

# Emerging market companies leapfrogging western rivals

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**From robo-taxis picking up passengers in a typhoon to e-paper transforming supermarket shelves, discover why some of the most innovative companies are outside the west.**

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**Leo Kelion:** In late July, Typhoon Co-May hit Shanghai. While flights were grounded and ferries docked, something remarkable happened on its roads. Pony.ai's driverless taxis made their commercial debut in the Chinese city during the storm. To the startup's satisfaction, the cabs slowed whenever the rain intensified, but otherwise handled the wild weather with ease. Their edge? Relentless testing in conditions that would challenge any human driver. Plus, self-cleaning sensors that can handle everything from snow to sandstorms. But here's what's exciting to emerging markets growth investors. Pony.ai says its latest robo-taxis cost significantly less to make than those of Google's sister company Waymo, helping it to charge lower fares. That's just as well, since Chinese citizens earn less than their western counterparts, but could also stand the firm in good stead as it pursues international ambitions. It's just one example of an emerging markets company turning a constraint to its long-term advantage.

Welcome to *Short Briefings on Long Term Thinking*. I'm Leo Kelion, and in this episode, we're bringing you a conversation I had with Alice Stretch, an investment manager in our Emerging Markets Team, as part of Baillie Gifford's recent Disruption Week briefings. It's an illuminating discussion, ranging from ecommerce to E Ink, as well as autonomous vehicles. But before we begin, a quick reminder. As with all investments, your capital is at risk, and your income is not guaranteed. Let's start.

Alice, I want to come to Pony.ai in a little bit, but let's start by setting the scene. Emerging markets and their companies have historically been thought of as playing catch-up with the west. But in many cases, that's no longer true, is it?

**Alice Stretch:** Absolutely. For a long time, emerging market companies were seen as factories for the developed world. They were copycat business models with cheap production and often using developed-market technology or capital. And that's changed. The imitators are now the innovators. And we've seen this with a new generation of emerging market companies coming through with innovative products, ideas and services that are designed for their domestic market but end up being world-leading. So if you just think in terms of China's short-form video trends and how TikTok

has transformed the world over the past five years. Now, the reason innovation is important to us as long-term investors is because innovation broadens out the opportunities in front of us. It presents opportunities, disrupts the status quo. And that means we can look at a broader set of investable ideas.

We can look at companies with more durable growth. We can also look at the potential size and scope of that end demand increasing, which increases revenues and profits too. Now, in an emerging market context, there are two forces of innovation that I think are really important. The first is the lack of legacy systems. And I remember when I first had this thought, I was a student in London and I went to study abroad in Seoul. And at the time in London, the Tube had just got to its 150th anniversary, and it almost feels that way. It's very old, the network is worn out and very noisy, you know, all of this sort of thing. I landed at Incheon Airport in South Korea and jumped on the metro system there and just thought, wow, this is incredibly clean, safe, reliable, fast. And that was the first time I thought, wow, you're not locked into those old systems. You're not locked into a design from a different era. And as impressive as the Tube was in 1800s London, an engineering feat really, it doesn't translate to today. I mean, even trying to get air conditioning on the tube seems nearly impossible.

So that's the legacy systems part of innovation. And the second force for me is actually in emerging markets being able to turn constraints into capabilities. And the example that comes to mind here is within China. So, in China, in terms of past few decades, there's been energy insecurity. And for China's desire to electrify, to reduce pollution and to increase its own reliance of energy, it's massively accelerated its battery development and its renewables programmes to the point where it's turned what was a strategic vulnerability into a world-leading capability. And it now ships electric vehicles and lithium-ion battery cells all over the world. What's this meant in an emerging markets context is you often end up with companies having to be pioneers. They have to leapfrog what has existed before. So when you're looking to the future, whether it's renewables, batteries, robotics, the future and the pioneers are in emerging markets.

**LK:** That first point you made is really interesting about the lack of legacy systems, because we often talk about first mover advantage, but this is kind of that, but in reverse. So can you give me an example of a company in your portfolios that's benefited from not being locked into a legacy system?

**AS:** Yeah, definitely. So what comes to mind is PolicyBazaar. This is an Indian company that's best in class in terms of digital and health and insurance plans. They've designed this for 100 million customers, and they've been able to do this by not closing down old branches, by not having to update old legacy tech. They've been digital first, which means they've been able to grow really rapidly. And what that's also meant is they've been able to respond quickly to changing consumer behaviour. And changing consumer behaviour isn't just about what a company releases as a product. It's actually often the ecosystem change around it. And this is the case in India. Innovation, policy and capital have all worked together to allow PolicyBazaar to have accelerated growth.

