Baillie Gifford™

Baillie Gifford Global Alpha Growth Fund

31 December 2023

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 57 partners with average 20 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 Fund invests in an actively managed portfolio of stocks from around the world with the intention of delivering significantly higher total returns than the MSCI ACWI Index. We focus on companies which we believe offer above average profit growth and we invest with a long-term (5 year) perspective. The Fund's three dedicated investment managers draw on a combination of their own investment ideas and those of our various investment teams to produce a portfolio that typically holds 70-120 stocks.

Fund Facts

Fund Launch Date	08 March 2010
Fund Size	£2678.3m
IA Sector	Global
Active Share	82%*
Current Annual Turnover	16%
Current number of stocks	96
Stocks (guideline range)	70-120

*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

Fund Manager

Name	Years' Experience
Malcolm MacColl*	24
Spencer Adair*	23
Helen Xiong*	15

*Partner

Fund Objective

To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Global Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	9.7	13.1	-0.7	10.8
Index (%)*	6.4	15.9	8.8	12.3
Target (%)**	6.9	18.2	11.0	14.5
Sector Average (%)***	6.8	12.7	5.7	10.6

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class and Sector returns calculated using 10am prices, while the Index is calculated close-to-close.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
*MSCI ACWI Index.
**Target refers to Target Benchmark: MSCI ACWI Index (in sterling) plus at least 2% per annum over rolling five-year periods.
***IA Global Sector.

Discrete Performance

	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Class B-Acc (%)	28.8	32.0	8.7	-20.3	13.1
Index (%)*	22.4	13.2	20.1	-7.6	15.9
Target (%)**	24.8	15.5	22.5	-5.8	18.2
Sector Average (%)***	21.9	15.3	17.7	-11.1	12.7

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class and Sector returns calculated using 10am prices, while the Index is calculated close-to-close.
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***IA Global Sector.

Market environment

The final quarter of 2023 proved to be a rewarding period for stock markets. US equity investors enjoyed impressive gains due to resilient corporate earnings and the prospect of a potential economic soft landing thanks to the recent dovish tone from the Federal Reserve. The latter has potentially meaningful implications for growth assets. Elsewhere, in Latin America and Europe, this positive sentiment was also palpable where stock markets also enjoyed a rally. China, on the other hand, continued to experience headwinds after billions of dollars had fled the market amidst property market woes and economic slowdown. But despite this backdrop, the IMF still expect a 5.4% growth rate for China in 2023.

While this improved sentiment and potential signs of stability in markets are welcome, we still maintain that companies' destinies over the long term are determined not by macroeconomic factors but by underlying fundamentals and operational progress.

Performance

The Fund has outperformed the MSCI ACWI Index over the period, with an eclectic mix of holdings from North America driving outperformance. Among the top contributors were building materials company CRH and financial services business Moody's Corporation.

CRH's share price increased after a positive earnings update, reflecting positive momentum and strong commercial progress across its key markets of North America and Europe. CRH's capital allocation under the leadership of Albert Manifold has been impressive, and the market responded positively to the completion of the latest phase of its share buyback programme, which has seen the company return a further $1 billion to shareholders. During the quarter, Moody's reported 15% overall revenue growth year-over-year, with the core ratings business growing at 18% year-over-year. Moody's has also progressed with its generative AI strategy, announcing a new collaboration with Google to utilise generative AI technologies for improved financial analysis.

Detractors from performance included the Chinese insurance group Ping An Insurance and programmatic advertising platform The Trade Desk (TTD). Ping An Insurance has seen its shares come under pressure due to concerns over China's property market and slower-than-expected economic recovery. During the quarter, after careful consideration of the portfolio’s wider exposure to Asian insurance companies, we decided to sell the holding in Ping An. Our growing concern over the potential for the company to be caught up in the regulatory cycle outweighed our conviction in its future growth. TTD has been a strong performer in the portfolio this year, with its share price up 65% year-to-date. In its latest set of results, revenue growth was slightly ahead of expectations but guidance disappointed. The company's expected revenue growth of 18% in Q4 does, however, still far exceed the growth of the broader advertising industry and that of the digital advertising industry. Looking out over the longer term, our investment case for TTD is intact. Programmatic advertising still only represents less than 5% of total advertising spend, but the shift of TV viewing into the internet domain will unlock a massive portion of this.

Notable transactions

Over the quarter, our key investment decisions have been focused on maintaining a calm and disciplined approach to portfolio management. We have sold out of companies where evidence of strong execution was lacking (Illumina and Farfetch) and where we've seen signs of deterioration in capital discipline coupled with ESG risks (Rio Tinto). We have also made some reductions and recycled capital into existing holdings where companies have shown evidence of disciplined execution which is not yet reflected in the share price (DoorDash, Meta Platforms). We have also added to recent purchases such as NVIDIA and Block to reflect our strengthening conviction.

