

Baillie Gifford Positive Change Fund – September 2023

LWM FUND SPOTLIGHT BAILLIE GIFFORD POSITIVE CHANGE FUND

INVESTMENT OBJECTIVE

The 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 fund also aims to contribute to a more sustainable and inclusive world by investing in companies whose products and services contribute to impact themes addressing critical social and environmental challenges measured over at least five years. In the investment manager's opinion, the fund will invest at least 90% in shares of companies worldwide whose products and services positively contribute to society and the environment. Investments will be made in companies addressing critical challenges in areas according to impact themes, such as social inclusion and education, environment and resource needs, healthcare and quality of life, and the base of the pyramid (addressing the needs of the poorest four billion people in the world).

INCEPTION DATE	3 rd January 2017
FUND FACTSHEET	https://www.trustnet.com/factsheets/O/ngpb/baillie-gifford-positive-change/

MANAGEMENT

Manager Name	Start Date
Kate Fox	3 rd January 2017
Lee Qian	3 rd January 2017
Edward Whitten	1 st September 2020
Thaiha Nguyen	1 st July 2022

RATIO DATA (3-years)

Alpha	Beta	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-8.06	1.61	16.59	-19.92	81	74	14.66

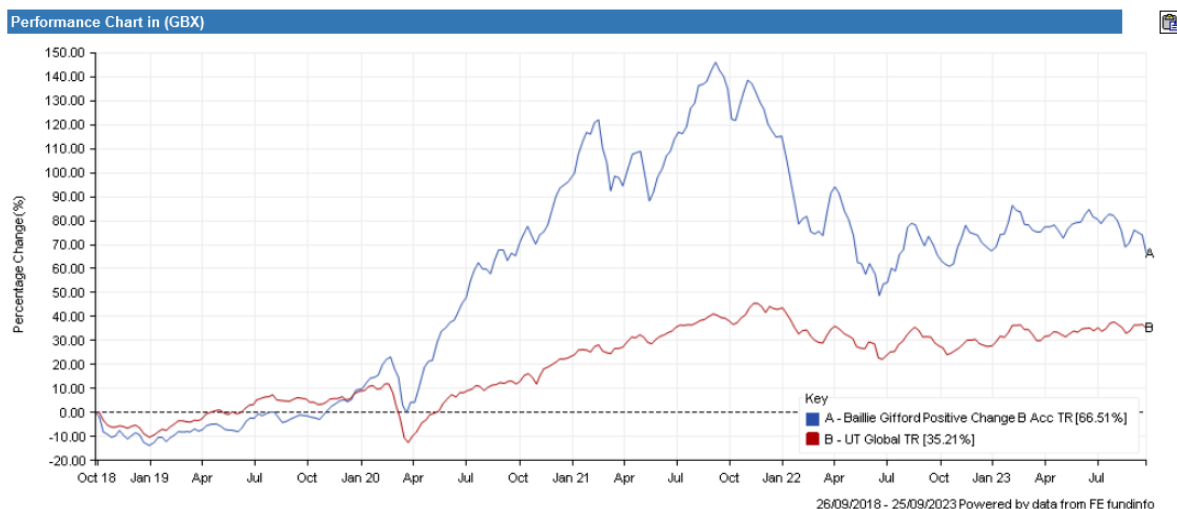
OTHER DATA

Benchmark	MSCI ACWI
Fund Size	£2,254.2 million
Fees	0.53% (B-Share)

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none">• Low annual management charge.• Concentrated portfolio of names.• Looking to invest in companies contributing to a more sustainable and inclusive world.• For this sphere of investing over a 5-year track record.• Strong investment team.	<ul style="list-style-type: none">• Recent performance has been mixed.

