

Lothian Pension Fund Long Term Global Growth

Report for the quarter ended
30 June 2025



Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	31	Companies	8	Companies	3
Resolutions	330	Resolutions	23	Resolutions	4
Resolutions	330	Resolutions	23	Resolutions	4

Company Engagement

Engagement Type	Company
Environmental	ASML Holding N.V., Amazon.com, Inc., AppLovin Corporation, Cloudflare, Inc., Datadog, Inc., MercadoLibre, Inc., Nu Holdings Ltd., Rivian Automotive, Inc., Titan Company Limited
Social	Amazon.com, Inc., Horizon Robotics, MercadoLibre, Inc., Nu Holdings Ltd., Rivian Automotive, Inc., Sea Limited
Governance	Amazon.com, Inc., AppLovin Corporation, Moncler S.p.A., NVIDIA Corporation, Netflix, Inc., PDD Holdings Inc., Roblox Corporation, Rocket Lab Corporation, The Trade Desk, Inc., e.l.f. Beauty, Inc.
Strategy	AppLovin Corporation, Horizon Robotics, Meituan, MercadoLibre, Inc., Moncler S.p.A., Nu Holdings Ltd., PDD Holdings Inc., Rivian Automotive, Inc., Rocket Lab Corporation, Sea Limited, Shopify Inc., e.l.f. Beauty, Inc.
Social	Amazon.com, Inc., Horizon Robotics, MercadoLibre, Inc., Nu Holdings Ltd., Rivian Automotive, Inc., Sea Limited
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Strategy	AppLovin Corporation, Horizon Robotics, Meituan, MercadoLibre, Inc., Moncler S.p.A., Nu Holdings Ltd., PDD Holdings Inc., Rivian Automotive, Inc., Rocket Lab Corporation, Sea Limited, Shopify Inc., e.l.f. Beauty, Inc.

An engagement may cover more than one topic. Notes on a selection of engagements can be found in this report. This is not exhaustive and further details of company engagements are available on request.

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Amazon.com	Annual 21/05/25	6	We supported a shareholder resolution requesting additional emissions reporting. There are many reasons why a broader boundary would be useful to shareholders. It would reveal more about the scale of the company's true commercial carbon footprint and enable engagement on particular areas of concentration and possible mitigants. It also has reputational relevance which could work to Amazon's long-term advantage in customer attraction and retention.
Amazon.com	Annual 21/05/25	7	We supported a shareholder resolution requesting a report explaining how it will meet its climate change goals given the massively growing energy demand from artificial intelligence and Amazon's plan to build more data centers. We think that how Amazon will meet the energy requirements of its rapid data centre build out is an investment material question as it will require considerable management time and capital allocation. We therefore think additional information on Amazon's thinking would benefit shareholders.
Netflix Inc	Annual 05/06/25	5	We supported a shareholder resolution to reduce the ownership threshold for shareholders to call a special meeting to fifteen percent. We believe that this lower threshold provides a reasonable balance between shareholder rights and protecting the company from misuse of the authority.
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Companies	Voting Rationale		
ASML, Adyen NV, Amazon.com, AppLovin, BeOne Medicines Ltd, BioNTech ADR, CATL 'A', Cloudflare Inc, Coupang, Datadog, Dexcom Inc, Enphase Energy Inc, Hermes International, Horizon Robotics Inc, Intuitive Surgical, Joby Aviation Inc, Kweichow Moutai 'A', Meituan, MercadoLibre, Moncler, NVIDIA, Netflix Inc, Reddit, Inc. Cl A, Rivian Automotive Inc, Roblox, Shopify 'A', Spotify Technology SA, TSMC, Tencent, The Trade Desk, Workday Inc		We voted in favour of routine proposals at the aforementioned meeting(s).	

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Amazon.com	Annual 21/05/25	10	We opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. The company continues to make demonstrable progress on health and safety. They continue to provide extensive disclosure and detailed safety metrics and continue to take pre-emptive action, investing in safety initiatives, tech, and programs. This is consistent with how we have voted on this resolution previously.
Amazon.com	Annual 21/05/25	11	We opposed a shareholder resolution requesting a report on risks presented by the unethical or improper usage of external data in the development and training of its artificial intelligence offerings. Considering the company's current disclosures and practices and looking at these relative to their peers, we don't have concerns with the company's approach and do not believe at this time additional disclosure is warranted.
Amazon.com	Annual 21/05/25	2	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Amazon.com	Annual 21/05/25	4	We opposed the shareholder resolution requesting the board adopt a policy requiring a separate chief executive officer and chair. We agree with the board that this policy could limit flexibility in appointing the best candidate and believe the company has sufficient safeguards in place to ensure independent and objective judgement.
Amazon.com	Annual 21/05/25	5	We opposed a shareholder resolution requesting a report on risks related to the selection of ad buyers and sellers. We do not believe the company's policies on advertising and marketing are discriminatory or present a legal risk to the company.
Amazon.com	Annual 21/05/25	8	We opposed a shareholder resolution requesting an assessment of the board and board committee structure in providing oversight of human rights risks associated with artificial intelligence. We do not have concerns with the board's current oversight on this topic.
Amazon.com	Annual 21/05/25	9	We opposed a shareholder resolution requesting a report on the company's efforts to reduce its flexible plastic packaging. While we supported a similar resolution last year, and we continue to think this is an important issue for the company, we think the more material topics for the company right now are around its Scope 3 emissions and the consideration of data center expansion and the impact on its climate goals. Further, we think the company has taken significant action in the last year on this topic, and don't believe a specific report on the company's flexible packaging would give us any immediate insight.

