Baillie Gifford™

Global Core Quarterly Update

31 March 2024

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Past Performance

Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance and results of the portfolio. Material market or economic conditions will have an impact on investment results. The returns presented in this document are gross of fees unless otherwise stated and reflect the reinvestment of dividends and interest.
Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction costs and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results.
It should not be assumed that recommendations/ transactions made in the future will be profitable or will equal performance of the securities mentioned.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

Any stock examples, or images, used in this paper are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style. A full list of portfolio holdings is available on request.

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

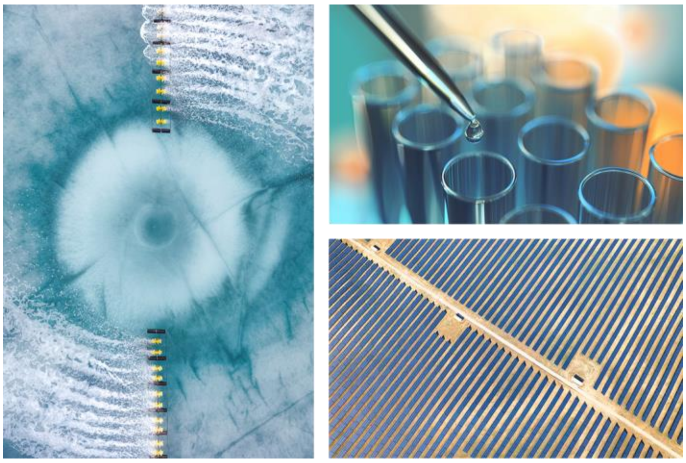
Global Core is a long-term, global equity strategy that invests in a selection of the most attractive growth companies from around the world. It combines the specialised knowledge of Baillie Gifford's regional equity teams with the experience of some of our most senior investors.

Risk Analysis

Key Statistics	
Number of Holdings	178
Typical Number of Holdings	150-200
Active Share	81%*
Rolling One Year Turnover	20%

* Relative to MSCI World Index.

- The first quarter of 2024 was a good quarter for equities as the market became more convinced that central banks will begin cutting interest rates this year
- Performance was positive in absolute terms, but lagged the index
- The portfolio holds a diverse mix of businesses, from world-class industrials to technological disruptors, that demonstrate long-term growth potential



Baillie Gifford Key Facts

Assets under management and advice	US$290.9bn
Number of clients	655
Number of employees	1817
Number of investment professionals	393

Market Environment

A quarter of the way through 2024 not much has changed in financial markets since the end of last year. The likely path of interest rates remains in focus, with cuts now expected as inflation in many major markets is on a downward trend. By the end of March, the market settled on an expectation of three rate cuts by America's Federal Reserve Bank this year. This boosted investor confidence, and the MSCI World index rose by 9 per cent in USD terms during the quarter, led in large part by US equities which have continued their strong run.

Countries in Europe and the Middle East remain at war. Worldwide, elections loom. Inflation, while heading in the right direction, is proving stickier than many would like. The outlook, therefore, comes with the rather large asterisk of being 'subject to unforeseeable change'. In any case, holding tightly to short-term market forecasts has never been our approach.

We invest in the shares of companies that we think are undervalued relative to the range of outcomes they might deliver over the next five to ten years. We focus on companies that have the capacity to deliver unusually good returns over that time frame by growing their businesses substantially. That means looking for businesses that are doing something different and better.

There are lots of reasons why these companies might be undervalued. People struggle to back predictions that are far from the status quo. It's lonely being out on a limb. You look stupid when it's not working. Even if you are roughly right in the long run, you may appear to be wrong for long spells. While broad trends may be relatively predictable, the timing of the inflection points that see change delivered usually are not. Being right will still require holding through accelerations and decelerations of growth.

When it comes to companies using technology innovation to grow, the sceptics will often sound credible. They can point to the strength of established institutions and the effectiveness of how we do things now, versus the untested and still developing. The British Post Office's chief engineer Sir William Preece famously dismissed the emerging technology of the day when he said in 1878: "The Americans have need of the telephone, but we do not. We have plenty of messenger boys." Thomas Watson, then president of IBM, estimated in 1943: "I think there is a world market for maybe five computers." And Steve Ballmer, former CEO of Microsoft said in 2007: "There's no chance that the iPhone is going to get any significant market share. No chance."

