Baillie Gifford™

Baillie Gifford International Alpha SMA
Second Quarter 2025

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 59 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

Portfolio Summary

The strategy employs a bottom up stock-picking approach based on the fundamental research produced by Baillie Gifford's investment teams. The members of the Portfolio Construction Group (PCG) use their experience to identify the best ideas generated by the investment floor which are relevant to the strategy. The result is a diversified portfolio of quality growth companies which we believe has the potential to outperform the benchmark over the long term.

SMA Process

The portfolio will invest in the American Depositary Receipts (ADRs) of the underlying holdings in our pre-existing International Alpha Equity Strategy where available and sufficiently liquid. The portfolio manager then scales up the position sizes to reflect the more focused nature of the separately managed account.

Portfolio Construction

- 100% USD denominated securities (largely American Depository Receipts)
- Typically, 40-110 stock portfolio
- Current overlap with the International Alpha strategy is 75%

SMA Model Portfolio Facts

Launch Date	June 30, 2022
Client Assets	US$227,011
Benchmark	MSCI ACWI ex US Index
Current Number of Stocks	53
Active Share*	85%
Annual Turnover	6%
Style	Growth
Stocks (guideline range)	40-110

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

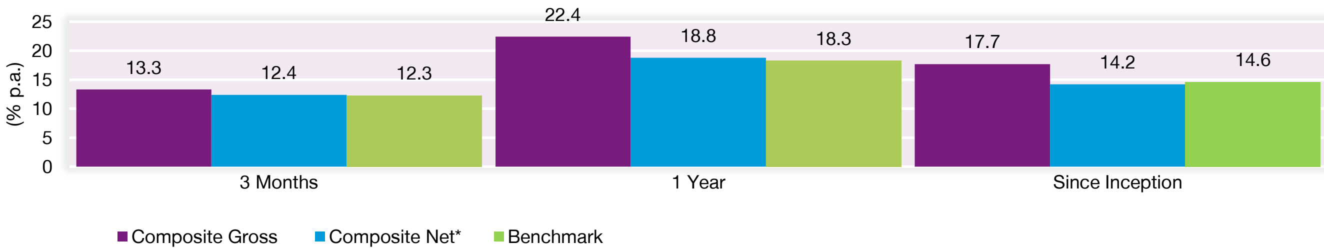
International Alpha Portfolio Construction Group

Name	Years' Experience
Donald Farquharson*	37
Tom Walsh*	21
Roderick Snell*	19
Jenny Davis*	16
Chris Davies	13
Steve Vaughan	13

*Partner

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

SMA Composite Performance as of June 30, 2025



Source: Revolution, MSCI
Benchmark: MSCI ACWI ex US Index. Inception date: June 30, 2022. US Dollars. *Net of 3% fees.

Composite Discrete Performance

	06/30/20-06/30/21	06/30/21-06/30/22	06/30/22-06/30/23	06/30/23-06/30/24	06/30/24-06/30/25
Composite Gross (%)	N/A	N/A	N/A	9.0	22.4
Composite Net (%)	N/A	N/A	N/A	5.8	18.8
Benchmark (%)	N/A	N/A	N/A	12.2	18.3

Past performance is not a guide to future returns. The value of an investment may decline, and you could lose money. Changes in investment strategies, contributions or withdrawals may materially alter the performance, strategy and results of the portfolio. Material market or economic conditions will have an impact on investment results. This is not a guide to the performance of the SMA account. The composite is more concentrated than the MSCI ACWI ex US Index.

Stock Level Attribution

Quarter to June 30, 2025

Top Five Contributors

Asset Name	Contribution (%)
Mercadolibre	1.07
TSMC	0.82
Ryanair	0.65
Tencent Music Enterntainment	0.52
Coupang	0.32

Bottom Five Contributors

Asset Name	Contribution (%)
Tencent Holdings	-0.37
Meituan	-0.36
Rio Tinto	-0.31
Kaspi Kz	-0.28
Edenred	-0.27

One Year to June 30, 2025

Top Five Contributors

Asset Name	Contribution (%)
Mercadolibre	1.97
Spotify	1.59
Sea Ltd	1.07
Deutsche Boerse	1.04
TSMC	0.96

Bottom Five Contributors

Asset Name	Contribution (%)
Edenred	-0.91
Tfi Intl	-0.77
Atlas Copco	-0.74
Olympus	-0.58
Smc	-0.55

Source: Revolution, MSCI, International Alpha ADR Model portfolio relative to MSCI ACWI ex US Index

The performance data quoted represents past performance and it should not be assumed that transactions made in the future will be profitable or will equal the performance of the securities mentioned.

Market Environment

The butterfly effect reminds us that small events can unleash powerful chain reactions; one would be forgiven for thinking that this quarter delivered the reverse. April opened with the imposition of tariffs on almost all U.S. imports, a move initially described as one of the most significant shifts in trade policy in decades. Yet, by the end of June, markets were setting record highs. International equities performed particularly strongly. A sliding dollar and resilient macroeconomic readings buoyed sentiment towards emerging markets; the Eurozone is showing signs of revival thanks to stimulus and monetary easing; and a weaker yen favoured Japanese exporters. Despite war in the Middle East and global policy uncertainty, optimism prevailed. While it is too early to tell if this is justified, we see positive evidence that resilient earnings and operational agility can be durable forces in driving relative stock performance.

