Baillie Gifford™

Multi Asset investment update

January 2024

Have banks tamed inflation? Have we hit peak rates? Will we see a recession in 2024? In this webinar, head of Multi Asset James Squires reflects on these questions and gives an update on the portfolio.

Your capital is at risk. Past performance is not a guide to future returns.

Barry Templeton (BT): And good morning, everyone. A very warm welcome to Baillie Gifford's quarterly update for the Multi Asset Funds. My name is Barry Templeton, and I work in the Multi Asset Team. I'm delighted to be joined by James Squires.

James Squires (JS): Good morning.

BT: James is Head of Multi Asset here at Baillie Gifford. Over the next 30 minutes, we'll split the session broadly in two.

The first part, some pre-prepared comments from James, reflecting on events in investment markets at the end of last year, how those events have shaped the performance of the portfolio, indeed, the overall shape of the portfolio itself, some of the transactions and changes that we've made to the portfolios, as well as spending a little bit of time just reflecting on some of the key themes running through the portfolios.

Second part of the webinar, then, is over to yourselves for some Q&A. Please do use the Q&A box at the bottom of the screen, and we'll get to as many of those questions as we can, during the second part of the webinar.

For those of you who've joined one of these sessions in the past, you'll be familiar with my next couple of comments.

The first is, when we do pull some pages up on the screen, they are going to reference specifically the Diversified Growth Fund, but please be assured that those comments that you hear from James, and some of the narratives and the numbers that you see up on the screen for the Diversified Growth, will be broadly applicable across each of our multi-asset strategies.

The final comment from me, just before I hand over to James, is just to say that this webinar is, indeed, being recorded. That allows us to send the recording out after the event. Other than that, James, I shall hand over to you.

72210 10039882
Copyright © Baillie Gifford & Co 2023.

JS: Great. Thank you, Barry, and thank you, everyone, for joining us. It's great to see so many people online. As Barry said, I'll speak for around ten minutes, in which I'll cover the macroeconomic and markets backdrop of the last quarter, one in which there's been a meaningful change in market tone.

I'll cover fund performance and how the last three months have seen all asset classes contribute to a strong return in your fund, and I'll cover our outlook for the year ahead, taking you through your portfolio positioning and giving you insight into some of your investments with us.

Let me start on the macro and the markets. There was an important change in market tone and narrative over the fourth quarter.

October began with most indices in retreat, as concerns over the strength of US data led traders to continue to worry about how much higher policy rates would remain, and for how much longer. US ten-year yields touched 5 per cent in October, a 15-year high, pushing bond prices down, and other assets sold off, too.

However, by late October, the dominant narrative had begun to swing around. Weaker economic data and trading updates from companies saw traders stop worrying about higher-for-longer, and the guessing game became, how much lower could policy rates go, and how soon?

With this abrupt change in narrative, yields tumbled, falling below 4 per cent by December, so above 5 per cent, down to below 4 per cent in a very short space of time. That pushed bond prices sharply higher, and other assets were buoyed by this easing of financial conditions, particularly equities.

Despite the implications for weaker earnings and fundamentals, most asset classes rallied into year end. By December, a soft landing whereby inflation falls neatly into the Central Bank's target range, and growth softens, but not so far as to herald a recession, had been clearly priced in.

Now, our view over the last year, as you'll have heard me say, has been that a soft landing or recession were the two most likely outcomes for the US and many other developed markets.

And so, we have maintained a long-duration position across your portfolio, with meaningful allocations to government bonds, as well as investment-grade EM credit, and asset classes that carry implicit duration such as property. And that has been good for performance over this period.

If I turn specifically to the performance data now, and this is Diversified Growth, as Barry said already, the Diversified Growth Fund returned 6.9 per cent net of fees over the fourth quarter, meaning that the full-year return was 4.5 per cent.

Now, whilst we still have work to do on the longer-term numbers, this is an encouraging turnaround after a period where our investment views have needed some patience.

Fund volatility, as you can see, remains below 10 per cent at 8.9 per cent.

Copyright© Baillie Gifford & Co 2024.

At a high level, performance was led by that falling yield environment I've described, with our EM government, DM government, and investment-grade allocations all adding meaningful value.

Here you can see that in the usual waterfall chart, which shows the breakdown of performance across asset classes, over three months on the left-hand side and 12 months on the right.

We've generally preferred fixed-income assets to equities for your portfolios in recent times, judging the asymmetry of returns to be better in the current economic climate.

