Baillie Gifford™

Asia ex Japan- portfolio manager update

May 2024

Investment manager Roderick Snell join’s Client Director Qian Zhang to discuss their current views and portfolio positioning for the Asia ex Japan Strategy, including why they believe this continues to be an attractive region globally for growth investors.

Qian Zhang (QZ): Good morning and good afternoon, everyone. Thank you for joining us today for the update of our Asia ex Japan Strategy. My name is Qian Zhang, and I'm a client director in Baillie Gifford. I'm joined today by Roddy Snell, who is a portfolio manager of the strategy. As usual, we will structure this webinar as a country tour covering the major markets that we invest in.

Roddy has just come back from a research trip in Taiwan as well, so we will hear from him about that.

We do want you to submit your questions as we go. So please use the Q&A box.

So first, let's start with performance, Roddy.

The strategy’s year-to-date return has been quite strong in both absolute and relative terms. Can you elaborate on that and what has contributed?

Roderick Snell (RS): Sure. Well, as most of you will know from our previous webinars, we've had a constructive view of the asset class for a while and it's certainly good to see it starting to be reflected in performance. So as of the end of April, the strategy delivered just over 11 per cent in US dollar terms and that was ahead of the index by 7.5 per cent. I think it is noteworthy that the asset class itself was resilient despite the tricky backdrop of firstly, the US dollar remaining very strong, and secondly, Chinese market sentiment remaining quite challenging. Now as to performance, the key point to highlight is that the majority of alpha came from idiosyncratic stock selection. And that is interesting because year to date, returns in Asia have really been dominated by a few big tech names, a bit like the US. Most managers’ excess returns have simply come from overweighting the likes of Samsung, TSMC, Tencent, etc. Now, this really wasn't the case for us. Although we do have a positive view in some of these big names, which I'll touch upon later, none of them was a top contributor year to date. Our alpha mainly came from stock selection in India, mostly property and financials, and in China, which is pretty much oil and materials, as well as our structural overweight in Vietnam.

QZ: Thank you very much.

Let's start our country tour firstly with China. It's perhaps the most debated markets within the team right now. What's your thought?

RS: Sure. So despite adding to China several times last year, we've actually been running in moderate underweight. And that has served us well. In addition, a number of our bigger positions in China have been in less well-held areas, especially energy. So CNOOC, the oil and gas company, would be our largest overweight position in the fund. And mining. So MMG and Zijin which are both copper plays and these three have all been in our top five contributors for this year.

Now while we have longer term concerns on the trajectory of US-China relations and how Xi will run the Chinese economy, in the short to midterm we're actually feeling increasingly contrarian, really because the extreme pessimism appears overdone. Evaluations look to have found a floor as policymakers are clearly supportive of the stock market. So if we take the internet companies for example, despite all the negativity, operationally, they have been doing great. Sector profits last year hit a record high, with revenues growing nearly 15 per cent, and operating profits around 40 per cent. At the same time, they had big cost-cutting programmes last year, which are complete and will support margins going forward. Now, despite this, you know, valuations remain at record lows, often single digit P/Es for companies growing their earnings 20 per cent plus. And I think we do have a flaw in valuations here. Crucially, the companies have come out and put in place shareholder return policies, effectively paying out 5 per cent either in dividends or share buybacks. And that's typically about 50 per cent of free cash flow. So they are totally secure. They have plenty of cash to pay out or to do these buybacks.

So we've actually recently been adding to Chinese tech names. Notable additions would be PDD, the e-commerce company, which delivered really fantastic growth domestically with fast overseas expansion with their popular Temu app and also adding to Tencent and a handful of other names. Now, on the macro front, there are still challenges. Consumers aren't spending like they were pre-COVID, and that remains weak. Savings deposits reached about $20tn, so that's more than 110 per cent worth of GDP and we do really need confidence to return. But actually even in the traditional consumer sectors we're now starting to find quite interesting opportunities in China so for example my co-manager Ben Durrant was on a research trip in China recently back in January and we purchased Luckin Coffee backed by his enthusiasm after meeting with the management. So this is a coffee chain that's overtaken Starbucks to become the largest the largest coffee chain in China. It clearly has a scalable format I mean you consider the coffee consumption in China is about four cups per person a year versus four to five hundred in the US or the EU. There is a huge growth opportunity.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

So putting that all together, we've now moved to a moderate overweight in China with additions mainly focused on internet and consumer businesses.

QZ: Thank you very much for that about China.

So why don't we move to Taiwan? You just came back from there. What's the takeaway from the trip?