This backdrop, this policy backdrop has been India's digitalisation. So, over the past decade, the government has spent a lot of time and effort to upgrade digital infrastructure, including payments. So, the payments interface now is incredibly popular. It got to 20 billion monthly transactions in August this year. And it's also now being used as a way to pay to go up the Eiffel Tower. If you were an Indian tourist visiting Paris, you could use your payments interface to get up the Eiffel Tower, which I think is really cool.

And against that policy backdrop, you then have this company, PolicyBazaar, that can leverage all of that consumption behaviour. You've got consumers really used to getting financial transactions done online. So, they can grow within that ecosystem. And this all leads to the economic theory that new winners in a technology wave are the ones that can reorganise quickly, are really frugal with resources and are able to not be weighed down by baggage. And I think that points to PolicyBazaar, and it also points to emerging markets more generally.

**LK:** And of course, you're investing in specific growth companies rather than broader economies. So, with that in mind, can you tell me what types of innovation are you actually looking for?

**AS:** Yeah, innovation isn't just a shiny new piece of technology for us. Innovation can often be about reducing friction and reducing pain points. And if you look to one of the most common places of pain points, it's banking. And I think we can all agree with that. And banking, especially in Brazil, has been the case. In Brazil, the norm was high fees, payment delays, incredibly long queues. We actually invest in a company called Nubank, which was Brazil's first fully digital bank. And what they've been able to do is become a better offering for customers. So, get over those original pain points, but then also come up with better products, innovative products.

They collect 30,000 data points per customer, which means they can tailor everything effectively. And one of these products I think is really interesting is their transparent starter card. So, this is where if you haven't had much access to credit, you can get credit of a low limit, say \$10, and then you can build up step by step with Nubank helping you so you can improve your credit quality. And that's really important because that brought hundreds of thousands of people into the banking system, but it's also part of that company's future growth there as well.

Now, one part of innovation is the products and the friction, but the other part would be a company that can then expand that into a multiple-act innovation. So, this is kind of like Amazon going from a bookstore to being able to do cloud services. And when we're analysing companies, we're looking for that right to expand from that original excellent execution to the next growth area.

One company in mind for this for me would be Meituan in China. So, Meituan is one of the dominant super apps. When we first knew the company a decade ago, it was mainly coupons and discounts. And now it's become a dominant food app that's extended its reach into Hong Kong, the Middle East and Brazil. And even more recently is trialling its restaurant software in the US at the moment as well. So that's what I mean by multiple acts. You take one success from one area and you use it as a foundation for the next.

**LK:** And I guess another company from your portfolio that would qualify would be MercadoLibre, right? One of your team's biggest investments that started off in e-commerce but is now very much a fintech giant as well.

**AS:** That's right, yeah. MercadoLibre is huge in Latin America. Started off in ecommerce and built and heavily invested in logistics to support that growth, then went into payments and fintech. And it is a multi-act company and continues to be so, which is what we think is really interesting. They're now applying for a banking licence, and they're also expanding their reach in terms of advertising technology. So as well as advertising on their own platform, they're providing it off platform. And when you just think of that digital advertising opportunity in Latin America, that could be a huge next area of growth. And underlying all of this for MercadoLibre is their vision to be the operating system between the merchant and consumer. And they want to cut out as many of those middle layers as possible, reduce the costs and build up trust in the ecosystem.

**LK:** So that's MercadoLibre continuing to move into adjacent areas. Is there maybe an example that you can give of a company that's doing this that will be less familiar to most of our audience?

**AS:** Yeah, the one that we've recently taken a holding in as well is Mobile World. And this is in Vietnam. You might be surprised that Mobile World is actually primarily a grocery retailer. And that's because it talks to its first act as a mobile retailer. Back in 2004, it became a distributor of brands such as Apple in Vietnam. And it took that backbone of supply relationships, advanced inventory systems and operational execution, and took that base to then expand into grocery retail, now operating 2,000 stores across Vietnam. My team, we've visited these stores, and we've seen what they look like, their strengths in terms of their offerings, there's branded products, there's consistent pricing and there's a lot of really good aspects to the business. And this is in comparison to the majority of retail at the moment in Vietnam is done in traditional and wet markets. And this means that consumers have to go down to the market every day to haggle for goods in amongst live animals and, again, at that point, inconsistent pricing as well. So, I think we can really see the strengths for this company and the multiple act from one area of retail to the next.