Equity indices have increasingly become dominated by a small handful of companies that trade at high multiples and require lofty expectations to continue to deliver strong performance.

Consequently, where we have owned economically sensitive assets, we've generally preferred those that we see as offering better value, either because we see them as outright cheap - property or commodities - or because they come with a large yield that can act as a substantial buffer against price weakness, [such as] structured finance.

As it happened, equities, as you see, went on to have an excellent quarter, and that small handful of companies has become even more richly priced. However, our better-value economic assets have also generally performed well.

You see here our high-yielding structured finance investment returned another 5 per cent in aggregate in the quarter, making it 18 per cent for the year. That's largely a delivery of that yield. And all of our investments in that area contributed positively, with Plutus, our leveraged [senior] CLO fund holding, leading the way.

Property, as you see, was the strongest contributor in the last three months, adding 1.3 per cent. Our REIT investments saw strong price performance, since they delivered on rental growth and saw their cap rates fall.

And whilst our equity allocation has been modest, the Baillie Gifford Long Term Global Growth Investment, increased in late October to a 4 per cent allocation in this fund, that added 75 basis points on its own.

Where does all of that activity leave our thoughts on investment markets and opportunities? Three of the main themes in our portfolio today are diversified duration, alternative credit, and decarbonisation.

Looking ahead to 2024, it seems likely to us that markets have become overconfident about a soft landing. There are plenty of inflationary impulses still in the economy that need to be quelled, and so we've used the opportunity of the bond market strength in December to reduce your government bond investments.

Nevertheless, we still think that duration, interest rate risk, is worth having. We're being more selective with it now, but we're still finding exciting opportunities across government bonds, and in

Copyright© Baillie Gifford & Co 2024.

particular property, which can benefit from growth in the economy, [where a] general catching-up of rents still needs to happen, and falling yields.

We also continue to see opportunities in alternative credit. We find mainstream credit markets to be richly priced just now in terms of the spread they offer, but we're far more encouraged by structured finance and insurance-linked securities.

Both of these markets are offering higher-than-average yields, more than 10 per cent still in the case of the structured finance investments.

And finally, the impulse to decarbonise and electrify has substantial government and popular support, worldwide, and it continues to present a long-term investment opportunity, in our view, through infrastructure and commodities.

And we've been increasing our infrastructure exposure in the last six months, as we've increasingly seen some of those opportunities left behind by the broader relief rally.

Property is one of the asset classes I'm highlighting here. We like it, and we've been adding to it, around 10 per cent of the fund. And as you saw, it also contributed well to your returns over the last few months.

I thought I'd take a moment, as you'd be interested in hearing a bit more about how we approach property investment in your funds. Within our Multi Asset Team, our Real Assets Group works closely with Jon Stewart, an experienced REITs analyst at Baillie Gifford, to bring together a global 'best ideas' property portfolio, to fit the needs of our [Multi Asset] portfolios.

And if Jon were here talking today, he'd say that his golden rule on property is to be on the right side of change.

And what that means is that we've seen, time and again, that structural changes in society lead to big shifts in rents and property values. The number one focus for us when approaching property markets is to understand those changes and ensure that we back the winners, not the losers.

We think about logistics, not shopping malls. We think about data centres, rather than offices. And you can see that in the split of our investments that we're showing on the right-hand side here.

In our view, the impact of disruption always tends to be greater than the market expects, and takes longer to play out. Property's a slow-moving sector, and outperformance can endure for a decade or more. Long-term patient investors, which I hope we are, can take advantage of that.

Beyond seeking those structural growth exposures, we also look to take advantage of strong management and turnaround situations. Because we invest in REITs, not buildings, good management teams can add value sustainably over the long term, so we work hard to identify those teams and back them.

Copyright© Baillie Gifford & Co 2024.

The other thing we look for are genuine turnaround situations. Property is one asset class where hidden value can really be unlocked through deep-seated change, fundamentally changing both the business and the market's view on that.

On the flipside, there are also a few things we avoid, a few warning signs that we watch out for when investing your money in property markets.

The number one source of value destruction in real estate is almost always leverage, and so we're highly focused on ensuring the businesses we back are prudently financed and have the discipline to manage their finances through the cycle.

And the other major source of value destruction? Poor governance. We focus on making sure we have good management, with aligned incentives, to ensure their business is run sustainably and for the benefit of its shareholders.

A great example of a REIT that fits the bill for us is CTP, the leading logistics landlord in Central and Eastern Europe.

It's a founder-led business, with a really strong and well-aligned management team, so one of the things we're looking for. It's disciplined with its financing, and it operates in a core growth market - logistics - in a fast-growing region.

