



# ESG Review

Baillie Gifford

Baillie Gifford Positive Change Fund

December 2025

**Baillie Gifford™**

For professional advisers only

# Defaqto Fund Reviews

This document is designed to provide the reader with a quantitative overview of the fund reviewed. The review then goes on to examine information of a more qualitative nature, which has been obtained through an interview process with the fund manager/s.

The qualitative information covers specific areas including the fund manager's philosophy, their people, and the processes they employ. Additional information is also provided on their research capability, the resources they have at their disposal and how they manage risk. All of this information goes towards creating this comprehensive Fund Review.

## Defaqto Ratings

Ratings to help advisers and their clients make better informed decisions

The Defaqto experts have created a range of ratings to help advisers find the best product or proposition for their clients.

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**EXPERT RATED**

Show at a glance how a fund or fund family performs in comparison to the rest of the market.

**defaqto**  


**EXPERT RATED**

Demonstrate the comprehensiveness of products across a range of areas, from pensions to DFMs.

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**GOLD**

**EXPERT RATED**

An overall assessment of service – by advisers for advisers.

### Suitability ratings to support compliant advice

Defaqto have created a set of ten Risk Profiles, and four Income Risk Profiles with corresponding ratings to which funds are mapped using a robust process. This helps advisers to evidence suitability for their clients in both the accumulation and decumulation phase:



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**RISK RATED**



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**NATURAL INCOME RATED**



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**INCOME DRAWDOWN RATED**

## Key facts



- This Fund uses the FCA 'Sustainability Impact' label. With a core belief that investment returns and impact are complementary, both being considered throughout the decision-making process.
- The focus of the fund is to invest at least 90% in companies whose products or services contribute positively, across four impact themes defined by Baillie Gifford as social inclusion & education, environment & resource needs, healthcare & quality of life, base of the pyramid. There is no ESG screening.
- There are four 'decision-makers' and six analysts directly involved with the fund. There are also three 'portfolio advisers' who provide challenge plus Baillie Gifford's ESG team of more than 40 to draw upon.

## Investment objective

The Sub-fund aims 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 Sub-fund will invest at least 90% in shares or other transferable securities (such as ADRs) of companies anywhere in the world whose products and/or services contribute to the Impact. The Impact Outcomes may evolve over time and are reviewed by the Investment Adviser on a regular basis.

The Sub-fund will be actively managed, concentrated and will invest in companies of any size, and in any sector, provided they are assessed in line with the Investment Adviser's proprietary qualitative framework and Theory of Change as having products and/or services which contribute to the Impact.

## Fund information and classification

Launch Date	03 January 2017
Manager	Kate Fox, Lee Qian, Thaiha Nguyen, Edward Whitten, Apricot Wilson
Domicile	GBR
Assets	Active
Investment Style	Return Focused
Type	OEIC

AUM	£1389M
Performance Date	28 November 2025
OCF Estimated	0.53%
OCF Actual	0.53%
Transaction Fee Actual	0.07%
Performance Fee (Yes/No)	No
Performance Fee Actual	n/a

PRI signatory <sup>1</sup>	Yes
UK Stewardship Code signatory	Yes
IA sector	Global
Morningstar category <sup>2</sup>	Global Large-Cap Growth Equity
Diamond Rating	Not rated

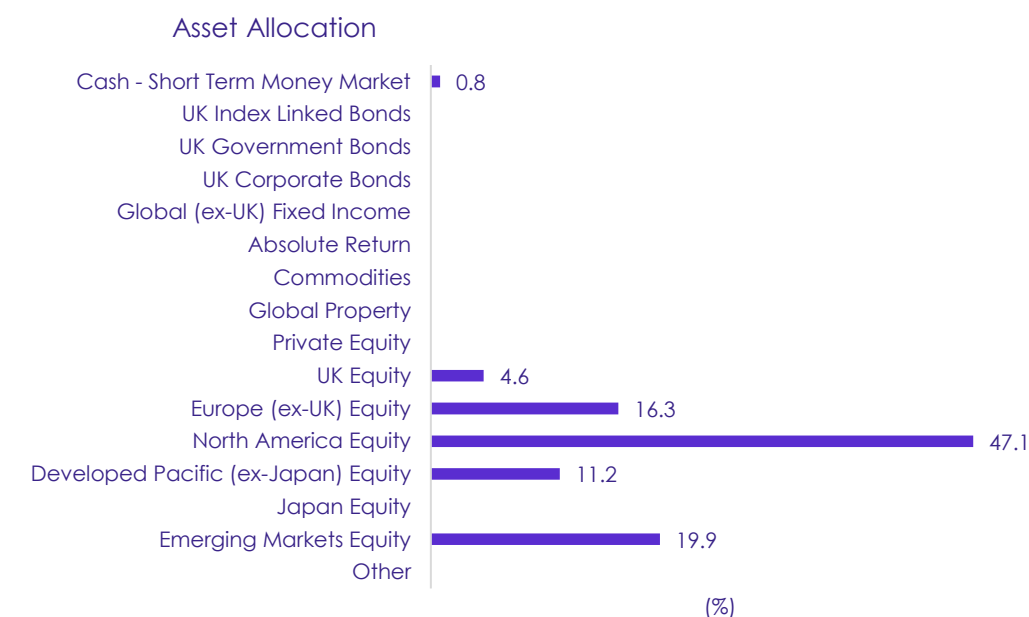
<sup>1</sup>Principles for Responsible Investment (PRI)

