

BAILLIE GIFFORD

Baillie Gifford Managed Fund

30 June 2022

Baillie Gifford Update

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 51 partners with average 19 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Investment Proposition

The strategy seeks to produce long-term capital growth by combining an active stockpicking approach in our regional equity portfolios with the best ideas from our Rates & Currencies and Credit teams, covering interest rate and active currency views, along with investment grade and high yield corporate bond opportunities. In addition, we take active asset allocation positions. These are driven by the views of our investment teams, based on the availability of attractive long-term investments in each area.

Fund Facts

Fund Launch Date	01 April 1987
Fund Size	£6219.6m
IA Sector	Mixed Investment 40-85% Shares
Active Share	83%*
Current Annual Turnover	13%

*Estimate relative to a weighted composite of representative indices.
Source: Baillie Gifford & Co, Bloomberg Barclays, JP Morgan, MSCI.

Fund Manager

Name	Years' Experience
Iain McCombie*	28
Steven Hay	28

*Partner

Fund Objective

To achieve capital growth over rolling five-year periods.

The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	-15.6	-28.3	1.8	4.8
Comparator (%)*	-7.0	-6.4	3.1	3.6

Performance source: FE, total return in sterling.

*Comparator refers to Comparator Benchmark: IA Mixed Investment 40-85% Shares Sector.

Discrete Performance

	30/06/17- 30/06/18	30/06/18- 30/06/19	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22
Class B-Acc (%)	11.5	7.2	16.1	26.9	-28.3
Comparator (%)*	4.9	3.7	0.0	17.2	-6.4

Performance source: FE, total return in sterling.

*Comparator refers to Comparator Benchmark: IA Mixed Investment 40-85% Shares Sector.

Market Background

Recent market volatility has been driven by ongoing concerns about rising inflation, interest rate hikes, quantitative tightening and whether recession looms. None of these are areas where we believe have an edge in predicting outcomes versus the market. Even if we were confident in our assessment, we are not market timers and are only too conscious that making changes to the Fund, positioning it for one macroeconomic outcome versus another, could be value destructive. Therefore, as ever, our focus is on the individual companies in which we invest and answering the question of whether, from today's starting point, they can meet our return hurdles over the next five years.

Performance

The Fund fell in absolute terms over the quarter, underperforming the comparator benchmark. While it remains ahead of benchmark over its time horizon of five years and beyond, performance over 12 months is significantly behind.

The above-mentioned worries have weighed heavily on the share prices of the types of long-term growth companies in which we invest for the Fund. As always, there are some issues at select companies, however underperformance was primarily driven by the very difficult market environment, as opposed to deteriorating fundamentals at portfolio holdings. Weakness has therefore been fairly broad-based across the portfolio.

Ecommerce platform Shopify, and the ad buying platform The Trade Desk were amongst the largest individual detractors from performance over both the quarter and 12 months to end June. The pace of growth has slowed at Shopify as we emerge from pandemic-restricted retail. The company expects to remain loss making as it invests heavily in developing its logistics capabilities. We are supportive of the potential for investment now to reap long-term rewards and we believe that recent share price falls underestimate Shopify's value. The Trade Desk was affected by weakening investor sentiment. The rise of streaming is creating new inventory that is more suited to being bought on platforms like The Trade Desk and the company's recent growth has been strong. We view The Trade Desk as a potential consolidator of online ad spending and as an exciting long-term opportunity. Online homewares retailer, Wayfair also detracted over both 12 months and the quarter. The company is working through a fall in revenues following super-normal demand for its products. As a consumer squeeze seems increasingly prolonged, Wayfair is likely to face a challenging headwind in the short-medium term, and we have made reductions to the holding since the turn of the year to reflect that. Whilst each of these three businesses faces short-term challenges, our forward-looking hypotheses remain in-tact. Bond holdings fell in absolute terms over the quarter and 12 months to end June although weakness

has been less pronounced than in equity holdings thus fulfilling the role of providing diversification.

As ever, some holdings performed positively over the quarter and 12 months to end June, albeit these were outweighed by the detractors. Holdings which contributed to performance were in many cases ones with positive exposure to the wider environment. For example, companies with commodities exposure, such as Brazilian oil company Petrobras and mining giant BHP contributed, as did Standard Chartered, which has benefited from rising interest rates.