RS: Sure. So I was over in Taiwan in March with Alex, one of my colleagues from the Emerging Markets Team. So during the trip, we spoke with a lot of local academia and government policy advisors regarding geopolitics after Taiwan's elections in January. And I'd say in general, most of the locals we spoke with think the situation is more or less status quo. And ultimately, the chance of a cross-strait military issue is still very low.

The meetings with portfolio companies and prospects also reconfirmed our conviction on the semiconductor space. Our biggest Taiwan is holding is TSMC, which has an effective monopoly on manufacturing high-end chips. And having spoken to a number of other semiconductor companies in Taiwan, both suppliers to TSMC and competitors to TSMC, it's very clear that their position will not be changing in the next several years. So really in short, artificial intelligence, hyperscale data centers, autonomous driving, the internet of things, they simply can't happen without TSMC. It's arguably the most important company in Asia and probably one of the most important globally. So very happy with our large position in TSMC.

Other holdings are generally also in the semiconductor space. They include companies like Accton, which is a pure play on growing data centre demand as they manufacture data centre switches and are a key supplier to the likes of Amazon and Google, and Mediatek, which is a leading global chip designer. So I'd say most of the holdings in that semiconductor space and nothing really in domestic Taiwan. The economy remains fairly dull and not many opportunities for decent growth businesses at the moment in the country.

QZ: Yeah, that's clear. Thanks.

Apparently, the other important market for semiconductor exposure is Korea. What's the update on your thoughts there, if any?

RS: So we remain very positive and have big overweights to semiconductor companies in Korea. And we've actually been adding significantly over the past six months, in particular to the memory companies Samsung and Hynix. And I'm particularly positive on Samsung from here. They are the number one producer of DRAM and NAND globally, and also the number two foundry business behind TSMC. And although they're not as good as TSMC and foundry, they will benefit from the need for companies to dual source their production. In addition, if we go back to my trip in Taiwan, you know, one of the big themes over the next few years will be the AI story shifting from an almost purely server and hence NVIDIA story, everything being processed in the cloud, to a much broader consumer AI story, which will see smartphones and PCs starting to become AI-ready with the AI chips and applications on the devices themselves. For example, you'd have real-time translation on your phone when someone is speaking to you. Now, this could generate a huge new upgrade cycle in consumer electronics, especially smartphones, perhaps as significant as the introduction of the iPhone and the smartphones themselves nearly 15 years ago. And who is the one company in the world that controls the computer memory chips needed for that, can make the advanced processing chips needed for that, and has its own consumer electronics business, including a 20 per cent market share in smartphones? It’s Samsung. So I think they could be one of the key beneficiaries for the exploding AI theme over the next three or four years and you're paying a very low multiple, you know, just over one times book for that business so remain very positive on the semi space in South Korea, and particularly on Samsung, which would be one of our top three overweight positions in the fund today.

QZ: Okay, let's stay with Korea for a while. There has been some news from the regulators on these value up program, focusing on corporate governance and shareholder returns. What do you think of that? Have they brought more opportunities in your view?

RS: To be honest, I think it's a bit early to say. Historically, Korean shares have traded at a discount to other emerging markets, given the lack of dividends and the tricky structure of the of the chaebols. Typically, Korean companies are made up of, you know, a whole web of other businesses with various cross holdings and ownership. So the initiative is certainly welcomed, but it's really not clear it's going to have the same amount of impact as we've seen in Japan over the past year, which is really why people have been getting interested in the Korea value-up program. And why? Well, it's really because the ownership is very different in Korea compared to Japan. In Korea, the largest owners frequently control 40 or 50 percent of the companies. So it's much harder to make progress. The issue you've got in Korea, in short, is that the chairmen and the families that run and own the companies don't care too much about the share price or dividends. A lot of that comes down to tax, inheritance tax and dividend taxes, and there are no changes proposed here at the moment in the current legislation, but it would be much more interesting if the government started to look at inheritance tax and dividend tax. So I think if we saw that change in the next 6 to 12 months that would be that would be a very positive sign and could have quite big implications for the value-up programming career going forward so that's what I'm looking out for there.

QZ: Okay, definitely something to keep an eye on.

Why don't we move to India? India has been one of the largest contributors in the past 12 to 18 months. A lot of the clients would ask us about, like, can the party continue? And the valuation looks a bit stretched. What's your view on that?

RS: Yeah so I think from a macro perspective it really does look very good, I think from a secular story and a top-down perspective, GDP per capita is less than three thousand dollars a person so we've got decades of growth before we have to even begin to worry about middle income traps, etc. And the macro really hasn't looked better probably for 20 years in India. You know, if you go back to the last great sort of bull market, 2005 to 2011, you had GDP growing at 8 per cent plus.

