

Baillie Gifford™

Baillie Gifford Positive Change Equity Fund

First Quarter 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 57 partners with average 21 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Fund Objective

The objective is to produce capital growth over the long term by investing primarily in global equities. The Fund also aims to contribute towards a more sustainable and inclusive world by investing in companies that, in the opinion of the Manager, deliver positive change. Performance will be measured against the MSCI ACWI Index.

Investment Proposition

The Fund invests in an actively managed portfolio of 25-50 global high quality growth companies which can deliver positive change in one of four areas: social inclusion and education, environment and resource needs, healthcare and quality of life; and base of the pyramid (addressing the needs of the world's poorest populations). The Positive Change Decision Makers generate ideas from a diverse range of sources. With a focus on fundamental in-house research, the team complete a two stage analysis of all holdings, looking at both the financial and positive change aspects case for each stock using a consistent framework. The output is a high conviction and differentiated portfolio. We aim for a low turnover, around 20% per annum over the long run.

Fund Facts

Launch Date	February 20, 2018
Fund Size	C\$254.1m
Benchmark	MSCI ACWI Index
Current Active Share	97%*
Current Annual Turnover	19%
Style	Growth
Stocks (guideline range)	25-50
Current Number of Stocks	31

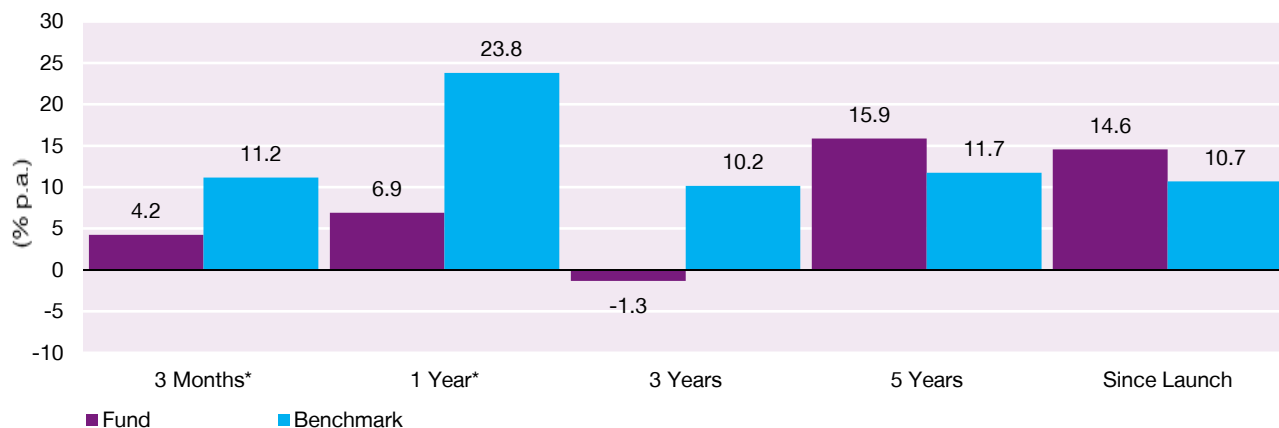
*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

Positive Change Portfolio Construction Group

Name	Job Title	Years' Experience
Kate Fox*	Investment Manager	22
Lee Qian	Investment Manager	12
Apricot Wilson	Investment Manager	11
Thaiha Nguyen	Investment Manager	10
Ed Whitten	Impact Analyst	9

*Partner

Periodic Performance



Discrete Performance

	03/31/19- 03/31/20	03/31/20- 03/31/21	03/31/21- 03/31/22	03/31/22- 03/31/23	03/31/23- 03/31/24
Fund %	15.3	88.7	-6.5	-3.9	6.9
Benchmark %	-4.9	37.1	7.1	0.8	23.8

Source: Revolution, MSCI. As at March 31, 2024. Canadian dollars. Fund performance shown is based on the NAV calculated by CIBC Mellon Trust Company, 4pm ET. Index calculated using close to close. *Not annualized. Launch date: February 20, 2018.

All the returns presented above are gross of investment management fees. The results do not reflect the deduction of investment management fees. Fees are charged outside the fund.