Performance

International markets grew by the low teens, and the Fund outperformed the benchmark.

The top contributors to performance were Mercado Libre and Ryanair.

Continuing its operational momentum, **Mercado Libre** (MELI), the leading Latin American e-commerce and fintech player, posted another strong quarter. Macroeconomic stability in Argentina and Brazil supported higher merchandise volumes, fintech user growth, and advertising revenues. While competition is intensifying, MELI proactively lowered fees and increased infrastructure investment to defend its proposition. MELI's ecosystem differentiation, spanning logistics, fintech, and advertising, remains a formidable moat.

European low-cost passenger airline **Ryanair** surprised the market with better than expected quarterly earnings. Despite continued pressures related to delays in aircraft shipments from Boeing, and higher operating expenses, unit cost stayed flat, driven by strong passenger volumes and ancillary revenue growth. Ryanair also skilfully hedged fuel prices, despite extreme volatility in the oil market. While consumer spending is under pressure, Ryanair’s excellent cost management is helping the company take share.

Among the top detractors this quarter were Meituan and Kaspi.

Meituan, one of China's leading food delivery businesses, is facing competitive headwinds. A price war on delivery fees with rival JD.com has put pressure on profitability, and regulatory concerns are weighing on the outlook. Demand has remained strong, however, and Meituan’s unrivalled logistics network, deep user data and large balance sheet give the company ample room to defend its share.

And finally **Kaspi**, Kazakhstan’s fintech “super-app”, also detracted from performance. Higher local interest rates pushed up deposit funding costs, while the purchase of a stake in Turkish marketplace Hepsiburada brought integration risk just as the Turkish economy softened. We believe that these headwinds are temporary: Kaspi’s integrated offering of payments, e-commerce, and finance generate healthy cash flows, which continue to be underappreciated by the market.

Market Outlook

Tariff-related uncertainty is likely to weigh on earnings and sentiment in the near term. While this warrants caution, the portfolio remains resilient, anchored by strong balance sheets, diversified revenue streams, and exposure to enduring structural growth. More broadly, we are optimistic that international equities may stand to benefit in a multipolar economic environment. The opportunity set remains vast, dynamic and, in many areas, attractively valued.

Transactions from 01 April 2025 to 30 June 2025.

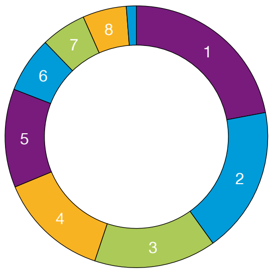
New Purchases

Stock Name	Transaction Rationale
PDD	PDD is a Chinese e-commerce platform that offers a socially-driven, entertaining and low-cost shopping experience for its hundreds of millions of users in China. Over the last few years it has carved out a formidable niche targeting low-income users in lower-tier cities with a deeply-discounted 'treasure hunt' experience that combines entertainment and commerce. We've been struck by how cash-generative the company has become as it has moved away from massive marketing promotions without losing any user traction, and how appealing their model is to a wide cross-section of stakeholders in Chinese society as it helps small farmers and merchants to reach a new user base while cutting out layers of middlemen. Given the strength of the business model, coupled with an attractive valuation that offers potential for significant upside, we decided to take a holding.
Sandoz	Sandoz is a leading generics and biosimilars company that develops and markets off-patent medicines. The company is well-positioned to benefit from growing demand for affordable healthcare and increasing patent expirations of novel drugs. While the generics industry is competitive, Sandoz's scale is an important competitive advantage, particularly in Europe, where the fragmented regulatory and procurement landscape presents a barrier to entry. Business quality should improve further through increased contributions from biosimilars and independence from Novartis, which it spun out of in 2023. The valuation appears attractive, with potential for low-teens annualised total shareholder return over the next five years using conservative assumptions. Additional upside could come from enhanced spin-off benefits, reduced one-off expenses, or revenue from GLP-1 generics.
Unicharm	Unicharm is a leading Japanese manufacturer of personal care products. It has strong positions in several domestic categories such as baby diapers, adult incontinence and feminine care. It has successfully expanded into fast-growing markets in Asia (most notably China, Indonesia and, more recently, India) where it is rolling out products that are tailored for local preferences. Unicharm has a strong track record of reinvesting in product R&D and brand building, and we believe it will continue to grow profitably. The company also benefits from family ownership and management which gives good alignment with minority shareholders. Given these attractions we decided to take a holding.

