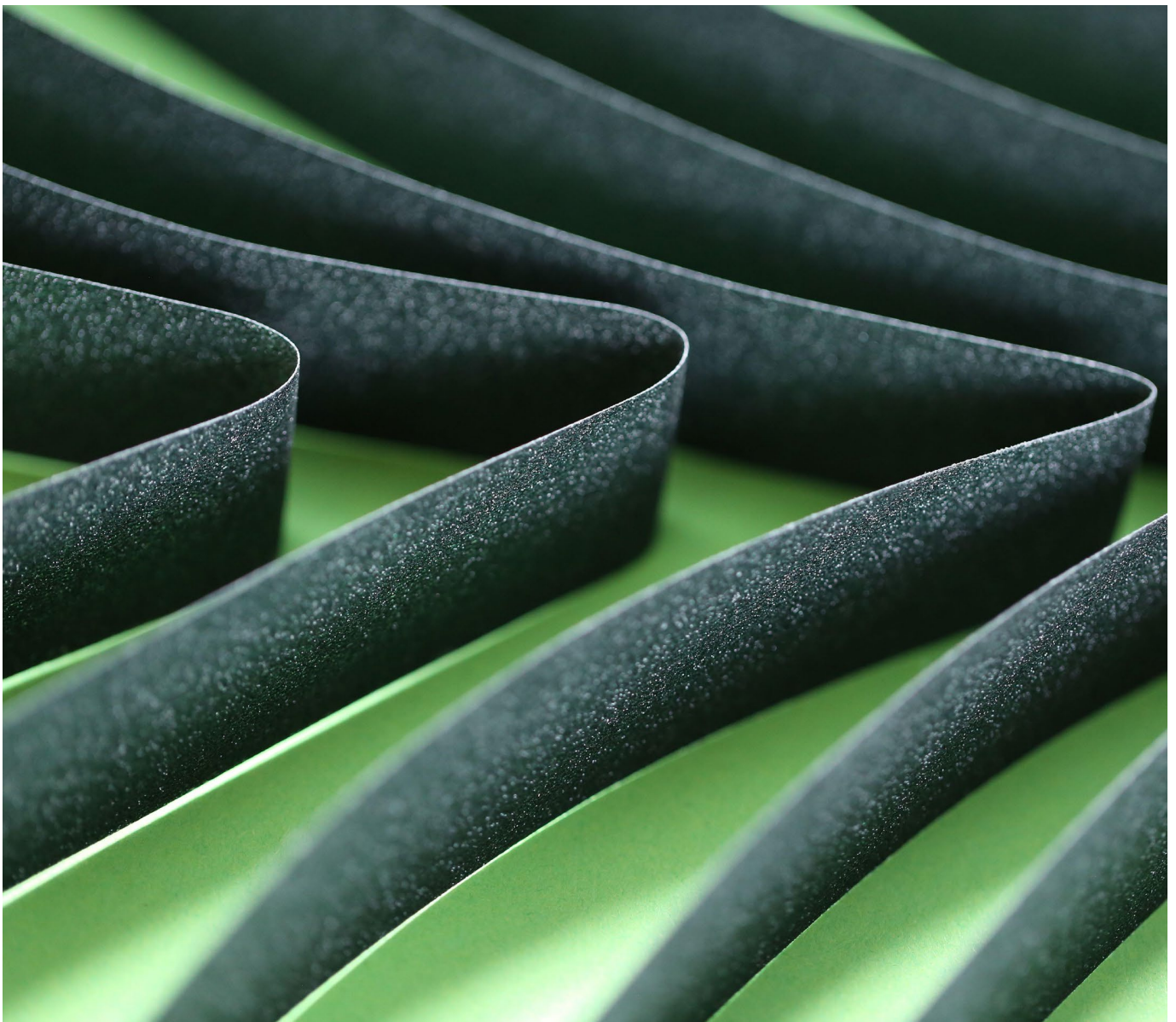


Baillie Gifford™

International Alpha Quarterly Update

30 September 2025



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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 document 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

International Alpha is an international equity strategy that invests in quality growth companies over the long term. The strategy employs a bottom-up stock-picking approach based on the fundamental research produced by Baillie Gifford's investment teams. It has a diversified portfolio of 60-90 holdings across several shades of growth, equipped to perform throughout the cycle.

