

Portfolio Update

Q2 2025

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

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Hello and thanks for tuning in to our second quarter portfolio update for 2025. I'm Chloe Darling-Stewart, an Investment Specialist with Scottish Mortgage.

Over the next 10 minutes, I'll share some insights from our portfolio companies - how they're navigating geopolitical turbulence and what we've learned about resilience, adaptability and long-term ambition.

We'll explore the fierce competition for capital in the portfolio and how we're recycling it into what we believe are the next generation of transformational growth companies. And of course, we'll take a closer look at performance.

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At Scottish Mortgage, our purpose is simple: to deliver good long-term returns to our shareholders by backing the world's most exceptional growth companies. We aim to offer a low-cost, liquid portfolio of both public and private businesses, operating at the forefront of innovation.

The first half of 2025 has been turbulent, marked by volatility, geopolitical uncertainty and cautious consumer sentiment. But beneath the surface noise, many of the companies we back have delivered impressive operational results.

They have grown more resilient, more disciplined and in many cases, more profitable. That matters, especially in an unpredictable world.

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Spending Time With Company Founders

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Rather than speculating on unpredictable headlines, we've focused on what we can learn directly from company leadership. Our reputation as long-term, supportive shareholders, grants us rare and privileged access to company management teams.

This quarter alone, we spent over 6 hours with the management team at MercadoLibre, sat down with Daniel Ek at Spotify and had in-depth conversations with the founder of NuBank – now the world's largest independent digital bank outside China.

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These conversations give us something quarterly earnings never can: insight into how these leaders think. What's striking is how little time these leaders spend worrying about the noise. Instead, they're doubling down on their long-term missions – whether that's integrating AI into operations, expanding globally or reallocating capital with discipline.

They're not afraid to make hard decisions – cutting costs, shifting strategy – because they're focused on creating long-term value, not short-term comfort.

Resilience in Action: Diamonds Are a Trust's Best Friend

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"In an environment defined by unpredictability, resilience is not a secondary virtue; it is central to long-term success"



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In this environment, resilience isn't optional. It's a competitive edge.

We've seen this clearly across our portfolio:

- Amazon is a great example. It has streamlined operations post-pandemic, unlocking a more productive fulfilment network – and positioning itself for an AI-driven future.
- Shopify, the operating system for retailers, has shed logistics assets to refocus on its core mission. CEO Tobi Lütke recently told staff: before requesting new hires, prove why AI can't do the job.
- DoorDash has quietly grown into a scalable logistics platform – now stretching across food, retail, and local delivery.
- Cloudflare is improving profitability while positioning itself as a foundational enabler of AI infrastructure.

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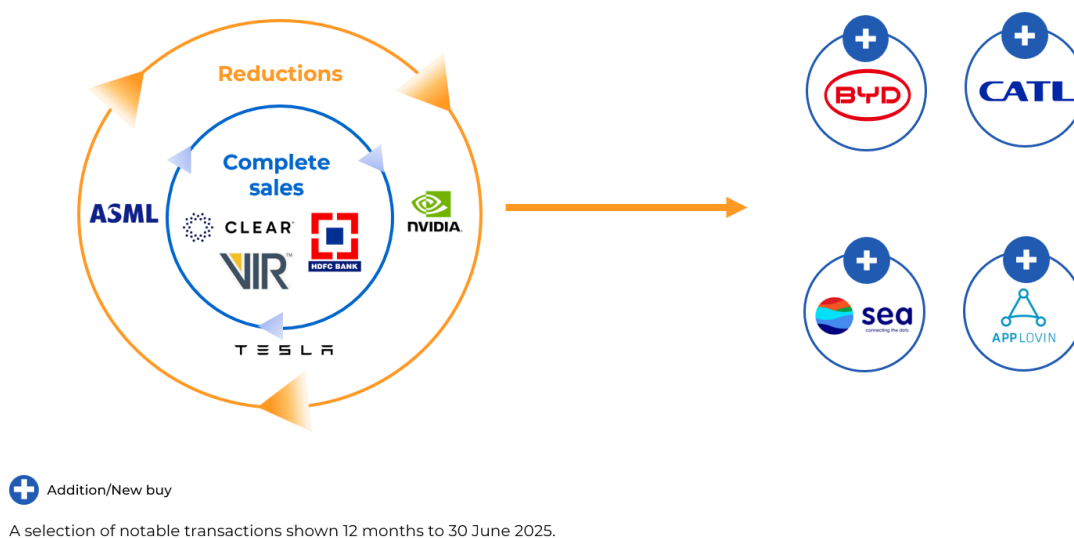
These companies don't just endure shocks – they adapt and emerge stronger.