And whilst not a turnaround per se, its valuation was heavily impacted in 2022 by its proximity to Ukraine, giving us a great entry opportunity. This is an investment that's just under 1 per cent of your portfolios.

Coming back up to the whole portfolio, to finish my comments today, we retain a diversified portfolio across asset classes with plenty of growth opportunities. Seeing the market rally so strongly in the last few months, a soft landing has become the dominant narrative.

We have reduced our government bond exposure down to 4 per cent, as you see in the top left of the portfolio pie chart in front of you.

At the same time, we've retained a reasonable degree of caution on the likes of equities and high yield, in the top right. But where we do have confidence, where we have been adding is in property, as just discussed, becoming more dominant in that top right, and structured finance in the bottom right, and in infrastructure, those beneficiaries of decarbonisation, on the very left.

Overall, your portfolio is moderately positioned in terms of risk exposure, but we feel is more than able to navigate the choppy waters ahead and deliver on some exciting individual opportunities.

I think lots we can get stuck into there, Barry, but let's see what questions folk have for us. Thank you.

BT: Sure, thank you. Super. James, thanks for those comments. And I'm going to start with a question which is a broad macro question. Markets were pricing in a lot, six or seven, maybe

 Copyright© Baillie Gifford & Co 2024.

interest rate cuts in the US in 2024, or at least they were. How do we think about this, and what impact will it have beyond government bond yields, if it does happen?

JS: Yes, okay, this was the big change in the fourth quarter, particularly November, start of December. The market had been thinking three rate cuts for 2024, this is US rate cuts. That was despite the Federal Reserve saying in their Dot Plot that they published, that one was the likely number.

And as we came through November and December, as data eased, then the Federal Reserve commentary became a little bit more dovish, a little bit more accommodating.

They moved their Dot Plot to three cuts, four cuts, and the market said, brilliant, that's six cuts. There is a substantial amount of interest rate cutting priced in, and that's plausible. Certainly, we expect interest rate cuts over the fulness of time. We expect yields to come down over the fulness of time.

But for us, that is a very rapid change to rates, to price in a soft landing. Frankly, an immaculate disinflation. And we think that whilst that is possible, it's a pretty narrow window to hit.

Other scenarios remain wholly possible. The two most likely alternative scenarios, the first is that inflation can come down, and the Federal Reserve and other central banks have no need to cut. They're not forced to cut because inflation comes down, that's their monetary policy working. Given the fear of inflation bouncing back, why not keep rates higher for longer? And actually, if they do so, then we'll see some of those cuts priced out again.

And the second alternative scenario, which we have spent more time thinking about, more time talking about, is the what-if-something-breaks scenario. As you'll all be aware, this rate-hiking cycle was very quick, very sharp, after a period where we've had interest rates very low, for a very long time.

And we were hiking into an economy where there's lots of cash in strange places, because of all of the economic support that had been given through COVID and so on.

We haven't really, we think, seen at all, the impacts of those rate cuts really coming through on the economy, and it's wholly plausible that actually when they do come through properly, we see something break and we go more into that recessionary scenario.

That's one of the things that we're thinking very clearly about, when we're positioning the portfolio, just aware on those two extremes. We're being more cautious on government bonds for the higher-for-longer. We're being more cautious on equities because of that risk that something breaks. And we're aiming down the middle in those asset classes like infrastructure, structured finance, property to some extent, that we think can do well in both scenarios.

BT: Okay, I think that'll actually answer another question, but I'm going to read this out. It could just be a one-word answer. It could be yes. But just a follow-up on that.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

Copyright© Baillie Gifford & Co 2024.

For much of the year, we spoke about a recession being a high probability for us. Noting we've sold a good percentage of the DM government bonds, what do you expect to do well in a recession, and which assets do you expect to do well in a growth environment?

JS: I don't think yes is going to work as a single-word answer for that.

But certainly, we continue to expect or to think that recession is a significant probability.

In selling down government bonds, what are the things we've been selling? We've been exiting things like Sweden, where Sweden had already come down to a yield below 2 per cent. And in selling down government bonds, we've retained substantial duration across the portfolio, so I wouldn't want anyone watching to think, no government bonds, no chance of recession.

We maintain that duration exposure through emerging-market hard currency bonds, which are priced off the Dollar curve, through a variety of other bonds and investment-grade or high-yield or so on.

And we retain it through property, as I've talked about. Property is a high-duration investment, and some infrastructure can be as well, so there's definitely duration in the portfolio still.

