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Ewan Wilson (EW): Good morning, everyone, and thank you for joining the latest webinar update on our long-term global growth strategy. I'm Ewan, a senior associate in our consultant relations team based in Edinburgh, and I'll be your host today. I'm delighted to be joined by Diana Phillips, investment specialist director.

Before we get started, just some housekeeping. The information discussed in this webinar is based on the strategy and may differ from the vehicle you are invested in. Over the next 20 minutes or so, we'll walk through the market backdrop, performance of the strategy and how the portfolio is positioned today. This is an interactive webinar, so please feel free to get involved and ask questions. You can use the Q&A button at the right of the screen and we'll do our best to address as many as possible.

So, just a quick reminder on the strategy. Long-term global growth is one of our flagship strategies. With assets currently standing at around \$54 billion, the strategy takes a bottom-up approach, looking beyond the mega caps that we're so familiar with today and identifying exceptional growth companies with the potential to grow many multiples over the next decade.

Diana, as we're all aware, there's been a lot of noise and uncertainty in the markets, from the direction of inflation and tariffs to questions over valuations and, of course, the continued development of AI. There's a lot keeping us busy at the moment.

But let's start there. Despite everything that's played out, global markets have still delivered positive returns. Can you walk us through what we've seen over the period?

Diana Phillips (DP): Absolutely. Thank you so much, Ewan, and thank you to you all for dialling in. I wish you a really fruitful 2026 and all the very best for the year ahead. I hope it's a year filled with opportunity, because opportunity is really the word I'd like to emphasise.

Amid the noise and uncertainty of the last several years, which has been amplified over the course of the last year, long-term global growth has been fixated on long-term opportunity. In periods of heightened uncertainty, for us as long-term unconstrained investors, we think the opportunity set has never been more exciting.

Yes, there has been a lot of noise around markets, tariffs, AI, bubbles and valuations. But as long-term investors, we remain resolutely focused on longer-term opportunity. When we observe markets over the last several years, we can all agree they've been dominated by a very narrow set of companies, the so-called Magnificent Seven. For us as investors who are unconstrained by indices and can build portfolios from the bottom up, we're seeing many opportunities that are being overlooked by markets today.

Those market participants anchored to a very narrow index are probably facing a dilemma about what to do with their capital. For us as unconstrained investors, we remain excited by the opportunity set.

To touch on artificial intelligence, we've been speaking with companies in the portfolio, with founders and with people like Mark Zuckerberg and Sam Altman. Many of them are saying that spending on AI is an existential matter today. When we look at the shape of the portfolio, we're reassured by how forward-looking it is.

We think change is going to accelerate, driven by artificial intelligence, and adaptability will be critical going forward. We're reassured by the number of founder-led businesses in the portfolio, about 70 per cent today, which we think gives those businesses a real edge in adapting in a rapidly changing environment.

EW: Thanks, Diana, that's really helpful context. A good segue into the strategy itself. On performance, how has long-term global growth fared?

DP: Over the course of the last year, returns were very strong for the strategy. Relative to the benchmark, we did lag by a low single-digit margin, driven by some of the volatility we saw, particularly in the fourth quarter of the year.

What I would observe is the solid operational progress that companies in the portfolio continue to make. They're growing revenues and earnings and adapting to the changing environment. It's also interesting to note what has driven that strong absolute performance. It hasn't been the narrow, index-dominating companies.

Our performance has come from a broader array of companies, many of which barely register in global indices today. A good example is Rocket Lab, a relatively new purchase for long-term global growth. It's a space company performing exceptionally well, winning large new contracts. Last year it had a high degree of successful rocket launches with its small Electron rocket launcher and is on track to deliver its next-generation Neutron rocket over the first half of this year. There is plenty of opportunity for growth ahead and it's a good example of how broad and diverse the growth drivers within LTGG really are.

EW: That's great. Rocket Lab is a particular favourite of mine and one of those outliers not many people will have heard of. It's great to see continued customer momentum and revenue growth there.

Let's move on to portfolio positioning. Where has the team been most excited in terms of new positions, and have there been any notable sales?

DP: We continue to be very long-term. Turnover is under 20 per cent for the strategy. We're looking to invest in companies for the next five to 10 years and much longer.

Over the course of the year, and particularly in the last quarter, there was some portfolio activity as we sought to take advantage of market volatility. There were two new purchases in the fourth quarter, Duolingo and Axon.

Duolingo is expanding its opportunity set. While many people associate it with learning languages such as Spanish, French and English, you can now also learn maths, improve your maths, learn chess and music, and take English proficiency tests, which are helpful for employment opportunities.