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FUND PERFORMANCE



Cumulative Performance (GBX)					
	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-8.30%	-5.07%	1.86%	1.75%	68.25%
Sector	1.00%	4.25%	5.50%	21.52%	35.22%
Relative to Sector	-9.21%	-8.94%	-3.45%	-16.26%	24.42%
Rank in Sector	361 / 364	345 / 359	270 / 348	259 / 281	4 / 247
Fund Quartile	4	4	4	4	1

Performance by Calendar Year in (GBX)					
	YTD	2022	2021	2020	2019
Fund	-1.86%	-21.88%	10.83%	80.08%	25.86%
Sector	5.87%	-11.37%	16.90%	13.80%	21.20%
Relative to Sector	-7.30%	-11.87%	-5.19%	58.24%	3.85%
Rank in Sector	328 / 355	292 / 327	250 / 297	2 / 261	48 / 249
Fund Quartile	4	4	4	1	1

Discrete Annual Performance to Last Quarter End (GBX)					
	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	18.68%	-30.11%	49.37%	50.95%	4.91%
Sector	9.81%	-9.00%	24.91%	4.97%	6.74%
Relative to Sector	8.08%	-23.20%	19.58%	43.80%	-1.72%
Rank in Sector	15 / 345	305 / 314	3 / 278	2 / 253	142 / 244
Fund Quartile	1	4	1	1	3

Fund Price Movement (GBX)			
12 Month High	329.60 (Pence)	12 Month Low	270.80 (Pence)

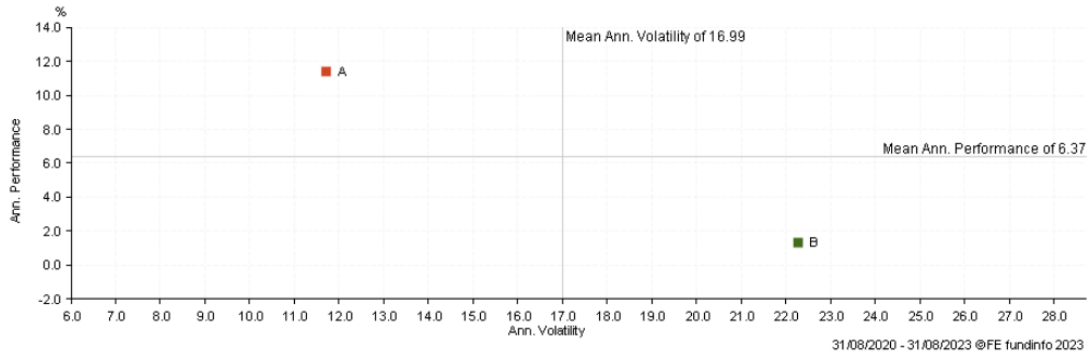
Annualised Ratios Over 36 Months					
	Alpha	Beta	Sharpe	r ²	Volatility
Fund	-7.92	1.71	0.00	0.71	22.27
Fund Quartile	4	1	4	4	4

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

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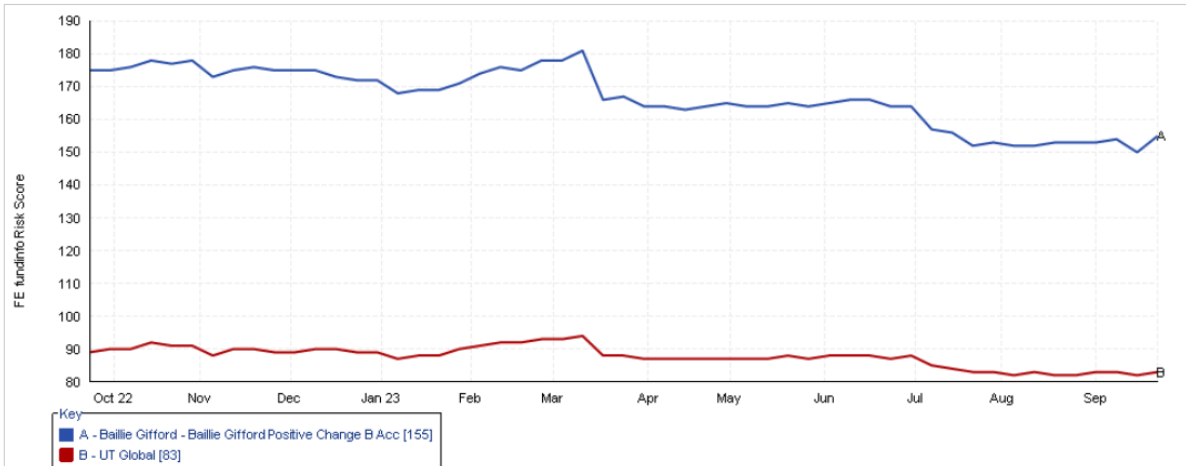
VOLATILITY / RISK SCORE

