

Positive Change Quarterly Update

31 March 2024



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Past Performance

Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance and results of the portfolio. Material market or economic conditions will have an impact on investment results. The returns presented in this document are gross of fees unless otherwise stated and reflect the reinvestment of dividends and interest.

Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction costs and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that recommendations/ transactions made in the future will be profitable or will equal performance of the securities mentioned.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

Any stock examples, or images, used in this paper are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style. A full list of portfolio holdings is available on request.

The commentary relates to the above mentioned strategy and not all stocks mentioned may be held in the portfolio.

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Product Overview

Positive Change is a concentrated, global equity strategy with dual objectives: to deliver attractive long-term returns net of fees and a positive social change. The strategy invests in high quality growth companies which can deliver positive social change in one of four areas: Social inclusion and Education, Environment and Resource Needs, Healthcare and Quality of Life; and Bottom of the Pyramid (addressing the needs of the world's poorest populations).

Risk Analysis

Key Statistics

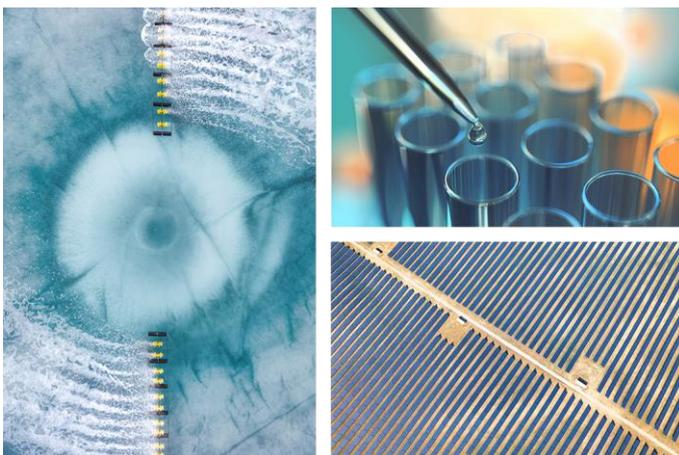
Number of Holdings	31
Typical Number of Holdings	25-50
Active Share	97%*
Annual Turnover	21%

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

A number of companies reported exceptional operational performance across our four impact themes in the first quarter of 2024

There are two new buys in the portfolio: Grab, Southeast Asia's leading platform for ride-hailing and food delivery, and Rivian, an American electric vehicle manufacturer

Our 2023 Environmental, Social and Governance (ESG) and Engagement Report 'Positive Conversations' is available. It focuses on companies' ESG practices, the portfolio's carbon footprint and net zero progress, and details all engagement and voting activity for the year



Key Facts

Firm wide assets under management and advice	US\$290.9bn
Number of clients	655
Number of employees	1817
Number of investment professionals	393

In a celestial dance that spans millennia, the Earth orbits the sun in a journey that defies the simplicity of our calendars. To reconcile this cosmic ballet with human timekeeping, Julius Caesar, with some fine-tuning by Pope Gregory XIII in the 16th century, introduced the concept of the leap year every four years. This ensures that our timekeeping remains in sync with the universe's grand rhythms and that Easter doesn't drift into summer in the northern hemisphere.

This quarter, while we were able to celebrate birthdays for those born on 29 February, we also cast our minds back four years to the previous leap year in February 2020; people worldwide were captivated by the escalating crisis, compulsively checking social media for updates as the number of COVID-19 infections and related fatalities surged each day. Headlines informed that "Wall Street suffers its worst week since 2008 as virus angst grows" as portfolio companies mobilised to develop vaccines and reestablish supply chains, and health officials scrambled to prevent the spread of the emerging pandemic. President Trump and President Biden were starting the final furlong of their inaugural battle to the White House. At that point, the Federal Reserve signalled that it was ready to step in to support the economy, and shortly after, it announced a \$700bn round of quantitative easing. John Deere and MercadoLibre had just been added to the Positive Change portfolio.

If we travel back a further four years, President Trump had a different political rival in Hilary Clinton, and the potential of artificial intelligence (AI) was being revealed through small steps, with commentators noting in 2016 that expectations were already well ahead of reality, stating that AI had reached peak excitement. Little did they know that generative AI and AI-related start-ups would be raising \$50bn per year in 2023, compared with \$8.5bn then.