These were industry experts who failed to appreciate the scale of change heading their way. Of course, it is easy to look back and scoff with the benefit of hindsight.

Each of their criticisms were founded on sensible points: Preece thought the existing delivery network would dissuade companies from stringing up telephone wires; Thomas Watson couldn't picture the dramatic falls in both cost and physical size of computers; and Steve Ballmer didn't see the sense of the $500 price tag attached to the iPhone.

We don't expect to be more knowledgeable than the luminaries in their field. We aim instead to make better predictions by building systems of thinking that allow us to assess growth potential from several different perspectives. We also accept there will be times when we will be wrong.

Sometimes we'll become enthused about a company that doesn't gain the traction we expect.

Of course, portfolio diversification helps in this respect. We don't *need* every decision to be precisely right to generate strong returns. We look across the spectrum of growth types to ensure a diverse mix of businesses is held, and there is a place for world-leading industrials alongside technological disruptors. What unites these holdings is the potential for long-term growth, and through that lens, the portfolio offers many reasons for optimism.

Performance

The portfolio generated a positive return in the first three months of 2024.

DoorDash is a dominant player in the US restaurant delivery space. This is an unforgiving sector; lesser competitors have been cast aside as the cost of financing rose. By contrast, DoorDash has strengthened through attention to detail over the many steps it takes to deliver food and the costs involved. Orders and revenue are growing strongly while DoorDash continues investing in tools to deliver a greater volume and variety of goods, such as groceries. This progress strongly supports Doordash's ability to execute on its long-run growth opportunity.

Installed Building Products, another US firm, specialises in insulation services, from delivery to installation at building sites. Its management team has adapted to falls in house sales, capably directing its efforts to apartment complexes and commercial property. This, combined with sensible acquisitions, has seen revenues grow and margins rise. Meanwhile, the company's longer-term opportunity remains compelling. We expect insulation demand to rise over the coming decade, with Installed Building Products gaining share and deploying profits into strategic acquisitions, with a widening advantage over competitors.

Not owning Apple, a large index constituent which suffered a drop in its share price, also contributed to relative performance.

Detractors from performance included Snowflake and Insulet. Snowflake provides software enabling businesses to store and analyse their data. The company has a new chief executive, which can often be cause for concern, but we believe this transition was part of a managed succession plan. Snowflake enables businesses to extract insights from their owned data, enabling them to gain a potential advantage over the competition. The volume of data is growing rapidly, with an estimated 90% of the world's data generated in the last two years. We are observing how Snowflake pursues this sizeable opportunity under new management.

The share price of US insulin pump business Insulet has been depressed by concerns about the impact of new anti-obesity drugs called GLP-1. We believe GLP-1 will have no impact on Insulet's future growth potential or profitability; its pumps are used by type-1 diabetics whose disease is not caused by weight gain. Despite consistently beating analysts' expectations, Insulet's shares have been weak due to negative sentiment which we believe is overdone.

Notable Transactions

As long-term investors, we like to buy and hold businesses so clients can benefit from incremental operational progress over time. Although portfolio turnover remains low, we are finding opportunities to buy and add to quality growth businesses that have been sold off due to macroeconomic sentiment.

We bought Canadian convenience store and fuel station operator, Alimentation Couche-Tard. This business has a strong track record of growing by acquisition and we think the current share price does not reflect Couche-Tard's ability to compound steadily over the long term. We also believe the market has underappreciated the prospects of IDP Education, an English-language testing and student placement business. IDP Education provides one of the few exams that regulators use to issue student and work visas. As English testing for immigration is an oligopolistic market, we think the company's valuation fails to capture the strength of the IELTS brand. Other investors also underestimate the size of its student placement business.

We sold out of several businesses that have been a drag on performance. European meal kit business HelloFresh and German online fashion platform Zalando both saw strong demand during the pandemic, but neither has been able to sustain such high growth since. We have lost confidence in their business models. US cloud company Twilio can potentially disrupt a trillion-plus-dollar communications industry, but leadership changes have contributed to our reduced conviction in Twilio's vision to fully pursue this enormous opportunity.