Bond holdings fell in absolute terms over the quarter and 12 months to end June, although weakness has been less pronounced than in equity holdings thus fulfilling the role of providing diversification. We hold a select portfolio of the best bonds globally, which can add to returns while also providing balance versus an actively managed growth equity portfolio. The Fund's overall exposure to fixed income has slightly increased, largely as a result of market movements but also as yields look more attractive – particularly in developed market government bonds – than they have done for some time.

Notable Transactions

Alongside our ongoing analysis of existing holdings, we continue to find new ideas for inclusion in the fund. New purchases include online grocery pioneer Ocado, civil and defence engineer Babcock, the luxury goods company Richemont, gaming company Roblox and UK motor insurer Sabre Insurance. Meanwhile, we sold part of the Fund's holding in BHP Group following the unification of its corporate structure under the Australian arm which we continue to hold. Japanese online platform Kakaku was also sold, as was a holding Chinese ecommerce player JD.com.

New Purchases

Stock Name	Transaction Rationale
Babcock International	Babcock is an international business operating in both the civil and defence sectors. Its naval operations are wide ranging, encompassing everything from the manufacture and supply of Type 31 frigates to the Royal Navy, through to the deep maintenance and life support of the UK's surface warships and submarine fleet. These activities include the supply of critical components and support services for the UK's nuclear armed Vanguard Class submarines. Its defence footprint also spans air and land operations domestically and internationally, whilst the company has successfully leveraged its nuclear capabilities into civil applications where it plays critical roles in decommissioning, maintenance and new build programmes. The business lost its way under previous management and is going through an ambitious transformation programme under a capable new CEO and CFO pairing, whom we know and respect from previous roles. They have already made significant strides addressing financial, cultural and organisational challenges and have a clear vision that we believe has the potential to transform the long-term growth and profitability of the business. As such, we have decided to take a holding.
Cemex ADR	Cemex is one of the world's leading cement producers, with substantial market shares in Mexico, the US and Europe. It is relatively indebted and operationally leveraged to a recovery in cement usage for infrastructure spending and construction. Cemex has been at the forefront of industry moves to reduce carbon emissions through the use of alternative fuels and carbon capture. Its low carbon brand now accounts for over a third of sales. Recently the shares have been weak and do not reflect Cemex's long-term growth and profitability prospects. As a result, we took a holding.
Ocado	We have taken advantage of a placing of new shares to take a new holding in Ocado, which we have monitored for a number of years. Ocado is a pioneer of dedicated online grocery shopping in the UK. Despite significant share price weakness over the last year, we believe the online segment could continue to grow for many years with the market too fixated on trading post the lockdown boom. Most traditional food retailers have struggled with the difficult economics of an online offering - their naturally manual approaches lack scalability and, as customer demand rises sharply, their search for a technology solution is highly pressing. Through significant, focused investment in bespoke software and hardware for more than a decade, Ocado has developed an advanced, highly-automated grocery fulfilment system. Promisingly, it is now starting to export its technology platform to markets outside the UK and has signed agreements with leading grocery retailers in the US, Japan, France, Sweden, Canada and Australia. We do not think the current valuation is reflective of the long-term potential for the technology platform to unlock a significant share of the global online food retail market. And the fund raising we took part in further strengthens their balance sheet to allow them to invest and capitalise on these opportunities.
Richemont	We took a new position in Richemont for the portfolio. Richemont is the world's leading hard luxury goods company, with well entrenched leadership in jewellery (Cartier, Van Cleef & Arpels) and watches (Cartier, Piaget, Baume & Mercier). We have long admired the strength of its businesses, all of which are focused on brand heritage and long-term development. We also believe minority shareholders have been closely aligned with the key shareholder, the Rupert family, and have been well looked after over time as the group has increasingly focused on its key luxury brands.
Roblox	We have taken a new holding in Roblox for the portfolio. We believe this User Generated Content game company faces a long runway for growth in bookings because of the multiple monetisation drivers available to it. This includes growth of traditional in-game transactions, initiatives underway to expand supply in the avatar marketplace, and partnerships with brands and musicians which have the potential to unlock significant and underappreciated revenue streams. At the same time, there is meaningful scope to grow the user base as Roblox has shown early evidence of ability to expand beyond its historic user base of young children, while also growing its user base in new geographies. This growth has been primarily organic with very little customer acquisition cost, which underpins attractive free cash margins. Finally, the company's founder has demonstrated admirable persistence and long-termism in sticking to his vision, and has taken a thoughtful and original systems-based approach to business structure which we believe raises the likelihood that the company can continue adapting over long periods.