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Annualised Performance	Annualised Volatility
A	MSCI ACWI + 2% TR in GB	11.40	11.71
B	Baillie Gifford - Positive Change B Acc in GB	1.34	22.27

FE fundinfo Risk Score Chart Over 1 Year



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SECTOR WEIGHTINGS

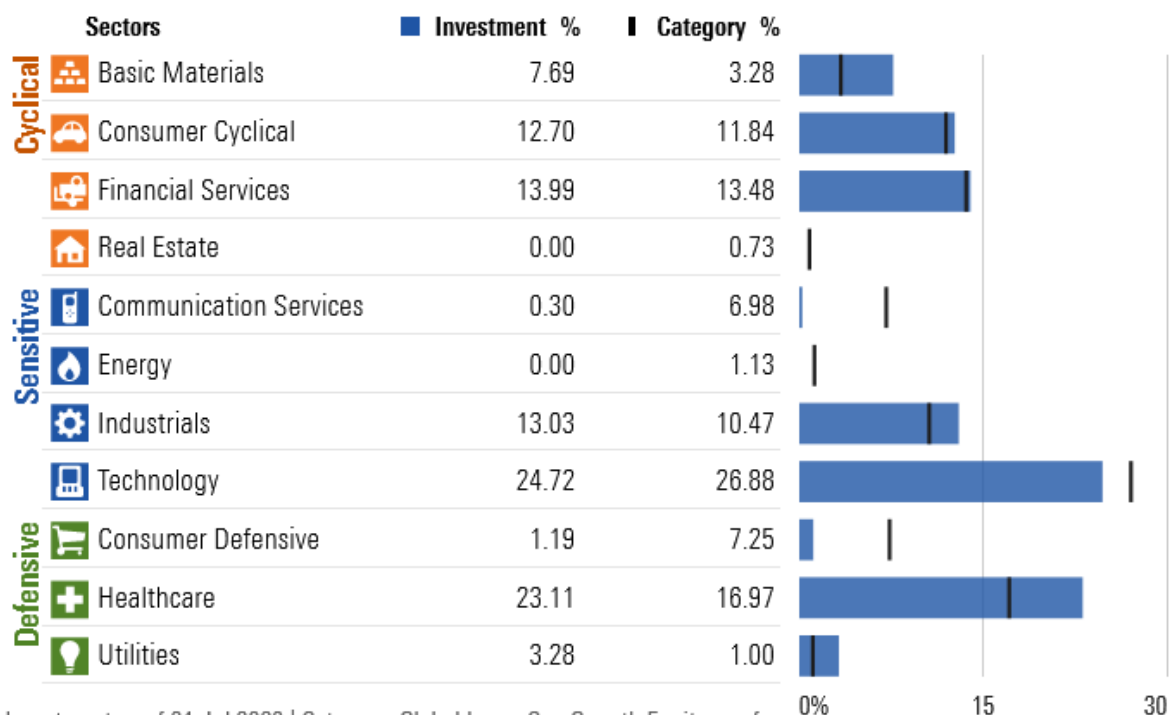
Exposure

Sector

Region

Country

vs. Category %



Investment as of 31 Jul 2023 | Category: Global Large-Cap Growth Equity as of 31 Aug 2023 | Sector data is based on the rescaled long position of the holdings. | Source: Holdings-based calculations.

REGION WEIGHTINGS

Exposure

Sector

Region

Country

vs. Category %

Country	Investment %	Category %
United States	40.35	61.76
Brazil	10.21	0.94
Denmark	8.70	2.33
Canada	7.58	1.45
Netherlands	7.15	3.17
Taiwan	5.28	1.77
Indonesia	4.51	0.32
Japan	4.00	3.94
India	3.97	1.54
Germany	2.58	2.27

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Investment as of 31 Jul 2023 | Category: Global Large-Cap Growth Equity as of 31 Aug 2023 | Country data is based on the rescaled long position of the holdings | Source: Holdings-based calculations.

