Baillie Gifford™

Baillie Gifford International Concentrated Growth 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

Investment Proposition

International Concentrated Growth is a bottom-up equity strategy focused on exceptional international growth companies. It invests in businesses that are creating and benefiting from long-term structural changes in the economy and society. It holds 20-35 stocks drawn from developed and emerging international markets and has the latitude to invest up to 15% in US equities.

SMA Process

The portfolio will invest in the American Depositary Receipts (ADRs) of the underlying holdings in our pre-existing International Concentrated Growth 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, 20-35 stock portfolio
- Current overlap with the International Concentrated Growth strategy is 93%

International Concentrated Growth Portfolio Construction Group

Name	Years' Experience
Spencer Adair*	25
Lawrence Burns*	16
Paulina McPadden	12

*Partner

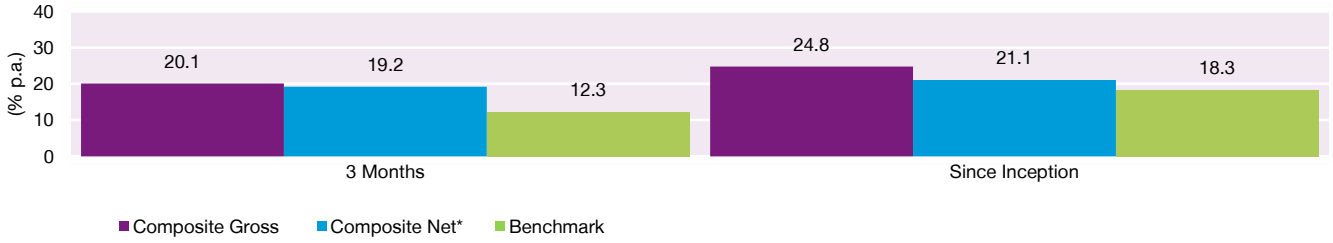
SMA Model Portfolio Facts

Launch Date	June 21, 2024
Client Assets	US$63,984,454
Benchmark	MSCI ACWI ex US Index
Current Number of Stocks	26
Active Share*	91%
Style	Growth
Stocks (guideline range)	20-35

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

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 21, 2024. US Dollars. *Net of 3% fees.

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 (%)
Spotify Technology SA	2.69
MercadoLibre	2.63
NVIDIA	1.39
TSMC	0.79
Coupang	0.68

Bottom Five Contributors

Asset Name	Contribution (%)
Meituan ADR	-1.19
PDD Holdings	-0.47
BYD Company ADR	-0.46
Tencent ADR	-0.34
Ocado Group Plc ADR	-0.27

One Year to June 30, 2025

Top Five Contributors

Asset Name	Contribution (%)
Spotify Technology SA	8.06
MercadoLibre	4.46
Adyen ADR	1.67
SEA Ltd	1.53
Shopify	1.08

Bottom Five Contributors

Asset Name	Contribution (%)
ASML ADR	-3.63
Moderna Inc	-2.70
Kering ADR	-1.58
PDD Holdings	-0.80
Novo Nordisk 'B' Adr 1:1	-0.71

Source: Revolution, MSCI, Archer Investment Services ICG relative to MSCI ACWI ex US Index

The performance data quoted represents model portfolio 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

To echo Peter Drucker, “The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.” The past quarter has offered no shortage of headlines—some transitory, others with the potential to reshape the context in which businesses operate. Our responsibility is not to react reflexively, but to interpret such moments through the lens of long-term structural change. By tuning out the immediate noise, we seek to identify the signals that matter—the shifts that may truly alter the trajectory of companies and the opportunities they pursue.

Performance

International equity markets rose in the second quarter of 2025. The fund gained and outperformed its benchmark.

Holdings in **Spotify**, **MercadoLibre** and **NVIDIA** were among the top contributors to relative performance.