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Dexcom Inc	Annual 08/05/25	2	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Hermes International	MIX 30/04/25	22, 24, 26	We opposed three resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.
Intuitive Surgical	Annual 01/05/25	5	We opposed a shareholder resolution requesting the company introduce the chief executive officer to median employee pay ratio into the compensation decision process. We do not have concerns with the company's decision making nor the quantum of executive compensation.
Intuitive Surgical	Annual 01/05/25	6	We opposed a shareholder resolution requesting a vote on termination pay. We think shareholders currently have sufficient oversight of termination pay arrangements, as well as avenues to express discontent through other items on the annual meeting agenda.
Netflix Inc	Annual 05/06/25	4	We opposed a shareholder resolution requesting a climate transition plan. We believe it's unnecessary because the company already publishes annual information on its emissions, reduction targets, and its plan to meet these targets, and we do not have concerns with the company's actions on this matter.
Netflix Inc	Annual 05/06/25	6	We opposed a shareholder resolution requesting the company enhance its code of ethics to more explicitly address key issues such as discrimination and harassment. We think the code already addresses these matters and do not believe this is a material concern for the company at this time.
Netflix Inc	Annual 05/06/25	7	We opposed a shareholder resolution requesting a report on the risk to the company of affirmative action initiatives. The proponent does not highlight any controversies to indicate that there has been any discrimination against employees or employee groups or that evidence to indicate that this is a material issue for the company.
Netflix Inc	Annual 05/06/25	8	We opposed a shareholder resolution requesting a report on how the company's charitable contributions impact its risk related to discrimination against individuals based on their speech or religious exercise. The proponent does not highlight any controversies to indicate that the company's management of this topic poses a material risk to shareholders.
NVIDIA	Annual 25/06/25	3	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
NVIDIA	Annual 25/06/25	5	We opposed a shareholder resolution to remove the current one-year holding period required to call a special meeting as we believe the holding period provides a procedural safeguard against abuse and activist investors with short-term goals.

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NVIDIA	Annual 25/06/25	6	We opposed a shareholder resolution requesting a mandatory director resignation policy as we believe it is beneficial for the board to have flexibility in how to respond to low shareholder support for a director. Additionally, we do not believe that the company's practices are out of line with market practice on this topic.
NVIDIA	Annual 25/06/25	7	We opposed a shareholder resolution requesting the company enhance its workforce diversity reporting. We think the company's current reporting provides shareholders with sufficient insight into the company's progress on this topic and do not believe the company's disclosure lags its peers.
The Trade Desk	Annual 27/05/25	3	We opposed executive compensation due to the decision to grant an additional equity award to the chief executive officer (CEO) during the life of the 'CEO Performance Award'.
Amazon.com	Annual 21/05/25	11	We opposed a shareholder resolution requesting a report on risks presented by the unethical or improper usage of external data in the development and training of its artificial intelligence offerings. Considering the company's current disclosures and practices and looking at these relative to their peers, we don't have concerns with the company's approach and do not believe at this time additional disclosure is warranted.
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Companies		Voting Rationale	
BioNTech ADR		We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Dexcom Inc	Annual 08/05/25	1e	We abstained as the resolution was withdrawn.
MercadoLibre	Annual 17/06/25	4	We abstained on the resolution regarding the company's reincorporation because the company withdrew it ahead of the meeting.
MercadoLibre	Annual 17/06/25	4	We abstained on the resolution regarding the company's reincorporation because the company withdrew it ahead of the meeting.

Votes Withheld

Company	Meeting Details	Resolution(s)	Voting Rationale
The Trade Desk	Annual 27/05/25	1.001	We withheld support from the election of the lead independent director due to ongoing concerns with board effectiveness.
The Trade Desk	Annual 27/05/25	1.002	We withheld support from the election of the compensation committee chair due to the decision to grant an additional equity award to the chief executive officer (CEO) during the life of the 'CEO Performance Award'.
The Trade Desk	Annual 27/05/25	1.002	We withheld support from the election of the compensation committee chair due to the decision to grant an additional equity award to the chief executive officer (CEO) during the life of the 'CEO Performance Award'.