Outlook

Given our resolute commitment to a growth approach, it is understandable that we are often being asked about the prospects for growth equities from here. It is difficult to be specific with an answer. One might imagine the goldilocks scenario for our style of investing – disinflation brings rates down; wars in Ukraine and Gaza come to an end; world leaders start to play nice. Even by our optimistic standards, that scenario seems unrealistic.

So, how should we position portfolios for the next nine months? The answer: we don't. Our long-term track record is founded on a tried and tested investment process that seeks to find and hold fantastic businesses for a long time. There will be periods where our approach is out of favour, such as the indiscriminate sell-off of growth during 2022. But in the long run it is company fundamentals that drive share prices, not interest rates or market moods. On that basis, we have plenty of confidence in the portfolio to deliver for you over the long term.

Performance Objective

+1-2% p.a. over rolling 3 year periods vs index.
The performance objective is aspirational and is not guaranteed. We don't use it to compile the portfolio and returns will vary. A single performance objective may not be appropriate across all vehicles and jurisdictions. We may not meet our investment objectives if, for example, our growth investment style is out of favour, or we misjudge the long-term earnings growth of our holdings.

Periodic Performance

GBP	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	9.8	10.0	-0.2
1 Year	19.7	23.1	-3.4
3 Year	2.4	12.4	-10.0
5 Year	12.2	13.3	-1.1
10 Year	13.6	13.1	0.6
Since Inception	13.5	13.0	0.5

USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	8.9	9.0	-0.2
1 Year	22.3	25.7	-3.5
3 Year	-0.6	9.1	-9.7
5 Year	11.5	12.6	-1.1
10 Year	10.5	10.0	0.6
Since Inception	11.4	10.9	0.5

EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	11.3	11.5	-0.2
1 Year	23.0	26.5	-3.5
3 Year	2.3	12.2	-10.0
5 Year	12.4	13.5	-1.1
10 Year	13.3	12.7	0.6
Since Inception	13.5	13.0	0.5

CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	11.7	11.9	-0.2
1 Year	22.2	25.7	-3.5
3 Year	1.9	11.8	-9.9
5 Year	11.8	12.9	-1.1
10 Year	12.8	12.2	0.6
Since Inception	14.0	13.5	0.5

AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	13.8	14.0	-0.2
1 Year	25.5	29.1	-3.6
3 Year	4.7	14.9	-10.2
5 Year	13.5	14.6	-1.1
10 Year	14.5	13.9	0.6
Since Inception	14.7	14.2	0.5

Annualised periods ended 31 March 2024. 3 Month & 1 Year figures are not annualised.
Inception date: 31 August 2013
Figures may not sum due to rounding.
Benchmark is MSCI World Index.
Source: Revolution, MSCI.
The Global Core composite is more concentrated than the MSCI World Index.

Discrete Performance

GBP	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
Composite Net (%)	2.4	62.0	-0.2	-10.1	19.7
Benchmark (%)	-5.3	39.1	15.9	-0.5	23.1

USD	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
Composite Net (%)	-2.5	80.3	-4.8	-15.6	22.3
Benchmark (%)	-9.9	54.8	10.6	-6.5	25.7

EUR	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
Composite Net (%)	-0.2	68.3	0.6	-13.6	23.0
Benchmark (%)	-7.8	44.5	16.8	-4.3	26.5

CAD	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
Composite Net (%)	3.9	59.2	-5.4	-8.6	22.2
Benchmark (%)	-4.0	36.7	9.9	1.3	25.7

AUD	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
Composite Net (%)	13.1	44.9	-3.4	-5.4	25.5
Benchmark (%)	4.6	24.4	12.2	4.8	29.1

Benchmark is MSCI World Index.
Source: Revolution, MSCI.
The Global Core composite is more concentrated than the MSCI World Index.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 March 2024

Stock Name	Contribution (%)
Apple	0.9
NVIDIA	0.6
Doordash	0.3
Meta Platforms	0.2
Installed Building Products	0.2
Netflix	0.2
Arista Networks	0.2
Spotify	0.1
Martin Marietta Materials	0.1
The Trade Desk	0.1
Insulet Corporation	-0.2
Snowflake	-0.2
Alnylam Pharmaceuticals	-0.2
MarketAxess	-0.2
Eli Lilly	-0.2
New York Times Co	-0.2
Roblox	-0.2
Soltec	-0.1
Shopify	-0.1
Watsco	-0.1