And I think we could be starting that again thanks to an investment driven growth with a capex cycle picking up again.

Now, why so? Well, you have to remember that India is actually still recovering from firstly a property bust and huge overcapacity more than a decade ago. And it really has taken 10 years to sort that out. But it is now turning as excess inventory has finally come out of the system. So inventory levels are now at a 10 year low and affordability is still very good. So we're starting, or we're at the very start, of an exciting property cycle in the country. At the same time, the corporate capex cycle looks similar. A decade ago, India had a huge overcapacity, steel, power, infrastructure. This led to a huge number of bankruptcies. But again, a lot of players have come out and really only the strong ones are left. And linked to that, the banks have recovered. That property bust, the corporate capex cycle bust, that led to big issues at the banks, particularly the public banks, huge bad corporate loans, which have actually led to a decade of deleveraging. So leverage is actually at a 20-year low, but the banks have sorted themselves out and we're on the cusp of a corporate lending cycle. So you put that all together and actually India might finally be having, as I say, a capex cycle we really haven't seen for the past 10 to 15 years.

On top of that the current account looks okay. That always used to be the Achilles heel of India, particularly oil prices. But actually GDP growth has grown a lot faster than oil use so as a percentage of the economy oil is not as significant. Combined with that, imports of gold will be coming down significantly, which helps the current account. And also we've already had the IT outsourcers in India for many years. We're actually seeing a lot of global capacity centres now in India, so the likes of J.P. Morgan actually putting far more of their employees directly in India. So of about J.P. Morgan's 250,000 global workforce, about 55,000 are in India today. And again, that's really helping to support the economy. So ultimately, the macro side of things looks good.

The big issue, as you alluded to, is valuations. And we do find sectors where we are really struggling to find value, particularly say in some of the consumer staple stocks, Hindustan Unilever, some of the supermarket chains, you're paying 80 or 90 times P/E multiples for companies growing at 10 per cent per annum in dollar terms. So that looks challenging to us. So some caution there. And in the short term, we obviously have the Indian elections, huge expectations for the BJP to take a very large majority. You know, whether that happens or not, that could lead to quite a bit of volatility in the market. But it's the valuations that are the bigger areas concerned.

That said, I would finally just say there are still areas we very much like, often in companies with less certain outcomes than some of those consumer staple names, especially those with rapid growth opportunities. So, for example, we've got PB FinTech that we've been adding to in India. It's a price comparison platform for insurance policies. It's got a great business model. Insurance in India makes far too high profits. PB FinTech brings transparency on the fees and consumer likes it. Still a small company, but a leader in its field and growing rapidly and not on such an outrageous multiple as some of the slower growing, steadier companies in the country.

QZ: Without all of that, at the portfolio level, are you still overrating India as a market?

RS: Yes, if you go back over the past 12 months, we've ultimately reduced India to a flat position relative to the index. Our core holdings are essentially split between what I described previously as old India and new India. The old India part is mainly via property related exposure, which has done very well and has contributed decently to excess returns over the past year and year to date. As I alluded to earlier, the attraction is pretty clear. Indians are getting richer, moving to cities and buying and upgrading properties. Income has actually risen faster than property prices. So India is one of the few places in the world where affordability has actually got significantly better over the past decade. And the industry has gone through a huge correction with a lot of players exiting. So you've got four or five large players now that should be able to benefit from this multi-up cycle. So I think this could be a property cycle that could last a long time like China had over the past 15-20 years and two of our key holdings here are DLF and Phoenix Mills which both actually delivered three or four times returns since we purchased them a couple of years ago.

And then finally our new India exposure is mainly driven by the long-term secular trends of a more digital India after the massive rollout of the 4G mobile network in the country that brought the internet to the masses. So PB FinTech we've covered. We also holds Delivery, which is a logistics company with a 50 per cent market share in e-commerce. And we added Jio Financials, which we discussed in the last webinar, which is a potential future FinTech conglomerate.

So really to bring that all together, we've got a flat position versus the index in India. But there is no doubt that India will continue to be an important source of new ideas in the future. And the macro side of it does look very strong.

QZ: Thank you.

Why don't we we move to Vietnam, Roddy, I know you are a structural bull on Vietnam. Any recent highlights as a company level?