Those years have also marked an increase in US-China tensions. Even though the current Biden administration sought a less confrontational approach towards China, in comparison with President Trump's idiosyncratic diplomatic tactics, the interconnected complexity of their relationship continues to dominate headlines and market sentiment.

Against a dynamic backdrop of a global pandemic, changing monetary policy and increasing geopolitical fragility, our philosophy remains constant. We continue to believe that investing in

high quality growth companies whose products and services are providing a solution to global challenges will be good for savers, people and planet.

Portfolio Performance

In the quarter to 31st March 2024 the portfolio delivered positive absolute returns although was behind the benchmark on a relative basis.

TSMC and ASML were top contributors to the performance over the period. 2023 was a challenging year for the semiconductor industry yet ASML grew revenues by 30% and TSMC outperformed the foundry market. This is testament to their technological leadership and willingness to invest in capacity expansion and Research and Development (R&D) as they remain at the vanguard of their industries. Both companies are anticipating a recovery in the industry, aided by strong demand for advanced technologies for high-performance computing and AI.

The geopolitical landscape is relevant to both ASML and TSMC due to the pivotal role they play in the global semiconductor supply chain. ASML is subject to Dutch and US regulations, which could affect a portion of China-related revenues and our eyes are open to emerging competition and opportunities in Chinese photolithography. However, ASML's dominance in the photolithography market is underpinned by its unparalleled technological advancements and strategic relationships in the semiconductor ecosystem. With over two decades of investment in EUV lithography and close collaborations with both customers and suppliers, ASML has created significant barriers to entry, making it challenging for competitors to match its level of expertise or disrupt its control over critical equipment.

TSMC continues to invest in its future, spending just over 40% of revenues on capex last year as it invests in advanced process technologies and diversifies its manufacturing footprint beyond Taiwan.

In contrast, Wuxi Biologics, the global leader of outsourced research and development services to many of the world's biotech firms, was a top detractor to performance. The company has been subject to US-China tensions with the emergence of draft bills related to the Biosecure Act in the US, resulting in significant share price reduction over recent months. Through our conversations with CEO Chris Chen, and some of Wuxi's customers,

we understand that the company has minimal reliance on US government funded projects (the projects at risk) and that customers are not overly concerned. Furthermore, there appears to be a low probability of the bills being passed into law given the high-level of dependency the US healthcare system has on drugs that can be traced back to China. We understood there could be geopolitical risk associated with the company when we first invested but took comfort that since 2019, Wuxi has proactively invested in its footprint outside China to minimise these risks.

Expanding our thinking beyond the share price performance of portfolio companies, it is pleasing to report some exceptional operational performance among several holdings and across our four impact themes.

In the Base of the Pyramid theme, Remitly, the mobile remittance provider, grew its active customer base by over 40% in each quarter, growing revenues by over 40% in the full year. As it scales it has been improving the quality of its network and accumulating more data, helping it reduce costs and improve profitability. It ended the year with just under six million customers benefitting from its fast, secure and affordable means of sending money from immigrants to their families and friends in low- and middle-income countries.

Social Inclusion and Education holding Nu Bank, the Brazilian digital bank, had a stellar year announcing revenues of \$8bn and net profits of \$1bn, rendering our early predictions when we took a holding at its IPO in 2021 notably conservative. We met with Nu's management in Edinburgh following the full-year results and discussed their extraordinary execution so far, while also looking ahead to its next phases of growth. Duolingo, the mobile learning platform, reported record revenue, bookings, profitability, and ten straight quarters of accelerating daily average users, with 27 million of those in 2023.

2023 was an excellent year for Healthcare and Quality of Life holding Dexcom, the continuous glucose monitoring (CGM) company, where it expanded its patient population to 2.3mn, launched the G7 and sold the Dexcom ONE in multiple new markets. In 2024, it has already gained approval from the FDA for Stelo, its over-the-counter CGM for non-insulin diabetic patients; this clearance is an important step towards the preventative healthcare impact case we see for pre-diabetes,

and in helping 25 million people living with Type 2 diabetes in the USA.

These companies continue to reinvest in their respective businesses, taking a more significant share of their market and strengthening their competitive edge. Indeed, the reinvestment rate for the whole portfolio is three times that of the index.