One Year to 31 March 2024

Stock Name	Contribution (%)
NVIDIA	1.1
Apple	0.8
DoorDash	0.6
Netflix	0.4
Arista Networks	0.4
Advanced Drainage Systems	0.4
Shopify	0.4
Martin Marietta Materials	0.3
Schibsted	0.3
Spotify	0.2
Estee Lauder	-0.8
Moderna	-0.7
MarketAxess	-0.5
Hershey	-0.5
Eli Lilly	-0.4
Alnylam Pharmaceuticals	-0.4
Broadcom Inc	-0.3
Prosus	-0.3
Kering	-0.3
Shiseido	-0.3

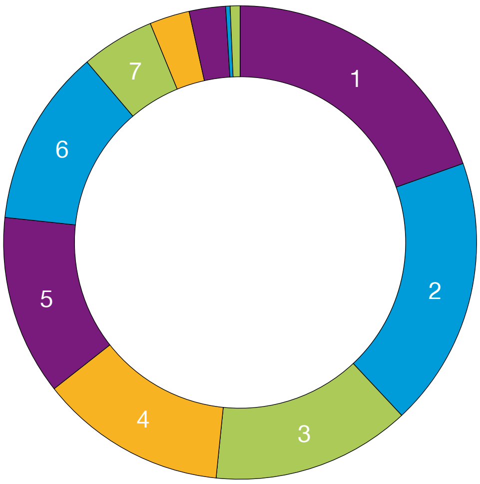
Source: Revolution, MSCI. Global Core composite relative to MSCI World Index.
The holdings identified do not represent all of the securities purchased, sold or held during the measurement period. Past performance does not guarantee future returns. A full list showing all holdings' contributions to the 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
Microsoft	Technology company offering software, hardware and cloud services	2.8
Shopify	Cloud-based commerce platform provider	2.4
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	2.0
Meta Platforms	Social media and advertising platform	1.8
DoorDash	Provides restaurant food delivery services	1.7
Alphabet	Search platform, software, cloud services and more	1.7
Netflix	Streaming platform	1.6
Amazon.com	E-commerce, computing infrastructure, streaming and more	1.6
Hershey Foods Corporation	The Hershey Co is a snack food company and a North American manufacturer of chocolate and non-chocolate confectionary products.	1.4
CoStar	Provides building-specific information to the United States commercial real estate industry and related industries	1.3
Total		18.4

Figures may not sum due to rounding.

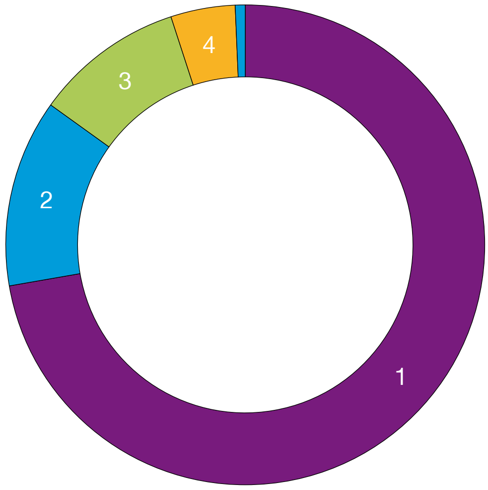
Sector Weights



		%
1	Information Technology	19.6
2	Consumer Discretionary	18.4
3	Health Care	13.6
4	Financials	12.8
5	Industrials	12.3
6	Communication Services	12.1
7	Consumer Staples	5.0
8	Materials	2.7
9	Real Estate	2.5
10	Energy	0.3
11	Cash	0.7

Figures may not sum due to rounding.

