chewy	0.4
Shopify	0.4
Netflix	0.3
AutoZone	0.3
Martin Marietta Materials	-1.0
Ryanair	-0.9
Novo Nordisk	-0.9
Apple	-0.7
Block	-0.7
Elevance Health	-0.7
Advanced Drainage Systems	-0.5
Moderna	-0.5
AeroVironment	-0.5
Reliance Industries	-0.4

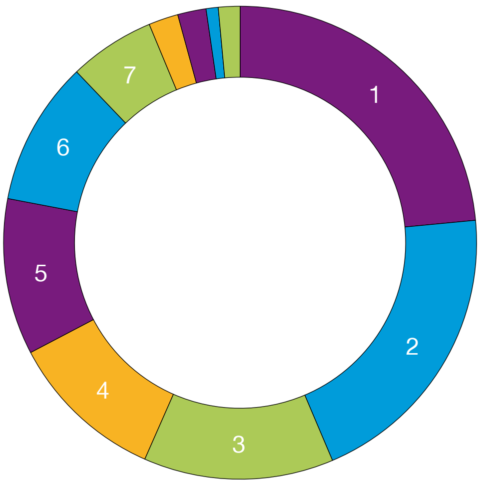
Source: Revolution, MSCI. Global Alpha composite relative to MSCI ACWI Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the 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
Meta Platforms	Social media and advertising platform	4.2
Amazon.com	E-commerce, computing infrastructure, streaming and more	4.0
Microsoft	Technology company offering software, hardware and cloud services	3.9
Prosus	Portfolio of online consumer companies including Tencent	3.6
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	3.4
TSMC	Semiconductor manufacturer	3.0
DoorDash	Provides restaurant food delivery services	2.9
Elevance Health	US health insurer	2.9
Mastercard	Global electronic payments network and related services	2.5
Service Corporation International	Funeral services operator	2.4
Total		32.8

Figures may not sum due to rounding.

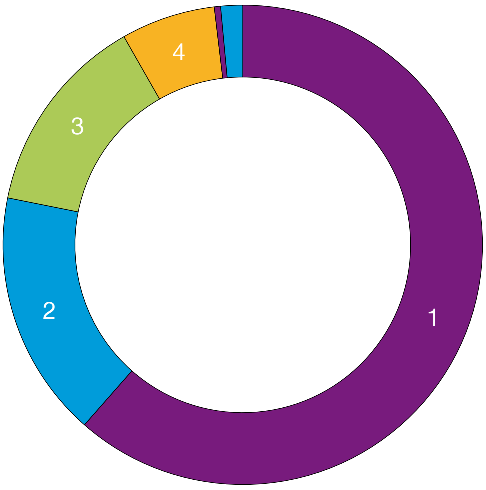
Sector Weights



		%
1	Consumer Discretionary	23.5
2	Information Technology	20.1
3	Financials	13.0
4	Industrials	10.7
5	Communication Services	10.7
6	Health Care	9.9
7	Materials	5.9
8	Energy	2.0
9	Real Estate	1.9
10	Consumer Staples	0.8
11	Cash	1.5

Figures may not sum due to rounding.

Regional Weights



		%
1	North America	61.5
2	Europe (ex UK)	16.7
3	Emerging Markets	13.6
4	Developed Asia Pacific	6.4
5	UK	0.4
6	Cash	1.5

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	10	Companies	4	Companies	None
Resolutions	137	Resolutions	12	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	CRH plc, Contemporary Amperex Technology Co., Limited, Coupang, Inc., Edenred SE, Kweichow Moutai Co., Ltd., PDD Holdings Inc., Reliance Industries Limited
Social	Contemporary Amperex Technology Co., Limited, Coupang, Inc., PDD Holdings Inc.
Governance	Adyen N.V., AppLovin Corporation, AutoZone, Inc., CRH plc, Edenred SE, Kweichow Moutai Co., Ltd., Nexans S.A., PDD Holdings Inc., Reliance Industries Limited, Samsung Electronics Co., Ltd., Sartorius Stedim Biotech S.A., Soitec SA, The Trade Desk, Inc., The Walt Disney Company
Strategy	Contemporary Amperex Technology Co., Limited, Edenred SE, Epiroc AB (publ), Kweichow Moutai Co., Ltd., Netflix, Inc., Nexans S.A., Reliance Industries Limited, Samsung Electronics Co., Ltd., The Trade Desk, Inc.

