BAILLIE GIFFORD

Worldwide Discovery Quarterly Update

30 September 2021

Contents

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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.

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.

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Product Overview

Worldwide Discovery is a concentrated, long-term, global equity strategy investing predominantly in growth companies that are initially lower down the market cap spectrum. The strategy selects stocks on a bottom-up basis with a focus on companies that have a strong culture of innovation and entrepreneurialism.

Risk Analysis

Key Statistics	
Number of Holdings	73
Typical Number of Holdings	50-75
Active Share	99%*
Rolling One Year Turnover	34%

*Relative to MSCI AC World Small Cap Index. Source: Baillie Gifford & Co, MSCI.

The summer months have seen stock markets wrestle with a world trying to get back to normal, the overhang of new virus variants and an abrupt Chinese regulatory crackdown

It's far from a normal stock market environment out there, but we sense that it's a market that is becoming a bit more discerning, less momentum-seeking and more fundamentals-led

Among this quarter's trading were new buys ITM Power and Oxford Nanopore, and the sale of Cloudera

Key Facts

Assets under management and advice	US$466.8bn
Number of clients	870
Number of employees	1576
Number of investment professionals	319

The summer months have seen stock markets wrestle with a world trying to get back to normal, the overhang of new virus variants and an abrupt Chinese regulatory crackdown. It's a mix that means the daily swings from optimism to fear are even more pronounced than usual. From a performance perspective, we sense that markets are moving beyond the recovery mania that dominated earlier in the year. It's far from a normal stock market environment out there – the stream of special purpose acquisition companies (SPACs) and the wall of money chasing the hot new thing are clear indicators of that, but we sense that it's a market that is becoming a bit more discerning, less momentum-seeking and more fundamentals-led.

Portfolio update

A notable area of weakness in the portfolio has been our Chinese stocks. Referring to our holdings in a geographic context always feels rather odd to us but is probably justified in this context given the challenges that have emerged. We prefer to simplify the debate on China investing towards two key axes.

The first axis is a geopolitical one. The roots here extend well beyond the last three months but the 'who lists where and why' and 'where do companies keep sensitive customer data' arguments don't feel like they will be resolved soon (and in the intervening periods VIE/ADRs will be increasingly shunned and we'd expect many of the US-listed Chinese companies to pursue domestic listings options).

The second axis is arguably a bit easier for investors to have a considered view on, namely domestic Chinese companies where the accrued power and influence have begun to sit at odds with the more holistic, openly socialist approach of the governing party. Certain sectors have been singled out for intervention, most obviously those involved in aspects of lending, education, and gaming. For some of our holdings such as OneConnect this has been creating headwinds (even if the impact on these businesses is much more indirect than direct).

The reporting period has been an unusual one in that companies were annualising the immediate impact of the pandemic. For some companies this presents as a recovery-type boost but for several of our companies, especially those that were natural beneficiaries of the pandemic (for example telemedicine providers or ecommerce businesses) this period has been one where the comparator has been tough. As previously discussed, we are more intrigued by how the fortunes of such businesses have been transformed on a multi-year, perhaps even a multi-decade basis. Annualising an extreme base effect often gets stock markets excited, but it tends to tell you very little of relevance to the real long-term progress.

For companies such as Teladoc, the stock market's questioning relates to a flat membership growth outlook over the year. Yet we think the evidence of them going much deeper with existing members is much more reflective of the value being built. Likewise, with Ocado the shrinking basket size and limited near-term growth should be expected from a business that was running at well above optimal capacity a year ago. Much more relevant is the increasingly delighted noises emerging from international partners such as Kroger and Sobeys as they go live with their Ocado-enabled facilities.

Following the results season we would highlight the progress made by holdings such as Sprout Social, Ambarella and Everbridge – all examples of companies where their offerings are evolving in interesting directions and are increasingly resonating with customer needs. Shockwave Medical also deserves a mention on account of the exceptionally strong early adoption of its products in the coronary treatment setting. Adaptimmune announced a sizeable partnership with Genentech for its second generation engineered T-cell therapies, and this was followed by some encouraging data on first generation products in a variety of solid tumours.

On a less positive track we saw some lacklustre commercial progress at MorphoSys which was compounded by some questionable mergers and acquisitions (M&A) activity in which MorphoSys sold off some of its future antibody royalty streams for a late-stage small molecule oncology drug. We also saw some weakness in Novocure following the publishing of its liver cancer phase two trial data and signs that its GBM (glioblastoma) franchise is maturing. We think this is largely to be expected and the investment case for Novocure is heavily skewed to other, much larger cancer types being investigated in its development pipeline.