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TOP TEN HOLDINGS

Holdings

Equity ▾

Equity Holdings	Bond Holdings	Other Holdings	% Assets in Top 10 Holdings
31	0	5	53

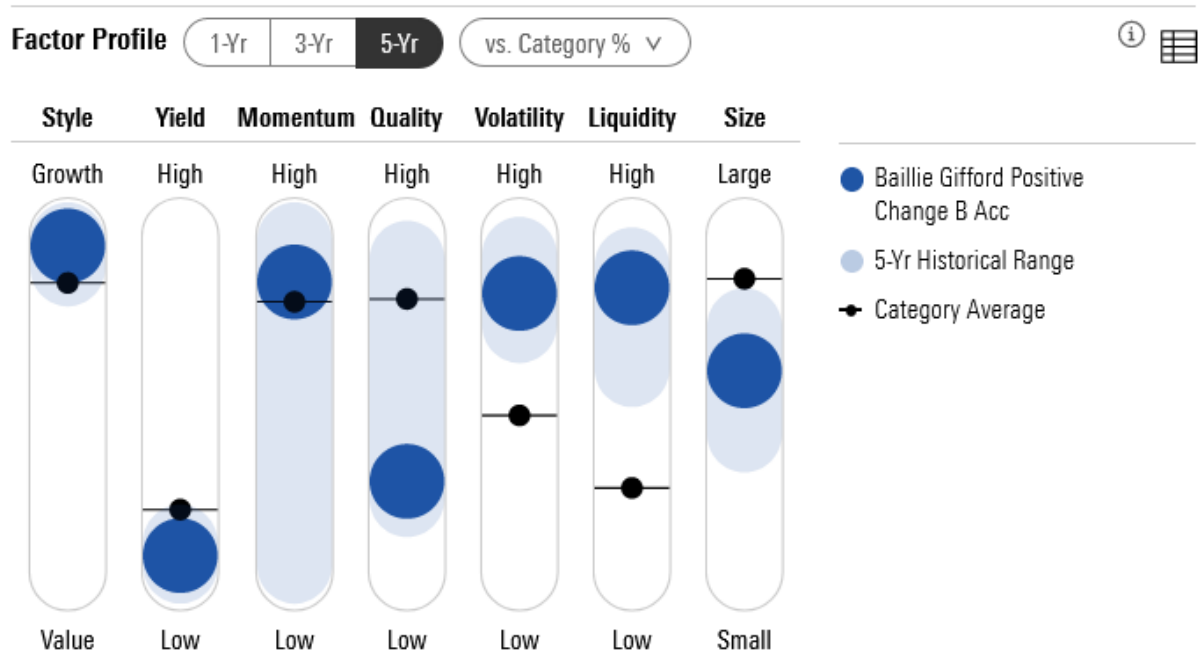
Reported Turnover %	Active Share ^①	Women Directors %	Women Executives %
16.00	94.36	32	19
As of 12/31/22			

Holdings	% Portfolio Weight	First Bought	Market Value GBP as of 31 Jul 2023	CI
ASML Holding NV	7.09	31 May 2017	176,919,136	
MercadoLibre Inc	7.07	29 Feb 2020	176,310,531	
Shopify Inc Registered Shs -A- Subord Vtg	6.10	31 Oct 2019	152,240,590	
Tesla Inc	5.53	31 May 2017	137,918,438	
Taiwan Semiconductor Manufacturing Co Ltd	5.23	31 May 2017	130,570,790	
Deere & Co	4.69	29 Feb 2020	116,997,520	
DexCom Inc	4.62	31 May 2017	115,409,097	
PT Bank Rakyat Indonesia (Persero) Tbk Registered Shs Series -B-	4.47	31 May 2017	111,562,952	
HDFC Bank Ltd	3.94	31 Jul 2023	98,226,820	↑
Alnylam Pharmaceuticals Inc	3.85	31 May 2017	96,180,295	

Holdings as of 31 Jul 2023 | This investment's holding data is suppressed to show the top 10. Active Share as of 31 Aug 2023. Active Share index: iShares Core MSCI Wld Ex Aus ESG LdrsETF

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FACTOR PROFILE



Investment as of 30 Jun 2023 | Category: Global Large-Cap Growth Equity as of 30 Jun 2023

STYLE MEASURES (MARKET CAP)

Style Measures

Measures **Market Cap**

Market Cap

Avg Market Cap
39.21 Bil

Category Avg Market Cap
153.18 Bil

Index Avg Market Cap
190.45 Bil

Size	Investment %	Cat. Average %	Index %
Giant	44.62	53.57	57.76
Large	24.03	24.56	29.61
Mid	23.22	16.73	12.40
Small	7.28	1.77	0.06
Micro	0.00	0.04	0.00

GBP | Investment as of 31 Jul 2023 | Category: Global Large-Cap Growth Equity as of 31 Aug 2023 | Index: MSCI ACWI Growth NR USD as of 31 Aug 2023 | Data is based on the long position of the equity holdings.