Company	Engagement Report
AppLovin Corporation	<p data-bbox="515 427 1487 562">Objective: We met with management twice during the quarter. The first call - with the firm's chief financial officer (CFO) and chief legal officer (CLO) - focused on governance and compensation. Adam Foroughi, the firm's founder and chief executive officer (CEO), joined the second call which touched on a variety of topics including strategic growth drivers, product roadmap, and the firm's approach to acquisitions.</p> <p data-bbox="515 591 1487 831">Discussion: During the first call we explained that we are supportive of the firm's dual-class share structure at this point in time given Foroughi's active involvement in the business. Management noted that while the CEO does retain a controlling interest, fully independent board committees serve as an important check and balance. Moving to compensation, we queried the firm's unconventional approach to executive pay, which favours annual equity awards over equivalents which vest over multiple years. The CLO explained that this approach had been adopted to reduce the risk of complacency during a period of rapid share price growth. The CFO added the firm is not focused on retaining employees via compensation structures, and that they want people to stay because of the culture.</p> <p data-bbox="515 857 1487 1149">On the second call, Foroughi emphasised that growth will be driven by continued yield uplift and expansion into non-gaming verticals such as e-commerce and online services. He added that e-commerce has not been fully rolled out while attribution integrations mature. Wider self-serve rollout will follow only when performance is comparable to what has been achieved for gaming advertisers. From a product development perspective, the company is prioritising generative AI ads, with improved tooling for advertisers expected next year. This will be an important step towards self-reinforcing creative optimisation. On culture and the prospect of acquisitions, Foroughi once again stressed that lean, performance-centric operations are non-negotiable. The firm will only proceed with the mooted TikTok merger if he retains the control required to establish Applovin's efficiency standards. Beyond TikTok, broader merger and acquisition (M&A) appetite remains low.</p> <p data-bbox="515 1176 1487 1270">Outcome: Both conversations reinforced our view that management remain steadfastly focused on execution and that Foroughi's controlling interest is a source of edge. We are encouraged by the long-term growth runway and will monitor any developments relating to a potential deal with TikTok.</p>

Company	Engagement Report
e.l.f. Beauty, Inc.	<p>Objective: We met with chief executive officer (CEO) Tarang Amin to gain greater insight into how management is navigating a challenging market environment, managing external risks, and allocating capital.</p> <p>Discussion: Despite a slowdown in the US cosmetics industry coupled with tariff headwinds (75 per cent of e.l.f.'s supply comes from China), the company has continued to gain market share in ever more segments. Amin explained that he has been straightforwardly implementing the same strategy he learned during his previous time at Clorox - i.e. gain dominant share in a niche to become synonymous with that niche in the consumers' minds, thereby achieving sustainability high repeat purchase rates. Moreover, an important cultural differentiator is that e.l.f. has near devout focus on one retailer at a time to cement each relationship (note that e.l.f. was in Target and nowhere else for years before expanding into Walmart and Ulta) - this is in stark contrast to digital-native brands that try to launch across multiple retailers at once. We spent much time discussing e.l.f.'s announced acquisition of Rhode, the cosmetics and skincare brand led by Hailey Bieber, recognising that many celebrity brands launched since 2010 tend to fail before their fifth year. Amin reflected on what e.l.f. has learned from previous deals, such as Well People and Naturium, observing that e.l.f.'s diligence capabilities have meaningfully enhanced through each deal, hence his high confidence in Rhode. On the threat of tariffs, e.l.f. has made its third-ever price increase, which has preserved margin with zero evidence of customer pushback. The company also continues to diversify its supply chain. Lastly, when we questioned employee morale at a time when the company's share price has suffered (all employees receive stock-based compensation), a recent staff survey showed 98 per cent of staff would still recommend e.l.f. as a place to work and 94 per cent remain highly engaged - numbers which have barely budged with the share price.</p> <p>Outcome: This meeting confirmed our impression that the management team's strategy is clear and it consistently executes well, both in the US and internationally. Employee morale remains strong. The near-term picture remains rocky due to a combination of tough growth comparisons this year, ongoing tariff uncertainty, continued strain on the American consumer, and now a significant acquisition to digest. We will continue to monitor.</p>
Horizon Robotics	<p>Objective: We met with Dr Kai Yu, chief executive officer, to discuss Horizon Robotics' technology roadmap and commercial strategy, as well as gain a greater understanding of how geopolitical risks are being navigated.</p> <p>Discussion: China's electric vehicle market is already the world's largest and fastest-moving. Management sees competitive intensity accelerating in the industry, not only on battery range and pricing, but increasingly on software-defined functionality. Yu argues that full-stack autonomy (perception, planning, control and human-machine-interface) will determine long-run customer experience and brand differentiation. However, this is not a trivial undertaking; safety incidents for autonomous driving (as observed among some peers) could stall adoption. We discussed Horizon's cultural and organisational edge, where for instance its engineers are encouraged to publish peer-reviewed research to ensure the highest standards. Recognising that Horizon not only supplies domestic automakers such as BYD and Li Auto among others, but also international customers such as Volkswagen Group, Audi and Porsche, the company has established small satellite teams abroad to help navigate export control constraints. Moreover, Horizon is building an intellectual property holding structure in Hong Kong, with Singapore as a possible second node, to ensure smoother cross-border licensing. This may help the company to mitigate the risk of US sanctions on Horizon's ability to source chips or sell to certain overseas customers, albeit it remains untested.</p> <p>Outcome: We left encouraged by Horizon's founder-driven, research-led culture and its clear strategic vision. We remain mindful of the regulatory uncertainty and cognisant of the current customer concentration. We will continue to monitor progress on the Hong Kong IP-licensing structure and continued broadening of the customer base.</p>

