

**SHINING A LIGHT ON THE.....
Baillie Gifford Positive Change Fund**

AT A GLANCE

Investment Objective
The fund aims to outperform (after deduction of costs) the MSCI AC World Index, as stated in Sterling, by at least 2% per annum over rolling five-year periods. The Fund will invest at least 90% in shares of companies anywhere in the world whose products or behaviour make a positive impact on society and/or the environment in the investment manager's opinion. Investments will be made in companies addressing critical challenges in areas such as, but not limited to; education, social inclusion, healthcare and the environment. The Fund will be actively managed, concentrated and will invest in shares of companies of any size, any country and in any sector.

Inception Date	3 January 2017
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZB0M

Management	
Manager Name	Start Date
William Sutcliffe	3 January 2017
Kirsty Gibson	3 January 2017
Kate Fox	3 January 2017
Julia Angeles	3 January 2017
Lee Qian	3 January 2017

FUND PERFORMANCE

Performance from 3rd January 2017 to 28th February 2022:

	2017	2018	2019	2020	2021	2022
Baillie Gifford Positive Change Fund	43.10%	5.38%	25.86%	55.31%	10.83%	-19.11%
MSCI ACWI GR	13.73%	-3.27%	22.38%	-3.44%	20.13%	-6.44%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Baillie Gifford Positive Change Fund	-13.35%	93.19%	186.62%	206.40%
MSCI ACWI GR	12.81%	46.70%	63.41%	71.33%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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Tracking Error	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
13.35	126.98	114.16	61.11	1.25	3.22	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	22.36%
3-Yr Mean Return (average)	24.55%

Investment Style Details	
Giant	39.48%
Large	33.91%
Medium	20.95%
Small	4.06%
Micro	0.36%

Top 5 Holdings – 35 Holdings		
ASML Holding NV	Technology	9.05%
Taiwan Semiconductor Manufacturi...	Technology	7.04%
Moderna Inc	Healthcare	6.39%
Tesla Inc	Consumer Cyclical	5.83%
DexCom Inc	Healthcare	5.17%

Top 5 Sectors	
Healthcare	32.48%
Technology	20.99%
Consumer Cyclical	12.58%
Industrials	11.69%
Financial Services	8.91%

Top 5 Regions	
United States	46.34%
Netherlands	9.16%
Denmark	8.10%
Taiwan	7.13%
Brazil	4.74%

UPDATE....

With the growing interest in impact strategies Bailie Gifford have increased the resource into this fund with eight dedicated professionals including three impact professionals. The strategy focuses on the growing inequalities within our society and planet.

The team are focused on delivering a more sustainable world, with growth over the long-term. They are aware that performance has been poor in the short term, but the longer-term figures remain strong.

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Some of the holdings have had operational glitches and others are doing well but have fallen out of favour with the market.

We discussed Peloton and they explained that they have new management on board and they are starting to turn the company around. We discussed how this is classed as impact and they explained that this is about enabling people to exercise from home, which is preventative in terms of getting people healthier, and the hope is that prices will come down making it more accessible to more people which will have a positive impact on society.

Other examples we discussed were Shopify, which enables smaller businesses to operate with the same operating efficiencies as the likes of Amazon. The business has seen revenue treble and is investing in the future, and yet share prices are down. Moderna is seen as a one trip pony with the vaccine the only tool, however there is so much more they are working on, and this will have many positive outcomes for healthcare.

They accept there are pressures around inflation, Ukraine / Russia, and interest rates but the companies they invest in deliver products that are a benefit to society and they can increase costs. They like companies that are disruptors but with a strong focus on customers. The innovation is there and COVID and Ukraine / Russia have accelerated some of the demands for change, especially around energy independence.

They believe the drive to net zero will accelerate and so they are looking at areas like battery companies, green hydrogen, and sustainable food systems. They are also looking at opportunities in China as they see them as the innovators, but they are aware of human rights and the regulatory backdrop. In terms of the regulatory backdrop the focus for them is on whether the common prosperity goes across the business and sector because this is where others have come unstuck.

Engaging with and meeting companies is really important for the team and with the opening up of economies. They have been to America and companies there have been really keen to engage and talk to them. One of the meetings was with Beyond Meats, which has a strong market position in a growing sector. They have plans to travel to Europe and meet more companies.

In Summary, this fund has had a difficult few months but the long term performance remains strong. This does aim to deliver growth and a more sustainable world. Some may argue about the holdings, but each holding aims to deliver an impact, whether that is helping to create a healthier society or deliver products or services which help make the world a better and more sustainable place.

The source of information in this note has been provided by Baillie Gifford and is correct as of March 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.