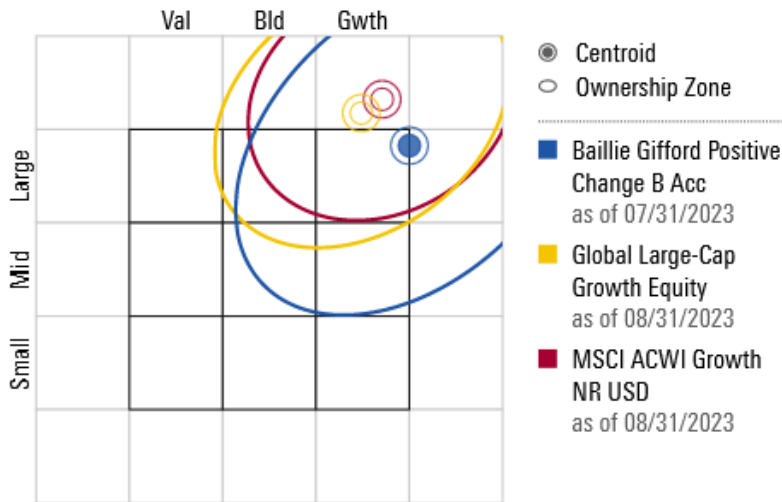
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Stock Style

Map

Weight

Historical



Style Measures

Measures

Market Cap

Measures

Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	25.65	23.51	25.26
Price/Book	4.59	4.46	4.71
Price/Sales	2.89	2.95	2.94
Price/Cash Flow	14.78	15.78	15.59
Dividend Yield %	1.20	1.34	1.05
Long-Term Earnings %	11.78	11.57	13.53
Historical Earnings %	21.75	11.74	17.86
Sales Growth %	19.30	12.20	14.69
Cash-Flow Growth %	8.67	7.39	14.69
Book-Value Growth %	14.59	9.88	11.57

Investment as of 31 Jul 2023 | Category: Global Large-Cap Growth Equity as of 31 Aug 2023 | Index: MSCI ACWI Growth NR USD as of 31 Aug 2023 | Data is based on the long position of the equity holdings.

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LWM FUND ANALYSIS

The world has a choice. It can continue as it has over the last few decades and, therefore, create an unliveable world over time, or it can make drastic changes to create a better world.

On the back of this, investment houses have developed strategies that have an emphasis on positive change. This strategy has been in place since 2017 and has one of the longest track records. The chart below shows that it has outperformed the target return set since launch.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



03/01/2017 - 25/09/2023 Data from FE fundinfo2023

Baillie Gifford has also invested in the team, which has grown significantly over this period.

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Positive Change decision makers