Portfolio activity

Among this quarter's trading were new buys ITM Power and Oxford Nanopore, and the sale of Cloudera.

We took a new position in the UK electrolyser company ITM Power. Electrolysers produce hydrogen gas using electricity and water as inputs (with oxygen gas as a side-product). The hydrogen gas can then be used as chemical feedstock (eg in refining or fertiliser manufacture) or it can be consumed in a fuel cell to yield back energy and water. With the declining cost of renewable energy and mounting imperative across society of net-zero targets, we see the prospect of the hydrogen economy being transformed over the coming decades. ITM appears to be uniquely placed to benefit.

We also participated in the IPO of Oxford Nanopore, a company that we have known for a number of years while it was private. Oxford Nanopore was spun out of Oxford University in 2005 and has made incredible progress with its pocket-sized variant sequencing devices. At the company's core is using genetic sequencing to understand and interrogate biology, and this new public phase of Nanopore's life is very exciting indeed.

We sold the position in Cloudera following a successful takeover bid from private equity. Cloudera is a software company which helps businesses store, manage, and analyse their increasingly large and complex datasets. Aspects of our investment case were based on a turnaround at Cloudera – with hindsight it's possible that these things are better done behind closed doors.

A technician holds an Oxford Nanopore Technologies Ltd. device for DNA and RNA sequencing.

The views expressed reflect the personal opinion of the author and should not be considered as advice or a recommendation to buy, sell or hold a particular investment.

Performance Objective

+3% p.a. over rolling 5 year periods vs benchmark.

The performance objective stated is in no way guaranteed. The performance target is aspirational and is not used for the purpose of determining or constraining the composition of the portfolio. Performance may vary between segregated accounts and pooled funds in different jurisdictions as each structure will bear a different set of costs. A single performance target may not be appropriate for all vehicles in all jurisdictions and for this reason our portfolio specific materials will often refer to 'material' outperformance of a benchmark.

Periodic Performance

	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months*	-12.7	-1.4	-11.2
YTD*	-12.6	14.0	-26.6
1 Year*	7.2	41.1	-34.0
3 Years	18.8	11.6	7.2
Since Inception	24.9	11.9	13.0

Annualised periods ended 30 September 2021. *Not annualised.
Inception date: 30 June 2017.
Figures may not sum due to rounding.
Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
US dollars

Discrete Performance

	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19	30/09/19-30/09/20	30/09/20-30/09/21
Composite Net (%)	N/A	41.6	-6.8	67.8	7.2
Benchmark (%)	N/A	9.1	-5.0	3.7	41.1

Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
US dollars

Performance Objective

+3% p.a. over rolling 5 year periods vs benchmark.

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Periodic Performance

	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months*	-10.6	0.9	-11.5
YTD*	-7.7	20.4	-28.1
1 Year*	8.4	42.8	-34.4
3 Years	18.9	11.7	7.2
Since Inception	24.4	11.5	12.9

Annualised periods ended 30 September 2021. *Not annualised.
Inception date: 30 June 2017.
Figures may not sum due to rounding.
Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
euro

Discrete Performance

	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19	30/09/19-30/09/20	30/09/20-30/09/21
Composite Net (%)	N/A	44.1	-0.7	56.0	8.4
Benchmark (%)	N/A	11.1	1.2	-3.6	42.8

Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
euro

Performance Objective

+3% p.a. over rolling 5 year periods vs benchmark.

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Periodic Performance

	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months*	-10.5	1.0	-11.5
YTD*	-11.4	15.6	-27.0
1 Year*	2.7	35.3	-32.6
3 Years	17.5	10.4	7.1
Since Inception	23.8	10.9	12.9

Annualised periods ended 30 September 2021. *Not annualised.
Inception date: 30 June 2017.
Figures may not sum due to rounding.
Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
sterling

Discrete Performance

	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19	30/09/19-30/09/20	30/09/20-30/09/21
Composite Net (%)	N/A	45.7	-1.4	59.9	2.7
Benchmark (%)	N/A	12.3	0.5	-1.2	35.3

Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
sterling

Performance Objective

+3% p.a. over rolling 5 year periods vs benchmark.