Company	Engagement Report
Adyen	Objective: We met with Pieter van der Does (co-chief executive officer & founder), Ethan Tandowsky (chief financial officer), Tom Adams (new chief technology officer), Hemmo Bosscher (senior vice president of Platforms and financial services), and Josh Masser (investor relations). The focus was on understanding Adyen's strategic direction, operational dynamics, and potential for future growth. Discussion: Pieter van der Does' attendance was unexpected. He tends to avoid meeting with investors because they tend to follow a tedious pattern which he does not practice, but he has frequently attended meetings with us given our differentiated investment approach. We also had the privilege of being the only investors to meet Tom Adams. Consequently, our impression was that both individuals were unscripted and candid. Pieter van der Does believes Adyen made significant strides over the past two years in putting strong team leadership in place across the organisation, where the period of elevated headcount growth and attendant digestion is now complete. He remains more operationally involved than we had realised, maintaining pressure on the organisation to stay ambitious and fast-paced. The management board operates collaboratively, which reduces key person risk. They also noted that the intense period of price competition in the US digital segment in 2023 boosted Adyen's organisational motivation to avoid complacency. For instance, Adams pointed to areas where Adyen needs to improve, such as the breaking down of silos across the organisation to share good practices. Their long-term focus remains evident, with Tandowsky citing examples of backing projects that may not be material in the next year or two but could prove material in five. We were reassured to learn that Adyen's quarterly reporting cadence, introduced in 2023, creates minimal distraction from their long-term focus, as Adyen's long sales cycles and merchant ramp times prevent management from succumbing to quarterly pressures. Outcome: We were encouraged that management's cultural priorities have remained consistent ever since we first invested in the company. The discussions on strategic direction and operational execution reinforced our confidence in Adyen's potential upside from here.
AppLovin Corporation	Objective: We had a discussion with co-founder and chief executive officer (CEO) Adam Foroughi to explore the management's reaction to intense short-seller pressure which had led to a sudden and significant drop in share price. Discussion: Three key allegations were raised by short-sellers against AppLovin. Firstly, short-sellers claim that AppLovin artificially inflates growth through fraudulent app installs. However, AppLovin's revenue model, which is based on return-on-ad spend (ROAS) goals defined by their advertiser customers, ensures transparency and validation through lifetime value assessments and weekly audits. This model has led advertisers to shift their budgets to AppLovin due to its proven ROAS performance, undermining the claim of fraudulent installs. Secondly, allegations suggest that AppLovin violates Android ecosystem policies by driving one-click downloads without user consent. While there is some ambiguity, evidence indicates compliance with platform norms, and unintentional installs would not benefit AppLovin's ROAS metrics. Lastly, claims that AppLovin steals Meta's data to boost e-commerce growth lack credible evidence. AppLovin has clarified its contractual use of Meta's bid data, which is auditable by Meta itself, making these allegations speculative. Outcome: We believe these accusations appear exaggerated or benign, supported by the trust advertisers have placed in AppLovin. Our assessment is further supported by discussions we have been undertaking with external experts into advertiser relationships and ROAS validation.