Transactions

In the first quarter we made two new purchases and one complete sale. Portfolio turnover remains in line with our holding period at around 20%.

Orsted, the Danish offshore wind operator, has faced operational challenges in the face of higher material costs, a tighter monetary environment, and changes to government support for projects in the US. This led to significant write-downs in the US and undermined our confidence in the management team's ability to allocate capital. This led us to sell the holding which has been in the portfolio since inception, in 2017. While Orsted will go on to deliver substantial positive impact, this reflects our approach which requires conviction in both the investment case and the impact case.

Grab, Southeast Asia's leading platform for ride-hailing and food delivery services is a new holding in the Social Inclusion and Education theme. We expect growth in demand for its services as the region's economy expands and admire its competitive edge in its network, scale and technology. Our impact hypothesis was enhanced and validated by a third-party report we commissioned from 60 Decibels, an impact measurement company with expertise in measuring social impact. This influential study provided a crucial piece of research, informing us that in Southeast Asia digital platforms play a pivotal role in helping small and medium-sized enterprise (SMEs) owners scale their operations, enhance their financial resilience and, importantly, improve their quality of life.

We have long admired Rivian, the American electric vehicle manufacturer, and have been watching it and getting to know the founder, RJ Scaringe since it listed in 2021. Through its electric SUVs, pick-up trucks, and commercial vans, it is increasing the range of desirable electric vehicles consumers and businesses can choose from. It has established a strong brand based around adventure and the outdoors and is following a similar model to Tesla with its vertically integrated manufacturing model. Rivian is still loss making with several levers to

become profitable. We have taken a small incubator holding to reflect the asymmetry of returns and the levels of uncertainty.

Our research pipeline includes further opportunities in the electrification of transportation and, separately, of the mining industry; financial inclusion in emerging markets continue to excite us; GLP-1s which could be relevant in addressing several disease areas; sequencing tools providing novel insights with the potential to help diagnose and treat diseases; and generics companies that could play a significant role in reducing healthcare inequalities.

Positive Conversations

Our Positive Conversations report focuses on the business practices of portfolio holdings through the lens of Environmental, Social and Governance (ESG) and provides a record of our company engagements. The business practices section includes analysis of the portfolio's carbon footprint and its promising progress towards net zero alignment.

Through our engagements, we aim to grow our understanding, build relationships with management teams as long-term shareholders, and seek to influence where our engagement can be of value to companies and society. We believe this approach helps maximise investment returns and increase the portfolio's impact.

Our engagement with Illumina over the last year is an example of where our strong relationship established over many years allowed us the opportunity to have direct engagement with the management and board when the company was dealing with a proxy battle, enabling us to highlight the importance of a long-term approach and urge for a focus on the core sequencing business. We also provided feedback on remuneration. After the appointment of a new CEO, Chair, and other Directors, it has been important to establish a relationship that will enable future dialogue around strategy. It is an excellent example of where understanding and relationship building can enhance our ability to influence.

Further positive conversations are highlighted with holdings such as Moderna on vaccine equity, Tesla on its supply chain risks, and Joby Aviation on the regulatory milestones ahead for the electric aircraft pioneer.

Looking forward

When Julius Caesar and Pope Gregory XIII separately altered the calendar centuries ago, little could they imagine what the world would become over that time. Over a shorter time horizon, what do we anticipate over the next two or three leap years? The electrification of transport will be streaks ahead of today, with flying taxis and autonomous cars a common feature; healthcare as we know it will be vastly improved, with greater insights gained in our understanding of biology and how we diagnose and treat diseases like cancer – perhaps we will have personalised cancer vaccines; digital technology will have equalised access to education and financial services, helping reduce inequalities. We believe the market is not pricing in these opportunities for the portfolio companies who will benefit, as it craves short term certainty. The years ahead promise to provide significant transformation, delivering a substantial impact to people and communities across the globe.

Performance Objective

2% p.a. ahead of global stock markets over rolling five-year periods.

The performance objective is aspirational and is not guaranteed. We don't use it to compile the portfolio and returns will vary. A single performance objective may not be appropriate across all vehicles and jurisdictions. We may not meet our investment objectives if, for example, our growth investment style is out of favour, or we misjudge the long-term earnings growth of our holdings.

