

## Baillie Gifford Global Alpha Fund

### Fourth Quarter 2024

#### About Baillie Gifford

<b>Philosophy</b>	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
<b>Partnership</b>	100% owned by 58 partners with average 20 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

To produce capital growth over the long term by investing primarily in global equities. Performance will be measured against the MSCI ACWI Index.

#### Investment Proposition

The Fund invests in an actively managed portfolio of stocks from around the world with the intention of delivering significantly higher total returns than the MSCI ACWI Index before fees. We focus on companies which we believe offer above average profit growth and we invest with a long-term (five year) perspective. The Fund's three dedicated investment managers draw on a combination of their own investment ideas and those of our various investment teams to produce a portfolio that typically holds 70–120 stocks.

#### Fund Facts

Launch Date	July 15, 2009
Fund Size	C\$2,658.6m
Benchmark	MSCI ACWI Index
Current Active Share	79%*
Current Annual Turnover	24%
Style	Long-term, bottom-up growth
Stocks (guideline range)	70-120
Current Number of Stocks	88

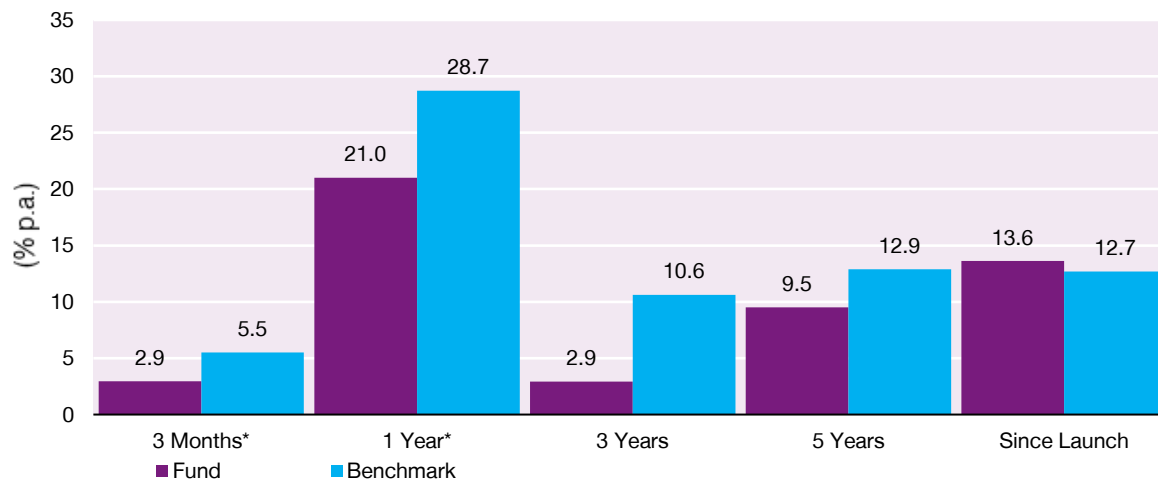
\*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

#### Key Decision Makers

Name	Job Title	Years' Experience
Malcolm MacColl*	Investment Manager	25
Spencer Adair*	Investment Manager	24
Helen Xiong*	Investment Manager	16

\*Partner

Periodic Performance



Discrete Performance

	12/31/19- 12/31/20	12/31/20- 12/31/21	12/31/21- 12/31/22	12/31/22- 12/31/23	12/31/23- 12/31/24
Fund %	34.6	7.3	-23.5	17.8	21.0
Benchmark %	14.8	18.0	-12.0	19.5	28.7

Source: CIBC, Revolution, MSCI. As at December 31, 2024. Canadian dollars. Fund performance shown is based on the NAV calculated by CIBC Mellon Trust Company, 4pm ET. Benchmark calculated using close to close. \*Not annualized. Launch date: July 15, 2009.