Company	Engagement Report
CATL	Objective: To discuss CATL's recent addition to the US Chinese Military Company (CMC) list and the potential impact that geopolitical tensions may have on the business. Additionally, we sought an update on progress towards net zero commitments made by the company and battery recycling initiatives. Discussion: Our meeting was with the investor relations representative who oversees environmental, social and governance matters. The company asserted that its internal analysis showed that CATL's inclusion on the CMC list has had no material effect on its operations. The company actively engages with legal teams and overseas customers to ensure smooth communication and consultation. CATL is optimistic about being removed from the CMC list. The confidence comes from a robust supply chain management system which ensures compliance and safety with traceability mechanisms. It is also diversifying its raw material suppliers to mitigate geopolitical risks, including investments in mining operations. Regarding carbon management, CATL has significantly increased its green power ratio, with nine manufacturing bases reaching net zero. The company is committed to carbon neutrality across its value chain by 2035, focusing on reducing offset dependency and promoting research and development (R&D) in carbon-light battery materials. Battery recycling is also a key focus. The company is enhancing recovery rates and developing tailored recycling equipment for different battery types, aiming to reduce reliance on primary ores and save resources. Outcome: The meeting provided a useful update on CATL's strategic initiatives in supply chain management, carbon neutrality, and battery recycling. We will continue to monitor the company's progress, particularly its efforts to be removed from the CMC list and planned net zero updates, ensuring alignment with long-term growth prospects.
Coupang	Objective: We met with the Investor Relations team to discuss two key issues: scope 1 and 2 emissions disclosure and the approach to worker rights and working conditions. Discussion: Coupang has been receptive to discussions on emissions disclosures but remains hesitant to disclose publicly. They cited wanting to provide both the absolute numbers but also the context about trends and initiatives; awaiting regulatory requirements which might make current disclosures obsolete and a clear benchmark against peers. On workforce issues, we discussed Coupang's shift from its initial public offering (IPO) commitment to directly hire drivers to a more flexible model. The change in approach seems to have been one of reality and practicality to maintain operational sustainability and meet employee expectations specifically regarding earnings potential. They have low union representation, which they view as a positive sign of employee satisfaction. They stressed that safety is most critical to the company and is considered non-negotiable. The company takes pride in its role as a major employer and economic contributor and recognises the need to be a responsible employer and maintain a positive public image. Outcome: The meeting continued previous discussions. While progress on emissions disclosures and workforce transparency is ongoing, the dialogue reinforced the importance of aligning company policies with business growth potential and employee satisfaction. They appear willing to consider publishing health and safety statistics, such as long-term injury frequency rates (LTIFR) and are open to exploring benchmarking against peers. Future discussions will focus on supporting Coupang's narrative development for climate disclosures.

Company	Engagement Report
CRH	Objective: The purpose of this meeting was to catch up on CRH sustainability in light of US politics and regulatory developments. Other areas of discussion were the decarbonisation strategy, CRH Ventures and green product innovation and demand. Discussion: This helped clarify differences in US and European regulatory environments, with the US being characterised as more 'carrot', and Europe as more 'stick'. Accordingly, there appears to be more upside for lower carbon products in the US, and CRH can leverage its industry know-how from Europe. Given the US now represents greater than 75 per cent of CRH earnings before interest, taxes, depreciation, and amortisation (EBITDA) this is advantageous. According to CRH, both the European industry body (CEMBUREAU) and the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) are facing challenges arising from sluggish economic growth in Europe. In respect to decarbonising the cement industry, carbon capture, utilisation and storage (CCUS) is doing a lot of the heavy lifting, but CRH are sceptical about the timelines for the scaling and integration of CCUS technology within the industry. This has proved a key factor for them not setting decarbonisation goals post-2030. Outcome: Decarbonising the cement industry is a challenge, but CRH's sustainability strategy places it in the middle ground between leading European peers, and lagging US peers. While CRH is experimenting with research and development in low carbon products, there is upside in volume growth from regulatory unlocks, including the reduction of clinker content and increases in the ratio of supplementary cementitious materials. CRH's vertical integration should help the company execute on these opportunities.
Kweichow Moutai	Objective: We met with chief financial officer (CFO), Yan Jiang, at the company's headquarters in Guizhou province in China, to understand aspects of organisational structure and stakeholder insights. Discussion: The research institute that advises the board on strategic matters seeks to reflect inputs from various stakeholders involved in producing Moutai, including employees and external experts. Its recommendations have translated into concrete actions in several instances. For example, recently implemented suggestions include a dividend increase, share buybacks, and improved environmental, social and governance (ESG) disclosures. Yan Jiang expressed she would be keen for our input too, further to the various suggestions we presented to the company previously relating to its ESG disclosures. She also expressed the company's desire to broaden the management's talent pool further to include greater international experience. Outcome: We left the meeting with greater understanding about the core management team's willingness to keep learning and undertake gradual evolutions in the running of the business, while crucially maintaining brand discipline.

