Baillie Gifford™

Baillie Gifford Sustainable Growth Equity Fund

Third Quarter 2025

Fund objective

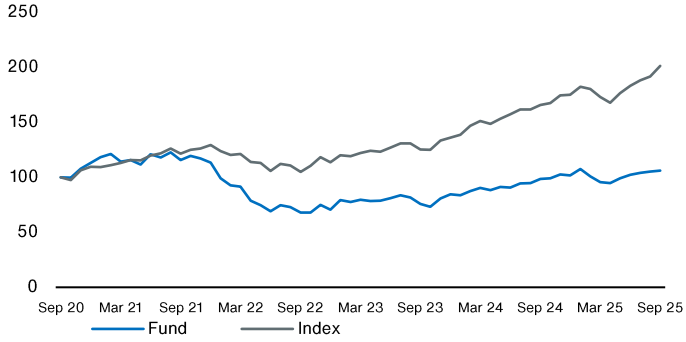
To produce capital growth over the long term by investing, under normal circumstances, at least 70% of the Fund's assets in equity securities of companies anywhere in the world whose products or services are, in the Manager's opinion, creating value for society by addressing significant global challenges (as described in the Fund's Investment Policies). Performance will be measured against the MSCI ACWI Index.

Investment proposition

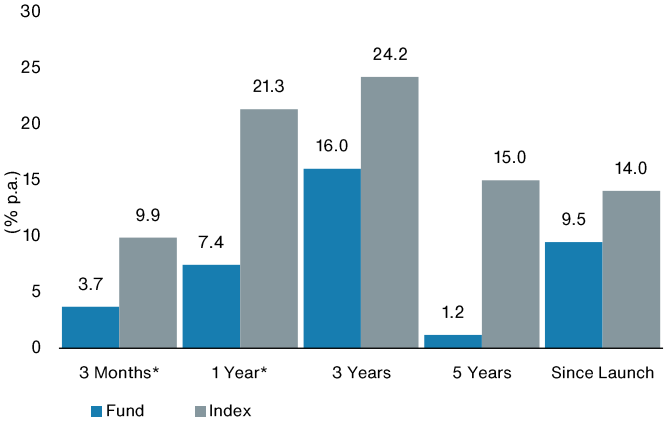
Sustainable Growth invests in companies which are sustainable in both senses of the word, delivering enduring growth and enduring good. For growth to endure, companies must be resilient to a range of economic and political environments and capable of achieving a decade or more of profitable growth. To deliver enduring good, they must make a positive difference to society, either through impactful products or services or through influential business practices that inspire wider change.

Performance overview

Indexed to September 30, 2025



Periodic performance



Discrete performance

	09/30/20-09/30/21	09/30/21-09/30/22	09/30/22-09/30/23	09/30/23-09/30/24	09/30/24-09/30/25
Fund %	15.6	-41.2	12.1	29.7	7.4
Index %	21.4	-13.5	19.5	32.2	21.3

Source: CIBC, Revolution, MSCI. Index: MSCI ACWI Index. As at September 30, 2025. Canadian dollars. Fund performance shown is based on the NAV calculated by CIBC Mellon Trust Company, 4 pm ET. Index calculated using close to close. *Not annualized. Launch date: November 02, 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.

Fund facts

Managers	Toby Ross* / Katherine Davidson
Fund launch date	November 02, 2018
Fund size	C$22m
Index	MSCI ACWI Index
Active Share†	90%
Annual turnover	28%
Number of stocks	56
Stocks (guideline range)	50-80
Style	Long-term growth stockpicking
Structure	Canadian Master Trust

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

Top ten holdings

Holdings	% Total Assets
Microsoft	6.4
Alphabet	5.6
TSMC	5.2
MercadoLibre	3.6
Mastercard	3.0
Intuit	2.9
Prudential	2.6
Illumina	2.6
Shopify	2.5
Edwards Lifesciences	2.5

Past performance is not a guide to future returns. This document is intended 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.

