

Our ref: 8971/AM

## Fund merger for Baillie Gifford Sustainable Growth

The Baillie Gifford Sustainable Growth fund that you invest in as part of a model portfolio set up by your financial adviser is due to merge into a newly created 'Z' share class of the Baillie Gifford Global Alpha Paris-Aligned fund. The merger will take place on **22 May 2026**. Following the merger, you will not be able to purchase additional shares in this 'Z' share class.

You'll see the new fund on your valuations and statements after that date.

**Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.**

### How the merger will affect your account

- **The value of your fund holding** – The merger may affect the value of your fund holding. The Investment Adviser will, as far as possible, align the assets held by the merging fund with those held in the continuing fund prior to the effective date. It is estimated that approximately 79% of the underlying holdings of the merging fund's portfolio will need to be realigned. The costs of the realignment will be met by the merging fund and are estimated to be 0.41% of the merging fund's value.
- **Phased investment and Rebalancing** – Any instructions using the fund will automatically continue. These will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **Direct Debits** – If you are paying into the fund by Direct Debit future payments will either buy units in your other assets proportionally, or go into cash, depending on how your adviser set up the model portfolio. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **Treasured assets** – if you have treasured the fund to be excluded when deducting units to meet certain scheduled payments from your account (for example charges and ongoing adviser fees), this arrangement will stop. You can arrange to treasure different assets by providing us with a new treasured asset request form.

Cash may not be suitable for your long-term investment needs. If you're happy for the amount to stay in cash, you don't need to do anything. Your financial adviser will take any action that needs to be taken and help to answer any questions you may have.

### A note about cash in your account

We don't take any product or service charges on your cash balance (although the value is still included in the total value calculation for the charge). Instead, we pay you a rate of interest on cash in your account and we are paid by retaining a proportion of the interest we receive from our banking partners.

You can find more information, including the current interest rate payable and how much interest we retain, on our website at [quilter.com/interest-on-cash](https://quilter.com/interest-on-cash).

- The merger **won't change the fund's risk profile**. You can see more information about the new fund in its Key Investor Information document, available online at [quilter.com/Baillie-Gifford-SG](https://quilter.com/Baillie-Gifford-SG). Please note, it may not reflect the charges applicable when accessing the fund through us.

## Why the funds are merging

Following a strategic review undertaken by Baillie Gifford & Co of their 'Sustainable Growth' investment strategy, it was concluded that the merging fund should close. They are of the view that it is in shareholders' best interests to close the merging fund and offer a suitable alternative to shareholders through a merger with the continuing fund.

The continuing fund is an established fund that forms part of the broader flagship Baillie Gifford Global Alpha strategy. It takes a balanced approach to growth investing and has a comparable performance objective, whilst retaining a better historic performance record over the past three years than the merging fund.

You can find more information about the old and new funds below.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely,



### Callum Earl

Head of Client Services

## Fund objectives

Current fund Baillie Gifford Sustainable Growth	New fund Baillie Gifford Global Alpha Paris-Aligned
<p><b>Fund objective:</b> To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, over rolling five-year periods by investing (at least 70%) in companies covering a broad range of sustainability topics but whose products or services are creating value for society by addressing significant global challenges.</p> <p>In order to be considered as addressing a significant global challenge, a company's products or services must be aligned with one or more of the following headline themes:</p> <ol style="list-style-type: none"><li>1. People (the welfare of people) sub-themes may include, but are not limited to:<ul style="list-style-type: none"><li>• enhancing access to healthcare, extending healthy life expectancy (good health and wellbeing, reducing deaths and illnesses from infectious disease);</li><li>• deepening financial inclusion (equality of rights to economic resources and financial services, strengthening financial institutions to expand services for all); and</li><li>• delivering essential infrastructure (clean water and sanitation, developing reliable and sustainable infrastructure to support economic development and human wellbeing);</li></ul></li><li>2. Planet (the condition of the planet), sub-themes may</li></ol>	<p><b>Fund objective:</b> To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, over rolling five-year periods.</p> <p>The fund also aims to have a carbon footprint that is lower than that of the MSCI ACWI EU Paris Aligned Requirements Index. The fund will invest at least 90% in shares of companies.</p> <p>It will be actively managed and is not constrained by the Index. It will invest in companies in any country and in any sector, subject to any exclusions identified by the Investment Adviser's screening processes. The purpose of the Investment Adviser's screening processes is to ensure that the fund invests in a way which is, in the Investment Adviser's opinion, in alignment with the Paris Climate Agreement by excluding carbon intensive companies that do not, or will not, play a role in the transition to a low-carbon future.</p>

include, but are not limited to:

- doing more with less (responsible consumption and production);
- preserving natural capital (enhancing conservation and sustainable use, reducing habitat degradation); and
- mitigating and adapting to climate change (taking climate-related action); and

3. Prosperity (broadening prosperity across society) sub-themes may include, but are not limited to:

- lowering barriers to entrepreneurship (enhancing opportunities for small and medium enterprises);
- supply chains with integrity (encouraging companies to adopt transparent practices); and
- providing fair and decent work (safe and secure working environments, equal opportunities and ending discrimination).

These headline themes and sub-themes align with the United Nations Sustainable Development Goals (“UN SDGs”) which serve as a universal blueprint for achieving peace and prosperity for society and the environment.

To ensure a company's products or services are meeting the sustainability objective, the Investment Adviser will assess either the revenue or profits derived from the company's products or services.

The fund will invest at least 70% in shares or other transferable securities of companies anywhere in the world, provided the Investment Adviser considers such companies are addressing significant global challenges (according to themes set out in the investment objective above). The fund is actively managed and may invest in companies of any size and in any sector.