
POSITIVE CHANGE – EXPLORING THE FOUR THEMES

There are many ways in which businesses can support the transition to a more sustainable world for current and future generations, so to make it easier for us to think about and articulate how companies are addressing global challenges, we have created four impact themes. Meet the members of the Positive Change team as they introduce the four themes.

The value of an investment in Positive Change can rise as well as fall and investors may not get back the amount invested.

This communication was produced and approved in April 2019 and has not been updated subsequently. It represents views held at the time of recording and may not reflect current thinking.

Kate Fox (KF): Positive Change has two objectives of equal importance.

Lee Qian (LQ): Positive Change aims to deliver attractive investment returns over the long run and also to deliver a positive change on society by contributing towards a more sustainable future.

KF: Positive change is a very broad and subjective topic, so we've identified four impact themes which helps us think about and articulate how companies are addressing global challenges.

Kieran Murray (KM): The challenge is that income and wealth inequality have risen, with approximately 260 million children worldwide having no access to education. We believe the solution is investing in companies that build a more inclusive society. One that improves quality and accessibility of information.

An example company that we invest in is Alphabet that is an exciting growth company that through its search platform, Google, provides free access to information to billions of people across the world.

Michelle O'Keefe (MO): The challenge is that human activities can have a detrimental impact on the environment, such as climate change, which can limit global development. The solution is to invest in companies that can reduce environmental impact of economic activities and increase resource efficiency. We invest in renewable energy, which is a big growth area, through offshore wind producer Ørsted.

Julia Angeles (JA): The major challenge of the modern healthcare system is that it remains reactive rather than proactive. What it means for patients is that they get too sick to be cured when they reach the doctor. Human biology is complex. We need to have tools that allow us to interrogate human biology, and also, tools that help us to address the underlying causes of disease.

One of the companies that actually helps us to unravel the human biology is Illumina. They provide genomic sequencing tools. What that allows us to do is to actually understand what we are built from and what leads to diseases, and that leads to better diagnostic tools and also, treatments.

Will Sutcliffe (WS): The base of the pyramid refers to the challenges faced by the world's least affluent people; in particular, the four billion or so people living around the world on annual incomes of less than



\$3,000 per capita. What we're looking for are companies that are addressing the unmet needs of people at the base of the pyramid.

So, that might be companies providing basic goods, like food or healthcare, in an affordable or efficient manner, or it might be companies providing services that are helping these people to transition from low income to middle income status. An example we invest in would be Bank Rakyat in Indonesia.

Now, access to basic financial services is one of the most powerful ways of kick starting financial inclusion, which in turn, helps to promote income growth and raise standards of living.

LQ: The four themes are intentionally broad. They aim to capture a wide range of challenges our society is facing, both social and environmental in nature.

KF: Once we've analysed and discussed a company and decided to take a holding, that's the point at which we decide which theme they fit. And of course, companies can address more than one theme. The four themes help us identify ways in which we can help savers contribute to a more sustainable world for current and future generations.

LQ: And also build profitable businesses that rewards shareholders over the long term.

If you are interested to find out more about how we invest or how we measure the impact of our portfolio, take a look at some of the other videos and information on our website www.bailliegifford.com.

The views expressed in this film are those of the speakers and should not be considered as advice or a recommendation to buy, sell or hold a particular investment. No reliance should be placed on these views when making investment decisions.

This recording does not constitute, and is not subject to the protections afforded to, independent research. Baillie Gifford and its staff may have dealt in the investments concerned.

All information is sourced from Baillie Gifford & Co and is current unless otherwise stated. This is a financial promotion from Baillie Gifford & Co Limited.

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 outwith 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.

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 and is authorised by the Central Bank of Ireland. Through its MiFID passport, 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 plc in Germany. 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"). It does not constitute a branch and therefore does not have authority to commit Baillie Gifford Investment Management (Europe) Limited. It is the intention to ask for the authorisation by the Swiss Financial Market Supervisory Authority (FINMA) to maintain this representative office of a foreign asset manager of collective assets



in Switzerland pursuant to the applicable transitional provisions of FinIA. Baillie Gifford Investment Management (Europe) Limited is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co.

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 licence 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 Room 3009-3010, One International Finance Centre, 1 Harbour View 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

This material is provided on the basis that you are a wholesale client as defined within s761G of the Corporations Act 2001 (Cth). Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth). It is exempt from the requirement to hold an Australian Financial Services License under the Corporations Act 2001 (Cth) in respect of these financial services provided to Australian wholesale clients. Baillie Gifford Overseas Limited is authorised and regulated by the Financial Conduct Authority under UK laws which differ from those applicable in Australia.

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

Oman

Baillie Gifford Overseas Limited ("BGO") neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently, BGO is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. No authorization, licence or approval has been received from the Capital Market Authority of Oman or any other regulatory authority in Oman, to provide such advice or service within Oman. BGO does not solicit business in Oman and does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. The recipient of this document represents that it is a financial institution or a sophisticated investor (as described in Article 139 of the Executive Regulations



of the Capital Market Law) and that its officers/employees have such experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This strategy is only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved. This does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents, or consultants in connection with the addressee's consideration thereof). Baillie Gifford Overseas Limited has not been and will not be registered with Qatar Central Bank or under any laws of the State of Qatar. No transactions will be concluded in your jurisdiction and any inquiries regarding the strategy should be made to Baillie Gifford.

Israel

Baillie Gifford Overseas 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 document is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