Regional Weights



		%
1	North America	72.3
2	Europe (ex UK)	12.6
3	Developed Asia Pacific	10.1
4	UK	4.3
5	Cash	0.7

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	14	Companies	5	Companies	1
Resolutions	171	Resolutions	14	Resolutions	1

We held over 30 engagements with companies this quarter. Most engagements focused on governance

For example, we engaged with Evotec on corporate culture and DSV on remuneration

We will publish our firmwide 2023 Investment Activities Stewardship Report in April 2024

Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., Analog Devices, Inc., BHP Group Limited, Eurofins Scientific SE, Fanuc Corporation, HashiCorp, Inc., Hoshizaki Corporation, Kering SA, Kingspan Group plc, Kobe Bussan Co., Ltd., Mettler-Toledo International Inc., Nexans S.A., Prudential plc, Watsco, Inc.
Social	DSV A/S, Fanuc Corporation, Kering SA, Recruit Holdings Co., Ltd., Tesla, Inc.
Governance	ASML Holding N.V., Analog Devices, Inc., Auto Trader Group plc, Compagnie Financière Richemont SA, DSV A/S, Datadog, Inc., Deere & Company, Eurofins Scientific SE, Evotec SE, Exscientia, FTI Consulting, Inc., Fanuc Corporation, Genmab A/S, Guardant Health, Inc., HashiCorp, Inc., Hoshizaki Corporation, Kering SA, Kobe Bussan Co., Ltd., Markel Group Inc., Mettler-Toledo International Inc., Microsoft Corporation, MonotaRO Co., Ltd., Netflix, Inc., Nexans S.A., Ocado Group plc, Roblox Corporation, Sartorius Stedim Biotech S.A., Sysmex Corporation, The Trade Desk, Inc., Unicharm Corporation, adidas AG
Strategy	AIA Group Limited, Amazon.com, Inc., DoorDash, Inc., Fanuc Corporation, Guardant Health, Inc., Mettler-Toledo International Inc., Recruit Holdings Co., Ltd.

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Analog Devices	Annual 03/13/24	4	We supported the shareholder proposal on simple majority voting. We believe that supermajority voting requirements can lead to entrenchment and make it difficult to implement positive corporate government reforms.
DSV	AGM 03/14/24	8.4	We supported the shareholder resolution asking for a report on DSV's efforts and risks related to human and labour rights, as we believe that additional transparency would be beneficial for stakeholders. Our decision also aligns with management recommendation.

Companies	Voting Rationale
AJ Bell, Analog Devices, Chugai Pharmaceutical, DSV, Deere & Co, Hoshizaki Corp, Kobe Bussan Co Ltd, MonotaRO Co, Nippon Paint, Sartorius Stedim Biotech, Shimano, Shiseido, Starbucks Corp, Unicharm	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 03/13/24	2	We opposed executive compensation because we do not believe the performance conditions for the long-term incentive plan are sufficiently stretching. We generally believe when performance is assessed relative to a benchmark that vesting of awards should only begin when performance is equal to, or above that, of the chosen benchmark.
Analog Devices	Annual 03/13/24	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.
Deere & Co	Annual 02/28/24	4	We opposed a shareholder resolution regarding a customer and company sustainability congruency report. We are comfortable with the company's existing disclosure on this matter.
Deere & Co	Annual 02/28/24	5	We opposed a shareholder resolution requesting the company report on a civil rights and non-discrimination audit of its diversity, equity, and inclusion practices. We are comfortable with the company's current policies in place and note that these are reviewed on a periodic basis, and as such do not think that a report is necessary at this time.
Deere & Co	Annual 02/28/24	6	We opposed a shareholder proposal requesting the company put any senior manager severance package over a certain threshold to shareholder vote. We currently do not have any concerns with how the company remunerates its executives or employees and think this proposal would provide unwarranted distraction from focussing on the long-term growth of the business.