Finally, we have taken new holdings in a diverse range of companies. These include the Chinese battery manufacturer CATL and the world’s largest luxury goods company LVMH. CATL is the world's largest battery maker with a 37% global market share, and the technological and cost leader in the industry. Its competitive advantage stems from its scale, vertical integration, and reputation and relationships with Original Equipment Manufacturers (OEMs). As the demand for batteries is expected to grow significantly in the coming years, and following its valuation reset, CATL is an exciting addition to the portfolio. LVMH manages 75 luxury brands, including many of the oldest and most famous (such as Louis Vuitton, Tiffany and Dior). The company is supported by powerful growth drivers such as rising affluence in Asia and the growing trend for luxury goods purchases to be made online. The company has built a considerable competitive moat based on excellent operational execution, skilful capital allocation, and diversification across different types of luxury goods. We believe it is well-positioned to grow in the high single digits per annum for the next 5 years, if not beyond.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2023

Stock Name	Contribution (%)
Ryanair	0.4
CRH	0.4
Moody's	0.3
Martin Marietta Materials	0.3
Shopify	0.3
Block Inc	0.2
ExxonMobil	0.2
Adyen	0.2
Cloudflare	0.2
Service Corporation International	0.2
Ping An Insurance	-0.3
The Trade Desk	-0.2
Prosus	-0.2
Albemarle	-0.2
Shiseido	-0.2
Markel	-0.1
AJ Gallagher & Co	-0.1
Genmab	-0.1
Broadcom	-0.1
Alibaba	-0.1

One Year to 31 December 2023

Stock Name	Contribution (%)
CRH	0.9
Ryanair	0.7
Martin Marietta Materials	0.6
Meta Platforms	0.6
Shopify	0.6
Moody's	0.4
Doordash	0.4
Amazon.com	0.3
The Trade Desk	0.3
Entegris	0.3
NVIDIA	-1.1
Elevance Health Inc	-1.0
Apple	-0.8
Moderna	-0.8
Royalty Pharma	-0.7
Prosus	-0.7
AIA	-0.6
Shiseido	-0.6
Alnylam Pharmaceuticals	-0.6
Olympus	-0.6

Source: Revolution, MSCI. Baillie Gifford Global Alpha Growth Fund relative to MSCI ACWI Index.
Some stocks may only have been held for part of the period.
All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.
As Attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Transactions from 01 October 2023 to 31 December 2023.

New Purchases

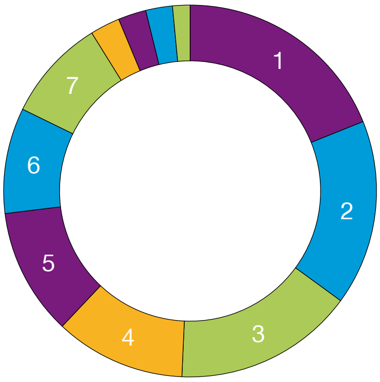
Stock Name	Transaction Rationale
Block	Block is a collection of financial services businesses linked by a common mission: to advance economic empowerment and inclusion. The two most important businesses today are Square, which enables merchants to accept card payments and provides ancillary software services, and Cash App, a personal payment app. We think both have attractive competitive positions and growth trajectories. Square can continue to drive penetration in merchants, offer more software services, and expand internationally, which should be helped by the company's acquisition of buy-now-pay-later firm AfterPay. Cash App is still in its infancy, and can expand beyond peer-to-peer payments to other financial services such as savings and perhaps, one day, loans. Block is however more than simply these two businesses. Stewarded by the leadership of Jack Dorsey, we expect the company to continue to innovate and nurture new businesses and revenue streams. We're excited by what Block might look like in 5 or 10 years' time.
CATL	CATL is a Chinese manufacturer of lithium-ion battery cells with a dominant market share both in cathode chemistries (LFP) and form factors (prismatic) which are poised to grow through electric vehicle uptake and energy storage. The company is a national champion in China, which is the world's largest EV and electricity generation market, and it is well aligned with the state's decarbonisation objectives and emphasis on Chinese self-sufficiency in the hard sciences and technology. Beyond its home market, CATL's future growth could be further fuelled by its operations in Europe where it already has a manufacturing presence and North America, where it currently commands a 15% market share. We like the magnitude and duration of the growth opportunity combined with CATL's market leadership, which we believe can prove defensible thanks to the company's partnerships with traditional automakers (e.g. Volkswagen and Ford) who are making the shift to electric vehicles and relying on CATL's cell-to-pack battery technology to do so. The share price currently ascribes little value to its ex-China growth prospects which has provided us with an attractive entry point.
LVMH	We have taken a new holding in the world's largest luxury conglomerate, LVMH. Thanks to the excellent capital allocation skills of long-term owner-manager Bernard Arnault, today the group manages 75 luxury brands. These include many of the oldest and best-known in the world, such as Louis Vuitton, Dior, and Tiffany. We believe LVMH is supported by powerful growth drivers such as rising affluence across Asia and the growing trend for luxury goods purchases to be made online. LVMH is a quality compounder that has built a considerable competitive moat based on excellent operational execution, skilful capital allocation, and diversification across different types of luxury goods. The company enjoys the benefits of scale having reached a size that makes it increasingly difficult for the company to be disrupted by competitors. The company is now trading at a more attractive valuation than earlier in the year, making the upside case easier to model.
PDD	We have taken a new position for you in Chinese e-commerce platform, Pinduoduo (PDD). PDD offers a socially-driven, entertaining and low-cost shopping experience for its 900 million users in China. It operates both a core e-commerce channel where take-rates are rising, and DuoDuo Grocery where it is becoming an increasingly relevant seller of fresh-food groceries in China. Its group-purchase model results in better deals for consumers. We believe there is an attractive opportunity as PDD continues to take market share from competitors and increase its take-rate by broadening into branded goods and new categories. Furthermore, it has recently launched an international platform, Temu, providing another channel for growth. We believe that a combination of broad investor sentiment surrounding China, along with the misunderstanding that the market is applying to PDD's business model (due to immaturity, and the fact that it's not been profitable for long) makes this an attractive opportunity where we have a differentiated view. With the share price off ~48% from peak in early 2021, we believe this is a good time to take a new holding.