Pressure reveals fragility, or it creates diamonds. As investors, we seek those that show strength under strain – those that learn, adapt and accelerate.

Recycling Capital

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The Next Generation of Transformational Growth



The nature of long-term investing means planting seeds today that may become the giants of tomorrow. Companies that could shape the next decade.

Portfolio turnover remains low, typically 10-20 per cent, but competition for capital in the portfolio is fierce.

In the gold bubble, you'll see areas where we've reduced exposure – In well-known names like Tesla, ASML, and NVIDIA.

- With NVIDIA, it's not a loss of conviction, but discipline. At a \$4 trillion valuation, asymmetric upside is harder to find.
- We reduced ASML and redeployed capital further down the semiconductor value chain, into TSMC, the world's largest independent foundry.

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We have added to companies leading the next wave of innovation, such as:

- BYD, China's EV powerhouse
- SEA Ltd, a Southeast Asian platform excelling in ecommerce and gaming

We also made 2 new purchases:

- CATL – the world's largest EV battery maker with a global market share of nearly 40 per cent.
- Applovin – a lesser-known but fast-growing ad tech firm helping app developers monetise more effectively.

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Change Drives Growth



Portfolio exposure weightings are estimated and only for illustrative purposes. A selection of stocks are shown as at 30 June 2025. Logos courtesy of companies.

If you want to invest in the biggest winners, find the companies harnessing powerful waves of change – new technologies, new markets, new behaviours.

History shows that only a small handful of companies drive the majority of market wealth.

At Scottish Mortgage, we're focused on those outliers – the innovators, the disruptors, the market-makers. Companies that don't seek to just compete, but create.

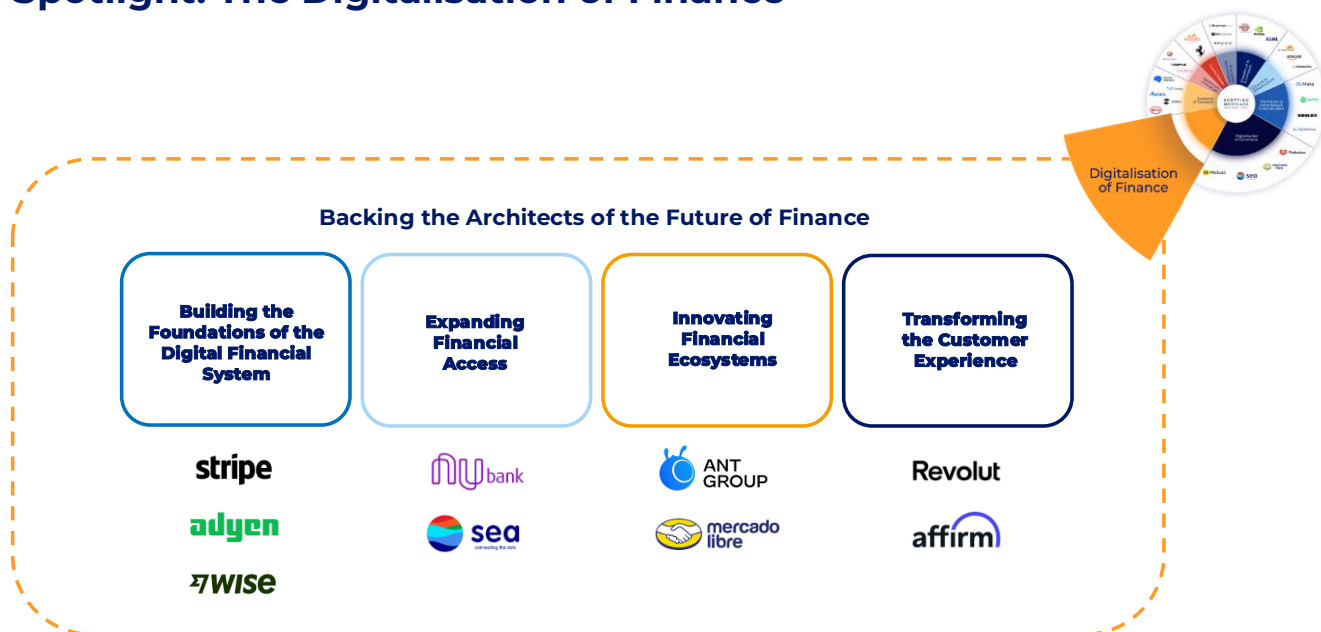
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This slide shows some of the key growth trends in our portfolio – from AI and autonomous vehicles to new frontiers in healthcare and computing.