Company	Engagement Report
Netflix	Objective: We met with Netflix executives to discuss the company's strategic direction and growth prospects, namely Netflix's approach to live sports and advertising efforts, while assessing their potential impact on long-term growth and profitability. Discussion: Netflix's foray into live sports is cautious yet promising. The company successfully hosted a major event, the Paul versus Tyson fight, which tested technological limits and drew a massive audience, reminiscent of historic TV events. Management explained that this cautious approach to live sports is strategic, as Netflix aims to focus on high-value hours that can attract larger audiences and improve unit economics. The introduction of live sports is seen as a way to enhance Netflix's original content strategy, potentially increasing subscriber retention by offering a broader slate of must-watch live events. The company's advertising strategy appears to be still in development, and behind where we might have expected it to be over two years post-launch of the advertising tier. There are still some outstanding questions, especially on the topics of Netflix's ad tools and consumer relevance. Outcome: The meeting provided valuable insights into Netflix's strategic initiatives, particularly in live sports and advertising. While the live sports strategy shows promise, the advertising approach requires further development. The opportunity in advertising is significant, and we will continue to engage with the company on progress in this area. This meeting was crucial in assessing Netflix's growth potential and identifying areas needing improvement to enhance long-term profitability.
Samsung Electronics	Objective: We spoke with Samsung Electronics ahead of the annual general meeting (AGM) to discuss governance, leadership and organisational updates. Discussion: Samsung Electronics is one of the world's most innovative companies. It has faced several challenges in recent years, particularly in its semiconductor division, which has led to a number of changes to its management structure. The meeting was an opportunity to hear about the proposed new board members ahead of the AGM and the strengths they will bring to the business. We spoke to the president of business strategy for the device solutions (DS) division. The DS division includes the memory and foundry businesses and has undergone significant restructuring. Dr. Young-Hyun Jun was appointed DS division head with oversight of both the memory business and Samsung Advanced Institute of Technology (SAIT). The company has restructured its foundry operations under Han Jin-man, former DS America head while creating a new foundry chief technology officer (CTO) position filled by Nam Seok-woo. In operational terms, we now expect to see foundry capex declining as the company reassesses competition at the leading edge, but reassuringly and more importantly we see no signs of structural deterioration in Samsung's competitiveness in the core memory division, and suspect any evidence that the company is refocusing here would be taken well by the market. The ongoing legal proceedings involving chairman JY Lee continue to create some uncertainty despite acquittals in both district and high courts. We discussed potential implications for strategic decision-making. Management reflected on the difficulty of quantifying this impact but acknowledged that organisational silos and cultural challenges have affected business performance, particularly in foundry operations where customer trust needs rebuilding. Outcome: The discussion provided additional insight into Samsung's efforts to strengthen governance through leadership restructuring and operational changes. We will continue to monitor the impact of these governance changes and the capital allocation intentions of the business.

Company	Engagement Report
The Trade Desk	Objective: We met with founder chief executive officer (CEO) Jeff Green and chief financial officer (CFO) Laura Shenkein to understand the reasons behind their lowered near-term growth outlook and to assess how long those issues may take to resolve. Discussion: Green reminded us that the company has always undertaken a small salesforce reorganisation every year in the fourth quarter, but what was unusual this time was the scale, leading many customers to lose their familiar points of contact. Meanwhile, two of Green's direct reports on product and engineering lacked experience operating at such scale and complexity. These factors seemingly significantly slowed customer migration to the company's latest product Kokai, putting pressure on growth and margins. Despite the delay, Green informed us that around half of customer spending is already flowing through Kokai, which he expects to rise to 100 per cent by the end of the year, and customer feedback is positive. Outcome: We gained greater conviction that the delayed customer migration to The Trade Desk's Kokai product is not because of severe shortcomings in the product itself (which could have longer-term implications for the company's competitiveness and growth), but instead because of short-term execution issues that arose during the company's annual restructuring. We are also encouraged that management has taken sensible remedial decisions to mitigate the risk of similar challenges in future, such as by strengthening its product and engineering teams. We will continue to monitor progress.