**LK:** And then the other idea that you were discussing earlier is the idea of these companies developing capabilities while operating under constraints. Just to bring that home, can you give me an example of a company where that's the case?

**AS:** Yeah, the clearest example would be Sea, S-E-A, and it's a company that's based in Singapore but operates across the entire region. Now, Sea started out as a mobile game company. Their game is called *Free Fire*, and this was developed to be a low latency, so low bandwidth for Android phones, so that it would work in multiple regions and areas of low internet connectivity. And this meant it became a success almost overnight in Vietnam, Malaysia, Indonesia and even eventually into Latin America as well. Now, from that base and those constraints, that became an enduring advantage for the game. This summit actually overtook the number of mobile downloads in America compared to the mobile downloads for *Call of Duty's* mobile game. And it has a very similar multi-billion dollar lifetime value.

And then from that very cash-generative mobile game base, they've launched into Shopee. And Shopee is Sea's ecommerce venture. And to do this, they had to deal with another level of constraints, way beyond bandwidth. It's actually more about the physical properties of ecommerce in somewhere like south-east Asia. They had to stitch together land, sea, air, last mile, you know, that last leg to a customer, stitch all of those together to be able to ship to customers. And this meant they were dealing with 20,000 islands in Indonesia and that patchiness there. And I think both of those examples demonstrate how the constraints became the best training ground for how the company needed to push on progress and innovation and is also part of the reason why they're doing so well when they expand into new markets too.

**LK:** So that's the water around all of those islands acting as a metaphorical moat for Sea.

**AS:** Yeah, exactly, exactly.

**LK:** For companies like Sea, the need to turn adversity to their advantage, I imagine leadership has got to be really important. What can you tell me about who's in charge of Sea?

**AS:** Yeah, it's exceptionally important. And Sea is still founder-led, so it's managed by Forrest Li, and he combines vision with operational execution. He has high-performing teams, he allocates capital towards technology-led growth, and he can just adapt and pivot all the time. We've spent significant time with him, and I think our deep knowledge and expertise with the business means we can have really, really valuable, differentiated conversations. We spend hours talking about what is the five-year picture, the 10-year picture, rather than, you know, a 30-minute conference slot that other investors may get. And this has really also helped us remain invested during tough periods for the company. Back in 2022-23, post-pandemic, there were questions about growth and about profitability for Sea. And we could sit down with Forrest and his team and understand what were the steps they're taking. So, outlining what costs they were cutting, and also what their future product iteration would look like.

And it's always just really exciting to listen to him talk about the future with how much Sea has achieved. And recently he's spoken about agentic AI, which is the next stage of AI. So rather than it being search-based, it acts on your behalf. And positing maybe for Sea and ecommerce, could that make Sea a \$1tn company someday?

**LK:** Getting access to leaders and companies like this is obviously part of what gives your team its advantage. But can you more generally, what other things are there that give Baillie Gifford its edge when it's investing in these types of emerging market growth companies?

**AS:** Firstly, would be longtermism. So, we're a private partnership. We've been around for over a century. And that means we can act internally very long term. And I'm learning from people who've worked in the business for 30 years and for people who've been looking at emerging markets for over a decade. And I think that's really useful. We take that to how we assess companies. We can

look at companies in a very long-term manner. We can back managements' multiple-year expansion plans, and also in terms of experimentation into new growth areas.

Another aspect is how we spend time on the ground. My team has visited maybe 10 or 15 countries this year. Whilst we visit them and meet all the companies, we also put in time for getting to know experts and accelerating our learning with analysts who know the local market. I think that's really important as well for our Shanghai office and an important part of that. So, there are many specific factors in China that matter in terms of policy alignment, in terms of regulatory environment and also just the sheer size. There are more companies listed in China than in the US.

And then another aspect would be on the investment floor, we're all generalists. And this means we can take lessons from one industry or one geography and apply it to another. I've rotated through teams and from looking at NVIDIA and one team, I can now take that to my understanding of Taiwanese AI supply chains. And that's all to say, all together, all of those reasons mean that we spend a huge amount of time looking at how societal and technological change affects companies and their prospects, and it helps us find those innovative companies too.