The performance objective stated is in no way guaranteed. The performance target is aspirational and is not used for the purpose of determining or constraining the composition of the portfolio. Performance may vary between segregated accounts and pooled funds in different jurisdictions as each structure will bear a different set of costs. A single performance target may not be appropriate for all vehicles in all jurisdictions and for this reason our portfolio specific materials will often refer to 'material' outperformance of a benchmark.

Periodic Performance

	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months*	-10.6	0.8	-11.5
YTD*	-13.1	13.4	-26.5
1 Year*	1.6	33.9	-32.2
3 Years	18.0	10.9	7.1
Since Inception	24.1	11.2	12.9

Annualised periods ended 30 September 2021. *Not annualised.
Inception date: 30 June 2017.
Figures may not sum due to rounding.
Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
Canadian dollars

Discrete Performance

	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19	30/09/19-30/09/20	30/09/20-30/09/21
Composite Net (%)	N/A	46.4	-4.5	69.3	1.6
Benchmark (%)	N/A	12.8	-2.7	4.6	33.9

Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
Canadian dollars

Performance Objective

+3% p.a. over rolling 5 year periods vs benchmark.

The performance objective stated is in no way guaranteed. The performance target is aspirational and is not used for the purpose of determining or constraining the composition of the portfolio. Performance may vary between segregated accounts and pooled funds in different jurisdictions as each structure will bear a different set of costs. A single performance target may not be appropriate for all vehicles in all jurisdictions and for this reason our portfolio specific materials will often refer to 'material' outperformance of a benchmark.

Periodic Performance

	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months*	-9.2	2.5	-11.7
YTD*	-6.7	21.8	-28.4
1 Year*	6.3	40.0	-33.7
3 Years	18.8	11.7	7.2
Since Inception	26.6	13.5	13.2

Annualised periods ended 30 September 2021. *Not annualised.
Inception date: 30 June 2017.
Figures may not sum due to rounding.
Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
Australian dollars

Discrete Performance

	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19	30/09/19-30/09/20	30/09/20-30/09/21
Composite Net (%)	N/A	53.6	0.0	57.9	6.3
Benchmark (%)	N/A	18.3	1.9	-2.4	40.0

Benchmark is MSCI AC World Small Cap Index.
Source: StatPro, MSCI.
Australian dollars

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to September 30, 2021

Stock Name	Contribution (%)
Tesla Inc	0.7
Alnylam Pharmaceuticals	0.6
CyberArk Software	0.3
Ambarella	0.3
Sprout Social	0.3
MercadoLibre	0.2
Everbridge	0.2
Oxford Nanopore Technologies	0.1
Genmab	0.1
Infomart	0.1
Novocure	-1.9
Zai Lab	-1.4
Ocado	-1.1
Zillow	-1.0
Appian	-0.9
Upwork	-0.7
LendingTree	-0.6
Teladoc	-0.6
Trupanion	-0.6
Staar Surgical	-0.6

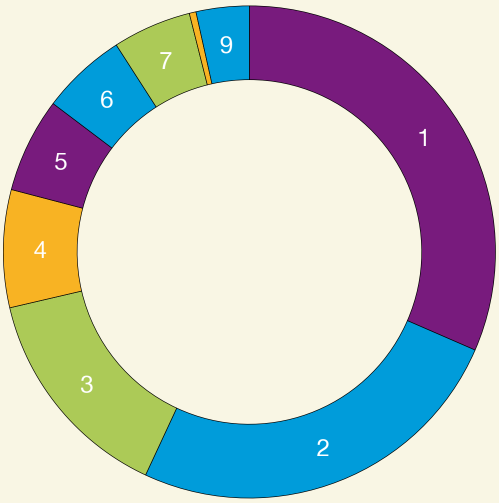
One Year to September 30, 2021

Stock Name	Contribution (%)
Tesla Inc	2.7
Staar Surgical	1.1
Upwork	0.6
ShockWave Medical	0.5
Codexis	0.5
Ambarella	0.4
Axon Enterprise	0.4
Sprout Social	0.4
MercadoLibre	0.3
CyberArk Software	0.1
Ocado	-5.1
Teladoc	-2.6
LendingTree	-2.4
MarketAxess	-1.7
Zillow	-1.6
MorphoSys	-1.1
Galapagos	-1.1
Chegg	-1.1
Wayfair	-0.8
Novocure	-0.8