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 December 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Shopify	0.6
Doordash	0.4
Dutch Bros	0.3
Cloudflare	0.3
Amazon.com	0.3

### Bottom Five Contributors

Asset Name	Contribution (%)
Elevance Health	-0.9
Tesla Inc	-0.5
Novo Nordisk	-0.4
Apple	-0.4
Broadcom	-0.4

One Year to December 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Doordash	0.7
Meta Platforms	0.7
The Trade Desk	0.6
TSMC	0.5
SEA Limited	0.5

### Bottom Five Contributors

Asset Name	Contribution (%)
Elevance Health	-1.1
Ryanair	-0.9
NVIDIA	-0.9
Novo Nordisk	-0.7
Tesla Inc	-0.7

Five Years to December 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Tesla Inc	2.4
Amazon.com	1.5
Meta Platforms	1.3
AJ Gallagher & Co	1.2
Shopify	1.1

### Bottom Five Contributors

Asset Name	Contribution (%)
Apple	-2.7
NVIDIA	-2.2
Prudential	-1.5
Farfetch	-1.3
Ping An Insurance	-1.1

Source: Revolution, MSCI. Baillie Gifford Global Alpha 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

Global stock markets showed mixed performance over the quarter, with sustained outperformance seen particularly at some of the largest US technology companies, coupled with periods of volatility due to changing economic conditions and geopolitical uncertainties. Stock markets around the world responded to the US presidential election outcome, with businesses and sectors viewed as beneficiaries of Trump's likely policies rising in value, and those perceived as vulnerable selling off. Ongoing US-China trade tensions and their impact on global supply chains also continued to influence market dynamics, particularly in light of Trump announcing plans for potential new tariffs on Chinese imports.

## Performance

The Fund underperformed the MSCI AWCI Index over the quarter. Detractors from performance included the US health insurer Elevance Health, the Danish pharmaceutical business Novo Nordisk, and the US-based defence company AeroVironment.

Elevance Health has had a tough year. It has a large customer base of Medicaid customers, but this group has shrunk following the reintroduction of enrolment eligibility requirement that had been suspended during and immediately after the pandemic. The company's exposure to this part of the customer population appears to have been seen as a vulnerability in the aftermath of Trump's election. We view Elevance as a critical piece of US healthcare infrastructure that is expanding the range of services it can offer. We think it can return to steady compound growth as it works through a tricky adjustment.

During the quarter, Novo Nordisk released the eagerly awaited results of its late-stage clinical trial for its CagriSema product, heralded as a potentially higher-efficacy weight loss alternative to existing products. Trial results showed that CagriSema helped patients reduce their weight by 22.7%, below the 25% the company had forecast. As a leader in diabetes and metabolic disease, we expect Novo Nordisk to gain a significant share of the obesity market. We continue to believe the company has an under-appreciated competitive advantage in manufacturing that will be technically difficult and costly to replicate.

AeroVironment saw share price declines despite posting strong quarterly results. Total revenues were higher year-over-year, and the loitering munition

systems segment doubled in size from the previous year due to increasing international demand for its Switchblade drones. The uncrewed systems segment, however, saw a sharp decline in revenue due to a drop in sales to Ukraine. Over the longer term, our conviction remains high that AeroVironment will be a major beneficiary of the long-term structural trend of upgrading defence systems globally.

Contributors to performance include the e-commerce platform Shopify, which announced a strong financial update. Shopify is growing revenues quickly and is generating such strong cash margins that it plans to recycle further margin gains into investment in the business. Its artificial intelligence (AI) productivity tools for its merchant customers are making it easier to operate online stores and we expect Shopify to continue to innovate. We have taken the opportunity to moderate the position size following the jump in share price.

US food delivery giant DoorDash is going from strength to strength. Despite intense competition, it dominates the market, is achieving growth in subscriber members and is delivering growth not just in its core restaurant delivery platform but also through other new verticals (such as groceries) as it expands into adjacent categories. We retain high conviction in the long-term future for DoorDash to become the last-mile delivery partner for merchants across the US and beyond.

A new position for the Fund (purchased in September), the US coffee chain Dutch Bros saw its share price perform well following strong results that beat expectations. We believe the company's long-term goal of reaching over 4000 outlets over the next 10-15 years (from a base of around 950 today) - alongside the potential to improve what are already excellent store-level economics by introducing mobile order & pay and adding more food products to its menu - makes this a compelling investment case.