**LK:** It's interesting that you highlight that you're a generalist, because I imagine that some of the companies you invest in need some quite deep subject matter expertise, not least semiconductors, a very complex sector. When you're looking to build the conviction to invest and hold these companies for five to 10 years or longer, how do you get that conviction without dedicating yourself to studying the field full-time?

**AS:** Yeah, absolutely. I think you don't necessarily have to be a chip designer or a physicist to be able to analyse semiconductor companies. We just need to be able to ask the right questions and test out the investment cases fully. Learning about an industry like semiconductors mirrors the time that I've spent at BG, at Baillie Gifford. So, I went to a recruitment event where I was talking with the analysts there about what might the chips look like for car software in the future. When I first joined the firm in my first year, we had a teach-in on how does sand become silicon? And then across many strategies, we hold lots of different elements of semiconductor ecosystem from equipment makers to the big memory chip players, to local and global companies. That really helps through an investment lens to understand the semiconductor ecosystem.

But then to your point, you do have to understand the technical ecosystem. How is it going to develop going forward? In that regard, we have a really good relationship with experts. One of those groups would be IMEC. So, this is the Interuniversity Microelectronics Centre. You might not know them by name, but if you looked at any kind of technology roadmap from a major semiconductor company, you might see their name as on the watermark, you know, in the corner. And it's because they're so central to progress and development in semiconductor ecosystem. So, I've visited their HQ, their headquarters in Belgium, and spent time with them on sort of bespoke topics such as quantum computing and chip regulation, which is incredibly useful. And it means we can take our learnings from them to ask the right questions in the right rooms for the companies and other experts and analysts.

Another element of the semiconductor ecosystem is we've been invested in TSMC for 20 years. That's Taiwan Semiconductor Manufacturing Company. We frequently visit the region. So, I spent a few weeks in Taiwan this year visiting 30 to 40 companies, including TSMC. And we also built in time to go and meet local experts and research centres. And one of these was actually in Hsinchu Science Park, which is where you'd find TSMC and another 500 or so semiconductor companies.

**LK:** When you say you visit 30 to 40 companies in Taiwan, is that just to get deeper knowledge of TSMC, or do you have other investments on the island as well?

**AS:** It's plenty of both. At the moment, TSMC makes up a huge part of the Taiwanese index. And whilst we were out there, it was repeatedly referred to as the mother of the nation. A lot of the time I'm looking for what are the exciting children of the nation. So, we do have investments in other elements of the Taiwanese semiconductor ecosystem, one of which would be Chroma, which does the system-level testing, so precision and measurement testing, for AI chips.

And maybe slightly separate to semiconductors, but still technology, we also invest in a company called E Ink. And again, you might not know the name, but I think you know the product because it's the e-paper that makes up the Kindle. They've gone from those black-and-white particles that make up the Kindle to colour-based ones now, which is really exciting because you can think of student textbooks, note-taking, highlighting, all of this coming through. What else they're doing is, if you imagine expanding that piece of electronic paper of a Kindle, blowing up to 100 inches, that's when they're making display advertising. So, this is low power consumption, and it means that you can have a display in a shop, in a mall, in public places that doesn't use as much electricity. And then if you think of slicing up the Kindle even smaller into those little ones, you can have little display screens. And this is something that E Ink does for electronic shop labels. So, this is inside supermarkets, little price labels as well.

**LK:** So, is that, putting them in supermarkets, is that a big opportunity?

**AS:** Yeah, I think it's not something that you naturally think a lot about. I worked in a supermarket as a teenager and used to have long overnight shifts where I'd have to individually replace price labels and shredded my nails in the process. And so, I do think I've maybe thought about it a little there as well. But the electronic shop label opportunity is huge. It means that the labels can sync automatically, the pricing, it cuts waste, and it means you can do more dynamic promotions.

If you think in an average Walmart store, you've got maybe 50,000 to 100,000 labels depending. Walmart in the US are looking to roll this out by the end of next year to the majority of the stores. Morrisons in the UK has signed up for 11 million to go as well. And so, if you build up by each geography and add on that internal display advertising in the store as well, you can get to around a \$7bn addressable market by the end of this decade.

And then also actually thinking about it in terms of the future of retail. So, when you're thinking about unmanned stores or quick commerce, where you have to try and get goods to a customer within 15 or 20 minutes, or that greater integration of offline and online, you can see the

importance of having something that can dynamically update. And we've got to know the company over a number of years and stress tested these adoption curves over the time by talking to retail holdings that we have across the firm.