Risk Analysis

Key Statistics

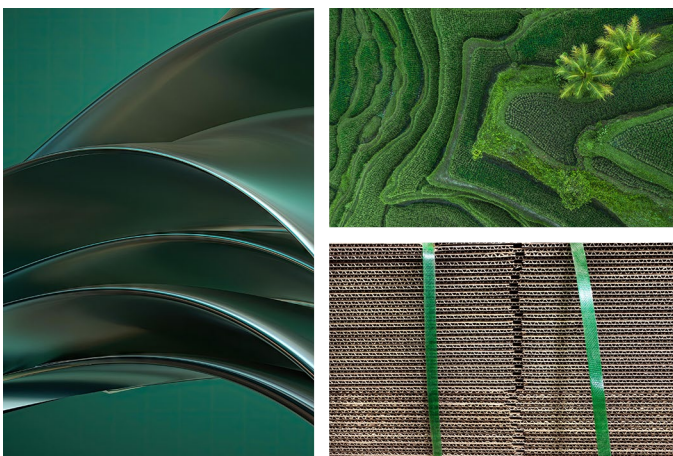
Number of Holdings	77
Typical number of holdings	60-90
Active Share	83%*
Rolling One Year Turnover	14%

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

Returns have been strong for international equities, but quality growth companies have been overlooked.

The strategy underperformed, but the vast majority of your holdings have been meeting or exceeding our expectations in operational terms.

We continue to identify opportunities for significant upside across the international equity landscape.



Baillie Gifford Key Facts

Assets under management and advice	US\$286.9bn
Number of clients	552
Number of employees	1655
Number of investment professionals	365

All setbacks are a test of conviction. Some require action; others compel us to stand our ground. This quarter's performance, disappointing as it is, falls into the latter camp. Periods of underperformance are part of long-term investing, but they are not necessarily a symptom of a deeper malaise. If poor performance had come alongside slowing sales, reduced investment, or deteriorating profitability for the portfolio, there would be cause for concern. That is not what we have seen. Underperformance has been largely driven by market dynamics, not operational performance. The vast majority of the portfolio holdings are meeting or exceeding our expectations, yet some have derated sharply. As patient long-term investors, we can use this to our advantage.

The dominant force in international markets this quarter was a sharp rotation into value and away from growth and quality, particularly in Europe and Developed Asia. Growth stocks have materially lagged the broader market as capital has continued to be directed to lower-quality cyclical companies. In Japan, corporate reform and monetary tightening led to a value rally, and in Europe short-duration stocks and banks have benefited from the ECB pausing rate cuts.

While a narrow set of growth names performed well, leadership has been clustered around the AI theme. A swathe of Emerging Markets semiconductor names and Chinese technology platforms rose indiscriminately. Our approach has never been to own broad baskets, which meant we did not capture the full breadth of the recent AI rally. That discipline can feel uncomfortable in momentum-driven markets, but it is central to long-term value creation. The portfolio has exposure to some of the key players in the AI supply chain, from the leading global chip manufacturer TSMC, to memory specialist Samsung, to the world's largest manufacturer of lithography machines, ASML. Over the long term, it is not simply exposure to a theme that will forge the stock-market winners, but it is about competitive advantage and scale, which these companies have in spades.

It is also worth noting that most of the AI enthusiasm has centred on infrastructure—chips, hardware, and platforms—rather than on the applications that sit above them. Companies such as Spotify and Shopify, which should ultimately benefit from more powerful and cheaper compute, did not share in the rally. This is puzzling, but not unheard of. Past technological revolutions, from railways to shipping containers, saw waves of investment in infrastructure before the businesses built on top of it captured more of the long-term value. We believe that the portfolio is well positioned to benefit from both sides of this trend: the infrastructure that enables AI and the applications that will harness it.