## Notable transactions

In the final quarter of the year, we bought one new position: Brookfield Corporation. Brookfield is one of the world's largest alternative investment management companies, investing in areas such as real estate, infrastructure, and renewables. The company's strong track record in directly managing real assets and its 'one-stop-shop' global scale leave it well-positioned to benefit from a boom in spending on infrastructure and private credit. We

took advantage of an attractive entry price to bring this strong diversifier into the Fund.

We took the chance to moderate some position sizes this quarter (having added to them previously) as share prices have risen as a reflection of strong progress made. These include Shopify (see above) and advertising technology company The Trade Desk, which has seen robust demand for its programmatic advertising services. The position size of the heating, ventilation, and air conditioning business Comfort Systems was also reduced on share price strength, with the company benefiting from supportive legislation to replace and upgrade US infrastructure, the reshoring of US manufacturing, and the green energy transition.

### **Market Outlook**

In recent months, stock markets have focussed heavily on the potential winners and losers that may come from Trump's presidency, changes in interest rate expectations, and, of course, the deployment of artificial intelligence. We agree that these are important considerations, but we focus instead on our fundamental belief that share prices will follow earnings growth over the long term, as they have done for over a century. The companies we own are making solid and improving progress in pursuit of their own growth opportunities. This progress is supported by the breadth of growth drivers represented in the Fund, the diversity of which we have been increasing. Progress at a company level, combined with this wide range of growth drivers, gives us confidence in the outlook for the coming years.

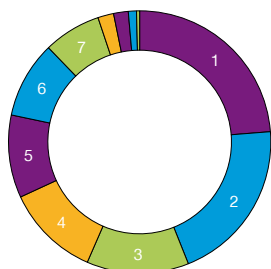
Transactions from 01 October 2024 to 31 December 2024.

New Purchases

Stock Name	Transaction Rationale
Brookfield Corp	<p>Brookfield Corporation is the holding company of one of the world's largest owners and operators of real and alternative assets. Almost half of its underlying assets are a controlling stake in Brookfield Asset Management (BAM), with the rest made up of operating businesses, such as its infrastructure, property and renewables divisions, and a growing wealth solutions business. From its origins as an industrial conglomerate, Brookfield began managing third-party assets in the 1990s and now has over \$1 trillion in assets under management. Its strong track record directly managing real assets and its 'one-stop-shop' global scale leave it well-positioned to benefit from a boom in spending on infrastructure and private credit. At the same time, its fee model means clients are 'locked-in' over long periods. Lastly, the complexity of the holding company assets means it currently trades at a large discount to the underlying asset value. This discount could narrow as the company lists the rest of its BAM shares. The combination of Brookfield's strong track record, structural growth, and an attractive entry price have led us to take an initial position in the company.</p>

There were no complete sales during the period.

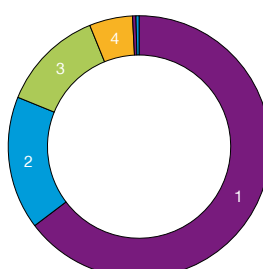
**Sector Analysis (%)**



1	Consumer Discretionary	23.7
2	Information Technology	20.2
3	Communication Services	12.6
4	Financials	11.6
5	Industrials	10.2
6	Health Care	9.5
7	Materials	7.1
8	Real Estate	1.9
9	Energy	1.8
10	Consumer Staples	1.0
11	Cash	0.4

Total may not sum due to rounding.

**Geographic Analysis (%)**



1	North America	64.7
2	Europe (ex UK)	16.5
3	Emerging Markets	12.7
4	Developed Asia Pacific	5.3
5	UK	0.4
6	Cash	0.4

Total may not sum due to rounding.

**Top Ten Holdings**

Holdings	Fund %
1 Amazon.com	4.5
2 Microsoft	4.3
3 Meta Platforms	4.2
4 NVIDIA	4.1
5 TSMC	3.5
6 Martin Marietta Materials	3.0
7 Prosus	3.0
8 DoorDash	2.7
9 Elevance Health Inc.	2.3
10 Service Corporation International	2.3

**Portfolio Characteristics**

Number of holdings	88
Number of countries	21
Number of sectors	10
Number of industries	40
Active Share	79%*
Annual Turnover	24%