Periodic Performance

GBP	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	2.7	9.3	-6.6
1 Year	3.9	21.2	-17.3
3 Year	-1.3	10.7	-12.0
5 Year	15.4	12.1	3.2
Since Inception	17.6	11.1	6.5
USD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	1.8	8.3	-6.6
1 Year	6.2	23.8	-17.6
3 Year	-4.2	7.5	-11.6
5 Year	14.6	11.5	3.2
Since Inception	17.7	11.2	6.6
EUR	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	4.1	10.8	-6.7
1 Year	6.8	24.5	-17.7
3 Year	-1.4	10.5	-12.0
5 Year	15.5	12.3	3.2
Since Inception	17.7	11.2	6.6
CAD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	4.4	11.2	-6.7
1 Year	6.2	23.8	-17.6
3 Year	-1.8	10.1	-11.9
5 Year	14.9	11.7	3.2
Since Inception	18.3	11.7	6.6
AUD	Composite Net (%)	Benchmark (%)	Difference (%)
3 Months	6.4	13.3	-6.9
1 Year	9.0	27.1	-18.1
3 Year	0.9	13.2	-12.2
5 Year	16.6	13.4	3.2
Since Inception	20.2	13.5	6.7

Annualised periods ended 31 March 2024. 3 Month & 1 Year figures are not annualised.

Inception date: 31 January 2017

Figures may not sum due to rounding.

Benchmark is MSCI ACWI Index.

Source: Revolution, MSCI.

The Positive Change composite is more concentrated than the MSCI ACWI Index.

Discrete Performance

GBP	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	13.9	86.5	-1.1	-6.5	3.9
Benchmark (%)	-6.2	39.6	12.9	-0.9	21.2
USD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	8.4	107.5	-5.6	-12.2	6.2
Benchmark (%)	-10.8	55.3	7.7	-7.0	23.8
EUR	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	10.9	93.7	-0.3	-10.0	6.8
Benchmark (%)	-8.7	45.0	13.8	-4.7	24.5
CAD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	15.5	83.2	-6.2	-4.8	6.2
Benchmark (%)	-4.9	37.1	7.1	0.8	23.8
AUD	31/03/19- 31/03/20	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24
Composite Net (%)	25.8	66.7	-4.3	-1.5	9.0
Benchmark (%)	3.6	24.8	9.3	4.3	27.1

Benchmark is MSCI ACWI Index.

Source: Revolution, MSCI.

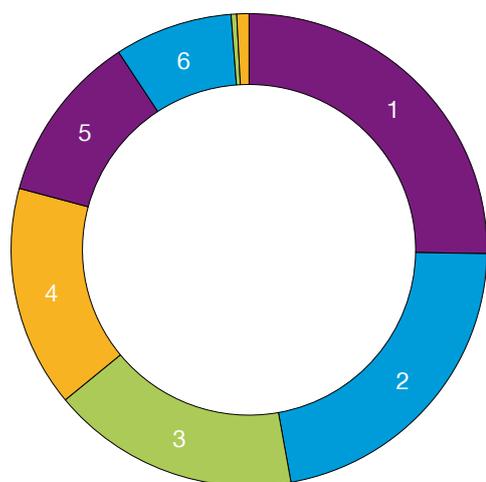
The Positive Change composite is more concentrated than the MSCI ACWI Index.

Top Ten Largest Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	8.1
ASML	Semiconductor equipment manufacturer	8.1
MercadoLibre	Latin American e-commerce and fintech platform	6.4
Dexcom	Continuous glucose monitoring technology for diabetes management	5.6
Bank Rakyat Indonesia	Indonesian Bank	5.1
Shopify	Cloud-based commerce platform provider	4.9
Xylem	Equipment and service provider for water and wastewater applications	4.7
Moderna	Biotechnology developing mRNA-based therapeutics	4.7
Deere & Co	Farm and construction machinery	4.6
Duolingo	Designs and develops mobile learning platform	4.1
Total		56.3

Figures may not sum due to rounding.