Stock Level Attribution

Quarter to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
ASML	1.3
Nu Holdings	1.1
TSMC	1.0
Apple	0.8
Ecolab	0.2

Bottom Five Contributors

Asset Name	Contribution (%)
NVIDIA	-1.2
Alnylam Pharmaceuticals	-1.2
HDFC Bank	-1.0
Wuxi Biologics	-1.0
Coursera	-0.9

One Year to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Nu Holdings	2.2
Shopify	1.5
ASML	1.2
TSMC	1.0
Duolingo	0.8

Bottom Five Contributors

Asset Name	Contribution (%)
Moderna	-2.4
Illumina	-1.9
Wuxi Biologics	-1.9
NVIDIA	-1.9
Alnylam Pharmaceuticals	-1.9

Since Inception* to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Tesla Inc	19.6
Dexcom	9.7
ASML	6.0
Moderna	5.6
Nibe Industrier	4.5

Bottom Five Contributors

Asset Name	Contribution (%)
Umicore	-3.9
Discovery	-3.3
Microsoft	-2.6
NVIDIA	-2.6
Illumina	-2.5

*February 20, 2018

Source: Revolution, MSCI. Baillie Gifford Positive Change Equity Fund relative to MSCI ACWI Index.

All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.

Attribution is shown relative to the index therefore not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Market environment

The Fund ended the quarter in positive territory but behind the Index. Performance over the quarter was influenced by the continued growth in the proliferation of artificial intelligence, geopolitical tensions and a challenging period for the healthcare and biotech sector. Sentiment around interest rates continued to be influential on share prices, driving volatility in both directions. Despite this backdrop, many of the companies in our portfolio continue to demonstrate solid revenue and profit growth. Consensus estimates for the Fund predict that it will deliver close to triple the revenue growth and double the earnings growth that the benchmark will over the next three years. We believe this will drive superior share price appreciation over the long term.

Performance

Among the largest contributors to performance over the quarter were ASML, Nu Holdings and TSMC

ASML, the world's leading manufacturer of lithographic equipment used in the manufacture of semiconductors, grew its revenues for the full year 2023 impressively despite a challenging operating backdrop. Customers continue to adopt its next-generation lithography machines and going forward it expects to benefit from increasing demand for artificial intelligence.

TSMC, the world's largest integrated foundry, came through a challenging year for the semiconductor industry with its margins at the higher end of its estimates. It reports that it outperformed the wider semiconductor foundry industry in 2023 and it expects to see a recovery in the semiconductor market in 2024. TSMC is projecting higher revenues driven by growth in high-performance computing and artificial intelligence utilisation.

Nu Holdings, the world's largest digital bank, finished 2023 strongly with customer numbers reaching 94 million, an increase of 26% year on year. Brazil continues to be a source of phenomenal growth for Nu. It added 1.3 million new customers a month in 2023. Nu continues to make good progress and is expanding operations in Mexico and Colombia. Nu's latest earnings report shows revenues of \$2.4 billion, a growth of 66% year on year in the fourth quarter of 2023.

Among the largest detractors to performance were Alnylam Pharmaceuticals, WuXi Biologics and Tesla.

Alnylam is an early-stage biotechnology company. Its share price fell over the quarter following the announcement of a delay to its Helios-B phase 3 clinical

trial. Despite the negative market reaction to the delayed clinical trial, Alnylam continues to make good operational progress. Its commercially available treatments continue to sell in line with expectations and it retains its position as a leader in the emerging RNAi therapeutics sector.

Wuxi Biologics is one of the world's largest outsourcing companies for the development of biologic drugs. Wuxi's share price fell sharply following the publication of a draft bill in the US House of Representatives that seeks to limit Chinese biotech companies' access to US citizens' genomic data. The sponsors of the draft bill assert that Wuxi Biologics CEO Chris Chen has links to the People's Liberation Army (PLA). Wuxi Biologics refutes the allegation. At this stage it is not certain the bill will pass into law, as only 1.5% of draft bills do, however, we continue to monitor the developing situation.