Stock level attribution

Quarter to September 30, 2025

Top five contributors

Asset Name	Contribution (%)
Alphabet	0.6
Shopify	0.5
TSMC	0.4
Cognex	0.3
Savers Value Village	0.2

Bottom five contributors

Asset Name	Contribution (%)
The Trade Desk	-0.7
MercadoLibre	-0.7
DSV	-0.7
Apple	-0.6
Intuit	-0.5

One year to September 30, 2025

Top five contributors

Asset Name	Contribution (%)
Spotify	1.4
Shopify	1.1
TSMC	0.7
Prudential	0.6
Wise	0.4

Bottom five contributors

Asset Name	Contribution (%)
Illumina	-1.4
The Trade Desk	-1.4
NVIDIA	-1.2
UnitedHealth	-1.2
Recruit Holdings	-0.8

Five years to September 30, 2025

Top five contributors

Asset Name	Contribution (%)
Spotify	2.5
TSMC	1.2
MercadoLibre	1.1
Tesla Inc	1.0
Watsco	0.9

Bottom five contributors

Asset Name	Contribution (%)
Illumina	-3.5
Chegg	-3.2
MarketAxess Holdings	-3.2
Wayfair	-2.5
Zoom	-2.4

Source: Revolution, MSCI. Baillie Gifford Sustainable Growth Equity Fund relative to the 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.

Sector

	Fund (%)	Index (%)	Difference
Information Technology	25.1	27.2	-2.1
Industrials	21.8	10.7	11.1
Health Care	14.7	8.5	6.2
Financials	13.1	17.4	-4.3
Communication Services	11.8	8.8	3.0
Consumer Discretionary	8.4	10.7	-2.2
Consumer Staples	3.0	5.3	-2.2
Real Estate	0.9	1.9	-0.9
Cash	1.2	0.0	1.2

Geography

Top ten locations	Fund (%)	Index (%)	Difference
United States	51.4	64.7	-13.3
UK	7.8	3.2	4.6
France	5.7	2.4	3.3
Taiwan	5.2	2.1	3.1
Sweden	5.0	0.8	4.3
Japan	4.9	4.8	0.1
Brazil	4.7	0.5	4.2
Denmark	4.1	0.4	3.7
Canada	3.4	2.9	0.4
China	2.0	3.4	-1.4
Total	94.0	85.1	-

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading and does not necessarily represent a bank overdraft.

Portfolio Characteristics

	Fund	Index
Market Cap (weighted average)	$743.19bn	$1245.14bn
Price/Book	5.48	3.62
Price/Earnings (12 months forward)	23.87	19.09
Earnings Growth (5 year historic)	14.72%	13.17%
Return on Equity	21.74%	18.93%
Predicted Beta (12 months)	1.0	N/A
Standard Deviation (trailing 3 years)	14.9	10.3
R-Squared	0.7	N/A
Delivered Tracking Error (12 months)	6.7	N/A
Sharpe Ratio	0.4	1.8
Information Ratio	-2.1	N/A
Number of geographical locations	13	N/A
Number of sectors	8	N/A
Number of industries	29	N/A

Source: FactSet, MSCI. Index: MSCI ACWI Index.
We have provided these characteristics for information purposes only. In particular, we do not think index relative metrics are suitable measures of risk. Fund and Index figures are calculated excluding negative earnings.

Market environment

Global equities rose during the third quarter of 2025, with major indices reaching record highs. The combination of strong corporate earnings momentum, supportive monetary policy following the Federal Reserve's first rate cut of the year, and continued strength in technology sectors underpinned the gains. Despite geopolitical tensions and tariff uncertainty, investors displayed confidence that companies could navigate a more complex backdrop.

Leadership, however, remained narrow. Technology and AI-linked firms captured most of the attention and capital flows, leaving many other high-quality businesses under-recognised for now. Valuations in some parts of the market have stretched to levels not seen in decades, reflecting both concentrated enthusiasm and the extraordinary capital expenditure cycle underway in AI infrastructure. Record commitments to data centres, chips and energy are shaping near-term market dynamics, though questions remain about the durability of demand and the rapid depreciation of cutting-edge assets.