Spotify delivered strong first-quarter results. Paid subscribers increased 12 per cent year-over-year to 268m, surpassing company guidance by 3m and marking the highest first-quarter net subscriber additions since 2020. Total revenue rose 15 per cent to €4.2bn, supported by a 16 per cent increase in premium revenue and a 4 per cent rise in average revenue per user to €4.73. Margins also continue to build, gross margin improved significantly, up 400 basis points year-over-year to 31.6 per cent. Operating income reached a record €509m. This summer, Spotify’s planned price increases across several European and Latin American markets should further support revenue and margin growth. With its strong market position, steady double-digit subscriber growth, and improving unit economics, Spotify continues to show a clear path toward increasing profitability. We remain encouraged by the company’s progress and long-term potential.

MercadoLibre, the Latin American e-commerce and fintech giant, delivered another strong set of quarterly results in May. GMV increased 40 per cent year-on-year with revenues and EBIT increasing 37 and 45 per cent to $5.9bn and $763m respectively. In its e-commerce division, active buyer growth accelerated, growing 25 per cent to 66.6m from 53.5m a year ago. Performance in its largest market, Brazil, was strong, where management highlighted reaching 60 per cent fulfilment penetration. Its fintech business delivered robust growth, with net revenue reaching $2.6bn, a 43 per cent year-on-year increase driven by expanded payment volumes and credit offerings. Monthly active users (MAUs) surged to 64m, reflecting a 31 per cent year-on-year growth, fuelled by competitive yields on deposits and improved user experience in key markets like Brazil, Mexico, and Chile.

NVIDIA delivered strong first-quarter results with revenue of $44.1bn, marking a 69 per cent year-over-year increase, driven by robust demand for its AI infrastructure and data center products. The company unveiled several new products, including the NVIDIA RTX PRO Blackwell series and DGX Spark and DGX Station personal AI supercomputers, while also announcing collaborations with major industrial firms to integrate its Omniverse platform. Automotive revenue grew 72 per cent year-over-year to $567m, supported by partnerships like the one with General Motors for next-generation vehicles. However, the quarter was impacted by a $4.5bn charge due to export restrictions on H20 products to China, which resulted in $2.5bn of lost sales. NVIDIA’s management reiterated that the estimated c$50bn TAM in China is effectively closed to US players due to restrictions while cautioning that restrictive trade policies could benefit Chinese competitors and undercut US platform leadership globally.

Holdings in Chinese companies, including **PDD** and **Meituan**, were notable detractors from performance during the quarter. **Atlas Copco** also detracted from performance.

Chinese ecommerce company PDD continues to deliver strong top-line growth. First quarter revenues increased 10 per cent year-on-year, driven by growth in online marketing and transaction services. However, operating profit declined by 36 per cent, primarily due to significant investments in ecosystem development and merchant support programmes. Management emphasised its strategic focus on high-quality, sustainable growth, with initiatives such as fee reductions and enhanced merchant support, which weighed on short-term profitability but aimed to strengthen the platform's long-term health.

As China's leading multi-category service eCommerce platform, Meituan offers diversified services to customers covering daily needs for food, travel and broad lifestyle services. First quarter results saw strong growth with revenue increasing 18 per cent year-on-year; however, the market is currently concerned with increasing competitive pressures in takeout delivery, with JD.com recently entering the market. We see Meituan's large user base as a competitive advantage. The company's leading position in the high-frequency categories provides opportunities for cross-selling. Beyond meal delivery, its in-store & travel segment and a strong balance sheet can provide cash flows to support investment in new initiatives.

Scandinavian industrials business Atlas Copco is a long-term holding in the strategy. Its shares were weak in April following the release of mixed quarterly results. While orders increased two per cent to SEK46bn, revenues declined organically by two per cent to SEK43bn. The company's cautious outlook, stating that it "expects the customer activity level to weaken somewhat" in the coming quarters, dampened market sentiment. Despite these challenges, Atlas Copco's long-term growth prospects remain strong. The company's market position across its four business areas- compressed air solutions, industrial tools, vacuum solutions, and energy solutions provides diversification and resilience. Its strategic share repurchase program also demonstrates management's confidence in the company's intrinsic value and commitment to returning value to shareholders.