Texas Instruments	Texas Instruments is the leading global supplier of analogue chips, which are semiconductors that process real-world signals like light, heat, and sound. In the decade ahead, we expect to see continued strong demand for the company's products, driven by secular trends such as the digitisation of industrial and automotive functions, the ongoing building of data centres, and the electric vehicle revolution. These trends require increasing numbers of analogue chips and Texas Instruments is poised to benefit. Recently the company's profits have been impacted by higher depreciation and it making significant investments in new production facilities. This capital expenditure has impacted free cash flow in the short-term but our view is that it will ensure a cost advantage over the next decade. We believe we are close to the nadir for free cash flow and see this as an opportunity to invest in a high-quality company with a differentiated culture that is managed with the long-term interests of shareholders in mind.

Complete Sales

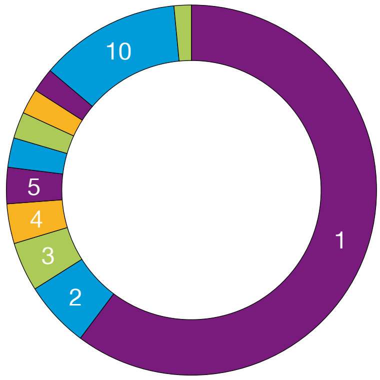
Stock Name	Transaction Rationale
Farfetch	After careful consideration, we have decided to sell your modest holding in Farfetch, the online luxury goods platform. Our original investment thesis centred around the company's investments in technology and forging partnerships, which aimed to create a leading platform in an industry with significant potential to move online. However, recent rumours surrounding its potential go-private deal, the subsequent delay in releasing its Q3 earnings report and the withdrawal of previous guidance have raised concerns about the company's future prospects and management's ability to execute its strategy effectively. Given these concerns and the lack of visibility into the company's future path, we have decided to divest from Farfetch.
Illumina	Following a period of regulatory scrutiny and management changes at the company, we have decided to sell your holding in gene-sequencing company Illumina. Bought for the portfolio in 2019, we believed that Illumina was at the forefront of a tipping point in gene-sequencing adoption and technology to make it more accessible and affordable. Illumina has played a key part in lowering the costs of gene sequencing - accelerated by the pandemic. However, we believe that competition in the core genome sequencing market is rising, and the regulatory fall-out from Illumina's attempted, and failed, acquisition of diagnostics business Grail, has caused us to lose confidence in the Board and management.
Rio Tinto	We have decided to sell your holding in Rio Tinto, the metals and mining giant, due to recent management changes and strategic shifts that have led us to reassess our investment thesis. The new CEO and chair's intentions to ramp up capital expenditure and engage in mergers and acquisitions in the coming years, combined with their limited experience in the mining sector, raise concerns about their ability to maintain capital discipline and avoid value destruction. Additionally, Rio Tinto's plans to build the Simandou iron ore project in West Africa carry significant financial and reputational risks, given the company's troubled history with projects like Juukan Gorge and the findings of the Broderick report. The iron ore industry's capital discipline, which has been a key driver of profitability in recent years, is showing signs of weakening, potentially limiting shareholder returns. In light of these concerns, we have decided to divest from Rio Tinto and evaluate alternative investment opportunities.