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

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	11	Companies	3	Companies	None
Resolutions	103	Resolutions	10	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	AeroVironment, Inc., Amazon.com, Inc., Analog Devices, Inc., BHP Group Limited, Moderna, Inc., Neogen Corporation, PDD Holdings Inc., Samsung Electronics Co., Ltd., Sea Limited, Shopify Inc., The Trade Desk, Inc.
Social	Albemarle Corporation, Amazon.com, Inc., Cloudflare, Inc., CyberAgent, Inc., PDD Holdings Inc., Samsung Electronics Co., Ltd., Sea Limited, The Trade Desk, Inc.
Governance	AIA Group Limited, Albemarle Corporation, Amazon.com, Inc., Analog Devices, Inc., B3 S.A. - Brasil, Bolsa, BalcAo, Bellway p.l.c., CBRE Group, Inc., Compagnie Financière Richemont SA, CyberAgent, Inc., Kweichow Moutai Co., Ltd., Microsoft Corporation, Moderna, Inc., Moody's Corporation, Neogen Corporation, Olympus Corporation, Ryanair Holdings plc, Samsung Electronics Co., Ltd., Schibsted ASA, Shopify Inc., SiteOne Landscape Supply, Inc.
Strategy	Albemarle Corporation, B3 S.A. - Brasil, Bolsa, BalcAo, Cloudflare, Inc., Epiroc AB (publ), Moderna, Inc., Sea Limited, The Trade Desk, Inc.



Asset Name	Fund %
Amazon.com	4.5
Microsoft	4.3
Meta Platforms	4.2
NVIDIA	4.1
TSMC	3.5
Martin Marietta Materials	3.0
Prosus	3.0
DoorDash	2.7
Elevance Health Inc.	2.3
Service Corporation International	2.3
Mastercard	2.3
Ryanair	2.3
Shopify	1.9
The Trade Desk	1.8
Block	1.7
Alphabet	1.7
Netflix	1.5
CRH	1.5
Novo Nordisk	1.5
Adyen	1.4
Analog Devices	1.3
AutoZone	1.3
CBRE Group Inc	1.3
Cloudflare	1.2
MercadoLibre	1.2
Reliance Industries	1.2
CATL	1.2
S&P Global Inc	1.1
Moody's	1.1
Richemont	1.1
Olympus	1.1
AJ Gallagher	1.0
Atlas Copco	1.0
AIA	1.0
BHP Group	1.0
Texas Instruments	1.0
Markel	1.0
Sea Limited	0.9
UnitedHealth Group	0.9
Royalty Pharma	0.9
Coupang	0.9
Chewy	0.9
AeroVironment	0.9
Alnylam Pharmaceuticals	0.9
Dutch Bros	0.8
Advanced Drainage Systems	0.8

Asset Name	Fund %
Li Auto	0.8
Spotify	0.7
PDD Holdings	0.7
Walt Disney	0.7
Norwegian Cruise Line Holdings Ltd.	0.7
Comfort Systems USA	0.7
Datadog	0.7
Eaton	0.7
Thermo Fisher Scientific	0.7
Kweichow Moutai	0.7
Schibsted	0.7
Stella-Jones	0.7
CoStar	0.7
Petrobras	0.6
Builders FirstSource	0.6
ASM International	0.6
Entegris	0.6
Samsung Electronics	0.6
SMC	0.6
SiteOne Landscape Supply	0.6
Epiroc	0.5
Nippon Paint	0.5
Brascan Corp	0.5
B3	0.5
Floor & Decor	0.5
Rakuten	0.5
YETI Holdings	0.5
Nexans	0.4
Bellway	0.4
Soitec	0.4
Genmab	0.4
Albemarle	0.4
LVMH	0.4
Mobileye	0.3
Shiseido	0.3
Brunswick Corp	0.3
Sartorius Stedim Biotech	0.3
CyberAgent	0.3
Neogen Corporation	0.3
Moderna	0.3
Sberbank	0.0
Abiomed CVR Line*	0.0
Cash	0.4
<b>Total</b>	<b>100.0</b>

Total may not sum due to rounding.

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intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

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](http://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.

Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorized and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

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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

### Global Alpha Fund Management Fees

0.57% first C\$130m

0.35% next C\$870m

0.33% next C\$2000m

0.30% 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 0.01%, 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.

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