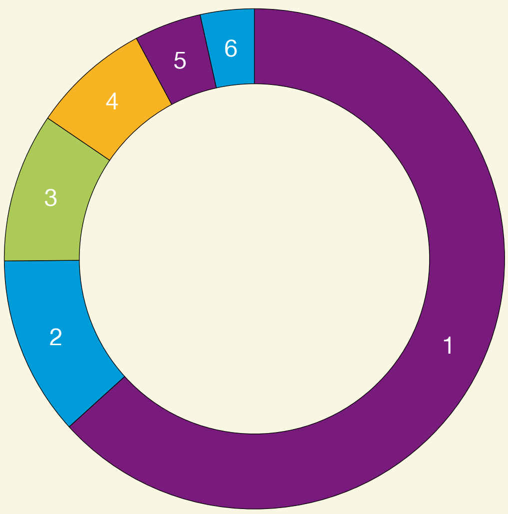
Source: StatPro, MSCI. Worldwide Discovery composite relative to MSCI AC World Small Cap Index.
Some stocks may have only been held for part of the period.

Top Ten Largest Holdings

Stock Name	Description of Business	% of Portfolio
Tesla Inc	Electric vehicles, autonomous driving and solar energy	5.6
Ocado	Online grocery retailer and technology provider	5.2
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	5.2
STAAR Surgical	Opthalmic implants for vision correction	3.7
Zillow	US online real estate services	3.6
MarketAxess	Electronic bond trading platform	3.5
MercadoLibre	Latin American e-commerce platform	2.9
Upwork	Online freelancing and recruitment services platform	2.9
Xero	Cloud based accounting software for small and medium-sized enterprises	2.7
Chegg	Online educational company	2.6
Total		37.9



	Sector Weights	(%)
1	Health Care	31.5
2	Information Technology	25.4
3	Consumer Discretionary	14.4
4	Industrials	7.7
5	Financials	6.2
6	Communication Services	5.6
7	Consumer Staples	5.2
8	Materials	0.4
9	Cash	3.5



	Regional Weights	(%)
1	North America	63.3
2	UK	11.6
3	Emerging Markets	9.6
4	Developed Asia Pacific	7.7
5	Europe (ex UK)	4.3
6	Cash	3.5

Figures may not sum due to rounding.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	5	Companies	2	Companies	None
Resolutions	29	Resolutions	2	Resolutions	None

Solving climate change will require both international agreements among nations, and the innovation and entrepreneurship of businesses

As responsible stewards of long-term capital, it is increasingly important we understand the risks and opportunities of climate change on our clients' behalf

We try to ensure that our engagement with companies on climate-related issues is based on material risks and opportunities, but is also supportive through significant periods of change

Company Engagement

Engagement Type	Company
Corporate Governance	Teladoc Health, Inc.
Environmental/Social	Ocado Group plc, Upwork Inc.
AGM or EGM Proposals	LiveRamp Holdings, Inc., Xero Limited, freee K.K.
Executive Remuneration	ASOS Plc, Renishaw plc

Notes on company engagements highlighted in blue can be found in this report. Notes on other company engagements are available on request.

Navigating the challenge of climate change

The job of editing a document with many different authors can be a thankless task. As anyone who's ever found themselves lost in a sea of tracked changes and comments will know, reaching agreement on the final version usually requires both compromise and tenacity. So we should spare a thought for the 721 authors from 90 countries asked by the Intergovernmental Panel on Climate Change (IPCC) to finalise its Sixth Assessment Report. For them, 9 August was a very big day indeed. The full 3,949 pages of Working Group I's (WGI) contribution was published for the world to see, representing the most significant update to global understanding of the physical science of climate change. It has taken a full eight years to complete.

We're no strangers to long-term, diligent research and analysis ourselves. We certainly try to avoid reaching hasty conclusions based on limited inputs or unreliable data. So the fact that this report – itself based on thousands of separate scientific studies – should use such clear and unambiguous language in its descriptions of the changes we are now causing to our planet should give everyone reason for concern. The IPCC is certainly not prone to kneejerk reactions. These are careful and considered conclusions and they tell us that human-induced climate change is unequivocal and getting worse.

Barely a month earlier, the small village of Lytton in southern British Columbia, home to roughly 250 people, measured the highest temperature ever recorded in Canada. Temperature records are normally broken by fractions of a degree but this time it was smashed by 4.6°C, reaching nearly 50°C. The next day, 90 per cent of the village's homes and businesses were destroyed by fire. Stories like this are being repeated around the world on an increasingly frequent basis, providing a very human reality to the thousands of pages of IPCC research and analysis.