Against this backdrop, the Sustainable Growth strategy delivered a positive absolute return but lagged the MSCI ACWI. This relative shortfall reflects both our deliberate underweight to some of the most crowded AI leaders and a handful of temporary stock-specific setbacks. Periods of concentrated leadership reinforce the importance of discipline: to look past momentum and continue allocating capital selectively to businesses that can endure across cycles.

Performance

Contributors

Alphabet, the parent company of Google & YouTube, was the strongest contributor this quarter, as it demonstrated the resilience of its core advertising model. Search revenues grew 12% year-on-year, aided by AI features such as Overviews and Lens that expanded query volumes rather than displacing them. YouTube advertising rose 13%, while Google Cloud advanced 32% with margins improving despite elevated infrastructure spending. This performance highlights the scale of Alphabet's cash-generating engine, which funds ambitious long-term projects. While regulation and competition remain risks, its unparalleled data assets, talent base and culture of innovation support the case for sustained growth.

Shopify a leading e-commerce company, shares rose strongly after reporting accelerating gross merchandise value and revenue, both up over 30% year-on-year. Growth was broad-based, with international markets expanding by 42% and enterprise adoption surging. Payment penetration reached 64%, demonstrating the growing importance of Shop Pay. The company also unveiled AI-driven tools that simplify store creation and improve search and discovery, boosting merchant conversion. We believe Shopify is consolidating its position as the leading commerce platform. Its ability to serve merchants of all sizes, lower barriers to entrepreneurship and expand into new segments such as B2B commerce embodies the type of structural growth we seek.

Cognex, the industrial machine vision specialist, was another strong performer. Results showed the recovery gaining momentum, with logistics and packaging markets delivering consecutive quarters of growth. A one-time revenue benefit from a new medical lab automation partnership also supported the quarter. More importantly, Cognex continues to harness deep learning to extend machine vision into increasingly complex applications, from defect detection in pharmaceuticals to automation in logistics. By enabling manufacturers to raise quality, reduce waste and offset labour shortages, Cognex is addressing structural challenges across industries. Its focus on innovation, coupled with a strong balance sheet and culture, underpins our long-term conviction.

Detractors

The Trade Desk, a global digital advertising platform, fell after lowering revenue guidance. Growth slowed to 19% year-on-year, and near-term forecasts implied further deceleration. Investor concerns were compounded by governance issues following the CFO's resignation. Despite these challenges, we believe The Trade Desk remains central to the growth of open internet advertising. Its leadership in connected TV, reinforced by partnerships with Disney, Netflix and NBCUniversal, and its UID2 standard for identity, positions it to capture the long-term migration of ad spend. We are mindful of governance risks but retain conviction that the company's role in shaping transparent and privacy-respecting digital advertising will prove enduring.

MercadoLibre, the Latin American e-commerce and fintech platform, delivered strong sales momentum, with GMV up 37% and payments volume rising 61%. Profitability, however, was held back by foreign-exchange losses in Argentina, higher shipping costs in Brazil, and increased marketing spend. We see these as temporary setbacks. As Latin America's largest e-commerce platform, with a fast-growing fintech ecosystem, MercadoLibre is well placed to continue compounding value. Despite recent margin pressures, it remains one of the strategy's strongest performers year to date, highlighting the resilience of its long-term franchise.

DSV, a transport and logistics company, saw its share price fall as the integration of DB Schenker coincided with continued softness in freight markets, especially in road transport. Nevertheless, management reiterated confidence in capturing synergies by 2027, highlighting the scope for efficiency gains and margin expansion. We view DSV as one of the most effective operators in global freight forwarding. Its disciplined culture, scalable model and climate-focused logistics services should allow it to take share and influence the decarbonisation of global supply chains over time.

Stewardship

We are pleased to release our third annual Sustainability Report this quarter. Rather than focusing solely on conventional Environmental, Social & Governance (ESG) measures, the report highlights portfolio companies that are quietly building the foundations for enduring progress. These are businesses whose products and practices address societal needs in ways that strengthen their competitive advantages over time.