Let's take a moment to highlight one of these themes: the digitalisation of finance.

Spotlight: The Digitalisation of Finance

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Portfolio exposure weightings are estimated and only for illustrative purposes. A selection of stocks are shown as at 30 June 2025.

Around the world, a quiet financial revolution is underway. It's reshaping how we save, spend and send money.

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We're backing the architects of a new financial system — those building the infrastructure, platforms and tools that will define how money moves and how people engage with finance in the years ahead.

- Stripe, Adyen and Wise are building the infrastructure for global payments – faster, cheaper and more reliable.
- NuBank and Sea Ltd are expanding access, bringing financial services to millions in emerging markets
- MercadoLibre and Ant Group are building powerful ecosystems, combining commerce, credit and payments
- And firms like Revolut and Affirm are reinventing the customer experience with simplicity and control at the core.

At Scottish Mortgage, we're backing the companies rethinking finance from the ground up – building faster, more inclusive systems that will define the future of finance.

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Now to performance.

Scottish Mortgage is a globally unconstrained portfolio of public and private companies, with a 5- to 10- year investment horizon. And we ask our shareholders to view performance through a similarly long-term lens.

Over the past 5 years, we have underperformed our benchmark. That reflects both the impact of rising interest rates and inflation in 2022 – which hit growth-focused portfolios like ours especially hard – as well as a handful of stock-specific disappointments.

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But headline numbers don't tell the whole story. Beneath the surface, there's been meaningful progress. The companies we back haven't stood still – they've been evolving, learning and adapting to a rapidly changing world, just as we have.

While we don't manage the portfolio with a one-year time horizon, and don't believe growth investing should be judged over such short periods, we recognise that shorter-term returns matter to our shareholders.

And in that context, it's encouraging to see strong performance in the twelve months to the end of June.

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What stands out is the breadth of contribution – from businesses based across the globe. From the US, companies like Tesla, SpaceX and Roblox; from Europe, Sweden's Spotify; and from Latin America, MercadoLibre, a fintech and ecommerce powerhouse.

This recent performance is a testament to the resilience of the portfolio, and to the strength and adaptability of the companies we continue to support.

To sum up.

Resilience is our edge. We back businesses that learn fast, adapt decisively, and keep building in the face of uncertainty.

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Across the portfolio, we've seen companies becoming more efficient, generating more cash, and making tangible progress in the long-term themes we've followed for decades, like AI, electrification and personalised medicine.

Periods of rapid change are rarely comfortable, but they are rich with opportunity.

And while the road ahead may be no smoother than the one behind us, our mission remains unchanged: to find the world's most exceptional growth companies, support them for the long term, and let them do the heavy lifting on behalf of our shareholders.

We'll continue to share insights as the year unfolds. Until then, thank you for your time, and for your continued trust in Scottish Mortgage.

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Scottish Mortgage Annual Past Performance To 30 June each year (net %)

	2021	2022	2023	2024	2025
Share Price	62.8	-46.1	-6.3	33.4	17.5
NAV*	70.1	-38.8	1.9	15.1	19.3
Benchmark**	25.0	-3.6	11.7	20.4	7.8

Performance figures appear in GBP. NAV is calculated with borrowings deducted at fair value for 1, 3 and 5 years and par value for 10 years. *NAV = Net Asset Value. **FTSE All World Index (GBP) TR. Performance source: Morningstar and relevant underlying index provider, total return.

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- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 except:
 - (1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA,
 - (2) where no consideration is or will be given for the transfer;
 - (3) where the transfer is by operation of law; or
 - (4) pursuant to Section 276(7) of the SFA or Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.