Some of those asset classes are the answer to what can perform well in that scenario. Asset classes like structured finance, that have good buffers and where the underlying investments are default-remote, can perform well in those scenarios, so long as the recession is not too extreme on that one.

We retain some cash as dry powder, insurance-linked securities. They are fundamentally well-diversified investments that are broadly unaffected by economic conditions.

Listing off a number of asset classes there, big-picture, we think there's a number of things in this portfolio that can weather a recession well, whether that's duration or some of those more diversifying assets like infrastructure or insurance-linked.

BT: Again, just following that theme, that narrative, the question: following the market rally in 04, what are your latest return expectation numbers telling you?

JS: Basically, we will share our long-term return expectations in the fulness of time, but as we've looked across the fourth quarter, we've seen those numbers changing because there have been some big market moves, and those changes have seen government bonds fall, coming down in terms of attraction.

More recently, emerging market local currency and investment-grade bonds coming down in terms of the attractions that they offer. Some of those you can see already in the changes that we have made to the portfolio, and some of those will result in further changes to the portfolio.

Copyright© Baillie Gifford & Co 2024.

At the same time, what looks better to us? Core infrastructure looks better to us. That's this point of a number of companies being left behind. And we see this great growth opportunity even for what seemed like basic, boring utilities, that can deliver significant new capital projects for electrification.

But they have been left behind in the rally. They've been generally quite unloved. We've seen valuations fall there over the last quarter, even as other things have picked up, and quite sharply.

Structured finance still looks good to us. Parts of the property market still look good to us.

The changes that we've made in our portfolio? More infrastructure, more property, more structured finance, less government bonds, developed and emerging, less investment-grade. Those all very clearly relate to those changes in long-term return expectations that we are seeing come through the numbers.

BT: I think a question here, just reflecting on the attribution. I'm not sure if it's over the 04 or over the 12 months, butwhat has been expensive to hold in active currency?

JS: Yes, sure. The answer, primarily it's a 12-month thing, and what has been expensive to hold has been the Japanese Yen. Many of our viewers will know that we have had a long-Yen position for a couple of years.

Why do we have a long-Yen position? Because we generally view it as a cheap currency on a number of fundamental measures, and because it's a currency that typically performs well in a risk-off scenario, along with things like the Dollar and the Swiss Franc.

We thought it's a good thing to hold in a portfolio like this, as a diversifier. It could've been one of my answers to the 'what works well in a recession' question.

But what we have seen is the Yen weaken a lot over the course of 2022 and 2023. Started to strengthen a bit towards the end of the year.

And the reason for that primarily has been that Japan has just kept its monetary policy super, super easy. At a time when the US has embarked on this extreme hiking cycle, Japan has kept policy very easy, so you've had an interest rate differential open up, which means it's more rewarding to own Dollars and less rewarding to own Yen.

And so, the valuation has weakened, the Yen has done poorly. But we have cut the size of our Yen position over the year. Indeed, over the quarter. At one point in time, it was an 8%-long position in the fund. It's now 4 per cent.

But part of the reason for cutting was not a loss of confidence in Japan per se, but actually just opening ourselves out to other investment opportunities, so we've put into the portfolio a position whereby we benefit from Japanese interest rates rising.

Copyright© Baillie Gifford & Co 2024.

And Japan has been pushing down on interest rates through a process called yield curve control, which we now see is being left out, partly because Japan is actually for the first time in a very long time experiencing sustained inflation.

We think actually Japan's ultra-easy monetary policy is not sustainable. That will benefit the Yen, or at least it's started to benefit the Yen already, and it'll really benefit that rates position, so we continue to hold that in the portfolio and continue to think it's a good thing for you to have exposure to.

BT: Good. There's a really interesting question which I'm going to come back to in just a moment, and it's around the team and the process. But there're two questions here, which are both related to China. One is, do you still hold Chinese equities? And the second, which is a broader question I think, which is just, what is your latest view on China?

JS: Okay, good question, first up, because that wasn't something that I covered in my initial comments. We do not have the direct position that we used to have in Chinese equities.

That's something that we removed from the portfolio over the last quarter. It was about 2 per cent, 2.5 per cent in September, direct exposure to Chinese domestic equities. We have removed that from the portfolio.

We like emerging market equities, to be clear. That's one of the things that scores very well in our long-term China expectations, and we're generally adding to emerging markets. But we have become less confident in China, particularly just the ability of policymakers of the government to manufacture a recovery, to get money to where it needs to get to, to provide the stimulus that can turn around the direction of the economy and the direction of the markets.

