

## Fund objective

To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Global Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

## Investment proposition

The Fund invests in an actively managed portfolio of stocks from around the world with the intention of delivering significantly higher returns than the MSCI ACWI Index. We focus on companies that are sustainable in both senses of the world, delivering enduring growth and enduring good for society. We typically hold 50-80 stocks and seek to outperform the MSCI ACWI by 2% per annum over rolling five year periods (the stated objective is in no way guaranteed). Our research framework ensures that we avoid companies whose products or behaviours may cause significant harm to society, or where the company does not deserve our trust.

## Periodic performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	3.5	3.4	7.9	-0.9
Index (%)*	9.7	17.4	16.2	13.1
Target (%)**	10.2	19.8	18.6	15.4
Sector Average (%)***	7.2	12.1	11.9	9.5
Sector Ranking	470/566	457/547	388/496	417/422

## Annual discrete performance

	30/09/20-30/09/21	30/09/21-30/09/22	30/09/22-30/09/23	30/09/23-30/09/24	30/09/24-30/09/25
Class B-Acc (%)	16.6	-35.0	2.7	18.5	3.4
Index (%)*	22.7	-3.7	11.0	20.4	17.4
Target (%)**	25.2	-1.8	13.3	22.9	19.8
Sector Average (%)***	23.2	-8.9	7.8	16.2	12.1

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

Share Class Inception Date: 07 December 2015.

\*MSCI ACWI Index.

\*\*MSCI ACWI Index (in sterling) plus at least 2% per annum over rolling five-year periods.

\*\*\*IA Global Sector.

## Fund facts

Managers	Toby Ross* / Katherine Davidson
Fund launch date	07 December 2015
Fund Size	£430.93m
IA Sector	Global
Active share	90% <sup>†</sup>
Annual turnover	23%
Guideline number of holdings	50-80
Number of holdings	57
Structure	OEIC

<sup>†</sup>Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

\*Partner

## Top ten holdings

Holdings	% Total assets
Microsoft	6.3
Alphabet	5.6
TSMC	5.2
MercadoLibre	3.6
Mastercard	3.0
Intuit	2.9
Prudential	2.5
Illumina	2.5
Shopify	2.5
Recruit Holdings	2.5



### Stock level attribution

Top and bottom ten contributors to relative performance

#### Quarter to 30 September 2025

Stock name	Contribution %
Alphabet	0.5
Shopify	0.5
TSMC	0.4
Cognex Corp	0.3
Savers Value Village	0.2
Warby Parker Inc	0.2
Amazon.com	0.2
Advanced Drainage Systems	0.2
Raia Drogasil	0.1
Meta Platforms Inc.	0.1
The Trade Desk	-0.7
MercadoLibre	-0.7
DSV	-0.7
Apple	-0.6
Intuit	-0.5
NVIDIA	-0.4
Recruit Holdings	-0.4
IMCD Group NV	-0.4
Texas Instruments	-0.4
Tesla Inc	-0.3

#### One year to 30 September 2025

Stock name	Contribution %
Spotify Technology SA	1.3
Shopify	1.1
TSMC	0.7
Prudential	0.6
Wise Plc	0.5
Warby Parker Inc	0.4
Nintendo	0.4
Novo Nordisk	0.3
Alphabet	0.3
Amazon.com	0.3
The Trade Desk	-1.4
Illumina	-1.4
NVIDIA	-1.2
UnitedHealth	-1.2
IMCD Group NV	-0.8
Inspire Medical Systems	-0.7
MarketAxess Holdings	-0.7
Recruit Holdings	-0.7
Lineage Inc	-0.7
Broadcom Inc	-0.6

Source: Revolution, MSCI. Baillie Gifford Sustainable Growth Fund relative to MSCI ACWI Index.

Some stocks may only have been held for part of the period.