As other parts of the market rallied, quality stocks suffered, largely owing to concerns about the impact of US import tariffs. Strong first-quarter results seemed to support the view that the effects of trade levies would be limited, but as we highlighted in previous letters, we believed this optimism would prove misplaced. The strain took time to appear—first in softer orders and weaker investment, then in more cautious guidance. This quarter, those pressures became unavoidable, and the market's reaction was sharp.

This environment hurt many of our core quality holdings. Export-oriented companies such as Dutch specialty chemicals distributor IMCD, Danish logistics giant DSV, and Japanese equipment exporters like MonotaRO and Shimano have all felt the impact of tariffs—as have their competitors. Although tariffs will clearly affect profitability in the short term, we have a more optimistic view. These are high-quality businesses with the resilience to manage disruption better than peers, and we believe they will emerge stronger through the cycle.

Thematic swings aside, our confidence rests on the sustained operational performance of the portfolio companies. We are trialling more sophisticated tools to track performance against our investment hypotheses and to separate signal from noise in quarterly results. These tools strengthen our discipline: they help us hold steady when the investment case remains intact and redirect attention to where price moves uncover opportunities or expose weaknesses. So far, the vast majority of holdings are performing as well as, or better than, expected.

So, where are we holding steady, and where are we taking action?

MercadoLibre, Monday.com, and Adyen are among the holdings that have suffered recent share-price weakness and where our conviction remains strong. MercadoLibre, the Latin American e-commerce and fintech leader, was the largest detractor this quarter, despite revenues rising more than 30 per cent year-on-year and operating income reaching a record high. Yet the market punished its decision to reinvest in logistics and marketing—as the company has done periodically and successfully. Enterprise software business Monday.com and digital payments processor Adyen told a similar story: strong double-digit growth, but weaker sentiment after management struck a cautious tone in the near term.

Other companies that have detracted from performance required a different response. Pharma company Novo Nordisk faced operational setbacks and revised guidance, but we believe the share-price reaction was far too severe for a company with its track record in metabolic disease and continued investment in the next generation of GLP-1s. We added to our position, seeing long-term value where the market has overreacted.

By contrast, Japanese automation businesses Fanuc and Nidec underdelivered against our expectations, and we exited both positions. At the same time, the rise of domestic champions in China has created new opportunities, leading us to add to the online community-buying platform PDD and to Midea Group, a leading white-goods business, for those clients who have exposure to China. Both businesses are benefiting from growing scale and supportive policy trends.

Market volatility has created opportunities beyond the portfolio, too—competition for capital is more dynamic than ever. Recent research has explored ideas spanning different and exciting themes, from electrification and automation to consumption and technology in China, to financial inclusion and digitalisation in emerging markets. One outcome of that work was a new holding in B3, the Brazilian stock exchange, which we see as a clear beneficiary of deepening capital markets in the region.

We have also reassessed sectors where we have historically had less exposure, including banks, staples, energy, materials, and aerospace & defence, in an effort to find quality and growth in areas where we had not previously been looking. Although most of the companies we analysed failed to meet the high bar we have set for the portfolio, this exercise has produced results. We have taken new positions in two banks: SEB in Sweden and UOB in Singapore. SEB is positioned to benefit from a more capital-intensive phase of European growth, while UOB is a natural beneficiary of rising intra-Asian trade and capital flows. Both are differentiated franchises with distinct growth runways and the potential to compound value over time.

This quarter's performance may be disappointing, but the direction of travel has been positive. The clearest diagnostic for our process is the shape of the portfolio—explained by its growth, profitability, and resilience characteristics—and it is looking healthier than ever. Over time, the portfolio has delivered consistently faster earnings growth, higher margins, and better capital returns than the index, and the gap has been widening. As the holdings continue to deliver on their earnings growth and we continue to add “overlooked” growth to the portfolio, the valuation premium is narrowing, too.

For long-term investors, the measure of a setback is not the drawdown it produces, but the portfolio it leaves behind. By that measure, this quarter has strengthened rather than weakened our conviction.