Company	Engagement Report
Meituan	<p>Objective: We met with Meituan's chief executive officer (CEO), Wang Xing, to review the company's strategic initiatives beyond its core local commerce specifically its international expansion, grocery vertical integration, and AI-driven innovation.</p> <p>Discussion: Xing outlined a ten-year objective to reach RMB 100 billion in annual gross merchandise value (GMV) outside China by May 2033, noting that they have achieved approximately RMB 3 billion to date. He emphasised an organic-first approach to expansion and cautioned against acquisitions that fail to integrate technology and operations, citing Delivery Hero's challenges. In the Middle East - particularly Saudi Arabia and Dubai - Meituan sees fertile ground, leveraging lessons from its Keeta deployment in Hong Kong. On robotics, Meituan has been investing since 2016, and they expect autonomous delivery to gradually replace human labour in predictable segments; near-term the focus is on regions with higher labour costs. Regarding grocery, Wang stressed deeper vertical integration - shaping supply chains and product selection and prioritizing tier 1 and tier 2 urban markets over lower-tier regions, where previous community group buying efforts lacked profitability. AI efforts centre on developing agentic commerce using transactional data and fulfilment strength to build virtual agents that drive engagement. Competitive positioning remains strong, with Alibaba and JD.com viewed as behind on vertical integration and operational efficiency. Management confirmed that regulatory headwinds are considered manageable.</p> <p>Outcome: We left encouraged by Meituan's clear roadmap to increase GMV through higher transaction frequency and international contributions. Management's focus on technological moats machine-learning dispatch systems and robotics reinforces our conviction. We will continue monitoring international traction.</p>
Moncler S.p.A.	<p>Objective: We met with Remo Ruffini, chairman and chief executive officer (CEO) of Moncler Group, to discuss strategic growth initiatives, future capital allocation priorities, and the evolution of the brand following recent expansions.</p> <p>Discussion: Ruffini emphasized Moncler's focus on preserving high margins and brand exclusivity rather than targeting aggressive numerical sales growth. Management outlined capital allocation plans, highlighting continued reinvestment in core brand strengths and product innovation as priorities. The recent acquisition of Stone Island was described as a strategic long-term investment despite current market softness. Ruffini sees significant opportunities to grow through expanding Moncler's seasonal offerings particularly summer collections and capturing additional market share in the underpenetrated US market. Additionally, the potential from Moncler's Genius platform collaborations was highlighted, with ongoing evaluations aimed at refining future partnerships. Management also addressed the recent financial investment from LVMH, confirming Alexandre Arnault's board membership and emphasising a commitment to maintaining strategic independence while leveraging collaborative advantages.</p> <p>Outcome: We left encouraged by Moncler's clear strategy focused on disciplined capital allocation, margin sustainability, and strategic brand evolution. We will monitor closely the integration and performance of Stone Island, future direction of Genius partnerships, and initiatives aimed at diversifying seasonal sales.</p>