<sup>2</sup>The Morningstar Category is used in all comparative analysis, over the following pages.

Source: Morningstar, 28 November 2025



## Asset allocation



Source: Morningstar, 12 December 2025

## Note

This asset allocation chart is drawn using the 16 asset classes (including 'other') that we use in Defaqto Engage.

This may differ slightly from the asset allocation described by the asset manager, due to various asset class roll-up and mapping variances.

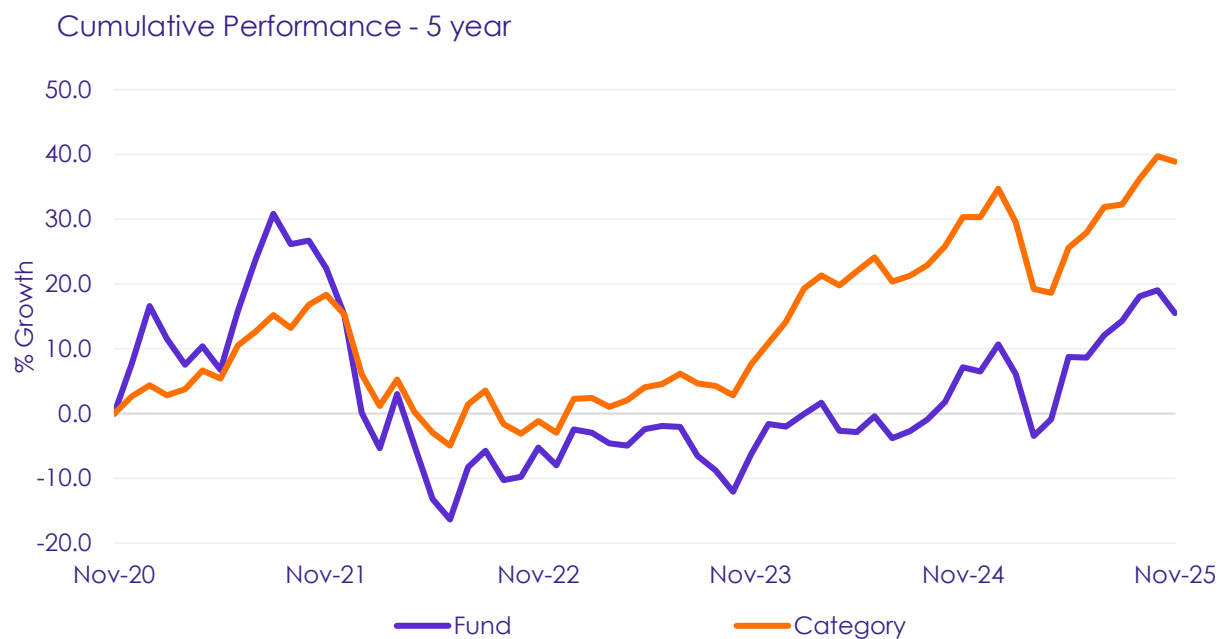
## Top 10 holdings

Total Number of Equity Holdings	38
Total Number of Bond Holdings	-
Assets in Top 10 Holdings (%)	47.2%