We've become much more cautious on that. We've taken money out of China, we have money in broad emerging markets, and we're looking at a number of near-China countries such as Vietnam at the moment, as offering alternative attractions.

That gives you most of our overall view on China. We still have some exposure to China because we have a few infrastructure opportunities in the renewables space in China.

And we still have some high-yield bond exposure to China, where we see value in property bonds, which are still very lowly priced, and which we still think have a much higher recovery value than the market has implied.

BT: Okay, a few minutes left. I'm going to turn to a question. Actually, I was going to turn to the process, but I'm just going to keep it on the portfolio just for a second, because I've got just a question about absolute return. And have we now exited the absolute return strategies?

JS: Yes, we currently have no absolute return strategies within Diversified Growth. Not to say we never will. There are still things we like in this area, on a long-term view, but right now we don't

Copyright© Baillie Gifford & Co 2024.

think they are adding anything to the portfolio. There's enough diversification, there's enough opportunity in what we have.

BT: Yes, excellent. And turning then to that question on the process, can you please talk about what impact recent team and process changes have had? The question is specifically on the portfolio, but there might be other points which you want to bring to bear.

JS: Yes, okay, I guess an element of catchup, just to make sure that we're all on the same page here when talking about team and process changes, because the core team remains unchanged, but we did make some changes to how we go through our investment process over the last 12 months.

General enhancements, rather than big sweeping changes.

What did we do? We introduced more of a direct link between our long-term returns and our strategic asset allocation, which we hope makes us more nimble, more responsive to the value that is there in that research.

And you have seen that coming out over the last year. You've seen it in some of my responses to questions just now actually, where I've talked about the changes we've made in the portfolio, and are making, and linked it to the long-term returns. Those I think are more active than what we would've previously done, and before we had made that change.

And you've seen it in the portfolio over the last 12 months, because the two asset classes that scored best in our long-term returns at the start of last year, were structured finance and emerging market deBT:, local currency, which we had added too, at the start of the year, and have ended the year as our two strongest performers. Very positive about that as a change.

And the other, I guess, big headline change that we made, was to introduce asset class groups. Rather than get the whole team around the table to discuss every investment decision, we specialise somewhat more amongst smaller groups and give autonomy to those groups.

And I think that allows for a greater, better level of discussion, and again, a greater nimbleness within asset classes.

You got that a bit in that Chinese decision I was just talking about. That was led within our Equity Asset Class Group, which is led by Scott Lothian, who you'll be familiar with, if you've watched other versions of this webinar in past quarters.

And our Real Assets Group is another good example, where we're bringing in someone like Jon Stewart, who's not directly a Multi Asset Team member, but has a great, long experience in property markets, and has been able to contribute I think very substantially to us finding great opportunities within properties, such as CTP that I mentioned, or Sun Communities, which is a name we've added over the last three months.

Those are the sorts of changes we've made. Very positive on what it is doing for our portfolio.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

Copyright© Baillie Gifford & Co 2024.

BT: Super. Okay, James, I'm looking at the clock here, and we've run through the questions, which is excellent, and we've also just about hit time there. That's coming up just half past the hour.

If I may say a sincere thank you from both James and myself for joining us this morning. Wish you a very happy Friday, and a good weekend when it comes. Thank you very much, indeed.

JS: Thank you. Good morning.

Baillie Gifford Diversified Growth Fund annual past performance to 31 December each year (net%)

	2019	2020	2021	2022	2023
Diversified Growth Fund	12.5	2.0	9.2	-16.1	4.5
Index (UK Base Rate)	0.8	0.2	0.1	1.5	4.8
Target (UK Base Rate +3.5%)	**4.3**	**3.7**	**3.6**	**5.0**	**8.2**

Source: Baillie Gifford & Co and Revolution. Total return, Sterling. Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

The manager believes that Base Rate (UK Bank of England) +3.5% is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing.

We have included past performance information for Diversified Growth as an example of our multi-asset approach. Please note that this is not a guide to future returns of our Multi Asset strategies. The investment universe of our Multi Asset strategies may differ slightly. The Baillie Gifford Diversified Growth strategy is not available in all jurisdictions.

Past performance is not a guide to future returns

Risk Factors

The views expressed should not be considered as advice or a recommendation to buy, sell or hold a particular investment. They reflect opinion and should not be taken as statements of fact nor should any reliance be placed on them when making investment decisions.