Electric vehicle manufacturer, Tesla suffered share price weakness during the quarter. Tesla's latest quarterly results came in below expectations with revenue growth slowing due to aggressive price cuts in 2023. Vehicle deliveries grew an impressive 500,000 year on year to 1.8 million, a 38% increase. Tesla's energy business is continuing to grow. It more than doubled its deployed storage capacity to 14.7 GWh while delivering 54% year-on-year revenue growth. While the electric vehicle business faces a more challenging operating environment, it is encouraging to see new areas of growth being established within the business.

Impact

Our annual Impact Report assesses each company in the Fund based on the Theory of Change and their alignment with the UN Sustainable Development Goals (SDGs) at a target level. We provide aggregated data on headline impacts and address any negative impacts.

Alongside our Impact Report, we publish Positive Conversations, our annual report on the business practices of companies in the portfolio. Positive Conversations has details of our reporting on emissions as well as our engagement activities and proxy voting record. The latest Positive Conversations report was published this quarter and is now available on our website.

Notable transactions

During the quarter we bought Grab, a Southeast Asia-based super app, with ride-hailing, food delivery and financial services available in its ecosystem. Another new buy was Rivian, an early-stage electric vehicle manufacturer with a focus on larger vehicles and commercial delivery vans.

Market Outlook

Most companies in the Fund have shown strong operational performance despite the more challenging macroeconomic environment. Indications are that interest rates have peaked and in time this should usher in a more favourable environment for long duration growth companies.

The companies in the Fund are cash-generative businesses with low levels of debt and the ability to fund their own growth. The period of higher rates has allowed these companies to consolidate their positions as competitors reliant on low-cost financing have fallen away. Looking forward, global challenges the Fund seeks to address such as meeting the increasing demand for renewable energy, broadening access to vital financial services and developing more effective healthcare solutions will continue to be sources of growth regardless of the macroeconomic backdrop. Over the long-term meeting these global challenges should deliver strong share price returns.

Transactions from 01 January 2024 to 31 March 2024.

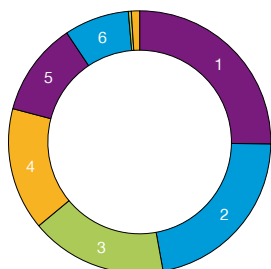
New Purchases

Stock Name	Transaction Rationale
Grab	<p>Grab is Southeast Asia's largest ride-hailing and food delivery platform, offering economic opportunities in middle income geographies. The penetration of its services is low and should rise along with economic growth of the region. Grab's competitive position is strong, with dominant market shares in ride-hailing and food delivery. We believe Grab's competitive position is defensible due to network effects and investment in technology, including mapping and order batching. This should support profitable growth over the long-term. We believe Grab can compound GMV at a mid-teen pace over the long-term and achieve an EBITDA-to-GMV margin of mid-to-high single digits. In addition to ride-hailing and food delivery, Grab is in the early stages of expanding into financial services. If it can find the right business model, this could provide additional upside.</p>
Rivian Automotive	<p>Rivian could become one of a few OEMs with meaningful production volume to help decarbonise the transportation of both people and goods. The breadth of its impact will grow over time as Rivian achieves its goal of reducing the lifecycle emissions of its vehicles and as the US grid decarbonises - mitigating climate change and improving air quality. While Rivian is still at an early stage, it has many of the right ingredients to successfully scale up, including its business model, high-quality products, strong product market fit, a decent amount of capital, strong backing from Amazon as a big shareholder and commercial client, and a trustworthy and ambitious management team. It is also a company with a strong intent to be a leader in driving change within its industry. EVs, with software being the key, could fundamentally change the competitive dynamics of the automotive industry, allowing scaled players to build durable edges and higher profits than the ICE era. Given the risk-reward, we decided to take a small holding in Rivian.</p>

Complete Sales

Stock Name	Transaction Rationale
Orsted	<p>Our original investment thesis for Orsted is that offshore wind will become an important source of energy generation for many countries and Orsted's scale and expertise will enable them to profitably capitalise on this growth opportunity. Unfortunately, recent events have reduced our conviction in Orsted's ability to execute. The company incurred significant losses in 2022 due to poor hedging policies and recognised a large impairment this year on its US business. While the growth opportunity remains, we have lost confidence in the management's ability to allocate capital effectively and generate long-term value for shareholders. We have therefore decided to exit our holdings in the company.</p>

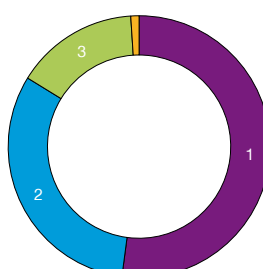
Sector Analysis (%)



1	Information Technology	25.3
2	Health Care	21.9
3	Financials	16.8
4	Consumer Discretionary	15.1
5	Industrials	11.5
6	Materials	8.0
7	Communication Services	0.4
8	Cash	1.0

Total may not sum due to rounding.