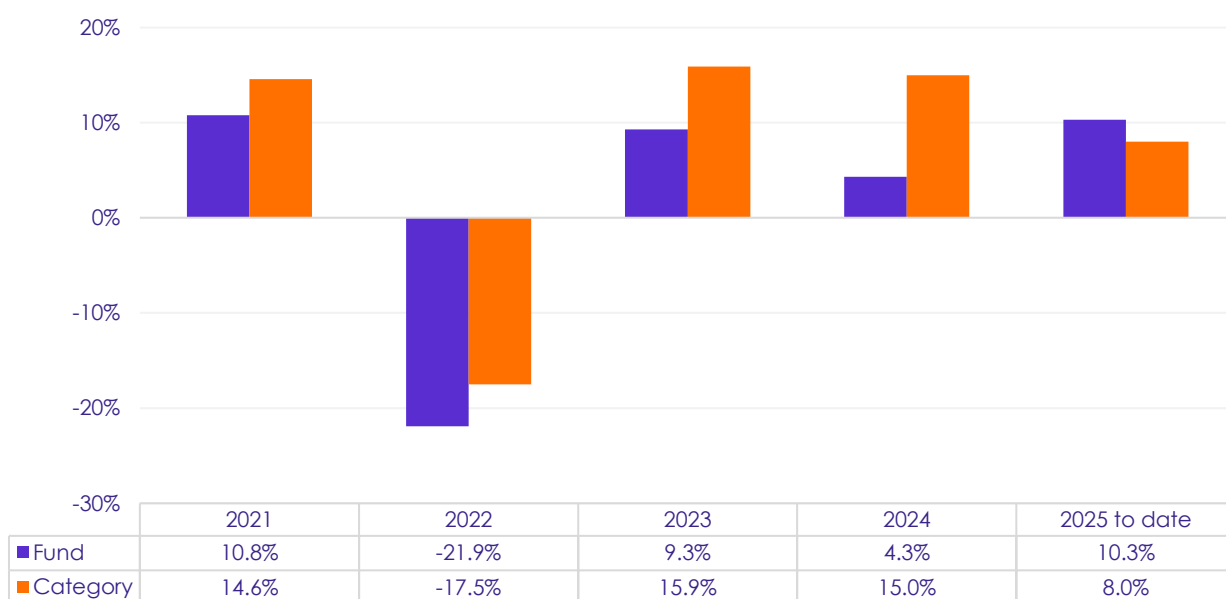
Name	Country	% of assets
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	8.4
MercadoLibre Inc	Brazil	5.5
Shopify Inc Registered Shs -A- Subord Vtg	Canada	5.0
Microsoft Corp	United States	4.9
ASML Holding NV	Netherlands	4.9
Anylam Pharmaceuticals Inc	United States	4.0
Grab Holdings Ltd Class A	Malaysia	3.8
Deere & Co	United States	3.8
Nu Holdings Ltd Ordinary Shares Class A	Brazil	3.6
Autodesk Inc	United States	3.5

Source: Morningstar, 12 December 2025

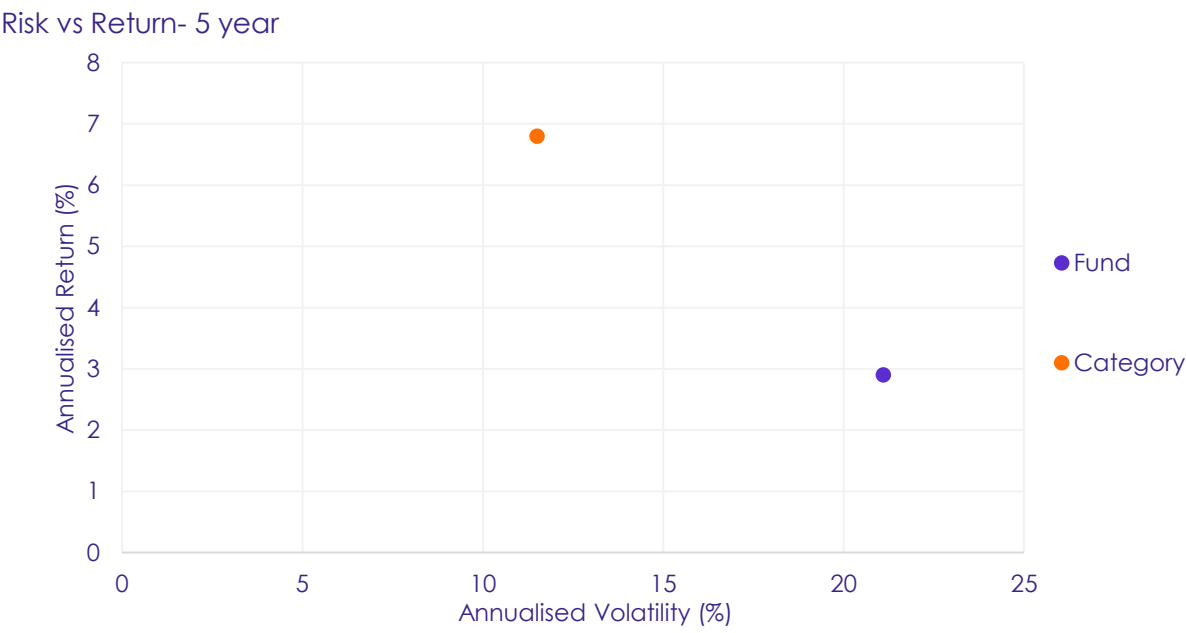
# Performance



## Annual Performance



# Risk



Source: Morningstar, 28 November 2025

# Drawdown

Last 60 Months	
Max Drawdown	-40.9%
Positive Months	34
Negative Months	26
Worst Month	-17.5%

Source: Morningstar, 28 November 2025



## Baillie Gifford's ESG policy

Baillie Gifford describes its role as being a steward of clients' assets, integrating relevant environmental, social and governance considerations through its bottom-up company research and ongoing oversight of holdings.