Performance Objective

+2% - 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	1.7	1.5	8.9	-7.4	-7.3
1 Year	8.9	8.2	16.7	-8.5	-7.8
3 Year	12.5	11.9	14.0	-2.1	-1.4
5 Year	3.5	2.9	9.9	-7.0	-6.4
10 Year	10.1	9.5	10.0	-0.6	+0.1
Since Inception	9.5	8.8	8.1	+0.7	+1.4
USD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-0.1	-0.2	7.0	-7.3	-7.1
1 Year	9.3	8.6	17.1	-8.5	-7.9
3 Year	19.8	19.1	21.3	-2.2	-1.5
5 Year	4.4	3.7	10.8	-7.1	-6.4
10 Year	8.8	8.2	8.8	-0.6	+0.1
Since Inception	8.9	8.3	7.5	+0.7	+1.4
EUR	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-0.2	-0.3	6.9	-7.3	-7.1
1 Year	3.8	3.2	11.3	-8.1	-7.5
3 Year	12.7	12.1	14.2	-2.1	-1.4
5 Year	4.3	3.7	10.8	-7.1	-6.4
10 Year	8.3	7.6	8.2	-0.6	+0.1
Since Inception	8.1	7.5	6.7	+0.7	+1.4
CAD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	1.9	1.7	9.1	-7.4	-7.3
1 Year	12.5	11.9	20.6	-8.8	-8.1
3 Year	20.3	19.6	21.8	-2.3	-1.5
5 Year	5.2	4.6	11.7	-7.1	-6.5
10 Year	9.2	8.6	9.2	-0.6	+0.1
Since Inception	8.5	7.9	7.1	+0.7	+1.4
AUD	Composite Gross (%)	Composite Net (%)	Benchmark (%)	Difference Net (%)	Difference Gross (%)
3 Months	-1.2	-1.4	5.8	-7.2	-7.1
1 Year	14.4	13.7	22.6	-8.9	-8.2
3 Year	18.6	17.9	20.1	-2.2	-1.5
5 Year	6.0	5.4	12.6	-7.2	-6.5
10 Year	9.5	8.8	9.4	-0.6	+0.1
Since Inception	8.1	7.5	6.8	+0.7	+1.4

Annualised periods ended 30 September 2025. 3 Month & 1 Year figures are not annualised.

Inception date: 30 June 2002

Figures may not sum due to rounding.

Benchmark is MSCI ACWI ex US.

Source: Revolution, MSCI.

The International Alpha composite is more concentrated than the MSCI ACWI ex US.

Discrete Performance

GBP	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Composite Net (%)	10.7	-25.5	8.5	19.2	8.2
Benchmark (%)	19.3	-9.1	10.7	14.6	16.7
USD	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Composite Net (%)	15.4	-38.3	18.7	31.0	8.6
Benchmark (%)	24.4	-24.8	21.0	26.0	17.1
EUR	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Composite Net (%)	16.8	-27.0	9.8	24.3	3.2
Benchmark (%)	25.9	-11.0	12.0	19.5	11.3
CAD	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Composite Net (%)	9.5	-33.1	16.8	30.9	11.9
Benchmark (%)	18.0	-18.4	19.1	25.9	20.6
AUD	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Composite Net (%)	14.5	-30.7	18.2	21.8	13.7
Benchmark (%)	23.5	-15.5	20.6	17.2	22.6

Benchmark is MSCI ACWI ex US.

Source: Revolution, MSCI.

The International Alpha composite is more concentrated than the MSCI ACWI ex US.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 30 September 2025

Stock Name	Contribution (%)
CRH	0.5
Tencent	0.5
Samsung Electronics	0.3
Tencent Music Entertainment AD	0.2
TSMC	0.2
Sony	0.1
Shopify	0.1
Nestle	0.1
Rio Tinto	0.1
Commonwealth Bank Of Australia	0.1
MercadoLibre	-0.7
Deutsche Boerse Tender	-0.6
DSV	-0.5
Alibaba	-0.4
Constellation Software	-0.4
Scout24	-0.4
Edenred	-0.4
MonotaRO Co	-0.4
Shimano	-0.3
IMCD Group NV	-0.3