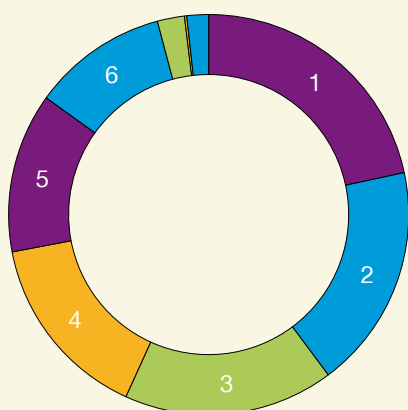
Sabre Insurance Gp	Sabre Insurance is a specialist UK motor insurer with an outstanding underwriting track record which appears to be achieved through a relentless focus on pricing risks correctly as, unlike many other businesses, it does not make significant amounts from selling ancillary products. Having shrunk in recent years as the motor market has seen inadequate price rises to offset rising costs of claims, we think that a reckoning is coming for other insurers that have not been as prudent, which could bode well for Sabre's growth profile in the next few years. In the meantime, it has managed to find growth avenues in the motorcycle and taxi markets through well-timed and very low cost distribution deals with specialist brokers in both markets.
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Complete Sales

Stock Name	Transaction Rationale
Ashtead 4% 2028 (144A)	Ashtead, the UK headquartered equipment rental business with the bulk of its activities in the US, has proven very resilient to the ups and downs of a cyclical industry and seen steady improvements in its credit rating and market perception over time. As a result its bonds have performed well and have been used as a source of funding.
BHP Group Ltd - DI	Following the decision to unify its previous dual corporate structure under the Australian arm, we have been left with a holding that is no longer classified as a UK stock. To remain owners we needed to have a strong conviction in the business but as the shares have performed well this year, partly helped by its exposure to the oil price, and there no longer being a discount between the UK and Australian share prices of the company, we have decided to sell the holding and invest in businesses where we have a stronger conviction.
JD.com	We sold this small holding in Chinese e-commerce retailer, JD.com which was spun off by Tencent.
Kakaku.com	Kakaku.com operates a series of price and service comparison websites in Japan as well as a restaurant listing site, Tabelog. We think that competition in its core markets is likely to increase, and while we note promising new businesses elsewhere in the Kakaku group, we do not think these will be enough to maintain growth at a satisfactory level. We therefore decided to sell the holding.

Fund Name	Update
Baillie Gifford Managed Fund	<p>Fixed income markets continue to be volatile with inflationary pressures building but the spectre of a recession is looming large as central banks suppress demand with tighter monetary policy. Bond yields rose significantly once again during the quarter (with a resultant price decrease) before falling back sharply in the final few days of June as the recessionary narrative came to dominate. Against this backdrop we have kept the fixed income portion of the Fund reasonably close to neutral in terms of exposure to changes in government bond yields, given such an uncertain outlook. The Fund retains exposure to select emerging markets, particularly ones which have already tightened monetary policy to combat inflation such as Peru, Brazil and Chile. To protect against the risk of a global recession we increased the position in Japanese yen during the quarter, which we expect to appreciate strongly as a safe-haven currency.</p> <p>The Fund remains underweight investment grade corporate bonds in favour of select high yield bonds. Slowing growth and higher bond yields are likely to put pressure on some lower-rated companies, particularly those which need to refinance, and default rates are expected to rise from low levels. However, in some cases we believe some good quality companies are now offered on very attractive yields. Our approach seeks to identify those with high levels of resilience which can survive during periods of stress and offer greater levels of compensation than their higher-rated peers. An example purchased during the quarter was Venture Global Calcasieu, a new liquid natural gas export terminal in southern USA. The company has already secured six blue-chip clients on 20-year supply contracts and, in our view, there is a strong likelihood of a significant rating upgrade to investment grade status.</p>

Geographic Exposure



		%
1	UK	21.6
2	Europe (ex UK)	18.2
3	Overseas Bonds	17.0
4	North America	15.2
5	Developed Asia Pacific	12.9
6	Emerging Markets	11.0
7	UK Bonds	2.2
8	Index Linked	0.2
9	Cash & Derivatives	1.7

A negative cash position may sometimes occur due to obligations awaiting settlement.