This communication was produced and approved in January 2024 and has not been updated subsequently. It represents views held at the time of writing and may not reflect current thinking.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk. Past performance is not a guide to future returns.

This communication contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research, but is classified as advertising under Art 68 of the Financial Services Act ('FinSA') and Baillie Gifford and its staff may have dealt in the investments concerned.

Copyright© Baillie Gifford & Co 2024.

All information is sourced from Baillie Gifford & Co and is current unless otherwise stated.

The images used in this communication are for illustrative purposes only.

Important Information

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK Professional/Institutional clients only. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford & Co and Baillie Gifford Overseas Limited are authorised and regulated by the FCA in the UK.

Persons resident or domiciled outside the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest, and with their tax advisers for advice relevant to their own particular circumstances.

Financial Intermediaries

This communication is suitable for use of financial intermediaries. Financial intermediaries are solely responsible for any further distribution and Baillie Gifford takes no responsibility for the reliance on this document by any other person who did not receive this document directly from Baillie Gifford.

Europe

Baillie Gifford Investment Management (Europe) Limited provides investment management and advisory services to European (excluding UK) clients. It was incorporated in Ireland in May 2018. Baillie Gifford Investment Management (Europe) Limited is authorised by the Central Bank of Ireland as an AIFM under the AIFM Regulations and as a UCITS management company under the UCITS Regulation. Baillie Gifford Investment Management (Europe) Limited is also authorised in accordance with Regulation 7 of the AIFM Regulations, to provide management of portfolios of investments, including Individual Portfolio Management ('IPM') and Non-Core Services. Baillie Gifford Investment Management (Europe) Limited has been appointed as UCITS management company to the following UCITS umbrella company; Baillie Gifford Worldwide Funds pie. Through passporting it has established Baillie Gifford Investment Management (Europe) Limited (Frankfurt Branch) to market its investment management and advisory services and distribute Baillie Gifford Worldwide Funds pie in Germany. Similarly, it has established Baillie Gifford Investment Management (Europe) Limited (Amsterdam Branch) to market its investment management and advisory services and distribute Baillie Gifford Worldwide Funds pie in The Netherlands. Baillie Gifford Investment Management (Europe) Limited also has a representative office in Zurich, Switzerland pursuant to Art. 58 of the Federal Act on Financial Institutions ("FinIA"). The representative office is authorised by the Swiss Financial Market Supervisory Authority (FINMA). The representative office does not constitute a branch and therefore does not have authority to commit Baillie Gifford Investment Management (Europe) Limited. Baillie Gifford Investment Management (Europe) Limited is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited and Baillie Gifford & Co are authorised and regulated in the UK by the Financial Conduct Authority.

Copyright© Baillie Gifford & Co 2024.

Hong Kong
Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 is wholly owned by Baillie Gifford Overseas Limited and holds a Type 1 and a Type 2 license from the Securities & Futures Commission of Hong Kong to market and distribute Baillie Gifford's range of collective investment schemes to professional investors in Hong Kong. Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司can be contacted at Suites 2713-2715, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Telephone +852 3756 5700.

South Korea
Baillie Gifford Overseas Limited is licensed with the Financial Services Commission in South Korea as a cross border Discretionary Investment Manager and Non-discretionary Investment Adviser.

Japan
Mitsubishi UFJ Baillie Gifford Asset Management Limited ('MUBGAM') is a joint venture company between Mitsubishi UFJ Trust & Banking Corporation and Baillie Gifford Overseas Limited. MUBGAM is authorised and regulated by the Financial Conduct Authority.

Australia
Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth) and holds Foreign Australian Financial Services Licence No 528911. This material is provided to you on the basis that you are a "wholesale client" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("Corporations Act"). Please advise Baillie Gifford Overseas Limited immediately if you are not a wholesale client. In no circumstances may this material be made available to a "retail client" within the meaning of section 761G of the Corporations Act.

This material contains general information only. It does not take into account any person's objectives, financial situation or needs.

South Africa
Baillie Gifford Overseas Limited is registered as a Foreign Financial Services Provider with the Financial Sector Conduct Authority in South Africa.

North America
Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. Baillie Gifford Overseas Limited is regulated in Canada as a portfolio manager and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories. Baillie Gifford International LLC is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and

Copyright © Baillie Gifford & Co 2024.

territories. Baillie Gifford Investment Management (Europe) Limited ('BGE') relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec.

Israel

Baillie Gifford Overseas Limited is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the Advice Law) and does not carry insurance pursuant to the Advice Law. This material is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

Copyright© Baillie Gifford & Co 2024.