Company	Meeting Details	Resolution(s)	Voting Rationale
Hoshizaki Corp	AGM 03/27/24	1.2	We opposed the election of the board chair due as we believe the company's capital strategy is not in the interests of shareholders and due to the absence of a shareholder vote on the dividend.
Sartorius Stedim Biotech	MIX 03/26/24	5	We opposed the remuneration report because the aggregate fees paid to the board of directors in 2023 exceeded the maximum amount approved by shareholders at the 2023 AGM, which we consider to be poor governance.
Starbucks Corp	AGM 03/13/24	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.
Starbucks Corp	AGM 03/13/24	4	We opposed a shareholder proposal calling for a report on plant-based milk pricing. We consider that the current level of disclosure is sufficient for shareholders to evaluate any risks associated with the Company's offering of plant-based milks.
Starbucks Corp	AGM 03/13/24	5	We opposed a shareholder proposal calling for an audit and report on systemic discrimination. We are comfortable with the company's current policies and procedures in place to address this issue.
Starbucks Corp	AGM 03/13/24	6	We opposed a shareholder proposal calling for a report on the congruency of the company's human rights policies and with its actions. We consider the extent of the Company's operations are disclosed appropriately.

Companies	Voting Rationale
Sartorius Stedim Biotech	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Deere & Co	Annual 02/28/24	3	We abstained on the reappointment of the external auditor due to concerns that the auditor's length of tenure could negatively impact their ability to act independently. Deere's audit firm has been unchanged since 1910, and 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.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Alimentation Couche-Tard	We took a holding in Alimentation Couche-Tard (ATC), a global operator of convenience stores and fuel stations. ATC's success has come from being a capable acquirer and builder of businesses. It looks to make acquisitions where it can make a material improvement through better fuel and merchandise procurement, while growing sales in stores thanks to its well-liked brands. We believe ATCs current share price materially underappreciates its capacity to compound its growth for many years by rolling out stores across several geographies.
Assa Abloy	Assa Abloy leads the fragmented access solutions industry. Scale economies and reputation matter the most in the commercial and institutional business where Assa Abloy is most dominant. It has a long runway of decades-long mechanical to electronic tailwind ahead and still some runway to recycle capital to M&A despite its size on the back of decades of built-up M&A and integration experience, both on the Board and executive team. Based on these attractions, we purchased a holding for the portfolio.
Camurus	Camurus is a Swedish biotech company which does not do drug discovery but instead reformulates existing medicines as 'long-acting injectables' (LAIs) using its proprietary drug delivery technology, FluidCrystal. Thus far, it has found most success in the opioid market, and while the opportunity for treating opioid addiction is substantial, Camurus' long-term value lies in extending its FluidCrystal technology to develop LAIs for a variety of other medicines. The company is growing rapidly, is already profitable and can also see its profit margins rise over time simply through operating leverage alone. With these attractions in mind, we took a new holding for the portfolio.
Duolingo	We have taken a holding in the education provider, Duolingo. The company is best known for its language teaching app, which is the most downloaded app in the education category globally. Duolingo's mission is to deliver the best education experience in the world and make this universally available. The company utilises AI and machine learning in order to bring truly personalised lessons whilst gamifying the experience so users remain engaged with courses. We believe the combination of new content and product development will allow them to increase their user base, and as their offering grows the number of paid subscriptions will follow. Advertising revenues are increasing alongside the growing number of users and margins will expand over time. We believe the company will strike the right balance between their mission and monetisation whilst providing the best-in-class educational suite of content.
Enphase Energy	Enphase offers renewable generation hardware and software for homes and small businesses. Their products include their flagship microinverters, battery storage and EV chargers. Enphase microinverters sit at the heart of solar generation systems, converting the electricity into useful alternating current and providing a host of other functions. The company pioneered the development of these products and today Enphase has powerful edges in proven performance, scale and capability. In addition, Enphase hardware is connected to the company's Enlighten App, allowing customers to monitor and control their microgrid. 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.
Genmab	Genmab is a Danish biotech company, founded in 1999. Genmab has built an unrivalled antibody engineering technology platform that has allowed it to pioneer new and more effective drugs and become the partner of choice for the development of antibody drugs worldwide. Since 2017 it has brought to market two wholly owned drugs for B-cell lymphoma (one for a blood cancer and one for metastatic cervical cancer), and eight royalty-generating partnered products, including three blockbusters (>$1bn revenues), one of which, Darzalex is nearing $10bn in sales. It has achieved scale and profitability while maintaining the focus on innovation and agility that large pharmaceutical companies tend to lack. The combination of science know-how, cornered technology, and scale means that it can count on an above-average success rate for not only getting drugs approved, but also commercialising them. Based on these attractions, we took a new holding for the portfolio.