Top Ten Equity Holdings

Stock Name	Description of Business	% of Portfolio
Prosus	Portfolio of online consumer companies including Tencent	1.4
Tesla Inc	Electric vehicles, autonomous driving and energy company	1.2
AstraZeneca	Multinational pharmaceuticals company	1.1
The Trade Desk	Advertising technology company	1.1
Diageo	International drinks company	1.1
Moderna	A clinical stage biotechnology company	1.0
TSMC	Semiconductor manufacturer	1.0
Rio Tinto	Metals and mining company	1.0
St. James's Place	UK wealth manager	1.0
Bunzl	Distributor of consumable products	0.9
Total		10.8

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	137	Companies	20	Companies	8
Resolutions	1886	Resolutions	43	Resolutions	18

In the absence of an agreed definition of Environmental, Social & Governance (ESG), it is important for investors to be transparent, honest and clear about what they are doing

Ratings should be used with caution or as an input to a more comprehensive analysis process

We should stay focused on the potential for real-world change rather than just trying to look good based on today's numbers

Company Engagement

Engagement Type	Company
Corporate Governance	ASML Holding N.V., Adyen N.V., AstraZeneca PLC, Babcock International Group PLC, Hargreaves Lansdown plc, Housing Development Finance Corporation Limited, James Fisher and Sons plc, Marks and Spencer Group plc, Meituan, Moderna, Inc., NIBE Industrier AB (publ), PT Bank Rakyat Indonesia (Persero) Tbk, PageGroup plc, Rio Tinto Group, Sabre Insurance Group plc, Shopify Inc., St. James's Place plc
Environmental/Social	ASML Holding N.V., Alcoa Corporation, Allegro.eu, Amazon.com, Inc., Antofagasta plc, Ashtead Group plc, Breedon Group plc, CEMEX, S.A.B. de C.V., Duolingo, First Quantum Minerals Ltd., Kingspan Group plc, Li Ning Company Limited, Moderna, Inc., Rightmove plc, Ryanair Holdings plc, Samsung Electronics Co., Ltd., Tesla, Inc., The Weir Group PLC, Wayfair Inc., Wizz Air Holdings Plc
AGM or EGM Proposals	Abcam plc, Amazon.com, Inc., Atlas Copco AB, Carvana Co., Cloudflare, Inc., Dassault Systèmes SE, Delivery Hero SE, Fraport AG, HEXPOL AB (publ), HomeServe plc, Informa plc, Just Eat Takeaway.com N.V., Keyence Corporation, Kingspan Group plc, Kuehne + Nagel International AG, LendingTree, Inc., MISUMI Group Inc., Makita Corporation, MarketAxess Holdings Inc., Mettler-Toledo International Inc., Moderna, Inc., Murata Manufacturing Co., Ltd., NextEra Energy, Inc., Nidec Corporation, Ocado Group plc, Penumbra, Inc., Recruit Holdings Co., Ltd., Redfin Corporation, Rio Tinto Group, Roblox Corporation, Schibsted ASA, Shopify Inc., Standard Chartered PLC, The Trade Desk, Inc., Trainline Plc, Ubisoft Entertainment SA, Z Holdings Corporation
Executive Remuneration	Informa plc, Persimmon Plc, Trainline Plc