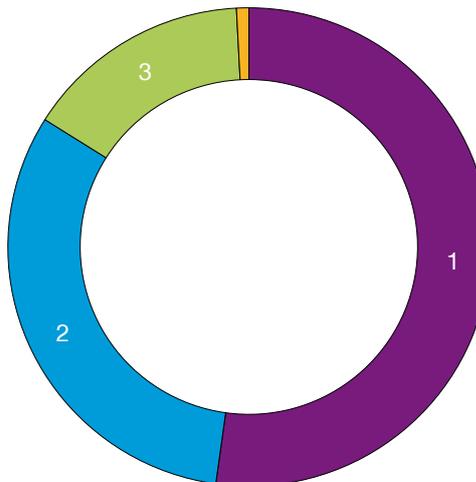
Sector Weights



	%
1 Information Technology	25.3
2 Health Care	21.9
3 Financials	16.9
4 Consumer Discretionary	15.2
5 Industrials	11.6
6 Materials	8.0
7 Communication Services	0.4
8 Cash	0.8

Figures may not sum due to rounding.

Regional Weights



	%
1 North America	52.2
2 Emerging Markets	31.7
3 Europe (ex UK)	15.2
4 Cash	0.8

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	4	Companies	2	Companies	1
Resolutions	35	Resolutions	5	Resolutions	1

We engage with holdings on a case-by-case basis according to what we deem the most material issues

We will publish our 2023 Investment Activities Stewardship Report in April 2024

Company Engagement

Engagement Type	Company
Environmental	Remitly Global, Inc.
Social	Novozymes A/S, Remitly Global, Inc., Tesla, Inc.
Governance	ASML Holding N.V., Deere & Company, PT Bank Rakyat Indonesia (Persero) Tbk, Remitly Global, Inc., Rivian Automotive, Inc., Sartorius Aktiengesellschaft, WuXi Biologics (Cayman) Inc.

Company	Engagement Report
<p>Tesla, Inc.</p>	<p>Objective: We spoke with Tesla's Vice President of Global Supply Chain Management, Karn Budhiraj, to learn about the company's supply chain management strategies in China. We wanted to understand how Tesla mitigates risks associated with upstream forced labour and human rights abuses. We also sought an update on ongoing union issues affecting its Nordic operations.</p> <p>Discussion: Budhiraj outlined Tesla's approach to managing its supply chain in China, highlighting the challenges of ensuring transparency and traceability amid stringent Chinese regulations. The company's proactive measures include investing in its supply chain team and insisting on international standards for direct suppliers outside China. However, the Counter-Espionage law in China has posed significant obstacles, limiting Tesla's ability to conduct audits and gather necessary supplier information. Despite these challenges, Tesla is committed to sourcing responsibly and engaging diligently with its Chinese supply chain partners. It is also exploring alternatives to reduce reliance on high-risk regions by nearshoring critical mineral procurement and setting up refining operations in the US.</p> <p>We also discussed Tesla's handling of labour union issues. The company remains focused on direct communication with employees, with local management taking the lead in resolving problems ongoing in the Nordics. We were told that the majority of Tesla's workforce in Sweden doesn't want to strike or unionise, reflecting confidence in the company's employee relations approach.</p> <p>Outcome: This discussion provided valuable insights into Tesla's approaches to supply chain management in China. It reinforced our belief that the company is committed to operating responsibly by finding solutions to regulatory and manufacturing challenges. Understanding ongoing developments in the company's dialogue with employees and labour unions was also helpful. We believe these issues are material for the long-term investment case and plan to monitor progress in the future.</p>
<p>WuXi Biologics</p>	<p>Objective: Unprecedented price volatility has affected WuXi Biologics' share price. Much of this is due to geopolitical tensions, but part of the volatility can be attributed to management communication. We spoke to CEO Chris Chen twice to understand his communication skills and how he managed this volatility.</p> <p>Discussion: WuXi Biologics had been anomalously bullish while the rest of the biotech industry struggled - having maintained their targets for the year and been persistently positive, they issued an unexpected profit warning in early December and noted that targets for adding new projects would be missed. In January, WuXi Biologics' optimism recovered - full-year project targets had been met (despite the warning), and guidance for 2024 project numbers was revised upwards. We were concerned by the lack of consistency of these messages - and why management appeared to have such limited visibility over company performance. Chris Chen accepted that guidance had not been perfect and the company should have communicated weakness earlier - he said that management was guilty of over-optimism - it had always set challenging goals and met them in the past. He also noted that a pick up in projects in December had been unexpected - and that there is a short lead time on early-stage projects, so they did not have visibility over the turnaround when the announcement was made.</p> <p>After this, WuXi Biologics has been a target of the US Biosecure Act, leading to substantial share price volatility. This appears to be being managed reasonably - the company has sensible strategies to deal with what will be a period marred by geopolitical tensions - it has held town halls to communicate with staff clearly and to try to improve morale - and is focusing on ensuring work continues as usual. It is hoped that a long-term focus on client satisfaction and project delivery will be more important than the current tensions in the US and China.</p> <p>Outcome: We were pleased that Chris Chen acknowledged the company's communication shortcomings and hope that a lesson has been learned. It is reassuring that WuXi Biologics are managing current volatility with a reassuringly long-term client-centric mindset.</p>