Votes Cast in Favour

Companies	Voting Rationale
Analog Devices, B3 S.A., CATL 'A', Genmab, Nippon Paint, Novo Nordisk, Rakuten, Samsung Electronics, Sartorius Stedim Biotech, Walt Disney	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Analog Devices	Annual 03/12/25	3	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Novo Nordisk	AGM 03/27/25	8.3	We opposed the shareholder resolution regarding regulated working conditions at construction sites due to the lack of supporting rationale and the prescriptive nature of the ask.
Sartorius Stedim Biotech	MIX 03/25/25	19-24	We opposed six resolutions requesting authority to issue equity because the potential dilution levels are not in the interests of shareholders.
Walt Disney	Annual 03/20/25	2	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Walt Disney	Annual 03/20/25	4	We opposed a shareholder resolution requesting a report on retirement plan options. We are satisfied with the choices given to employees and do not believe the current offering poses a material risk to the business.
Walt Disney	Annual 03/20/25	5	We opposed a shareholder resolution requesting the company reconsider participation in the Human Rights Campaign's Corporate Equality Index. We think the survey helps to provide transparency of the company's efforts and we do not think participation presents a material risk for the business.
Walt Disney	Annual 03/20/25	6	We opposed a shareholder resolution requesting a report on risks related to the selection of ad buyers and sellers. We do not believe the company's policies on advertising and marketing are discriminatory or present a legal risk to the company.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
Shiseido	We did not vote due to selling out of the stock.

New Purchases

Stock Name	Transaction Rationale
AppLovin	We have purchased a new holding in AppLovin, an advertising technology company that has established a dominant position in the mobile game market. Its core business is AppDiscovery, an advertising platform that allows mobile game developers to place adverts for their products in other mobile games. Those adverts are placed algorithmically by the company's Axon 2 model, which uses its existing dataset to place ads where the chances of conversion are highest. AppLovin receives revenue for each installation it enables. A growing dataset that allows it to improve the conversion rate of ads should translate to revenue growth and a self-reinforcing advantage. We think this, coupled with increased penetration, could sustain rapid revenue growth for several years. There is additional upside potential from the company's emerging second act, namely its expansion beyond mobile game app advertising into e-commerce advertising. This new vertical is still experimental for AppLovin but early signs are encouraging. Underpinning all of this is a differentiated business culture defined by talent density and high performance, captained by an obsessive founder who has proven himself a capable capital allocator, aligned with our long-term investment horizon.
Disco	We took a new position in the semiconductor equipment company Disco Corp. The company is the leader in dicing, grinding and polishing equipment for semiconductor manufacturing with a market share of over 80% across both logic and memory chips. The company is set to reap the benefits from both increased demand for chips from artificial intelligence models and applications, as well as the more intensive grinding required in several new chip manufacturing techniques. These twin tailwinds can drive revenue growth for the company at much higher rates than the market expects. Considering Disco's successful track record of focus and innovation in its niche, in addition to the continuity of its management team, we believe it can maintain its competitive position as demand grows.
Enphase Energy	Enphase Energy offers renewable generation hardware and software for homes and small businesses. Its products include its flagship microinverters, battery storage and EV chargers. Enphase microinverters sit at the heart of solar generation systems, converting the electricity produced by solar panels into the alternating current that can be used in the home. The company pioneered the development of these products and has a powerful competitive edge in their proven performance and reliability, which lends it pricing power. We believe that Enphase's entrenched position should allow it to be a key enabler of the transition towards a more decentralised electricity network. We expect Enphase to sustain revenue growth of 10-15% over the next several years and for profitability to expand as the company scales. The share price has fallen on short-term concerns related to financing costs and solar incentives, giving us an appealing chance to buy into this exciting growth business.
Nu Holdings	We have added Nu Holdings (Nubank) to the portfolio. It is a founder-run digital bank primarily operating in Brazil, Mexico and Colombia. After around a decade of operation, the company has attracted over half of Brazil's adult population, mainly through organic customer acquisition and its well-regarded reputation. This demonstrates a strong product-market fit replicated across an increasingly broad product portfolio, different market segments and multiple geographies. It leverages its digital business model with an 85% cost advantage over incumbent banks to undercut fees while offering superior customer experience, commanding one of the highest net promoter scores of any consumer company worldwide. We think Nubank can continue to gain market share in its current geographies and products with the option to expand into new geographies and adjacent business lines.
On Semiconductor	ON Semiconductor is a prominent player in the semiconductor industry, specialising in power semiconductors and sensing technologies. The company has undergone significant transformation since Hassane El-Khoury took over as CEO in December 2020. Under his leadership, the company has strategically shifted its focus away from commoditised products and towards high-growth areas including silicon carbide (SiC) semiconductors to become the third-largest player in this segment. Despite the current cyclical downturn in the semiconductor industry, ON's gross margins have improved and we believe these will continue to trend upwards as the company focuses more on product innovation. Longer term, it is well-positioned to capitalise on the structural growth drivers in the industry, such as the shift towards EVs and the rise of generative artificial intelligence. We believe the stock is priced attractively as we move towards a cyclical recovery.