Company	Engagement Report
Netflix, Inc.	<p>Objective: We met with Netflix executives to better understand their plans to balance growth through users who receive advertising with those who don't. The discussion aimed to clarify Netflix's potential scale and profitability over the coming decade.</p> <p>Discussion: Netflix emphasised significant investments in developing its own advertising technology stack rather than relying on third-party solutions. The executives highlighted that past reliance on fragmented technology was an obstacle, particularly for effectively targeting audiences. Building its own technology allows Netflix to personalize ads, introduce interactive ad formats, and use AI to creatively combine Netflix's intellectual property with advertiser content. They believe these capabilities will uniquely differentiate Netflix's advertising business, attracting premium advertiser spending over time.</p> <p>Netflix acknowledged that shifting to advertising-supported revenue will take time to scale effectively. Management anticipates revenue per user parity between advertising-supported and fully paid subscribers in the next three years. While Netflix expects ad revenue to double this year, it expects revenue growth to initially lag behind user growth, especially internationally, due to complexities around monetizing a diverse, global audience.</p> <p>Outcome: Our meeting provided important clarity on Netflix's approach and timing expectations for its advertising initiatives. We will closely track Netflix's ongoing efforts to scale its advertising business globally. Netflix enjoys continued substantial growth potential as it scales driven by greater user reach and a diverse and deepening content library.</p>
Nu Holdings Ltd.	<p>Objective: The objective of this call with NuBank's head of environmental, social and governance (ESG) was to better understand the company's approach to consumer protection, financial health, and its sustainability priorities.</p> <p>Discussion: The company's ESG team supports regulatory compliance, reporting, and social impact initiatives, with an emphasis on financial education. NuBank's approach to consumer protection and financial education is embedded directly within its products. The company recently launched a campaign to help customers restructure their debt which has had notable success in improving renegotiation rates which are especially important to more customers with higher vulnerability. NuBank's constructive relationship with its regulator is important and we heard how the company goes beyond compliance through monitoring the financial health of customers. The company is also exploring new markets, such as Mexico, and leveraging partnerships to adapt its inclusive banking model to different market contexts. While NuBank remains carbon neutral through offsets, its current focus is weighted toward social impact over setting emissions reduction targets.</p> <p>Outcome: It is impressive to see NuBank's commitment to introducing innovative measures to support and protect the financial health of its diverse range of customers. We believe this to be important for NuBank's social contribution and essential to meet the expectations of Brazil's progressive regulator. We requested further information on its carbon offsetting programme and explained that while we agree with its priorities, we expect all companies to set appropriate emissions reduction targets when they are able.</p>

Company	Engagement Report
PDD Holdings Inc.	<p>Objective: Against the backdrop of heightened US-China tensions and increased probability of forced delistings from US stock exchanges, we undertook various engagements to assess PDD's willingness and eligibility to list on the Hong Kong Stock Exchange.</p> <p>Discussion: PDD's director of investor relations informed us that the management team is taking the issue seriously and is fully prepared to delist from the US and relist in Hong Kong (HK). This was confirmed in our interviews with former employees in PDD's capital markets team, who stated that PDD had prepared a HK listing back in 2021 (it was subsequently put on hold given a thaw in tensions back then). As the probability of delisting has since returned, we have written to PDD's founder, Colin Huang, to urge the company to begin the HK listing process. Meanwhile, we have discussed with representatives from the HK Stock Exchange who stated their support for companies looking to relist in HK and their willingness to fast-track such listings. Additionally, we have liaised with legal firms, including the firm that led PDD's US listing, and gained confidence that PDD should be eligible for HK listing.</p> <p>Outcome: Thanks to our multiple engagements, we are encouraged by PDD's intentions and eligibility to list on the Hong Kong Stock Exchange. It now appears to be a matter of timing. We will continue to monitor the situation and engage with the company.</p>
Rivian Automotive, Inc.	<p>Objective: To help us understand Rivian's supply chain, both in the context of US-China tariffs and sustainability, we had a meeting with the company's sustainability team and investor relations. We also sought an update on health and safety and Rivian's approach to responsible mining.</p> <p>Discussion: Rivian has finalised the sourcing programme for its R2 vehicle, due to start production in 2026, including as much local manufacturing as possible. Certain materials and components must come from China at this time. Given the onshoring of some of its suppliers' manufacturing, especially batteries, it may be easier in the future to have a more US-based supply chain. Rivian is currently working on the sourcing programme for its next generation of vehicles where it is seeking to reduce supply chain risks where possible. Sustainability is a consideration in supply chain planning. Rivian believes sustainable build choices evoke a sense of quality/durability for customers. We enquired about Rivian's membership of the Initiative for Responsible Mining Assurance (IRMA), the leading responsible mining standard. At this stage Rivian's membership is about promoting adoption as IRMA is not widespread enough to significantly drive procurement decisions. Finally, we heard about positive steps Rivian has taken on health and safety on the manufacturing line.</p> <p>Outcome: The team thanked us for maintaining our focus on sustainability at a time when many others are preoccupied by external politics. We continue to believe that Rivian's approach to environmental and social issues is industry leading, and is important for its brand and its impact. We will continue to monitor material issues at the company, including the impact of tariffs, health and safety, and any shifts in consumer confidence in electric vehicles.</p>