RS: Yes, so from a macro perspective, everything looks, as we discussed previously, still probably the best structural growth story over the next decade in Asia. And at the company level, we have been finding some new ideas over the past few months. So one good example would be Mobile World, which we took a position in relatively recently. This is the largest electronics retailer in the country, got about a 50 per cent market share. It's very good business. And they're also the largest grocery store chain in the country, which they started back in 2016. Now we've known them a long time. We met them again in June last year and spoke again with the company this year. And I think the key here is the grocery business. As I say, they launched this in 2016. They built up about 2000 stores in four years. And actually, they got a lot wrong doing this. And they've spent a lot of time tweaking the formats, you know, getting new experienced people in to make sure that it works in Vietnam, which has proved to be very difficult. It's all about the fresh supply chain, which is quite complicated. And it's been loss making ever since. But crucially, it appears that they've now managed to crack that format. And we look at the mature stores, they're all now in profit and overall looks like we're breaking even. So it looks like we're at an inflection point where this is going to turn into a very profitable business. Now, Vietnam is a very short term market, about 90 percent of retail investors. So I don't think the market is valuing this property properly. They'll wait for the profits to come. But we've got in early and think this should be a very profitable business with very little competition. You've essentially got one state-owned grocery store that's in significant problems and a second private player called Masson that just haven't got the format right and haven't invested. So this is likely to be the number one grocery business in Vietnam with maybe a 50 per cent to 70 per cent market share over the next five to 10 years. And we're buying it at this inflection point just before the profits start to come. So very excited by that opportunity.

QZ: Good, thanks for sharing that.

We've pretty much come to the close of our country tour, so I'd like to ask you one additional question about our exposure to copper.

We've realized that we've reduced some of the exposure there, what's your broad view in that area?

RS: Yeah I think we remain very positive on the copper companies that we own, they're very cheap and the supply demand for copper looks very favourable over the next five years. We've reduced out of other materials quite a bit over the past 12 months so we've come out of our nickel names and some of the other materials, the steel companies for example in India but copper remains a large position for us and I still think it looks very favourable. On the demand side I suppose the big bull case here was the energy transition. And that's possibly losing a little bit of steam at the moment. So copper probably grows in line with GDP, so a couple of percent. And if you expected a rapid full green transition, you could maybe have added another 3 or 4 per cent to that, so maybe 6 percent. The bad news is that that isn't going to happen. We're not going to see that rapid transition coming through. So we may be talking 3 or 4 percent growth for copper over the next five years. Plus there are other areas that are springing up that people weren't expecting. You know data centres are expected to maybe add a percent to copper demand over the next couple of years which is huge in the terms of what that could do for copper.

But it's really the supply side that just looks ever, ever tighter. You know, there is just not the supply coming on globally. Look at a few projects. You look at Panama, for example, the first quantum. This is a company that put $10bn of capex into Panama's first copper mine, and the government have essentially tried to take it away from them. It sends a huge message to anyone looking for big capex projects in emerging markets for copper. And secondly, you know, costs have just gone up hugely. If you look at QB2 and its Chilean project, this is a very simple copper project that was originally meant to cost about $3bn, then the budget went up to five, and they just updated the market to say it's up to nearly 10. So it's gone up 100 percent recently with nothing really going wrong, there haven't been any significant delays etc. It's just inflation coming through. And what that means is if you want a 50 per cent return on a copper project, at those sort of prices you're really talking about $6 plus versus just over $4 today. So the copper price probably needs to be 50 per cent higher than it is just to incentivise new projects. And we're just not seeing those happen. So ultimately remain very positive on copper. I think you're going to see a lot of decent profits and cash flow from the companies. And they're on very low multiples at the moment. So remain very positive on copper while having reduced the other material exposures in the portfolio.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

QZ: Thank you for that.

To finish off here, can you share with us your overall thinking of the asset class and the outlook and how the portfolio is generally positioned to take advantage of those?

RS: Sure. I think we are very constructive at the moment as per previous webinars. The macro outlook of Asia looks very strong and Asian growth is likely to be the fastest globally over the next decade. Yet the region trades at a record discount to slower growing developed countries who are the ones with the major structural issues from inflation to excess debt. Now, the region has been held back by a couple of major headwinds. Firstly, China, however as we discussed, valuations appear to have reached a floor. While operationally many of the companies are growing exceptionally well, and we are finding an increasing number of names to invest in. And then secondly, the dollar, which is at a near 40 year high. Now, maybe the Fed doesn't cut rates soon, but longer term, the country is running a 7 per cent fiscal deficit, taking ever more debt, and alternatives to the dollar keep emerging. So at some point it seems likely the dollar weakness will become a major tailwind for Asia and that's when things can get really exciting. And really our growth focused companies should do even better in such an environment so overall very positive on the region and the portfolio.