Climate change is, of course, a global problem but the 'lived experience' of it happens locally. It is both a glaringly urgent emergency and something that requires action over decades. Its causes and effects are unevenly distributed through time and geography, with those most responsible often the least exposed to its physical and economic impacts. It requires international agreements among nations to address, yet it also needs innovation and entrepreneurship from businesses to solve. And even understanding the science of it, as we have seen, needs the diligent work of thousands of researchers. It is complex and at times confounding, to say the least.

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Our responsibility as stewards of long-term capital is, we think, twofold. First, we need to understand how climate change can affect returns for our clients. For now, the focus of much of the regulatory intervention we are seeing in this area is on risk, including the recent announcements by the UK's Department for Work and Pensions (DWP) and Financial Conduct Authority. The Taskforce for Climate-related Financial Disclosures (TCFD) – which forms the bedrock of this sort of regulation – has been hugely influential here and has changed the game on corporate climate risk disclosure. The TCFD's emphasis was, and continues to be, primarily on driving better disclosure of potential financial costs of climate change and the transition. Financial costs don't, of course, tend to include the human cost of lives uprooted or even sadly lost. Even so, the bill for rebuilding the little village of Lytton, B.C., currently stands at CA$78m and rising. Costs like this multiplied across the globe quickly become systemic. This is something that even the world's best financial data modellers currently find difficult to comprehend, let alone calculate.

Conventional economic modelling can struggle to incorporate the type of unprecedented impacts that climate change might bring – like large-scale crop failure, global sea level rise and collapse of ecosystems. Conversely, losses to fossil fuel-based business models in a decarbonising world are much easier to calculate. And so as we begin incorporating climate scenario analysis into our own portfolio analysis, we are mindful that some model outputs have a tendency to show the financial downsides of the transition apparently outweighing the financial downsides of catastrophic climate change. This instinctively feels wrong, and it probably is.

But even more importantly for the type of long-term, future-focused investment strategies we run at Baillie Gifford, there is a danger that the opportunities presented by the shift to net-zero emissions may also be underestimated. Our responsibility to our clients is to find these opportunities. Some of our investments into companies like Northvolt and CATL (battery manufacturers), Beyond Meat (plant-based protein), Vestas and Ørsted (renewable power) and, of course, Tesla and Nio (electric mobility) are in clear pursuit of this. Ultimately, we think risk as a theory of change has its limitations and will not drive the scale of capital the world needs into climate solutions fast enough. The financial industry must do far more than simply insulate itself from risk: it must seek to achieve better outcomes for the climate, and by extension all of us.

Which brings us to our other core responsibility, which is to be supportive and constructive long-term owners of companies as they navigate the transition towards net-zero. All companies will need to get there eventually; for some it presents a near-term liability or opportunity, or both, while for others it is less material to their core business, though still a feature of the regulatory space and customer environment they operate in. We try to ensure that our engagement with companies on climate-related issues is based on material risks and opportunities but is also supportive through significant periods of change.

For companies to drive this transition effectively, the role of governments in helping to set the goalposts and rules of the game is vital. The Paris Agreement of 2015 was a huge step forward in this respect, but as we look to COP26 in Glasgow in November we are hopeful that we will see more detail emerge on the regulatory and fiscal frameworks that are required. Put simply, the sheer speed of change now required to have much hope of staying within the 1.5–2°C limits agreed in Paris means significant policy intervention is now needed in many areas like heating, power, transport and agriculture. Our view is that this intervention should be aimed at ensuring rapid adoption of solutions that can make a transformational difference now, on top of whatever economy-wide changes need to be made in the longer term. Clean technologies need to reach cost parity with fossil fuels as quickly as possible, meaning that targeted sector-specific policies and innovation are vital. Norway provides a good example, where pure electric vehicles now make up over two-thirds of new car sales, thanks to incentives that made them attractive to buyers and ensured the required infrastructure was built out too.

Countries where adoption is left purely to market forces may eventually get to the same place, but it will take a lot longer – too long for the kinds of emissions reductions we need to see to be on track for the Paris Agreement. Putting more detail on the speed of those emissions reductions will be keeping the 721 IPCC authors busy over the coming year as they prepare two further Working Group reports on the mitigation and impacts of climate change. They are then due to publish a synthesis report around this time next year. Meanwhile, it will become increasingly important for investors and companies alike to ensure they both understand the risks – and importantly the opportunities – of climate change to give us the best chance of avoiding lots more Lyttons in the future.