Geographic Analysis (%)



1	North America	52.1
2	Emerging Markets	31.7
3	Europe (ex UK)	15.2
4	Cash	1.0

Total may not sum due to rounding.

Top Ten Holdings

Holdings	Fund %
1 ASML	8.1
2 TSMC	8.1
3 MercadoLibre	6.4
4 Dexcom	5.6
5 Bank Rakyat Indonesia	5.1
6 Shopify	5.0
7 Xylem	4.7
8 Moderna	4.7
9 Deere & Co	4.5
10 Nu Holdings	4.1

Portfolio Characteristics

Number of holdings	31
Number of countries	14
Number of sectors	7
Number of industries	17
Active Share	97%*
Annual Turnover	19%

*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	4	Companies	2	Companies	1
Resolutions	35	Resolutions	5	Resolutions	1

Company Engagement

Engagement Type	Company
Environmental	Remitly Global, Inc.
Social	Novozymes A/S, Remitly Global, Inc., Tesla, Inc.
Governance	ASML Holding N.V., Deere & Company, PT Bank Rakyat Indonesia (Persero) Tbk, Remitly Global, Inc., Rivian Automotive, Inc., Sartorius Aktiengesellschaft, WuXi Biologics (Cayman) Inc.

Asset Name	Fund %
ASML	8.1
TSMC	8.1
MercadoLibre	6.4
Dexcom	5.6
Bank Rakyat Indonesia	5.1
Shopify	5.0
Xylem	4.7
Moderna	4.7
Deere & Co	4.5
Nu Holdings	4.1
Autodesk	4.1
Duolingo	4.1
HDFC Bank	3.8
Ecolab	3.4
Alnylam Pharmaceuticals	3.2
Illumina	3.0
Novozymes	2.8
Remitly Global	2.7
Sartorius Group	2.5
Tesla Inc	2.3
Coursera	2.0
Grab	1.9
Umicore	1.8
10x Genomics	1.3
Discovery	1.1
AbCellera Biologics	0.8
WuXi Biologics	0.8
Safaricom	0.4
Joby Aviation	0.4
Rivian Automotive	0.3
Abiomed CVR Line*	0.0
Cash	1.0
Total	100.0

Total may not sum due to rounding.

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*Abiomed was acquired in December 2022 by Johnson and Johnson. Holders received a cash allocation plus non-tradable contingent value rights (CVRs).

Additional Fund Information

The Fund is a sub-fund of Baillie Gifford Funds Canada. Its Investment Manager and Distributor is Baillie Gifford Overseas Limited.

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. Further details of the risks associated with investing in the Fund can be found in the Offering Memorandum, copies of which are available at bailliegifford.com

Important Information and Risk Factors

This bulletin is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients. Nothing in the document should be construed as advice and it is therefore not a recommendation to buy or sell shares.

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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.

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. Past performance is not a guide to future returns. This document contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. All investment funds have the potential for profit and loss. All information is sourced from Baillie Gifford & Co. All amounts are in Canadian dollars unless otherwise stated.

Fees

Positive Change Equity Fund Management Fees

0.50% first C\$130m

0.35% thereafter

Investors are charged a fee for investment management services based on the above scale. This fee is payable directly to the manager.

Operating expenses are 0.08%, based on the actual expenses for the fiscal year to December 31, 2023. The Funds operating expenses are all expenses the Fund incurs in its daily operations excluding transaction fees.

Dealing Information

Settlement	T+2
Liquidity and Valuation	Daily
Eligibility	Permitted clients*
Dealing cut-off time	4pm Eastern
Custodian and Record Keeper	CIBC

*As defined in Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Managers.

Legal Notices

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