**LK:** I want to return to Pony.ai, that driverless Chinese car company that I mentioned at the start. This is one of your team's most recent investments. So, can you tell me a little bit about how that came about?

**AS:** Yes. So Pony.ai was one of our newest investments. We've been interested in autonomous driving for a long time because it's exactly that kind of long-term technological opportunity that suits our approach, where a company's technical lead can translate into operational scale. It's the only Chinese company that has received full driverless permits for the four tier one cities. So, Beijing, Shanghai, Shenzhen and Guangzhou. What that means is there's regulatory confidence in the model. By the way, what driverless actually means here is it means that there's no human intervention, but that the company also does have remote safety officers so they can jump in and help if needed.

Amongst the team, what we've been discussing is where does the value accrue long term? What edge cases train the models best? What does a platform for autonomous driving look like over the long run? There's some really exciting aspects here. So, I joined a call with the CTO a few weeks ago. He was talking about how there are customers in Beijing who are booking these taxis to have a lunchtime nap. So, when you think about that, imagine what a future car journey actually looks like.

**LK:** And CTO is chief technology officer.

**AS:** Yes, that's right.

**LK:** As I mentioned earlier, this is a company with international ambitions, which means that it might come into competition ultimately with Google's sister company, Waymo. Its parent Alphabet has obviously got very deep pockets. So, what gives Pony.ai the right to succeed against that type of competition?

**AS:** We don't think robo-taxis will be like a winner-takes-all market, but we think Pony Ai could be one of the winners in China. And that's for a few reasons. It's got regulatory approval, as I mentioned, in those areas. And if you add up those markets, that's actually serving the most dense and the highest fair potential markets in the world. So, we think that's really important. And then it's on the partnership side. So, they have partnerships for both production and distribution. We think that's an attractive model to grow from. On the production side, it means that they claim they're 20 to 30 per cent cheaper than western rivals, and they've already been able to bring down costs by 70 per cent since the first R&D [research and development] generation. And on the distribution side, it means they can partner to expand. So, they're looking to partner with Stellantis, the European car group, and come to Europe next year.



I think for us, we stress test everything with them, with customers, with experts, with competitors. And as a firm, we're already invested in a lot of the enablers of this technology. So, when you're thinking about the chips, the sensors or the software. So even though robo-taxis are at an early stage, we do think there's an exciting opportunity here.

**LK:** So Alice, we've talked about a large number of companies now doing very innovative things. But when you're investing in emerging markets, there are distinct risks. There are trade restrictions, as we've seen with some of the US tariffs. You've got regulatory uncertainty. And there can also be geopolitical tensions, not least between mainland China and Taiwan. Without going into each of those issues in depth, can you give us a high-level view of how you balance such concerns with your focus on trying to find truly exceptional companies?

**AS:** Yeah, absolutely. We know that even the best companies can get overwhelmed by macroeconomic and geopolitical risks, so we can't dismiss it out of hand. But our core focus is bottom-up investing, is fundamental research and finding attractive investment opportunities. In terms of how we think about macroeconomics and geopolitics and all of those risks you've mentioned, a lot of it is a similar approach to how we analyse other parts of the investment case. We speak to experts, we speak to management, we have conversations to work out what's really happening. We do scenario planning, and we also, you know, risk reward approach to it as well in terms of our financial modelling. A lot of that can also translate in terms of diversification and position-sizing across the emerging markets portfolios. We think it's especially important to consider in commodity-based countries, so countries that rely on rare earth metals, for example, and also assessing financial companies like banks. It really does matter. And where there is a distinct geopolitical threat, sometimes we'd look to companies that have a greater domestic opportunity, where actually we'd maybe spend more time on the local political regulation than on the kind of geopolitical relationships from there.

**LK:** Alice, I wonder if you can pull some of the strands together of this conversation and leave our audience with one final thought.

**AS:** Yes, I think our deep knowledge, our research, our time spent thinking about disruption and the conditions for companies to innovate really do lead us to find companies like Sea and TSMC, and hopefully the next ones like them after that. By investing in emerging markets, you can benefit from our analysis in these world-leading companies and think about how the world changes from here.