Company	Engagement Report
Ocado Group plc	Ocado is an online grocery retailer and logistics service. A member of the ESG team attended Ocado's most recent materiality consultation. Last year Ocado conducted its first materiality consultation, so this exercise was building on its previous approach. Ocado's Head of Corporate Responsibility is keen for the company to keep innovating in this area, and was eager to hear our thoughts on how it can improve. Our view is that Ocado has demonstrated its ability to sensibly engage with stakeholders and to put sustainability at the heart of their growth strategy.
Upwork Inc.	We met with Chief Business Affairs and Legal Officer Brian Levey and a number of colleagues to continue our discussions about the impact of Upwork's platform on both the broader labour market and on the work proposition and wellbeing of freelancers in particular. Upwork genuinely seem to welcome engagement on these topics even though they are not yet on the agenda of its other investors. The management team believe that focus on the societal impact of the trend towards freelancing and flexible working patterns will only become more prominent over time as regulators and other stakeholders take more interest. Importantly, Upwork believe that they have a very positive story to tell, both in terms of creating value for companies and freelancers alike by matching up supply and demand, and through the inclusion of millions of workers in the economy who might otherwise be excluded for a range of reasons. Upwork are now providing more information on environmental, social and governance issues, but they have limited data on the wider impact of the platform, with the focus to date being predominantly on the firm's core operations and diversity and inclusion initiatives. We offered to engage further on the topic of additional reporting content and metrics that would help to frame the wider social and economic impact of the Upwork platform, an offer that was enthusiastically taken up.

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Aerovironment	Annual 09/24/21	5	We supported the shareholder resolution on a majority voting standard as this will provide better alignment with good governance standards.

Companies	Voting Rationale
Aerovironment, Cloudera Inc, Liveramp Holdings Inc, Xero Ltd, freee K.K.	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
freee K.K.	AGM 09/29/21	7	We opposed the restricted share plan proposal as it included independent outside directors. We do not believe granting restricted stock with a three year holding period is appropriate for independent outside directors as it may compromise their independence.
Liveramp Holdings Inc	Annual 08/10/21	3	We opposed executive compensation due to concerns with vesting conditions attached to long-term incentive awards.

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
ITM Power	ITM Power is a UK company which designs and manufactures PEM electrolysers (proton exchange membrane). Electrolysers are devices that produce hydrogen gas using electricity and water as inputs (with oxygen gas as a side-product). The hydrogen gas can then be used as chemical feedstock (e.g. in refining or fertiliser manufacture) or it can be consumed in a fuel cell to yield back energy and water. With the declining cost of renewable energy, and the mounting imperative across society and industry of net zero targets, we see the prospect of the much heralded hydrogen economy being transformed over the coming decades. Green electrolyser-derived hydrogen is likely to be the most viable route for many heavy emitting industries to decarbonise. While batteries are a practical energy store for many applications, yet when the energy storage requirement is long term and the utilisation conditions are more demanding (e.g. high utilisation or where weight and scale considerations are paramount), the benefits of hydrogen come to the fore. ITM is among the major electrolyser producers that cater to this opportunity. It focuses uniquely on the more differentiated PEM type electrolysers and has the largest PEM manufacturing capacity.
Oxford Nanopore Technologies PLC	Oxford Nanopore has developed a novel system for direct and highly sensitive electronic analysis of single molecules in real time. It has initially honed this technology to sequence native DNA and RNA molecules in rapid fashion. The technology's unique combination of accuracy, ability to read long sequences, portability, low cost and real time detection distinguishes it from other analytical tools that are available. While genetic sequencing is largely the domain of research scientists and forward thinking clinicians, we think the company's inherent technological advantages make it very applicable to new applied areas which could be worth upwards of many times the current market opportunity. These include infectious disease testing, oncology, environmental monitoring, and food safety. This is a company and team we are willing to support, and therefore we were pleased to take part in the IPO.

Complete Sales

Stock Name	Transaction Rationale
Cloudera Inc	Private equity companies Clayton, Dubilier & Rice and KKR have agreed to take Cloudera private in an all cash transaction. We have sold our shares ahead of the closing of the deal, in order to fund new purchases and additions elsewhere in the portfolio.

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