Votes Cast in Favour

Companies	Voting Rationale
Bank Rakyat Indonesia, Deere & Co, HDFC Bank, Novonosis	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Bank Rakyat Indonesia	AGM 01/03/24	3	We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity.
Bank Rakyat Indonesia	AGM 01/03/24	7	We opposed the changes to the composition of the company's management due to lack of disclosure of the changes.
Deere & Co	Annual 28/02/24	4	We opposed a shareholder resolution regarding a customer and company sustainability congruency report. We are comfortable with the company's existing disclosure on this matter.
Deere & Co	Annual 28/02/24	5	We opposed a shareholder resolution requesting the company report on a civil rights and non-discrimination audit of its diversity, equity, and inclusion practices. We are comfortable with the company's current policies in place and note that these are reviewed on a periodic basis, and as such do not think that a report is necessary at this time.
Deere & Co	Annual 28/02/24	6	We opposed a shareholder proposal requesting the company put any senior manager severance package over a certain threshold to shareholder vote. We currently do not have any concerns with how the company remunerates its executives or employees and think this proposal would provide unwarranted distraction from focussing on the long-term growth of the business.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Deere & Co	Annual 28/02/24	3	We abstained on the reappointment of the external auditor due to concerns that the auditor's length of tenure could negatively impact their ability to act independently. Deere's audit firm has been unchanged since 1910, and we believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

Votes Withheld

We did not withhold on any resolutions during the period.

New Purchases

Stock Name	Transaction Rationale
Grab	Grab is Southeast Asia's largest ride-hailing and food delivery platform, offering economic opportunities in middle income geographies. The penetration of its services is low and should rise along with economic growth of the region. Grab's competitive position is strong, with dominant market shares in ride-hailing and food delivery. We believe Grab's competitive position is defensible due to network effects and investment in technology, including mapping and order batching. This should support profitable growth over the long-term. We believe Grab can compound GMV at a mid-teen pace over the long-term and achieve an EBITDA-to-GMV margin of mid-to-high single digits. In addition to ride-hailing and food delivery, Grab is in the early stages of expanding into financial services. If it can find the right business model, this could provide additional upside.
Rivian Automotive	Rivian could become one of a few OEMs with meaningful production volume to help decarbonise the transportation of both people and goods. The breadth of its impact will grow over time as Rivian achieves its goal of reducing the lifecycle emissions of its vehicles and as the US grid decarbonises - mitigating climate change and improving air quality. While Rivian is still at an early stage, it has many of the right ingredients to successfully scale up, including its business model, high-quality products, strong product market fit, a decent amount of capital, strong backing from Amazon as a big shareholder and commercial client, and a trustworthy and ambitious management team. It is also a company with a strong intent to be a leader in driving change within its industry. EVs, with software being the key, could fundamentally change the competitive dynamics of the automotive industry, allowing scaled players to build durable edges and higher profits than the ICE era. Given the risk-reward, we decided to take a small holding in Rivian.

Complete Sales

Stock Name	Transaction Rationale
Orsted	Our original investment thesis for Orsted is that offshore wind will become an important source of energy generation for many countries and Orsted's scale and expertise will enable them to profitably capitalise on this growth opportunity. Unfortunately, recent events have reduced our conviction in Orsted's ability to execute. The company incurred significant losses in 2022 due to poor hedging policies and recognised a large impairment this year on its US business. While the growth opportunity remains, we have lost confidence in the management's ability to allocate capital effectively and generate long-term value for shareholders. We have therefore decided to exit our holdings in the company.

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