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

As attribution is shown relative to the benchmark, 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	24.8	27.2	-2.4
Industrials	21.5	10.7	10.8
Health Care	14.5	8.5	6.0
Financials	14.3	17.4	-3.1
Communication Services	11.7	8.8	2.8
Consumer Discretionary	8.4	10.7	-2.3
Consumer Staples	3.0	5.3	-2.3
Real Estate	0.9	1.9	-1.0
Cash	1.0	0.0	1.0

## Geography

Top ten locations	Fund (%)	Index (%)	Difference (%)
United States	50.8	64.7	-13.9
UK	7.6	3.2	4.4
France	5.6	2.4	3.2
Taiwan	5.2	2.1	3.1
Sweden	5.0	0.8	4.2
Japan	4.9	4.8	0.1
Brazil	4.7	0.5	4.2
Denmark	4.0	0.4	3.6
Canada	3.3	2.9	0.4
China	1.9	3.4	-1.4
Total	92.9	85.1	-

Source: Baillie Gifford & Co, MSCI. Index: MSCI ACWI Index. 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)	GBP 392.2bn	GBP 664.7bn
Price/Book	5.3	3.5
Price/Earnings (12 months forward)	24.1	19.1
Earnings Growth (5 year historic)	13.2%	11.7%
Return on Equity	20.8%	18.3%
Predicted Beta (12 months)	1.0	N/A
Standard Deviation (trailing 3 years)	14.5	10.0
R-Squared	0.8	N/A
Delivered Tracking Error (12 months)	6.7	N/A
Sharpe Ratio	-0.1	1.1
Information Ratio	-2.0	N/A
Number of geographical locations	14	N/A
Number of sectors	8	N/A
Number of industries	29	N/A

Source: FactSet, Revolution, APT, Baillie Gifford & Co, 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. Payments 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, position 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 Bio-Engineering) 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 pull back 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	5	Companies	3	Companies	None
Resolutions	71	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

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, [here](#).

Asset name	Fund %
Microsoft	6.3
Alphabet	5.6
TSMC	5.2
MercadoLibre	3.6
Mastercard	3.0
Intuit	2.9
Prudential	2.5
Illumina	2.5
Shopify	2.5
Recruit Holdings	2.5
Edwards Lifesciences	2.5
DSV	2.4
Wise	2.4
Beijer, G & L AB	2.2
Texas Instruments	2.0
L'Oréal	1.9
New York Times Co	1.9
Wabtec	1.9
Tetra Technologies	1.8
bioMerieux	1.8
UnitedHealth Group	1.7
Marsh & McLennan	1.7
AIA	1.6
Nintendo	1.6
Novo Nordisk	1.6
IMCD	1.6
Eurofins	1.5
Advanced Drainage Systems	1.5
Spirax Sarco	1.5
MSA Safety	1.5
Workday	1.5
HDFC Life Insurance	1.4
Synopsys	1.4
Spotify	1.3
Cadence Design Systems	1.3
Warby Parker (JAND)	1.3
Savers	1.3
The Trade Desk	1.3
Experian	1.2
Shenzhen New Industries Biomedical Engineering	1.2
Schneider Electric	1.1
Raia Drogasil	1.1
Atlas Copco	1.0
Cognex Corp	1.0
Carlisle Companies	1.0
Lineage, Inc.	0.9
Starbucks Corp	0.9
MarketAxess	0.9

Asset name	Fund %
GMO Payment Gateway	0.8
Kinaxis	0.8
Sartorius Stedim Biotech	0.8
Meituan	0.7
YETI Holdings	0.6
Moderna	0.5
Epiroc	0.4
Inspire Medical Systems	0.4
Abiomed CVR Line	0.0
Cash	1.0
Total	100.0

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Share class	Share class inception date	ISIN	SEDOL	Annual management fee (%)	Ongoing charge figure (%)
Class B-Acc	07 December 2015	GB00BYNK7G95	BYNK7G9	0.50	0.54
Class B-Inc	27 February 2018	GB00BDDY6H83	BDDY6H8	0.50	0.54

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

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**Additional geographical location information**

**Israel:** This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients' capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 30 September 2025 and source is Baillie Gifford & Co unless otherwise stated.

**Baillie Gifford & Co Limited**  
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN  
Telephone +44 (0)131 275 2000 [bailliegifford.com](http://bailliegifford.com)

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