Company	Engagement Report
Roblox Corporation	<p>Objective: We had a call with Roblox's management to discuss their proposed reincorporation from Delaware to Nevada, subject to shareholder vote at the upcoming annual general meeting (AGM).</p> <p>Discussion: Roblox's management told us the team had conducted a comprehensive comparison of statutory and judicial climates across Delaware, Nevada, Texas, and other jurisdictions. In choosing Nevada, the board's decision was weighted towards achieving a more predictable legal framework to support Roblox's ambitious strategy.</p> <p>The company believe Delaware's traditional strength, deep Chancery Court precedent, has become questionable due to unpredictable judicial reinterpretations. Nevada's statute-based approach offers greater predictability, allowing companies to understand legal rules in advance. Additional considerations included Delaware's low threshold for books-and-records requests under Section 220, leading to rising litigation costs from "specious" lawsuits. Nevada law also permits boards to expressly consider employees, community, and developer ecosystems, priorities Roblox has maintained since its direct listing.</p> <p>Importantly, the reincorporation decision represents a reversible strategic move rather than a one-way commitment, providing flexibility if Nevada's legal climate deteriorates.</p> <p>Outcome: The call provided us with additional information to incorporate into our voting decision for this resolution.</p>
e.l.f. Beauty, Inc.	<p>Objective: We met with chief executive officer (CEO) Tarang Amin to gain greater insight into how management is navigating a challenging market environment, managing external risks, and allocating capital.</p> <p>Discussion: Despite a slowdown in the US cosmetics industry coupled with tariff headwinds (75 per cent of e.l.f.'s supply comes from China), the company has continued to gain market share in ever more segments. Amin explained that he has been straightforwardly implementing the same strategy he learned during his previous time at Clorox - i.e. gain dominant share in a niche to become synonymous with that niche in the consumers' minds, thereby achieving sustainability high repeat purchase rates. Moreover, an important cultural differentiator is that e.l.f. has near devout focus on one retailer at a time to cement each relationship (note that e.l.f. was in Target and nowhere else for years before expanding into Walmart and Ulta) - this is in stark contrast to digital-native brands that try to launch across multiple retailers at once. We spent much time discussing e.l.f.'s announced acquisition of Rhode, the cosmetics and skincare brand led by Hailey Bieber, recognising that many celebrity brands launched since 2010 tend to fail before their fifth year. Amin reflected on what e.l.f. has learned from previous deals, such as Well People and Naturium, observing that e.l.f.'s diligence capabilities have meaningfully enhanced through each deal, hence his high confidence in Rhode. On the threat of tariffs, e.l.f. has made its third-ever price increase, which has preserved margin with zero evidence of customer pushback. The company also continues to diversify its supply chain. Lastly, when we questioned employee morale at a time when the company's share price has suffered (all employees receive stock-based compensation), a recent staff survey showed 98 per cent of staff would still recommend e.l.f. as a place to work and 94 per cent remain highly engaged - numbers which have barely budged with the share price.</p> <p>Outcome: This meeting confirmed our impression that the management team's strategy is clear and it consistently executes well, both in the US and internationally. Employee morale remains strong. The near-term picture remains rocky due to a combination of tough growth comparisons this year, ongoing tariff uncertainty, continued strain on the American consumer, and now a significant acquisition to digest. We will continue to monitor.</p>