We also purchased Axon, which is building global digital infrastructure for public safety. It supplies technology to police and public safety agencies, including tasers, body-worn cameras and drones, and has cloud-based AI software for digital evidence management.

We made two sales in the fourth quarter, exiting BioNTech and Datadog, where we felt they no longer met the high hurdle for inclusion within long-term global growth.

EW: Thanks for that, Diana. We've had a question come through on MercadoLibre. Could you share how the team is currently thinking about the company?

DP: MercadoLibre is a company we first invested in in 2023. For those not familiar with it, it's an e-commerce and fintech company based in Latin America and represents about 3 per cent of long-term global growth today

There are several exciting growth opportunities ahead. E-commerce penetration in Latin America is still low by global standards, about 13 per cent versus a global average of around 22 per cent and as much as 30 per cent in China.

The fintech business is also interesting. MercadoLibre means 'free market' and this part of the business delivers reliable, low-cost financial services, including to previously unbanked customers, via mobile applications. Revenues are compounding at around 30 to 40 per cent.

There is also a potential third growth opportunity in advertising. It's a high-conviction holding within the strategy and one we're particularly excited about.

EW: That does sound exciting. Thanks for walking us through that. Another question we've had is about what gives the team most confidence about the opportunity set today. Are there any trips or recent research that spring to mind?

DP: There's been a lot of activity over the last year, with several trips to the US and China, and we have another trip to China in the first quarter of this year. It's important for us to be out speaking with management teams, competitors and other founders to understand how the opportunity set is changing and how companies are embracing rapidly evolving technology.

These trips have been helpful in reassuring existing investment cases and informing us about how the opportunity set is changing. We've also just published a new podcast from one of the investors on the team focused on artificial intelligence, which I'd encourage you to listen to.

Looking at the portfolio today, what excites us are the companies in it and the strong fundamentals we see.

Around 95 per cent of companies in the portfolio are self-financing, either free cash flow or earnings positive. Revenue growth and free cash flow growth are around four times that of the average company in the index, and earnings growth is around two and a half times greater.

In terms of balance sheets, 74 per cent of the portfolio is sitting on net cash. Across every characteristic we look at, the portfolio is in strong shape. What's particularly exciting is that the valuation premium versus the broader market is around the narrowest we've seen in a decade. Strong growth and fundamentals, at a price that's among the cheapest we've seen in about a decade, is very exciting for us as long-term investors.

EW: That's great to hear. Another question that's come through is about the evolution of the 10-question framework. Has there been any development since the emergence of AI?

DP: The 10-question framework has been remarkably consistent since the inception of the strategy in 2004. There have been two small evolutions rather than radical changes.

One was adding adaptability to question four, in response to rising uncertainty and the importance of adaptability in that environment. The other was evolving question five to emphasise societal considerations, which we think are important over our five- to 10-year horizon.

Other than that, the framework has remained consistent. It's used for every company in the portfolio, both existing holdings and new ideas, and helps us calibrate opportunity across a wide and diverse set of ideas.

The consistency of the framework is important, but so is the ambition inherent in the questions. The bar for inclusion in LTGG is incredibly high. We want a concentrated portfolio of the world's most exciting growth opportunities over the next five to 10 years.

We need a high degree of certainty that a company can quintuple in size over our holding period. The framework helps us narrow the opportunity set into a portfolio of best ideas.

EW: Thank you for running through that, Diana, and for your time today. Thank you to everyone for dialling in. We really appreciate you taking the time to join us.

Before we close, we have a wealth of insights available on our website and LinkedIn pages. Please sign up to our monthly mailing to receive those. In the resource tab on the right-hand side of your screen, you'll find recent insights, including one from Cloudflare and a piece titled 'Some Like It Hot' on why growth stocks can be a defensive allocation in portfolios.

We also have more webinars coming up, including International Growth on Tuesday. Please feel free to sign up. As always, if you have any questions following today's call, please reach out to your dedicated relationship manager at Baillie Gifford. Thank you.

Long Term Global Growth

Annual past performance to 31 December each year (%)

	2021	2022	2023	2024	2025
Long Term Global Growth Composite (gross)	3.2	-46.0	38.2	26.6	17.8
Long Term Global Growth Composite (net)	2.4	-46.4	37.3	25.7	16.9
MSCI ACWI Index	19.0	-18.0	22.8	18.0	22.9

Annualised returns to 31 December 2025 (%)

	1 year	5 years	10 years
Long Term Global Growth Composite (gross)	17.8	2.8	16.7
Long Term Global Growth Composite (net)	16.9	2.1	15.9
MSCI ACWI Index	22.9	11.7	12.3

Source: Revolution, MSCI. US dollars. Returns have been calculated by reducing the gross return by the highest annual management fee for the composite. 1 year figures are not annualised.

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