*Partner

**Interim decision maker

Supported by

3 investment analysts

2 impact analysts

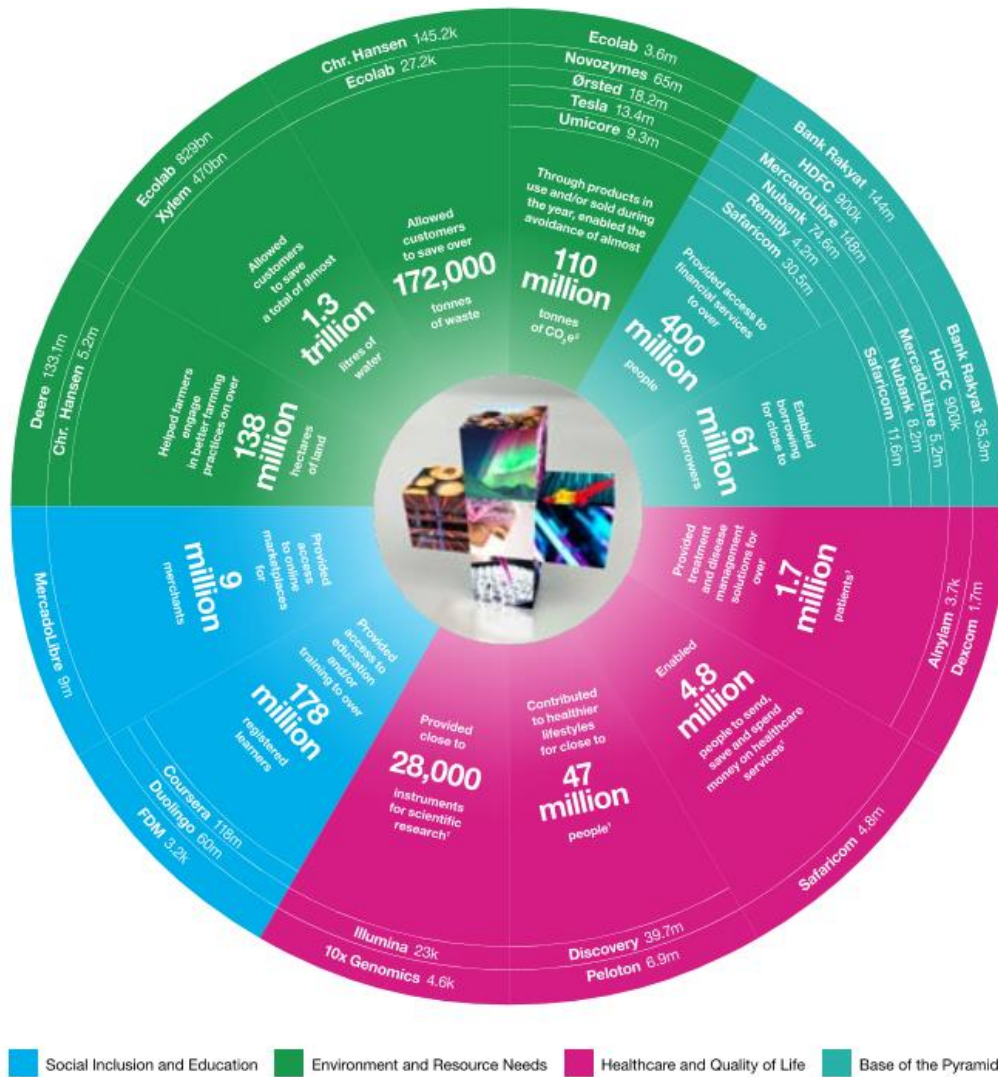
3 portfolio advisors

*Emerging Markets
Health Innovation
International Equities*

4 investment specialists

In terms of impact, they produce a report each year, which includes their impact wheel.

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Taking a step back, the chart below sets out the strategy's objectives.



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The strategy focuses on four key areas: social inclusion and education, environment and resource needs, healthcare and quality of life, and the pyramid's base.

Social Inclusion and Education		Environment and Resource Needs		Healthcare and Quality of Life		Base of the pyramid	
Holding	%	Holding	%	Holding	%	Holding	%
ASML	7.3	Tesla +	5.6	Dexcom	4.9	Bank Rakyat Indonesia	4.4
MercadoLibre	7.0	Deere & Co	4.6	Moderna	4.0	Remitly Global	1.3
Shopify	6.0	Xylem	3.8	Alnylam Pharmaceuticals	3.9	Safaricom	0.3
TSMC	5.6	Ørsted	3.6	Illumina	2.8		
HDFC	4.2	Novozymes	2.6	Chr Hansen	2.4		
Nu Holdings	3.1	Umicore	2.4	Sartorius Group	2.2		
Duolingo	2.2	Ecolab	2.3	Discovery	2.1		
Coursera	1.0	Daikin Industries	2.2	10x Genomics	1.9		
FDM	0.5	Autodesk	2.0	M3	1.8		
				AbCellera Biologics +	1.2		

Recent sales include Teladoc and Peloton. These were sold as they underperformed against expectations and over-expanded. They also sold NIBE.