As in previous years, the report is structured around the pillars of people, planet and prosperity, with detailed case studies of portfolio holdings, alignment to the UN Sustainable Development Goals, and updates on our progress towards net zero commitments. We believe this work illustrates how the companies we back are creating lasting value for society, and how this in turn reinforces their capacity to deliver enduring growth.

Notable transactions

We initiated positions in Novo Nordisk, a Danish pharmaceutical company and Snibe (Shenzhen New Industries Bioengineering), a leading Chinese immunoassay diagnostics company, following valuation resets that offered attractive entry points. For Novo Nordisk, competitive pressures and some near-term commercial missteps overshadowed its leadership in diabetes and obesity treatments and its promising pipeline of next-generation therapies. In Snibe's case, weakness in the domestic Chinese market weighed on sentiment, even as the company continues to build a leading global position in diagnostic equipment and reagents.

We believe both companies exemplify the kind of opportunity we seek when short-term challenges mask enduring growth potential. Their ability to address fundamental human needs — chronic disease and access to reliable healthcare diagnostics — aligns closely with our philosophy of backing businesses that can compound value for many years to come.

Market Outlook

The near-term backdrop has been challenging. Markets are expensive, leadership is narrow, and sentiment is fragile. Yet we continue to believe our combination of proven leaders and emerging value creators positions us well to face both opportunities and uncertainties ahead.

The companies that compound wealth over decades are rarely the most obvious choices in any given quarter. Rather, they are the businesses building quietly while others chase headlines. We believe we have found them across every stage of development, and our conviction in this approach has never been stronger.

Transactions from 01 July 2025 to 30 September 2025

New Purchases

Stock name	Transaction rationale
Novo Nordisk	Novo Nordisk, a Danish pharmaceutical company, has rapidly evolved from a steady diabetes business to a leader in GLP-1 weight-loss therapies. Its pioneering drug, Semaglutide, is already transforming the lives of millions by providing effective weight management and significantly improving outcomes for patients with metabolic diseases. Beyond obesity, Semaglutide is being studied for its potential to benefit patients with renal and cardiac conditions, offering hope for improved health and quality of life in these areas as well. With a strong focus on innovation and a commitment to addressing major global health challenges, Novo Nordisk is well-positioned to deliver meaningful advances for patients and sustained growth for the company. A recent pullback in the share price has offered an attractive entry point, and we decided to take a small position.
Snibe	We have taken a position in Snibe, a leading Chinese immunoassay diagnostics company. Its tests are used to detect and measure substances in the body, supporting disease detection and patient management. We believe the company is well placed for substantial growth. Despite near-term challenges in China, there is considerable scope to gain share from foreign competitors. Furthermore, overseas sales, now close to 40% of the total, are expanding rapidly and at high margins. Snibe's technological advantage and installed base foster customer loyalty, underpinning its growing presence in key developing markets, such as India. We see strong long-term prospects and consider the current valuation, weighed down by short-term concerns, to offer an attractive entry point.

Complete Sales

Stock name	Transaction rationale
Centre Testing	We have sold the position in Centre Testing International (CTI), a leading Chinese provider of testing, inspection, and certification services. While initial expectations were for the industry and CTI to deliver mid-teens growth, recent performance has fallen short. Industry expansion has slowed, and CTI has not significantly outperformed peers, with management acknowledging highly competitive end markets. Furthermore, recent difficulties in integrating acquisitions, a key part of the growth strategy, have reduced our confidence in the investment case.
Sweetgreen	We have exited our position in Sweetgreen. We invested earlier this year, expecting improved operating momentum after a 2024 reset to support a faster store rollout. This improvement has not materialised, with same-store sales and customer traffic both weaker than anticipated. While macroeconomic pressures have played a role, recent conversations and industry checks point to ongoing operational challenges since the departure of the former COO in 2023. With the holding now a small weight and our conviction diminished, we see better opportunities elsewhere in the portfolio.