Guardant Health	Guardant Health is a cancer diagnostics company that provides tests based on blood samples. These tests can be used to help guide treatment selection where cancer has already been detected. They can also be used to check for any residual signs of cancer following treatment. Most of Guardant's revenues currently come from treatment selection testing in late-stage lung cancer, but we think there is substantial growth potential in checking for residual disease. The accuracy of Guardant's tests should improve as the company's dataset grows, and the simplicity of a blood sample means that patient adoption and compliance should be high. We think there is significant enough potential in these two areas to justify a holding at the current share price. Should Guardant successfully develop a commercially viable screening test, this would add further return potential to the investment case.
IDP Education	IDP Education has two main businesses: IELTS English language exam and student placement. IELTS enjoys a strong regulatory edge, as it is one of the few exams that the governments of English-speaking countries accept for student and work visas. We expect the IELTS business to deliver steady growth for a long period thanks to the resilient demand from test takers aspiring to study and work abroad. The student placement business has faster growth opportunities, as the company can increase its market share with the help of its strong digital capabilities. We believe the current share price fails to capture the strength of the IELTS brand and the size of the opportunity for the student placement business. Therefore, we decided to take a holding.
Mastercard	Mastercard has a highly durable and systemically important business model that we believe will continue to grow. We can expect Mastercard to grow its revenues steadily over the next decade, compounding somewhere in excess of 10% each year. Driving growth will be the ongoing digitisation of money, new flows amongst businesses, cross-border exchange and value-added services. Mastercard is already highly profitable and we expect it to be able to maintain that profile as it expands. We believe that the risk of disruption to this business is overstated. It has a deeply entrenched position in global financial systems. This may be amongst the most resilient businesses in our investment universe and these attractions appear undervalued at the current share price.

Complete Sales

Stock Name	Transaction Rationale
10X Genomics	We took a holding in 10X Genomics based on the thesis that 10X's instruments could support a step change in single-cell analysis; driving forward the next generation ofgene sequencing. We have been disappointed by the company's progress since our purchase. Sales of 10X's Chromium single-analysis machine have stalled and while the consumables revenue stream remains appealing, customers appear to view 10X as expensive for the value provided. Competition is intensifying, particularly in the earlier-stage in-situ and spatial cell analsysis markets. The growth opportunity is exciting here, but we are not convinced that 10X has a compelling enough offering to capture a large part of these competitive markets. We have therefore decided to sell the position to held fund new ideas for the portfolio.
Auto1 Group	We sold the holding in German used-car marketplaces business, Auto1. The company has made decent operational progress but we are cognisant that it faces a difficult challenge balancing its push towards profitability while simultaneously growing its direct-to-consumer platform, Autohero. Growing Autohero likely involves spending more on marketing while investing in refurbishment sites but this would come at a cost to the profitability drive. Meanwhile, there is also the prospect of increased competition on the horizon. With these challenges in mind, we decided to sell the position and reinvest in other ideas.
Boohoo	We have decided to sell the small holding in Boohoo. Having let the dust settle on the post-pandemic headwinds, there is an increasing suspicion that the competitive backdrop has significantly deteriorated and it is unlikely that the business will return to profitable growth over the medium term.
Charles Schwab	We sold the holding in brokerage, banking and wealth management company Charles Schwab (CS). We owned CS owing to its customer-centric approach, believing this would allow it to adapt to prevailing trends and move its customer base from the mass affluent to the young, who will eventually become wealthy. A higher interest rate has driven CS's clients to move their cash to higher interest-rate paying accounts elsewhere, and its debt costs have increased. Both have been material headwinds for CS, and we have reduced conviction regarding its potential to execute against its long-term opportunity. We, therefore, decided to sell the holding and fund other higher-conviction holdings.
Denali Therapeutics	Denali is pursuing several late-stage clinical trials of drugs that aim to treat serious neurodegenerative diseases like Parkinson's, Hunter Syndrome and Alzheimer's. Denali's drugs target the genetic causes of these diseases and are engineered to cross the blood-brain barrier in order to deliver treatment. This is exciting technology with large potential end markets. Denali's progress has been slower than we might have hoped, and the company is likely to continue to require external financing to develop its pipeline of drugs. The costs of this financing have risen and when assessing the balance of risk and reward we concluded that we should sell the position in Denali and allocate the proceeds to ideas where our conviction is higher.
HelloFresh	We have sold the shares in the meal kit company HelloFresh. This has been a bad investment. We first invested for clients in 2021 and we believed that consumers' behaviours surrounding grocery shopping and mealtimes were shifting and that HelloFresh was removing friction in this process. We felt it had the potential to become an important part of households' weekly spending, particularly as it expanded the offering by including different diets, more meal types and variations of meal kits. We recognised this was a hard business, but HelloFresh had proven successful in outcompeting peers, achieving leading market shares and producing decent economics which could improve in time. However, after suffering a material hangover from the covid period, this has not come to pass. The company recently issued second profit warning in as many quarters and it has become clear to us that the core meal kits business is in decline and that the growth of its more nascent ready-to-eat offering, Factor, would not be enough to offset this in the near term. With concerns over execution, communication, and the core business itself, we decided to exit.
Nidec	Nidec is a Japanese electric motor maker. Our initial investment case was based on the potential for Nidec to deliver rapid organic growth following its entry into Electric Vehicle (EV) traction motors. While the company has made some progress in this area, it has not met our expectations. We are concerned by the intensifying level of competition in this segment, particularly in China, as well as the level of change in the senior management team. We have therefore decided to sell the holding.