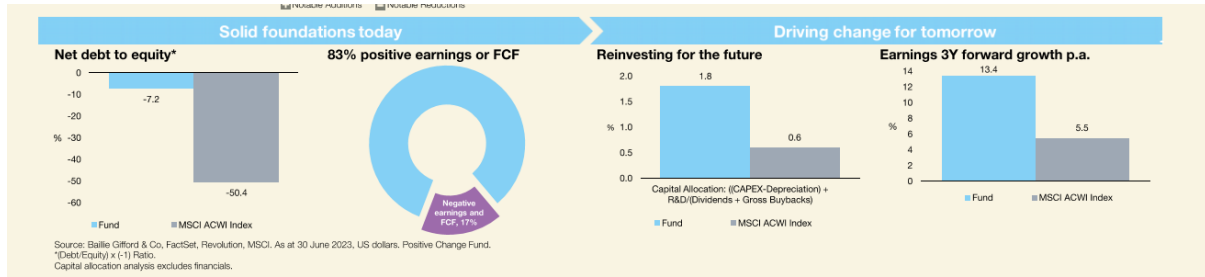
They added Autodesk, Remitly and Daikin.

Daikin is a specialist in air conditioning units. The critical difference is the focus on climate change and producing environmentally friendly products. The fundamental principles include using energy sustainably, reducing the environmental impact of refrigerants and improving the energy efficiency of our products, continuing efforts at the European level, increasing product recycling and waste reduction, managing chemical substances and preparations, developing products with reduced environmental impact and be a model of ecological responsibility.

They have recently added to Tesla and Abcellera Biologics.

The strategy has gone through a period of underperformance. Although valuation has always been part of the process, there has been an increased focus on this. The companies they invest in have low debt levels and, in the main, have positive earnings. They are also re-investing. The emphasis on quality in an area likely to generate some of the most significant growth opportunities should benefit this strategy.

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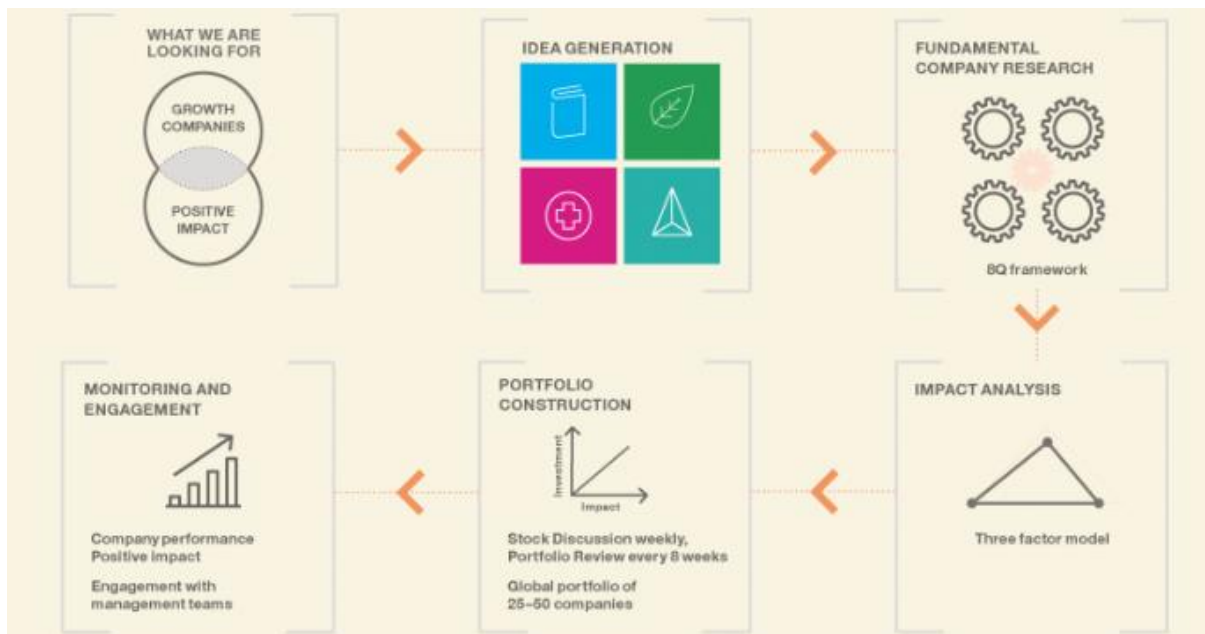
Another example holding is Moderna, probably best known for the COVID-19 vaccine. However, their platform also has many products that can treat multiple diseases.