Voting activity

Votes cast in favour		Votes cast against		Votes abstained/withheld	
Companies	4	Companies	3	Companies	None
Resolutions	57	Resolutions	3	Resolutions	None

Company engagement

Engagement type	Company
Environmental	Meituan, Microsoft Corporation, The New York Times Company
Social	DSV A/S, Savers Value Village, Inc., Shopify Inc., Starbucks Corporation, The New York Times Company
Governance	Cognex Corporation, DSV A/S, Eurofins Scientific SE, Mastercard Incorporated, Moderna, Inc., Sartorius Stedim Biotech S.A., Schneider Electric S.E., Shopify Inc., Spotify Technology S.A., Starbucks Corporation, Texas Instruments Incorporated, The New York Times Company, UnitedHealth Group Incorporated, Westinghouse Air Brake Technologies Corporation, Wise Payments Ltd
Strategy	Meituan, Microsoft Corporation, Savers Value Village, Inc., Shopify Inc., Spotify Technology S.A., The New York Times Company, UnitedHealth Group Incorporated

Our ESG Principles and Guidelines are available on the website. They set out Baillie Gifford's approach to stewardship and the consideration of ESG matters in research, proxy voting and engagement activities. As part of our consideration of a broad range of factors which may influence long-term investment returns, our ESG research, proxy voting and engagement activities are focused on issues material to the investment case and our holdings' long-term growth prospects.

Asset name	Fund %
Microsoft	6.4
Alphabet	5.6
TSMC	5.2
MercadoLibre	3.6
Mastercard	3.0
Intuit	2.9
Prudential	2.6
Illumina	2.6
Shopify	2.5
Edwards Lifesciences	2.5
Recruit Holdings	2.5
DSV	2.4
Wise	2.4
Beijer, G & L AB	2.2
Texas Instruments	2.1
L'Oréal	2.0
New York Times Co	1.9
Wabtec	1.9
Tetra Technologies	1.8
bioMerieux	1.8
UnitedHealth Group	1.8
Marsh & McLennan	1.7
AIA	1.6
Novo Nordisk	1.6
Nintendo	1.6
IMCD	1.6
Eurofins	1.5
Advanced Drainage Systems	1.5
Spirax Sarco	1.5
MSA Safety	1.5
Workday	1.5
Synopsys	1.4
Cadence Design Systems	1.3
Warby Parker (JAND)	1.3
Spotify	1.3
The Trade Desk	1.3
Savers	1.3
Experian	1.3
Shenzhen New Industries Biomedical Engineering	1.3
Schneider Electric	1.1
Raia Drogasil	1.1
Atlas Copco	1.0
Cognex Corp	1.0
Carlisle Companies	1.0
Lineage, Inc.	0.9
MarketAxess	0.9
Starbucks Corp	0.9
GMO Payment Gateway	0.9

Asset name	Fund %
Kinaxis	0.8
Sartorius Stedim Biotech	0.8
Meituan	0.7
YETI Holdings	0.6
Moderna	0.5
Epiroc	0.4
Inspire Medical Systems	0.3
Abiomed CVR Line*	0.0
Cash	1.2
Total	100.0

Total may not sum due to rounding.

Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is 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 Investment Fund Manager of the Fund is Baillie Gifford & Co. Limited. Its Investment Manager and Distributor is Baillie Gifford Overseas Limited, which also performs certain investment fund management activities.
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

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All amounts are in Canadian dollars unless otherwise stated.

Fees

Sustainable Growth 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: 0.36%
Expenses Cap: 0.15%

The Manager has agreed to bear the expenses of the Fund above the Expense Cap. The Fund's operating expenses are all expenses the Fund incurs in its daily operations excluding transaction fees based on the actual expenses for this fiscal year to December 31, 2024. The expense cap has been approved until December 31, 2025.

Dealing Information

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

*As defined in Multilateral Instrument 32-102 registration exemptions for Non-Resident Investment Managers and National Instrument 31-103 registration requirements, exemptions and ongoing registrant obligations.
**Within the meaning of National Instrument 45-106 prospectus exemptions or section 73.3 of the Securities Act (Ontario).

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