Salesforce.com	Salesforce is an enterprise software company that rose to prominence as the leader in customer relationship management (CRM) systems. The company has since expanded its offerings designed to help with customer service, marketing automation, analytics, and application development. Salesforce is now positioning itself to capitalise on the growing AI market through its new offering, Agentforce. Agentforce allows customers to delegate tasks to autonomous AI agents that are designed to handle tasks such as data analysis, planning, and execution, thereby enhancing productivity and efficiency. We believe the market underestimates the potential impact of the rise of 'digital labour' and foresee the success of Agentforce leading to a significant shift in Salesforce's business model and pricing strategy, tapping into a market that could reach $1.6 trillion in a decade. We believe that this strategic focus on AI, coupled with recent operational efficiency improvements, will accelerate growth to mid-teen levels and support significant margin expansion over our investment horizon.
Uber	We have taken a new holding in Uber, the pioneering ride-hailing platform that connects drivers and passengers through its innovative mobile app. Uber's competitive edge lies in its strong brand recognition, price competitiveness, scale advantage, and powerful network effects. There remain countless opportunities to increase penetration and to expand into new geographies and adjacent businesses. With a vast addressable market in mobility alone, estimated at $3-5 trillion, Uber is well-positioned to capitalise on the ongoing transformation of the transportation industry, supported by its strong consumer relationships and operational expertise. While the market appears to underappreciate Uber's longevity and robustness, we believe the company has the potential to transform urban mobility and dominate the future of autonomous transport.
WillScot	WillScot is one of the leading providers of mobile office and portable storage space in the US. The units the company provides tend to be the first thing on a building site when a construction or remodelling project starts and the last thing off. The company has selectively acquired large and small competitors to take a 50% share of the modular space and a 30% share of portable storage in the US. The bulky nature of the products leads to the creation of local monopolies. Although WillScot's ability to make further acquisitions may be limited, its growth potential is underappreciated as it can benefit from an uptick in growth from increasing construction, price rises and the increasing provision of 'value-added products and services' (VAPS), providing everything from office chairs and air conditioning to microwaves. VAPS also improve margins, which in combination with cost reductions and buybacks, can further boost earnings growth. The failed acquisition of its largest competitor, McGrath, has weighed on its stock price, providing an attractive entry point to take an initial holding.