This fund looks across multiple drivers of change. For example, Bank Rakyat is Malaysia's most prominent Islamic Cooperative Bank. It specialises in small-scale and microfinance, borrowing from and lending to its approximately 30 million retail customers.

The chart below shows the positive chain for Bank Rakyat:

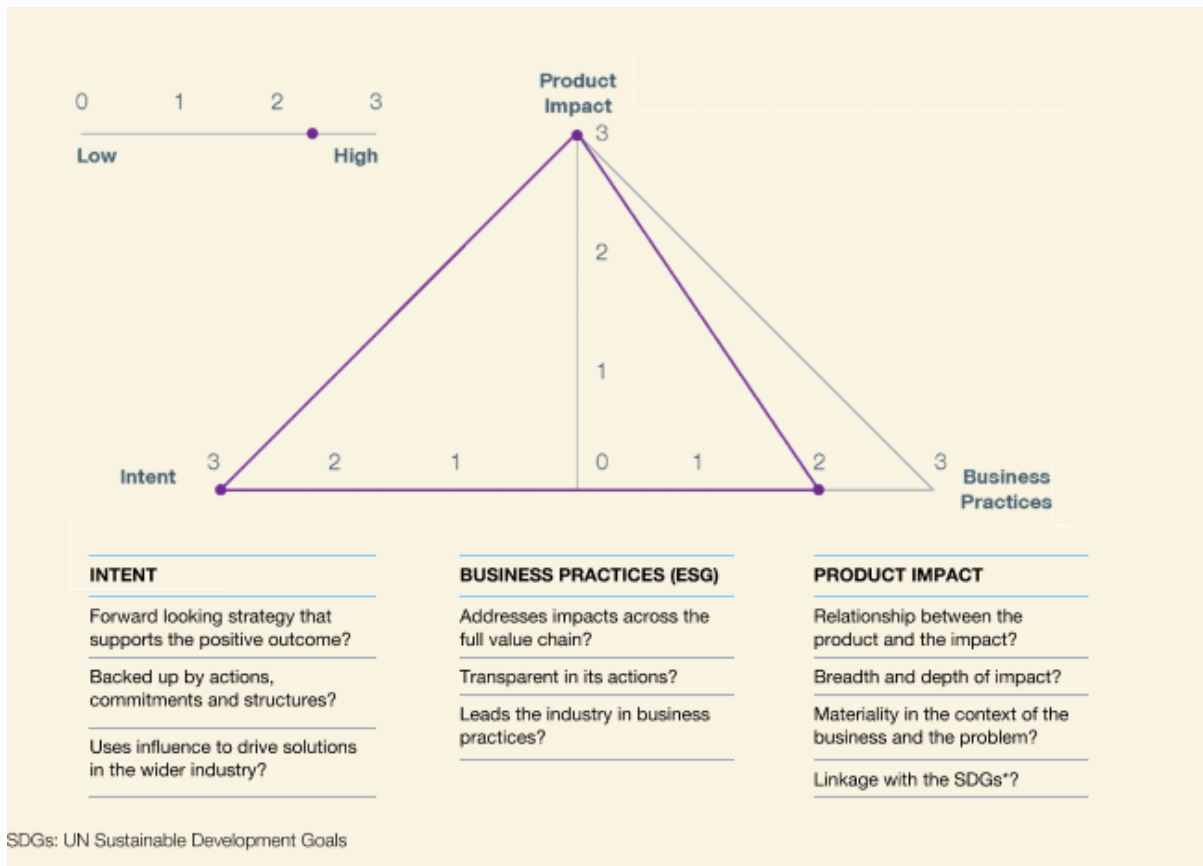


The investment process is best shown below:



In terms of impact, the chart below outlines what they are looking for:

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In summary, the strategy aims to deliver an investment thesis that is part of the solution to the world's challenges. Ultimately, they believe companies are essential in driving social inclusion through their products and services. By the nature of the strategy, this is diversified, with different companies operating in other markets and providing various solutions. The performance recently has been challenged but has outperformed its target since launch.

Baillie Gifford has provided the source of information in this note, and is correct as of September 2023. 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 decide based on these notes, we cannot take responsibility for this, and you should conduct your research before making a decision. We also recommend that you receive advice before following up on any decision.

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