**LK:** Alice, that's a great place to leave things. Thank you so much for taking the time.

**AS:** Thanks Leo.

**LK:** Well, I hope you enjoyed this conversation too. You can find write-ups and recordings of all our Disruption Week briefings from this year and last at [bailliegifford.com/disruptionweek](https://bailliegifford.com/disruptionweek). If you'd like to know more about our emerging markets investments, I heartily recommend June's episode of this podcast too, when Alice's colleague Andrew Keiller cast his mind ahead to 2050 to discuss the asset class's growth drivers over the next 25 years. As ever, please subscribe to the show on

Spotify or other podcast apps to be among the first to know when the next episode is available. But for now, that's it. Thanks for listening, and I look forward to briefing you again soon.

## SHOW NOTES

From Pony.ai launching a robo-taxi service during a Shanghai storm to E Ink revolutionising the way supermarkets label their shelves – emerging market companies are in many cases leapfrogging western counterparts. In this episode, investment manager Alice Stretch reveals to host Leo Kelion some of the most disruptive companies innovating at speed in Asia and Latin America.

### Background:

Alice Stretch is an investment manager in Baillie Gifford's Emerging Markets Equity Team. In this conversation, recorded as part of our annual Disruption Week briefings, she explores some of the growth companies in her portfolios turning constraints to their advantage and reducing friction in their customers' lives.

Companies discussed include:

**PolicyBazaar** – the Indian insurance platform making it easier for people to protect themselves against life's financial shocks.

**Nubank** – the Brazilian digital lender extending access to banking and credit.

**Meituan** – the food delivery and local services app extending its reach beyond China.

**MercadoLibre** – the Latin American ecommerce and fintech giant expanding into advertising.

**Mobile World** – the Vietnamese conglomerate that has expanded from mobile phones to competitively priced groceries.

**Sea Ltd** – the Singaporean gaming, shopping and fintech group eyeing the possibilities of agentic AI.

**TSMC** (Taiwan Semiconductor Manufacturing Company) – the world's leading chip manufacturer.

**E Ink** – the Taiwanese e-paper pioneer building on its ebook success to provide supermarkets with updateable price tags and marketers with low-power digital billboards.

**Pony.ai** – the first driverless car company to offer a robo-taxi service in four of China's most populous cities.

### Resources:

[Disruption Week](#)

[Emerging markets: how we do what we do](#)

[Emerging markets: from imitators to innovators](#)

[Emerging markets: the next engines of growth \(podcast\)](#)

[Emerging markets in 2050: growth in a changing world](#)

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### Companies mentioned include:

[Amazon](#)

[ByteDance](#)

[Chroma](#)

[E Ink](#)

[MercadoLibre](#)[Mobile World](#)[Meituan](#)[Nubank](#)[NVIDIA](#)[PolicyBazaar](#)[Pony.ai](#)[Sea Ltd](#)[Stellantis](#)[TSMC](#)**Timecodes:**

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## Japan

Mitsubishi UFJ Baillie Gifford Asset Management Limited ('MUBGAM') is a joint venture company between Mitsubishi UFJ Trust & Banking Corporation and Baillie Gifford Overseas Limited. MUBGAM is authorised and regulated by the Financial Conduct Authority.

## Australia

Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth) and holds Foreign Australian Financial Services Licence No 528911. This material is provided to you on the basis that you are a "wholesale client" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("Corporations Act"). Please advise Baillie Gifford Overseas Limited immediately if you are not a wholesale client. In no circumstances may this material be made available to a "retail client" within the meaning of section 761G of the Corporations Act. This material contains general information only. It does not take into account any person's objectives, financial situation or needs.

## South Africa

Baillie Gifford Overseas Limited is registered as a Foreign Financial Services Provider with the Financial Sector Conduct Authority in South Africa.

## **North America**

Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. Baillie Gifford Overseas Limited is regulated in Canada as a portfolio manager and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories.

## **Israel**

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## **Singapore**

Baillie Gifford Asia (Singapore) Private Limited is wholly owned by Baillie Gifford Overseas Limited and is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence to conduct fund management activities for institutional investors and accredited investors in Singapore. Baillie Gifford Overseas Limited, as a foreign related corporation of Baillie Gifford Asia (Singapore) Private Limited, has entered into a cross-border business arrangement with Baillie Gifford Asia (Singapore) Private Limited, and shall be relying upon the exemption under regulation 4 of the Securities and Futures (Exemption for Cross-Border Arrangements) (Foreign Related Corporations) Regulations 2021 which enables both Baillie Gifford Overseas Limited and Baillie Gifford Asia (Singapore) Private Limited to market the full range of segregated mandate services to institutional investors and accredited investors in Singapore.