In terms of governance, Baillie Gifford's key considerations include treatment and protection of minority shareholders, alignment of interests and board

composition and effectiveness; while for sustainability they include resource use and efficiency, social factors and environmental factors.

These considerations are embedded into Baillie Gifford's: research and decision-making; due diligence; and active voting and engagement across all of the strategies which they manage.

## ESG policy and alignment

The fund aims to deliver a positive change by contributing towards a more sustainable and inclusive world (the fund also aims to outperform the MSCI ACWI as stated in sterling by at least 2% per annum over rolling five -year periods).

It does this by investing in four current 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). Investment and impact is assessed using a six-stage process which allows both the impact and investment objectives to be considered equally in the key

## Exclusions: Yes

parts of our process: research, portfolio construction and reporting. Of these stages fundamental company research involves an eight questions framework to gather the quality of the business and its growth prospects as well as the impact the company is expected to deliver.

Baillie Gifford aggregate the data of all portfolio companies that report the impact of their products and services, illustrating how the portfolio holdings contributing towards delivering positive change, across several different relevant metrics. Contribution of the companies to the UN SDGs is also reported by Baillie Gifford.

## Resources

The team behind this fund consists of the five 'decision-makers' listed below, together with their areas of expertise:

Kate Fox - Investment Manager, Innovative Smaller Companies

Lee Qian - Investment Manager, Economic and Social Progress

Thaiha Nguyen - Investment Manager, Technological Innovation and Impact Entrepreneurship

Edward Whitten - Impact Director, Sustainability and Social Impact

Apricot Wilson - Senior Impact Analyst

There are also six full time analysts in the team plus three 'portfolio advisers' from other investment teams who provide challenge to the investment decisions.

In terms of the wider firm there are 365 investment professionals and a dedicated responsible investment team of more than 40 within Baillie Gifford.

## Engagement with corporates and/or funds

Voting takes place on all AGM and EGM resolutions for the fund's holdings and all voting is completed by the ESG team, instead of out-sourcing to a third party. The team have engaged with companies across Environmental, Governance, Social and Strategy. While also taking all opportunity to participate in voting on resolutions proposed by management and other shareholders, in favour and against where deemed appropriate.

The Positive Change team always try to engage with company management before voting against them. They see this as part of trying to build a better relationship and believe it will give them increased access to management over the long term (Baillie Gifford's investment philosophy across all of their equity funds is to hold companies for at least five years and accept that change may take time).

Topics that the Positive Change team engage on will vary, with priorities usually set at the start of the year.

Their voting and engagement track record has been can be found on the Baillie Gifford website.

# ESG factors

## Environmental

Less than 1%	Between 1% and 10%	More than 10%
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Environmental Exposures	Product Involvement
Fossil Fuel	-
GMO	-
Nuclear	-
Oil Sands Extraction	-
Palm Oil	-
Pesticides	-
Thermal Coal	-

There are no environmental exposures.

Source: Based on availability of Morningstar ESG data as at 31 October 2025

## Social

Social Exposures	Product Involvement
Adult Entertainment	-
Alcohol	-
Animal Testing	14.6%
Controversial Weapons	-
Fur and Specialty Leather	-
Gambling	-
Military Contracting	-
Small Arms	-
Tobacco	-

As shown in the table, there is only one exposure on the social side to animal testing, specifically Pharmaceutical Products. The companies that are responsible for the exposure being Alnylam Pharmaceuticals Inc, DexCom Inc and Vertex Pharmaceuticals Inc.

All expected given the regulatory requirement placed upon pharmaceutical firms bringing products to the market.

Source: Based on availability of Morningstar ESG data as at 31 October 2025

## Governance

Baillie Gifford pay attention to the control, oversight and management of a company, taking particular interest in the following five areas of a company's business:

The capital structure, the articles of incorporation and the country/countries of incorporation and listing

The way in which minority shareholders are treated and protected

How interests are aligned across management, strategic shareholders and other investors

The make up and effectiveness of the board of directors,

the quality and performance of management plus the remuneration of key employees

The corporate culture and approach to sustainable business and how relationships with customers, employees, suppliers, regulators and the wider community are managed

This focus on corporate governance is because Baillie Gifford believe that governance really matters with respect to long-term investment performance.



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