One Year to 30 September 2025

Stock Name	Contribution (%)
Tencent Music Entertainment AD	0.8
Spotify Technology SA	0.7
Scout24	0.6
Tencent	0.5
SEA Ltd	0.5
Sony	0.5
TSMC	0.4
CRH	0.4
Shopify	0.4
Ryanair	0.3
IMCD Group NV	-0.7
Edenred	-0.7
Shimano	-0.6
TFI International	-0.5
Kingspan Group	-0.5
Atlas Copco B	-0.5
Novonosis (Novozymes) B	-0.4
Olympus	-0.4
DSV	-0.4
Rational	-0.4

Source: Revolution, MSCI. International Alpha composite relative to MSCI ACWI ex US.

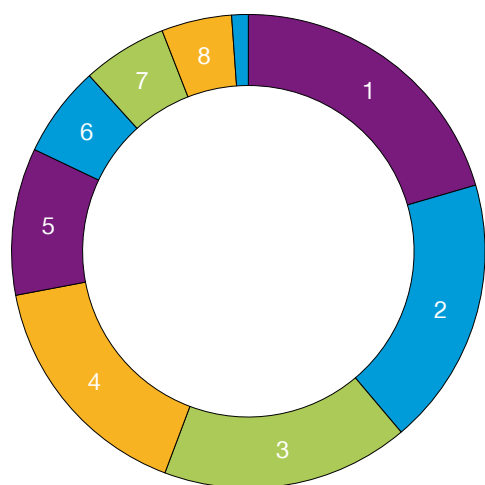
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the portfolio's performance and a description on how the attribution is calculated 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
TSMC	Semiconductor manufacturer	5.4
Tencent	Technology conglomerate	4.3
MercadoLibre	Latin American e-commerce and fintech platform	3.4
Samsung Electronics	Producer of consumer and industrial electronic equipment	2.6
Ryanair	European low-cost airline	2.6
CRH	Building materials supplier	2.6
Sony	Consumer electronics, films and finance	2.2
Scout24	Internet platforms	2.2
Deutsche Börse	Stock exchange operator	2.1
Danone	Multinational food processing company	2.1
Total		29.5

Figures may not sum due to rounding.

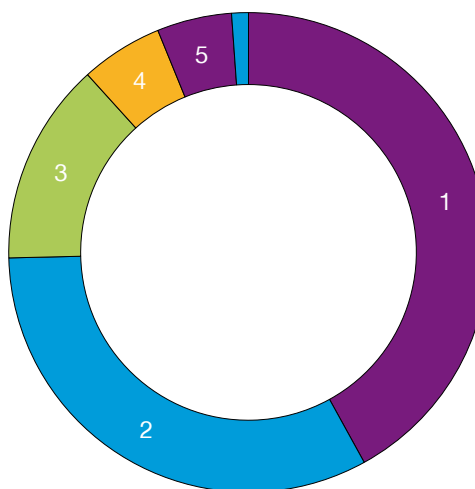
Sector Weights



	%
1 Information Technology	20.5
2 Financials	18.3
3 Consumer Discretionary	16.9
4 Industrials	16.3
5 Communication Services	10.0
6 Materials	6.2
7 Health Care	5.8
8 Consumer Staples	4.8
9 Cash	1.1

Figures may not sum due to rounding.

Regional Weights



	%
1 Europe (ex UK)	42.0
2 Emerging Markets	32.7
3 Developed Asia Pacific	13.7
4 Canada	5.5
5 UK	5.0
6 Cash	1.1

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	None	Companies	None	Companies	None
Resolutions	None	Resolutions	None	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	ASML Holding N.V., Meituan, Midea Group Co., Ltd., Ryanair Holdings plc
Social	DSV A/S, LVMH Moët Hennessy - Louis Vuitton, Societe Europeenne, Shopify Inc.
Governance	Amadeus IT Group, S.A., BioNTech SE, CRH plc, Compagnie Financière Richemont SA, DSV A/S, Danone S.A., Deutsche Börse AG, Mips AB (publ), Novozymes A/S, Ryanair Holdings plc, Sartorius Stedim Biotech S.A., Shopify Inc., Skandinaviska Enskilda Banken AB (publ), Spotify Technology S.A.
Strategy	Amadeus IT Group, S.A., Meituan, Novozymes A/S, Ryanair Holdings plc, Shopify Inc., Spotify Technology S.A.