Complete Sales

Stock Name	Transaction Rationale
Albemarle	We have sold the holding in Albemarle, the world's largest lithium producer, due to rising concerns around the company's competitive position and the declining probability of a sustained period of higher pricing. Specifically, improved refining capabilities, particularly in China, have both lowered barriers to bringing on new supply of battery-grade lithium and shifted the balance of raw material production from the chemical processing of lithium-rich brines to the mining of hard-rock deposits. This has reduced the relevance of Albemarle's historic expertise as a chemicals company and challenged its position as the lowest-cost producer. Market dynamics have also been impacted by the willingness of Chinese miners to maintain unprofitable domestic supply for strategic reasons. The market price for lithium has been exceptionally volatile over recent years, falling by around 80% in 2023. A recent equity raise to support the balance sheet also highlighted some concerns about the quality of management's capital allocation decisions and their ability to successfully navigate such market swings.
Analog Devices	We sold the position in Analog Devices, one of the leading designers of analogue semiconductors due to a combination of its current valuation and the size of our aggregate exposure to the analogue industry. Analog is a high-quality business that benefits from the structural trends of digitisation and electrification, but its valuation has increased significantly since purchase in 2022, as optimism grows for a cyclical rebound in automotive and industrial demand. Considering our existing holding in its main competitor Texas Instruments, and our decision to take a new position in ON Semiconductor which is exposed to similar end markets, we decided to sell the position.
Chewy	Our original investment in Chewy, the largest online pet products retailer in the US, was based on the gradual shift online of a large and economically insensitive pet owner market. Chewy's trusted reputation and subscription 'Autoship' service would provide a strong recurring revenue stream that compounded over time. After a difficult transition for Chewy, following a normalisation from higher pandemic pet spending, the company's stock price has recovered well over the past year, doubling in the period. However, Chewy's projected growth outlook is disappointing, as its increasing product range and expansion into pet health and insurance is not expected to continue to grow customer wallet share as fast as hoped. It also may suffer if the fall in US consumer sentiment translates into lower spending. In light of our other consumer exposure, considering Chewy's low levels of revenue growth and more demanding valuation, we decided to sell the holding.
Moderna	We have decided to sell the holding in Moderna, the innovative US biotech known for its mRNA vaccines. During the pandemic, Moderna experienced tremendous growth by supplying COVID-19 vaccines. Our investment in Moderna was based on the belief that the company's success with COVID-19 vaccines would extend to other respiratory illnesses like flu and RSV, a virus causing respiratory infections. Its RSV vaccine has proved to be disappointing, however, and the company has failed to gain meaningful market share against large pharma competitors. We also anticipated that the COVID-19 vaccine would continue to generate steady revenue as the virus became endemic, supporting Moderna's efforts to tackle some of the leading causes of death globally like several cancers and heart disease. However, the uptake of the COVID-19 vaccine has been lower than anticipated, the company has been using the cash reserves built up during the pandemic, and has necessarily retreated from cardiovascular disease and several oncology projects. We exercised patience because of promising trial results for Moderna's combination cancer vaccine with Keytruda in treating melanoma. However, in light of the company's balance sheet weakness and meaningfully curtailed upside potential we have decided to move on.

Schibsted	Scandinavian global classifieds business, Schibsted, is a long-standing holding for the Global Alpha strategy. First purchased in 2012, it has evolved from a print newspaper business into a digital front-runner in online classifieds operating primarily across Norway, Sweden, Denmark and Finland. Our initial investment case was based on future growth in the regions in terms of increasing internet penetration, digital literacy, and purchasing power. These have largely all played out, and a recent review conducted by the team highlighted questions about future growth and culture from here. Recent strategic decisions, such as the sale of the old news media business, and selling down of its stake in Adevinta (non-Scandinavian marketplaces) have seen the business become more streamlined. However, we believe that similar 'levers of efficiency' going forward will be more challenging for the company to identify. The company's share price has doubled since 2022 and it is currently trading at an elevated forward price-to-earnings (P/E) ratio of 59x. Its increased valuation does not match our levels of conviction in Schibsted's potential for future growth. As such, we have decided to reallocate the capital to areas where conviction in the long-term growth case is higher.
Shiseido	Shiseido is a premium Japanese cosmetics and skincare company. We took an initial holding during the COVID-19 pandemic when this temporary setback offered an attractive entry point. Our initial investment case was based on continued product innovation and increased demand from growing affluence in Asia, particularly China. Although Shiseido has several durable, powerful brands, progress has been disappointing. The demand backdrop in Asia, most notably in China, has remained challenging. At the same time, Shiseido has lost some market share to local Chinese players who have actively pursued the use of advanced cosmetic ingredients and influencer marketing. With management execution also disappointing, we have lost confidence in the long-term growth thesis and have, therefore, decided to sell the shares.

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