Asset Name	Fund %	Asset Name	Fund %
Equities			
UK			
AstraZeneca	1.13	Bellway	0.19
Diageo	1.06	Games Workshop Group	0.19
Rio Tinto	0.98	Close Brothers	0.18
St. James's Place	0.96	Breedon Group	0.18
Bunzl	0.92	Abcam	0.18
Unilever	0.77	Schroders Nv.	0.17
Prudential	0.73	Molten Ventures	0.16
Legal & General	0.72	Renishaw	0.15
RELX	0.67	Enquest	0.14
Inchcape	0.62	Helical	0.12
Baillie Gifford British Smaller Cos Fund C Acc	0.59	Ocado	0.11
Standard Chartered	0.55	Keller	0.11
HomeServe	0.54	Wise Plc	0.10
Rightmove	0.52	IntegraFin	0.10
Howden Joinery Group	0.51	Sabre Insurance Gp	0.10
Hikma Pharmaceuticals	0.51	Just Eat Takeaway.com	0.06
Auto Trader	0.48	Exscientia Ltd ADR	0.04
Experian	0.48	Fisher (James) & Sons	0.04
Persimmon	0.46	Total UK	21.64
Burberry	0.43	North America	
Weir	0.41	Tesla Inc	1.21
Ashtead	0.37	The Trade Desk	1.06
Informa	0.37	Moderna Inc	1.04
Lancashire Holdings	0.36	Amazon.com	0.90
Marks & Spencer	0.34	Shopify 'A'	0.69
PageGroup	0.34	CoStar Group	0.52
Hiscox	0.29	NVIDIA	0.49
Intermediate Capital Group	0.28	Illumina	0.47
Hargreaves Lansdown	0.28	Abiomed	0.47
Just Group	0.27	Watsco Inc	0.46
IG Group	0.26	First Republic Bank	0.41
Volution Group	0.26	Netflix Inc	0.40
Victrex	0.23	Alnylam Pharmaceuticals	0.40
Halma	0.22	Zoom	0.38
Babcock International	0.22	Workday Inc	0.36
Melrose Industries	0.21	Snowflake Inc	0.34
Bodycote	0.20	Novocure Ltd	0.34
FDM Group	0.20	Roku	0.34
Genus	0.20	Datadog	0.33
Trainline Plc	0.19	Twilio Inc	0.33
Euromoney Institutional Investor	0.19	Cloudflare Inc	0.33
		Chewy	0.31

Asset Name	Fund %	Asset Name	Fund %
Wayfair Inc	0.28	Allegro.eu	0.45
Denali Therapeutics	0.24	Nibe Industrier AB 'B' Shares	0.44
MarketAxess Holdings	0.24	Reply Spa	0.44
Appian Corp	0.23	Kinnevik	0.44
Duolingo Inc	0.22	adidas	0.42
Doordash Inc	0.21	Dassault Systemes	0.42
Chegg	0.21	Zalando SE	0.39
Penumbra Inc	0.19	Nexans	0.37
Coursera Inc	0.18	Takeaway.com	0.36
Snap Inc	0.17	Spotify Technology SA	0.35
10X Genomics Inc Class A	0.16	FinecoBank Banca Fineco S.p.A.	0.33
Affirm Holdings Inc Class A	0.16	Epiroc B	0.33
Hashicorp Inc	0.15	Delivery Hero AG	0.31
Pinterest	0.13	Rational	0.29
Teladoc	0.13	Wizz Air Holdings Plc	0.27
Ginkgo Bioworks Holdings Inc	0.12	Ubisoft Entertainment	0.27
Roblox	0.11	Auto1 Group Se	0.26
Rivian Automotive Inc	0.10	HelloFresh SE Ordinary	0.25
Lemonade Inc	0.09	Kuehne & Nagel	0.24
Redfin	0.09	Beijer Ref	0.22
Peloton Interactive Inc	0.06	Aker Horizons	0.19
Recursion Pharmaceuticals Inc	0.06	Ryanair ADR	0.10
Carvana	0.06	Total Europe (ex UK)	18.16
Sana Biotechnology Inc	0.04		
Total North America	15.22	Developed Asia Pacific	
Europe (ex UK)		Baillie Gifford Japanese Smaller Cos Fund C Acc	0.84
Prosus N.V.	1.45	Olympus	0.65
Adyen Nv	0.79	Hong Kong Exchanges & Clearing	0.57
Sartorius Stedim Biotech	0.75	United Overseas Bank	0.56
ASML	0.74	SMC	0.47
IMCD Group NV	0.73	Shiseido	0.45
Kingspan Group	0.70	Shimano	0.45
Kering	0.68	SBI Holdings	0.44
Avanza Bank Holding	0.67	MS&AD Insurance	0.44
Atlas Copco B	0.65	SoftBank Group	0.44
Schibsted B	0.63	Washington Soul Pattinson	0.35
Mettler-Toledo	0.63	James Hardie Industries	0.34
Richemont	0.61	Recruit Holdings	0.34
Hexpol AB	0.53	BHP Group Ltd (Aus. listing)	0.33
DSV	0.49	Galaxy Entertainment Group	0.33
Ryanair	0.49	AIA Group	0.31
Adevinta	0.47	Sugi Holdings	0.31
		Techtronic Industries	0.31