Company	Engagement Report
DSV A/S	<p>Objective: We engaged with the chair and chief executive officer (CEO) of DSV separately following reporting in the Danish press around the CEO's conduct, and whether he was being too challenging and creating a "culture of fear".</p> <p>Discussion: We had an open and frank discussion, where both individuals acknowledged the challenge and were clear about where there were opportunities to improve, and steps that they have taken. The board has done a thorough review (including 360 feedback from the wider senior executive team), and the CEO was open about changes he has made to his style in order to prevent the issue recurring. We noted that we wanted him to be a big success in his role, not least given the integration of DB Schenker, and so wanted to make sure the team was pulling together.</p> <p>Outcome: We will follow up with the board after 12 months to assess further progress, but we think that it is important that the company's culture of direct and open communication (which has been the root of its historic success) is not compromised.</p>
Novozymes A/S	<p>Objective: We met with Novonosis chief executive officer (CEO) Ester Baiget, chief operating officer (COO) Anders Lund, and investor relations lead Tobias Bjorklund to discuss post-merger progress, growth drivers and leadership following the integration with Chr. Hansen.</p> <p>Discussion: Novonosis has seen a promising improvement in its growth, with volumes growing high-single digits in recent quarters and some improvement in pricing too. Demand is driven by customer needs for efficiency, yield and clean labels in food and beverages (e.g. high-protein yogurt, plant-based, low-alcohol). The merger has brought scale, broader product offerings, and revenue/cost synergies, while research and development has shifted to a more commercially focused, 'fail fast' model. Advocacy efforts with policymakers in the US, China, and India aim to raise awareness of biomanufacturing's economic potential enabling speedier innovation and acceptance of products. Capex remains elevated to support capacity and sustain growth.</p> <p>Culturally, the merger integration has been smoother than expected, with strong staff engagement and low attrition; in fact, Ester now finds it difficult to tell which staff came from Chr. Hansen and which came from Novozymes. Ester's people-oriented and transparent leadership style has been effective in driving alignment. While some leadership changes (e.g. Amy Byrik's departure) were noted, external hires are adding complementary skills.</p> <p>Outcome: The meeting confirmed the investment thesis of Novonosis post-merger as a stronger, more commercially focused business with a clearer growth runway. We are pleased to see the company investing in growth, execution has improved and leadership appears well-suited to sustaining momentum.</p>

Company	Engagement Report
Shopify Inc.	<p>Objective: We engaged with Shopify's chief executive officer (CEO), Tobi Lütke, to assess strategic direction and outlook for sustained growth. Our focus was on Shopify's artificial intelligence (AI) initiatives, evolution of the checkout process, and the broader positioning in global commerce.</p> <p>Discussion: Lütke highlighted eight consecutive quarters of around 20 per cent growth across core metrics, underpinned by Shopify's pivot to an asset-light model after exiting the logistics business. This has reinforced partnerships and allowed management to concentrate on core strengths. Lütke's hands-on oversight of strategic roadmaps ensures alignment in a rapidly evolving landscape. Shopify's AI ambitions centre on agentic commerce; AI-driven shopping journeys where consumers set constraints and the system executes transactions. By connecting with OpenAI and using new common standards, Shopify is making it possible for customers to easily find products and complete purchases directly within AI-powered apps and tools. The company has also executed a significant overhaul of its checkout process, balancing compliance with merchant flexibility. New initiatives such as the Global Catalogue application programming interface and a universal search index will enhance discovery and merchant reach. In advertising, Shopify is aligning with merchant needs by enabling constraint-driven campaigns, part of a broader shift toward attention-based commerce. Success in enterprise sales is being accelerated by AI tools and headless commerce solutions, offering merchants customisation and scalability.</p> <p>Outcome: This engagement reaffirmed conviction in Shopify's strategic execution and innovation. Its focus on AI, flexible commerce infrastructure, and global reach positions the business well for continued growth. We remain optimistic on Shopify's ability to capture value from the evolution of commerce.</p>
Spotify Technology S.A.	<p>Objective: Our engagement with Spotify's leadership aimed to understand how the company intends to grow sustainably while balancing user experience, fair creator compensation, and responsible adoption of new technologies.</p> <p>Discussion: Chief executive officer (CEO) Daniel Ek underlined Spotify's ambition to expand well beyond its current 700 million users, with growth driven by higher premium conversion rates, expansion in emerging markets, and more flexible pricing. Importantly, Spotify remains committed to being a subscription-led platform, prioritising user value over time-spent metrics common in social media.</p> <p>The company is also exploring new verticals such as audiobooks and education, with the latter potentially offering certified learning credentials. Ek noted that record labels could outsource more services to Spotify, positioning the company to play a larger role in supporting creators. Operationally, Spotify has streamlined its workforce to prepare for AI integration, which management believes will drive efficiency while reshaping how both employees and creators engage with the platform.</p> <p>Outcome: The meeting informed our conviction in Spotify's ability to deliver sustainable growth while maintaining a consumer-first culture. The company's emphasis on sensible monetisation, creator support, and healthier digital engagement aligns with our expectations.</p>