Market Outlook

As we look to the future, we do so with curiosity, discipline, and a readiness to adapt. The next five years will almost certainly diverge from the last; the global economy is undergoing profound structural shifts. Rather than simply reacting to these changes, we seek to harness them—finding opportunity where others see uncertainty.

Our long-term investment philosophy remains our compass. We believe that the most significant value is created by identifying exceptional businesses early and supporting them as they grow and reshape their industries. This approach, grounded in patience and conviction, gives us the best chance of capturing the benefits of tomorrow’s world.

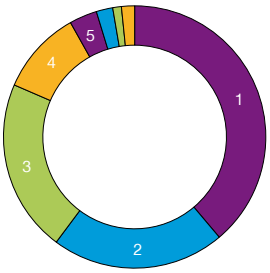
Transactions from 01 April 2025 to 30 June 2025.

There were no new purchases during the period.

Complete Sales

Stock Name	Transaction Rationale
Ginkgo Bioworks	We decided to sell your small position in the synthetic biology company Ginkgo Bioworks. Our original investment thesis was that their industry-agnostic cell engineering platform would improve with each customer program, increasing success rates and generating royalties. We recognised that the company was at an early stage and that the potential outcomes were unusually wide, but we believed skewed to the upside. While the company has progressed significantly in some areas, like winning new programs, its customers have been reluctant to cede research control, so commercialisation has been slower and more complex than we'd hoped. Management has tried to address this by pivoting to a "Lab-Data-as-a-Service" model. However, timelines are uncertain, and potentially lowers upside. We'll continue to monitor progress from the sidelines.
SolarEdge	We have sold your position in the Israeli technology company SolarEdge. Our original investment thesis was based on SolarEdge's opportunity in providing the 'brains' for solar power systems in the residential and commercial space. Since we first took a holding, the company has faced weaker demand and problems at its distributors. These factors have laid bare its high fixed cost base and raised questions about operational execution. Furthermore, the success of competitor Enphase has heightened our sense of unease, particularly in some European markets where they compete directly and where we had believed SolarEdge to have the superior product offering.

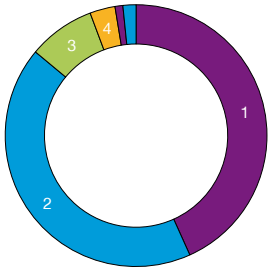
Sector Analysis (%)



1	Consumer Discretionary	38.8
2	Information Technology	21.4
3	Communication Services	21.3
4	Financials	10.4
5	Health Care	3.4
6	Consumer Staples	2.0
7	Industrials	1.1
8	Cash	1.6

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)	43.3
2	Emerging Markets	42.8
3	North America	8.3
4	UK	3.1
5	Developed Asia Pacific	1.0
6	Cash	1.6

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	MercadoLibre	14.2
2	Spotify	12.7
3	TSMC	7.8
4	Adyen	6.8
5	Ferrari	6.4
6	ASML	5.9
7	NVIDIA	5.5
8	Sea Limited	5.2
9	Hermès International	3.6
10	Coupang	3.5

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	26
Number of countries	16
Number of sectors	7
Number of industries	17
Active Share	91%*
Annual Turnover	17%

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

List of Holdings

Asset Name	SMA Model Portfolio %
MercadoLibre	14.2
Spotify	12.7
TSMC	7.8
Adyen	6.8
Ferrari	6.4
ASML	5.9
NVIDIA	5.5
Sea Limited	5.2
Hermès International	3.6
Coupang	3.5
Tencent	3.4
Meituan	2.9
BYD Company	2.5
Wise	2.2
Delivery Hero	2.2
Shopify	2.1
PDD Holdings	2.0
Kering	1.5
Nu Holdings	1.3
L'Oréal	1.1
BioNTech	1.1
Atlas Copco	1.1
M3	1.0
Ocado	0.9
Novo Nordisk	0.8
Moderna	0.6
Cash	1.6
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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International Concentrated Growth 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.

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