Sana Biotechnology	Sana is an early-stage biotechnology company which aims to create and deliver engineered cells as medicine. This remains a tremendously exciting company, but we think that the financing strain of bringing revolutionary therapies to market could weigh on the returns delivered to shareholders. There is a very appealing upside opportunity for holders if the company can deliver on its early promise, but in our view the downside risks have risen. The share price has risen this year following a successful equity raise that provided a funding boost. Longer-term financing pressures remain, so we took the opportunity to sell the position based on the balance of risk versus reward.
Spin Master	We sold the holding in children's toy and entertainment company Spin Master. The company has built manufacturing expertise in toys, storytelling through content and more recently play through digital games. This three-pronged strategy has allowed it to fortify the customer's affinity with its intellectual property, which includes well-loved names like Paw Patrol and Melissa and Doug. Spin Master's performance has disappointed, however, and management's response has not shown itself to be particularly special. Our enthusiasm in Spin Master's potential to execute against its compelling stable of brands has waned, so we have decided to use it as a source of funds for other higher-conviction opportunities.
Twilio	Twilio's mission is to become the communication platform of choice for developers wishing to create communication software applications. This mission was driven by the company's founder Jeff Lawson, and his vision formed an important part of the investment case. Twilio's profitability has been improving, but amidst high levels of management change and a business restructure, revenue growth which has slowed in recent months. The company is yet to demonstrate an ability to expand profits and grow revenues at the same time. This has culminated in Jeff Lawson's departure, with one of the company's business unit leaders taking over as CEO. This may bring stability in the near term, but it introduces further strategic uncertainty. Our conviction in the holding has fallen given these challenges and we have sold the position.
UPS	We have sold the holding in the courier business UPS. UPS is the largest courier by revenue in the USA. As more commerce is transacted online, UPS has an opportunity to benefit by faciliating the movement of goods amongst businesses and between businesses and consumers. The company is now focusing on the higher end of the market, where better service yields a better price-per-parcel. This could be a very credible growth strategy, but we are concerned that ceding volume to new entrants, such as Amazon, is allowing new competitors to build logistics networks at such scale and density that they will eat into UPS's growth opportunities. Amazon's delivery volumes are now comparable to UPS and we think the risk of disruption is rising.
Zalando	Zalando has been a poor investment. Europe largest online fashion marketplace, it performed well in both share price and operational terms through covid, experiencing strong growth in both users and revenues. Since then, growth has been much more muted and we have noted that its model of offering the broadest possible selection for customers has not been enough to stop customers beginning their online buying journey via a search engine or by going direct to their brand of choice. Meanwhile, Zalando's ancillary services for brands, such as in marketing and fulfilment, have failed to make the impact on profitability that we had hoped for. As a result, we decided to sell the holding and invest in other ideas.

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