Votes Cast in Favour

We did not vote in favour of any resolutions during the period.

Votes Cast Against

We did not vote against any resolutions during the period.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
B3 S.A.	B3 is Brazil's stock and derivatives exchange. It benefits from a near monopoly position, very low capital costs, and an open-ended growth opportunity, driven by the development of Brazilian capital markets. B3 has grown earnings at 15% over the past decade in local currency. While higher rates in recent years have led to a drawdown in equities volumes, this is expected to recover with the projected fall in interest rates, and represents the majority of revenues. At the same time, revenue streams are diversifying beyond traditional equity trading into OTC, fixed income and financing infrastructure, which are 30-40% of the business today. This is a structural grower at a weak point in the economic cycle, which presented an opportunity for us to take a holding.
SEB Bank	SEB is a high-quality Swedish bank operating in the Nordic and Baltic regions. It has a strong corporate banking franchise and maintains a distinctive position through its international network that provides support to export-oriented Nordic companies, particularly those related to the Wallenberg family, which owns a large stake in SEB via its holding company Investor AB. Nordic markets are consolidated, well-regulated and economically stable, so competition tends to be rational and borrowers more reliable than average. SEB's lending record is also excellent. Growth from here will be driven by corporate banking and wealth management, but we expect generally stable performance and double digit returns.
United Overseas Bank	United Overseas Bank (UOB) is one of the three major Singaporean banks. Its core market is consolidated, which helps bolster long-term profitability, and it benefits from a large pool of sticky deposits. The bank is well capitalised and conservative in its approach to lending and provisioning, which underlines its prowess as a strong through-cycle operator. The growth case is predicated on Singapore being at the heart of the Asian economy and UOB having options in other markets outside. It is run by a family owner, Mr Wee, the grandson of the founder, who has an excellent track record and skin in the game. With the potential for steady and slightly rising returns, and an attractive valuation, we decided to take a holding for the portfolio.

Complete Sales

Stock Name	Transaction Rationale
FANUC	We decided to sell the holding in Fanuc, a leading producer of industrial robots globally. We remain optimistic about long-term growth opportunities in automation, and we continue to acknowledge Fanuc's technological lead in parts of its business, such as CNC systems and high-end robots. However, Fanuc's overall growth has been below our expectations for an extended period, as the company has been facing increased competition, particularly in China. We have several other industrial names where we have a higher level of confidence in the companies' both growth outlook and competitive edge. As such, we decided to reallocate the capital to more exciting opportunities elsewhere in the portfolio.
Reliance Industries Ltd	Reliance Industries is one of India's largest companies, with leading positions in a number of business areas, and with a record of consistently deploying capital well and disrupting markets. Although we continue to admire the business and the management team, concerns have emerged surrounding the strength of their retail business, which formed an important part of our investment case. We therefore decided to sell the shares and reinvest the proceeds into opportunities where we have greater conviction.

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