Company	Engagement Report
Horizon Robotics	<p>Objective: We met with Dr Kai Yu, chief executive officer, to discuss Horizon Robotics' technology roadmap and commercial strategy, as well as gain a greater understanding of how geopolitical risks are being navigated.</p> <p>Discussion: China's electric vehicle market is already the world's largest and fastest-moving. Management sees competitive intensity accelerating in the industry, not only on battery range and pricing, but increasingly on software-defined functionality. Yu argues that full-stack autonomy (perception, planning, control and human-machine-interface) will determine long-run customer experience and brand differentiation. However, this is not a trivial undertaking; safety incidents for autonomous driving (as observed among some peers) could stall adoption. We discussed Horizon's cultural and organisational edge, where for instance its engineers are encouraged to publish peer-reviewed research to ensure the highest standards. Recognising that Horizon not only supplies domestic automakers such as BYD and Li Auto among others, but also international customers such as Volkswagen Group, Audi and Porsche, the company has established small satellite teams abroad to help navigate export control constraints. Moreover, Horizon is building an intellectual property holding structure in Hong Kong, with Singapore as a possible second node, to ensure smoother cross-border licensing. This may help the company to mitigate the risk of US sanctions on Horizon's ability to source chips or sell to certain overseas customers, albeit it remains untested.</p> <p>Outcome: We left encouraged by Horizon's founder-driven, research-led culture and its clear strategic vision. We remain mindful of the regulatory uncertainty and cognisant of the current customer concentration. We will continue to monitor progress on the Hong Kong IP-licensing structure and continued broadening of the customer base.</p>
Meituan	<p>Objective: We met with Meituan's chief executive officer (CEO), Wang Xing, to review the company's strategic initiatives beyond its core local commerce specifically its international expansion, grocery vertical integration, and AI-driven innovation.</p> <p>Discussion: Xing outlined a ten-year objective to reach RMB 100 billion in annual gross merchandise value (GMV) outside China by May 2033, noting that they have achieved approximately RMB 3 billion to date. He emphasised an organic-first approach to expansion and cautioned against acquisitions that fail to integrate technology and operations, citing Delivery Hero's challenges. In the Middle East - particularly Saudi Arabia and Dubai - Meituan sees fertile ground, leveraging lessons from its Keeta deployment in Hong Kong. On robotics, Meituan has been investing since 2016, and they expect autonomous delivery to gradually replace human labour in predictable segments; near-term the focus is on regions with higher labour costs. Regarding grocery, Wang stressed deeper vertical integration - shaping supply chains and product selection and prioritizing tier 1 and tier 2 urban markets over lower-tier regions, where previous community group buying efforts lacked profitability. AI efforts centre on developing agentic commerce using transactional data and fulfilment strength to build virtual agents that drive engagement. Competitive positioning remains strong, with Alibaba and JD.com viewed as behind on vertical integration and operational efficiency. Management confirmed that regulatory headwinds are considered manageable.</p> <p>Outcome: We left encouraged by Meituan's clear roadmap to increase GMV through higher transaction frequency and international contributions. Management's focus on technological moats machine-learning dispatch systems and robotics reinforces our conviction. We will continue monitoring international traction.</p>

Company	Engagement Report
Moncler S.p.A.	<p>Objective: We met with Remo Ruffini, chairman and chief executive officer (CEO) of Moncler Group, to discuss strategic growth initiatives, future capital allocation priorities, and the evolution of the brand following recent expansions.</p> <p>Discussion: Ruffini emphasized Moncler's focus on preserving high margins and brand exclusivity rather than targeting aggressive numerical sales growth. Management outlined capital allocation plans, highlighting continued reinvestment in core brand strengths and product innovation as priorities. The recent acquisition of Stone Island was described as a strategic long-term investment despite current market softness. Ruffini sees significant opportunities to grow through expanding Moncler's seasonal offerings particularly summer collections and capturing additional market share in the underpenetrated US market. Additionally, the potential from Moncler's Genius platform collaborations was highlighted, with ongoing evaluations aimed at refining future partnerships. Management also addressed the recent financial investment from LVMH, confirming Alexandre Arnault's board membership and emphasising a commitment to maintaining strategic independence while leveraging collaborative advantages.</p> <p>Outcome: We left encouraged by Moncler's clear strategy focused on disciplined capital allocation, margin sustainability, and strategic brand evolution. We will monitor closely the integration and performance of Stone Island, future direction of Genius partnerships, and initiatives aimed at diversifying seasonal sales.</p>
Netflix, Inc.	<p>Objective: We met with Netflix executives to better understand their plans to balance growth through users who receive advertising with those who don't. The discussion aimed to clarify Netflix's potential scale and profitability over the coming decade.</p> <p>Discussion: Netflix emphasised significant investments in developing its own advertising technology stack rather than relying on third-party solutions. The executives highlighted that past reliance on fragmented technology was an obstacle, particularly for effectively targeting audiences. Building its own technology allows Netflix to personalize ads, introduce interactive ad formats, and use AI to creatively combine Netflix's intellectual property with advertiser content. They believe these capabilities will uniquely differentiate Netflix's advertising business, attracting premium advertiser spending over time.</p> <p>Netflix acknowledged that shifting to advertising-supported revenue will take time to scale effectively. Management anticipates revenue per user parity between advertising-supported and fully paid subscribers in the next three years. While Netflix expects ad revenue to double this year, it expects revenue growth to initially lag behind user growth, especially internationally, due to complexities around monetizing a diverse, global audience.</p> <p>Outcome: Our meeting provided important clarity on Netflix's approach and timing expectations for its advertising initiatives. We will closely track Netflix's ongoing efforts to scale its advertising business globally. Netflix enjoys continued substantial growth potential as it scales driven by greater user reach and a diverse and deepening content library.</p>