Complete Sales

Stock Name	Transaction Rationale
Ambu	Ambu is the world's leading maker of single use endoscopy devices selling into an expanding market (from bronchoscopy to urology and niches within gastro-intestinal) as improved performance, superior hygiene and superior practicality see it take share from reuseables and grow the category as a whole. Although operational performance has improved after a challenging period for the company, the valuation leaves limited room for share price upside, and so we decided to sell the small holding.
Nestle	Nestle is a Swiss multinational consumer goods business focused on food and beverages. Its portfolio of brands includes several household names that benefit from strong customer loyalty and pricing power, which has underpinned consistently strong returns for our clients over many years. Growth prospects now look less attractive, however, and we have higher conviction in other quality compounder names held in your portfolio. Taking this into account, we have sold the holding.
Nidec	Nidec is a leading Japanese motor manufacturer with superior technology, energy efficiency and durability. It also has a successful track record of entering new markets by leveraging its operational know-how and scale. While we continue to admire the business, recent operational performance has been mixed, and we have become increasingly concerned by the intensifying competition from China. With higher conviction in our other industrial holdings, we decided to sell the shares.

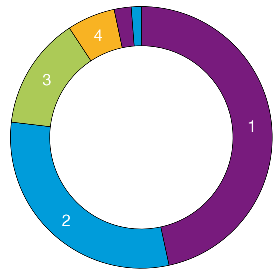
Sector Analysis (%)



1	Industrials	22.0
2	Consumer Discretionary	18.1
3	Information Technology	15.0
4	Financials	13.6
5	Communication Services	12.2
6	Materials	6.9
7	Consumer Staples	5.6
8	Health Care	5.4
9	Cash	1.2

Total may not sum due to rounding. The composition of the SMA Model Portfolio's holdings is subject to change. Percentages are based on securities at market value.

Geographic Analysis (%)



1	Europe (ex UK)	46.6
2	Emerging Markets	30.3
3	Developed Asia Pacific	13.9
4	UK	5.9
5	Canada	2.1
6	Cash	1.2

Total may not sum due to rounding. The composition of the SMA Model Portfolio's holdings is subject to change. Percentages are based on securities at market value.

Top Ten Holdings

Holdings		Fund %
1	TSMC	6.6
2	MercadoLibre	5.5
3	Tencent	4.3
4	Deutsche Börse	3.5
5	Ryanair	3.3
6	SAP	3.2
7	DSV	3.1
8	CRH	2.9
9	Danone	2.6
10	Sony	2.5

The composition of the SMA Model Portfolio's holdings is subject to change. Percentages are based on securities at market value.

Portfolio Characteristics

Number of holdings	53
Number of countries	24
Number of sectors	8
Number of industries	33
Active Share	85%*
Annual Turnover	6%

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

Asset Name	SMA Model Portfolio %
TSMC	6.6
MercadoLibre	5.5
Tencent	4.3
Deutsche Börse	3.5
Ryanair	3.3
SAP	3.2
DSV	3.1
CRH	2.9
Danone	2.6
Sony	2.5
HDFC Bank	2.5
Tencent Music Entertainment Group	2.5
Adyen	2.3
Kingspan Group	2.2
Experian	2.2
Novonesis	2.1
Amadeus IT Group	2.1
Sea Limited	2.1
Atlas Copco	2.0
Rio Tinto	1.9
Unilever	1.9
AIA	1.8
Spotify	1.7
ASML	1.7
Shimano	1.7
Roche	1.7
Edenred	1.7
Coupang	1.6
MonotaRO	1.6
Nintendo	1.6
Shopify	1.4
Richemont	1.4
IMCD	1.4
Sandoz Group AG	1.4
Dassault Systemes	1.4
Kone	1.2
Unicharm	1.2
Recruit Holdings	1.1
Kaspi.kz	1.1

Asset Name	SMA Model Portfolio %
LVMH	1.1
Meituan	1.0
Novo Nordisk	0.9
SMC	0.9
Copa Holdings	0.9
Nexans	0.9
Olympus	0.8
Ping An Insurance	0.8
monday.com	0.7
FANUC	0.7
TFI International	0.7
BioNTech	0.6
B&M Retail	0.6
PDD Holdings	0.6
Cash	1.2
Total	100.0

Total may not sum due to rounding. The composition of the SMA Model Portfolio's holdings is subject to change. Percentages are based on securities at market value.

Important Information and Fund Risks

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.

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Past Performance

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International Alpha SMA

Stock selection is likely to be the main driver of investment returns. Returns are unlikely to track the movements of the benchmark. The prices of growth stocks can be based largely on expectations of future earnings and can decline significantly in reaction to negative news. International investing involves special risks, which include changes in currency rates, foreign taxation and differences in auditing standards and securities regulations, political uncertainty and greater volatility. These risks are even greater when investing in emerging markets. Security prices in emerging markets can be significantly more volatile than in the more developed nations of the world, reflecting the greater uncertainties of investing in less established markets and economies.

Currency risk includes the risk that the foreign currencies in which a portfolio's investments are traded, in which a portfolio receives income, or in which a portfolio has taken a position, will decline in value relative to the U.S dollar.

NOT FDIC INSURED – MAY LOSE VALUE – NO BANK GUARANTEE

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