QZ: Thank you very much.

That's a good point to end on. Thank you all for joining us. If you have questions, you know how to reach to us. We will come back online in due course second half of the year. Meanwhile, enjoy the spring. Thank you and bye.

Annual past performance to 31 March Each Year (Net %)

	2020	2021	2022	2023	2024
Asia ex Japan Composite	-7.1	109.2	-11.0	-15.0	11.3
*MSCI AC Asia ex Japan	-13.2	57.8	-14.4	-8.5	4.4

Annualised returns to 31 March 2024 (Net %)

	1 year	**5 years**	**10 years**
Asia ex Japan Composite	11.3	10.4	8.9
MSCI AC Asia ex Japan	4.4	2.3	4.5

Source: Baillie Gifford & Co and MSCI. USD.

*MSCI AC Far East ex Japan prior to 31/01/11

Past performance is not a guide to future returns.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

Risk Factors

The views expressed should not be considered as advice or a recommendation to buy, sell or hold a particular investment. They reflect opinion and should not be taken as statements of fact nor should any reliance be placed on them when making investment decisions.

This communication was produced and approved in May 2024 and has not been updated subsequently. It represents views held at the time of writing and may not reflect current thinking.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk. Past performance is not a guide to future returns.

This communication contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research, but is classified as advertising under Art 68 of the Financial Services Act ('FinSA') and Baillie Gifford and its staff may have dealt in the investments concerned.

All information is sourced from Baillie Gifford & Co and is current unless otherwise stated.

The images used in this communication are for illustrative purposes only.

Important Information

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK Professional/Institutional clients only. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford & Co and Baillie Gifford Overseas Limited are authorised and regulated by the FCA in the UK.

Persons resident or domiciled outside the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest, and with their tax advisers for advice relevant to their own particular circumstances.

Financial Intermediaries

This communication is suitable for use of financial intermediaries. Financial intermediaries are solely responsible for any further distribution and Baillie Gifford takes no responsibility for the

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

reliance on this document by any other person who did not receive this document directly from Baillie Gifford.

Europe

Baillie Gifford Investment Management (Europe) Limited provides investment management and advisory services to European (excluding UK) clients. It was incorporated in Ireland in May 2018. Baillie Gifford Investment Management (Europe) Limited is authorised by the Central Bank of Ireland as an AIFM under the AIFM Regulations and as a UCITS management company under the UCITS Regulation. Baillie Gifford Investment Management (Europe) Limited is also authorised in accordance with Regulation 7 of the AIFM Regulations, to provide management of portfolios of investments, including Individual Portfolio Management ('IPM') and Non-Core Services. Baillie Gifford Investment Management (Europe) Limited has been appointed as UCITS management company to the following UCITS umbrella company; Baillie Gifford Worldwide Funds plc. Through passporting it has established Baillie Gifford Investment Management (Europe) Limited (Frankfurt Branch) to market its investment management and advisory services and distribute Baillie Gifford Worldwide Funds plc in Germany. Similarly, it has established Baillie Gifford Investment Management (Europe) Limited (Amsterdam Branch) to market its investment management and advisory services and distribute Baillie Gifford Worldwide Funds plc in The Netherlands. Baillie Gifford Investment Management (Europe) Limited also has a representative office in Zurich, Switzerland pursuant to Art. 58 of the Federal Act on Financial Institutions ("FinIA"). The representative office is authorised by the Swiss Financial Market Supervisory Authority (FINMA). The representative office does not constitute a branch and therefore does not have authority to commit Baillie Gifford Investment Management (Europe) Limited. Baillie Gifford Investment Management (Europe) Limited is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited and Baillie Gifford & Co are authorised and regulated in the UK by the Financial Conduct Authority.

Hong Kong

Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 is wholly owned by Baillie Gifford Overseas Limited and holds a Type 1 and a Type 2 license from the Securities & Futures Commission of Hong Kong to market and distribute Baillie Gifford's range of collective investment schemes to professional investors in Hong Kong. Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 can be contacted at Suites 2713-2715, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Telephone +852 3756 5700.

South Korea

Baillie Gifford Overseas Limited is licensed with the Financial Services Commission in South Korea as a cross border Discretionary Investment Manager and Non-discretionary Investment Adviser.

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. Baillie Gifford International LLC is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and territories. Baillie Gifford Investment Management (Europe) Limited (‘BGE’) relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec.

Israel
Baillie Gifford Overseas Limited is not licensed under Israel’s Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the Advice Law) and does not carry insurance pursuant to the Advice Law. This material is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com