Company	Engagement Report
Nu Holdings Ltd.	<p>Objective: The objective of this call with NuBank's head of environmental, social and governance (ESG) was to better understand the company's approach to consumer protection, financial health, and its sustainability priorities.</p> <p>Discussion: The company's ESG team supports regulatory compliance, reporting, and social impact initiatives, with an emphasis on financial education. NuBank's approach to consumer protection and financial education is embedded directly within its products. The company recently launched a campaign to help customers restructure their debt which has had notable success in improving renegotiation rates which are especially important to more customers with higher vulnerability. NuBank's constructive relationship with its regulator is important and we heard how the company goes beyond compliance through monitoring the financial health of customers. The company is also exploring new markets, such as Mexico, and leveraging partnerships to adapt its inclusive banking model to different market contexts. While NuBank remains carbon neutral through offsets, its current focus is weighted toward social impact over setting emissions reduction targets.</p> <p>Outcome: It is impressive to see NuBank's commitment to introducing innovative measures to support and protect the financial health of its diverse range of customers. We believe this to be important for NuBank's social contribution and essential to meet the expectations of Brazil's progressive regulator. We requested further information on its carbon offsetting programme and explained that while we agree with its priorities, we expect all companies to set appropriate emissions reduction targets when they are able.</p>
PDD Holdings Inc.	<p>Objective: Against the backdrop of heightened US-China tensions and increased probability of forced delistings from US stock exchanges, we undertook various engagements to assess PDD's willingness and eligibility to list on the Hong Kong Stock Exchange.</p> <p>Discussion: PDD's director of investor relations informed us that the management team is taking the issue seriously and is fully prepared to delist from the US and relist in Hong Kong (HK). This was confirmed in our interviews with former employees in PDD's capital markets team, who stated that PDD had prepared a HK listing back in 2021 (it was subsequently put on hold given a thaw in tensions back then). As the probability of delisting has since returned, we have written to PDD's founder, Colin Huang, to urge the company to begin the HK listing process. Meanwhile, we have discussed with representatives from the HK Stock Exchange who stated their support for companies looking to relist in HK and their willingness to fast-track such listings. Additionally, we have liaised with legal firms, including the firm that led PDD's US listing, and gained confidence that PDD should be eligible for HK listing.</p> <p>Outcome: Thanks to our multiple engagements, we are encouraged by PDD's intentions and eligibility to list on the Hong Kong Stock Exchange. It now appears to be a matter of timing. We will continue to monitor the situation and engage with the company.</p>

Company	Engagement Report
Rivian Automotive, Inc.	<p>Objective: To help us understand Rivian's supply chain, both in the context of US-China tariffs and sustainability, we had a meeting with the company's sustainability team and investor relations. We also sought an update on health and safety and Rivian's approach to responsible mining.</p> <p>Discussion: Rivian has finalised the sourcing programme for its R2 vehicle, due to start production in 2026, including as much local manufacturing as possible. Certain materials and components must come from China at this time. Given the onshoring of some of its suppliers' manufacturing, especially batteries, it may be easier in the future to have a more US-based supply chain. Rivian is currently working on the sourcing programme for its next generation of vehicles where it is seeking to reduce supply chain risks where possible. Sustainability is a consideration in supply chain planning. Rivian believes sustainable build choices evoke a sense of quality/durability for customers. We enquired about Rivian's membership of the Initiative for Responsible Mining Assurance (IRMA), the leading responsible mining standard. At this stage Rivian's membership is about promoting adoption as IRMA is not widespread enough to significantly drive procurement decisions. Finally, we heard about positive steps Rivian has taken on health and safety on the manufacturing line.</p> <p>Outcome: The team thanked us for maintaining our focus on sustainability at a time when many others are preoccupied by external politics. We continue to believe that Rivian's approach to environmental and social issues is industry leading, and is important for its brand and its impact. We will continue to monitor material issues at the company, including the impact of tariffs, health and safety, and any shifts in consumer confidence in electric vehicles.</p>
Roblox Corporation	<p>Objective: We had a call with Roblox's management to discuss their proposed reincorporation from Delaware to Nevada, subject to shareholder vote at the upcoming annual general meeting (AGM).</p> <p>Discussion: Roblox's management told us the team had conducted a comprehensive comparison of statutory and judicial climates across Delaware, Nevada, Texas, and other jurisdictions. In choosing Nevada, the board's decision was weighted towards achieving a more predictable legal framework to support Roblox's ambitious strategy.</p> <p>The company believe Delaware's traditional strength, deep Chancery Court precedent, has become questionable due to unpredictable judicial reinterpretations. Nevada's statute-based approach offers greater predictability, allowing companies to understand legal rules in advance. Additional considerations included Delaware's low threshold for books-and-records requests under Section 220, leading to rising litigation costs from "specious" lawsuits. Nevada law also permits boards to expressly consider employees, community, and developer ecosystems, priorities Roblox has maintained since its direct listing.</p> <p>Importantly, the reincorporation decision represents a reversible strategic move rather than a one-way commitment, providing flexibility if Nevada's legal climate deteriorates.</p> <p>Outcome: The call provided us with additional information to incorporate into our voting decision for this resolution.</p>

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