Asset Name	Fund %	Asset Name	Fund %
Murata	0.30	Geely Automobile Holdings	0.44
Denso	0.27	MercadoLibre	0.44
Cochlear	0.25	B3 S.A.	0.40
FANUC	0.25	Grupo Financiero Banorte O	0.37
Unicharm	0.25	HDFC Corp	0.35
Fast Retailing	0.24	Cemex ADR	0.33
CyberAgent Inc	0.22	ICICI Prudential Life Insurance	0.31
Treasury Wine Estates	0.22	First Quantum Minerals	0.28
Nintendo	0.22	NAVER Corp	0.21
Nidec	0.22	SEA Ltd ADR	0.20
Tsingtao Brewery 'H'	0.21	Zai Lab HK Line	0.08
Makita Corporation	0.21	Norilsk Nickel ADR	0.00
REA Group	0.18	Sberbank Spon ADR	0.00
Keyence	0.18	Total Emerging Markets	10.95
Xero Ltd	0.17	Total Equities	78.88
System Corp	0.17	Fixed Income	
Misumi	0.16	UK Bonds	
Ryman Healthcare Ltd	0.15	Credit	2.19
Hoshizaki Corp	0.14	Total UK Bonds	2.19
Z Holdings Corp	0.13	Overseas Bonds	
MonotaRO Co	0.13	Credit	6.65
Pigeon	0.13	Government	10.34
Kobe Bussan Co Ltd	0.12	Index Linked	0.19
Asahi Group Holdings	0.11	Total Overseas Bonds	17.18
Suzuki Motor Corp	0.11	Total Fixed Income	19.37
Thai Beverage PCL (Singapore)	0.10	Cash & Derivatives	
freee K.K.	0.10	Cash & Derivatives	1.75
iFAST Corp	0.05	Total Cash & Derivatives	1.75
Mesoblast	0.02		
Total Developed Asia Pacific	12.91		
Emerging Markets		Total Fund	100.00
TSMC	1.00	Please note the fund information contained within this document is confidential, proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.	
Tencent	0.84	As at March 3rd 2022, five Russian holdings have been valued at zero by our Fair Value Pricing Committee due to the ongoing issues in the Russian market: Magnit, Norilsk Nickel, Moscow Exchange, Ozon and Sberbank.	
Alibaba Group Holding	0.77		
Li Ning	0.77		
Petrobras Common ADR	0.70		
Meituan	0.68		
Samsung Electronics	0.64		
Reliance Industries Ltd	0.58		
Ping An Insurance	0.53		
Samsung SDI Co Ltd	0.51		
Bank Rakyat Indonesia	0.49		

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	01 April 1987	GB0006010168	0601016	0.40	0.42
Class B-Inc	01 April 1987	GB0006007909	0600790	0.40	0.42

Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. The specific risks associated with the Fund include:

- Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at bailliegifford.com.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, bailliegifford.com.

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. The comparative index for this Fund is the median of The Investment Association Mixed 40-85% Shares Sector. As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

Throughout the report, all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further Information

Any comments expressed in this report should not be taken as a recommendation or advice. This report does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary. This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Fund does not offer capital protection.

Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Investment Advice Law (“Qualified Clients”).

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Contact Us

For further information about the Fund or Baillie Gifford’s range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at bailliegifford.com or email crtallenquiries@bailliegifford.com.

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