

Dear Members of the Board,

We are writing to request that you provide the Company's shareholders, as a matter of urgency, with full transparency regarding (1) your knowledge of Baillie Gifford's decision to materially reduce EWI's stake in SpaceX and (2) any connection between this sale and your decision to pursue a merger with the Baillie Gifford US Growth Trust (USA:LSE) ("USA").

As the largest shareholder in the Company, we are deeply concerned at the recent sell-down by Baillie Gifford of the Company's stake in SpaceX – the crown jewel of the Company's portfolio – just two months prior to SpaceX's scheduled revaluation, in a move that appears to defy commercial logic. We are particularly concerned that this sale was instead motivated by a desire on the part of both Baillie Gifford and you, the Board, to facilitate a merger of the Company with USA.

SpaceX is the defining asset in EWI's portfolio and the primary reason why many shareholders purchased EWI shares in the first place. Losing out on a significant portion of the gains represented by SpaceX's recent revaluation represents a serious misstep. We believe that, before voting at the general meeting on 20 January 2026, shareholders deserve answers to critical questions regarding Baillie Gifford's decision to sell down the position, the Board's knowledge of this decision and what the Board has done in response to investigate.

A Questionable Timeline: Why Sell SpaceX Two Months Before a Scheduled Revaluation?

Based on the companies' respective monthly factsheets, EWI and USA reduced their SpaceX holdings in October by approximately 35% and 49%, respectively. Regrettably, neither trust provides an accessible archive of these monthly factsheets, which means many retail investors may have been unaware of the severity of the sales until we recently put them in the spotlight.

SpaceX Holdings in Baillie Gifford Investment Trusts (September – October 2025)

Company	SpaceX Holding as of 30 Sept	SpaceX Holding as of 31 Oct	Change (percentage points)	Change (percentage)
USA	11.5%	5.9%	-5.6pp	-48.7%
EWI	13.0%	8.4%	-4.6pp	-35.4%
MNTN	9.1%	7.5%	-1.6pp	-17.6%
SMT	7.6%	7.6%	0.0pp	0%

The timing of this sell-down is suspicious for a number of reasons:

- 1. It is widely known that SpaceX typically runs company-controlled liquidity events roughly twice a year, with a recurring December window.** It is reasonable to expect that Baillie Gifford would have known that SpaceX would be conducting a revaluation in December 2025.¹ However, instead of waiting for the revaluation, Baillie Gifford sold a substantial portion of EWI and USA's stakes in SpaceX in October 2025 – at a valuation that appears to have been materially below the December valuation.
- 2. In early December 2025, news reports emerged that SpaceX was preparing for a possible public offering in 2026 at a rumoured valuation of about \$1.5 trillion.**² SpaceX subsequently set its valuation at approximately \$800 billion³, leading EWI to report an upward revaluation of SpaceX on 16 December 2025. However, the Company's announcement failed to disclose that it had heavily reduced its stake just two months earlier.⁴ By not disclosing its recent sell-down, the Company will have given many shareholders the mistaken impression that the revaluation was a positive development while obscuring the fact that the revaluation served to confirm the extent of the losses suffered by shareholders. Our calculations show that the October SpaceX sell-down resulted in an estimated £37 million loss for EWI shareholders (approximately 4.4% of EWI's £831.55 million in total assets).⁵
- 3. It is hard to believe that the merger discussions were not already well underway at the time of the SpaceX sell-down in October.** A merger between EWI and USA is complex and would have required weeks, if not months, of planning. Within EWI's announcement⁶ of the proposed merger, on 2 December 2025, the Board signalled as much by indicating that it was in "advanced discussions with the Board of USA regarding a proposed merger between the two companies ... The terms of the merger ... have been substantively agreed between the two Boards." This announcement also makes clear that Baillie Gifford was involved in these discussions when it states: "The merger would deliver ... Significant contribution from Baillie Gifford to the costs of implementing the combination through a management fee waiver...". It also is reasonable to expect that the Board would have known, during these merger discussions, that SpaceX would be conducting a revaluation in December 2025.
- 4. If the SpaceX sell-down had not happened, the merger of EWI and USA would most likely not have been possible.** The merger, if successful, would have combined the two companies' holdings in SpaceX. If those holdings had not been sold down prior to the merger, the merged company's combined position would have been well above 20% of its total portfolio after conducting the tender, which would likely have prevented it from obtaining the necessary tax treatment under the UK investment trust regime – without this, the merger would not have been feasible.

¹ During an [interview with CNBC](#) dated 19 Dec. 2025, EWI Chairman Jonathan Simpson-Dent stated, "Baillie Gifford are talking to them all the time, as you'd expect the manager to be doing." Mr. Simpson-Dent was referring to EWI's portfolio companies, which include SpaceX.

² [Bloomberg article](#) dated 9 Dec. 2025.

³ [Bloomberg article](#) dated 12 Dec. 2025.

⁴ EWI announcement dated 16 Dec. 2025.

⁵ As at 16 December 2025. Based on the December 2025 valuation of SpaceX of \$800 billion and total EWI assets of £831.55 million as at 30 November 2025.

⁶ [EWI announcement](#) dated 2 Dec. 2025.

5. While four Baillie Gifford-managed investment trusts invest in SpaceX, significant sell-downs only occurred in EWI and USA – the two trusts that subsequently unveiled plans to pursue a potential merger.

This all begs the question: was the SpaceX sell-down only executed to facilitate this ill-conceived merger? If so, this would suggest that the Board and Baillie Gifford prioritised their own interests at the expense of shareholders.

A Self-Serving Mission: Who Was Incentivized to Sell Down EWI's Stake?

Selling down EWI's "highest conviction position"⁷ at a price far below its current valuation – and without consulting shareholders – is self-evidently unacceptable. What is even more troublesome is that both Baillie Gifford and the Board – in particular, Mr. Simpson-Dent – appear to have had strong incentives to push for a merger between EWI and USA. A merger would have enabled Baillie Gifford to retain the combined mandate for EWI and USA, while also requiring us to sign a standstill that would prevent us from advocating for shareholders' interests in the future.

Our due diligence also indicates that the merger would likely have enabled Mr. Simpson-Dent to gain a leadership position on the combined company's board, a reward that would come at shareholders' expense.

Shareholders Deserve Answers Before They Vote on the Composition of EWI's Board

Saba is just one of many shareholders who are deeply troubled by the SpaceX sell-down and frustrated by the Board's silence on this critical issue. After weeks of waiting, it is time for the Board to answer the following important questions:

1. At what valuation did Baillie Gifford sell EWI's SpaceX assets in October 2025, and to whom?
2. Why did EWI not communicate the sell-down to the market at the time of the sale?
3. Before executing the October 2025 sale, did Baillie Gifford and/or the Board know a SpaceX revaluation was scheduled for December 2025? If so, why didn't it wait until the revaluation event before reducing EWI's stake?
4. What was Baillie Gifford's stated rationale for the reduction in EWI's SpaceX holding? Was facilitating the potential merger with USA a factor?
5. Were Mr. Simpson-Dent or other members of the Board aware that Baillie Gifford intended to reduce EWI's position in SpaceX prior to the October 2025 sale occurring? Did Baillie Gifford consult with any of them prior to reducing the position? If so, did the Board approve of the decision?
6. When was the merger between EWI and USA initially proposed, and by whom? When did Baillie Gifford become aware of this proposal?
7. Why did the Board never reach out to shareholders (including Saba, EWI's largest shareholder) to gauge whether there was support for the merger?

⁷ EWI [announcement](#) dated 17 Dec. 2025 and [circular](#) dated 23 Dec. 2025.

8. We have heard from various sources that, over the past 12 months, the chairmen of the seven investment trusts that were part of our original December 2024 campaign have used disappearing WhatsApp messages to communicate with each other about Saba. At any point, have Mr. Simpson-Dent and Tom Burnet, the Chairman of USA, used disappearing WhatsApp messages to discuss the proposed merger and/or the decision to sell down SpaceX?
9. Since October 2025, what steps has the Board taken to hold Baillie Gifford accountable for selling down at significantly below the current valuation of SpaceX?

The Board's Apparent Deference to Baillie Gifford Is Alarming

Shareholders deserve full transparency ahead of the 20 January general meeting. We request that, by no later than 9 January 2026, the Board provide direct, unambiguous answers to these questions.

Unless and until we receive satisfactory responses to these questions and concerns, we reserve all of our rights, including to issue proceedings on behalf of EWI.

This debacle reinforces our concern that Mr. Simpson-Dent and the incumbent Board appear incapable of serving as an effective check on Baillie Gifford. Let me remind you that your role is to always act in shareholders' best interests, even when that conflicts with what may be best for the manager.

Sincerely,

Boaz Weinstein
Founder and Chief Investment Officer
Saba Capital Management, L.P.