Sector Exposure



		%
1	Consumer Discretionary	18.9
2	Information Technology	16.1
3	Financials	15.7
4	Industrials	11.3
5	Health Care	11.0
6	Communication Services	9.2
7	Materials	8.9
8	Energy	2.6
9	Real Estate	2.4
10	Consumer Staples	2.3
11	Cash	1.5

Geographic Exposure



		%
1	United States	60.2
2	Ireland	5.8
3	Japan	4.3
4	India	3.5
5	Netherlands	3.2
6	China	2.6
7	Sweden	2.3
8	Brazil	2.2
9	France	2.1
10	Others	12.3
11	Cash	1.5

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading, and does not necessarily represent a bank overdraft.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
Microsoft	Technology company offering software, hardware and cloud services	3.7
Martin Marietta Materials	Cement and aggregates manufacturer	3.5
Amazon.com	E-commerce, computing infrastructure, streaming and more	3.4
Moody's	Provider of credit ratings, research and risk analysis	3.3
Elevance Health Inc.	US health insurer	3.3
CRH	Building materials supplier	2.8
Meta Platforms	Social media and advertising platform	2.7
Alphabet	Search platform, software, cloud services and more	2.4
Reliance Industries	Indian conglomerate in energy, textile, digital and financial services and more	2.3
Service Corporation International	Funeral services operator	2.1
Total		29.5

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	6	Companies	3	Companies	1
Resolutions	78	Resolutions	13	Resolutions	1

The strategy continues to ensure our Environmental, social, and corporate governance (ESG) research, integration and stewardship activities are focused on issues material to the investment case and companies' long-term growth prospects

Results of our climate audit show that 23 companies (representing 28% of AUM) have improved their climate audit rating since December 2021

Our engagements this quarter have covered a wide range of topics including employee rights, supply chain transparency, board diversity, and remuneration

Company Engagement

Engagement Type	Company
Environmental	Albemarle Corporation, Amazon.com, Inc., Analog Devices, Inc., BHP Group Limited, Broadridge Financial Solutions, Inc., Contemporary Amperex Technology Co., Limited, NovoCure Limited, Pool Corporation, Reliance Industries Limited, Ryanair Holdings plc, Snowflake Inc., Texas Instruments Incorporated
Social	Amazon.com, Inc., Netflix, Inc., Olympus Corporation, Reliance Industries Limited, Ryanair Holdings plc, Tesla, Inc.
Governance	Adyen N.V., Albemarle Corporation, Alibaba Group Holding Limited, Amazon.com, Inc., Analog Devices, Inc., BHP Group Limited, Broadridge Financial Solutions, Inc., Compagnie Financière Richemont SA, Contemporary Amperex Technology Co., Limited, CyberAgent, Inc., Floor & Decor Holdings, Inc., HDFC Bank Limited, Moderna, Inc., NVIDIA Corporation, Nippon Paint Holdings Co., Ltd., NovoCure Limited, Olympus Corporation, Pool Corporation, Reliance Industries Limited, Schibsted ASA, Sea Limited, Shopify Inc., Tesla, Inc., Texas Instruments Incorporated, The Charles Schwab Corporation
Strategy	Amazon.com, Inc., Reliance Industries Limited, Ryanair Holdings plc, Schibsted ASA, Tesla, Inc.

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, here.

Asset Name	Fund %
Microsoft	3.7
Martin Marietta Materials	3.5
Amazon.com	3.4
Moody's	3.3
Elevance Health Inc.	3.3
Ryanair	3.0
CRH	2.8
Meta Platforms	2.7
Alphabet	2.4
Reliance Industries	2.3
Service Corporation International	2.1
Prosus	2.1
Mastercard	2.1
TSMC	1.5
BHP Group	1.5
Analog Devices	1.4
AIA	1.4
Doordash	1.3
Shopify	1.3
Broadridge Financial Solutions	1.3
Atlas Copco	1.3
S&P Global Inc	1.2
MercadoLibre	1.2
AJ Gallagher	1.2
Alnylam Pharmaceuticals	1.1
HDFC Bank	1.1
Olympus	1.1
Pernod Ricard	1.1
Royalty Pharma	1.1
Cloudflare	1.1
Richemont	1.1
Teradyne	1.1
Charles Schwab	1.1
NVIDIA	1.1
The Trade Desk	1.1
Block	1.0
Advanced Drainage Systems	1.0
CBRE Group Inc	1.0
Entegris	1.0
B3	1.0
Eaton	1.0
CoStar	0.9
Markel	0.9
SMC	0.9
Tesla Inc	0.9
Prudential	0.8

Asset Name	Fund %
SiteOne Landscape Supply	0.8
Schibsted	0.8
Thermo Fisher Scientific	0.8
Epiroc	0.7
Alibaba	0.7
YETI Holdings	0.7
Netflix	0.7
Moderna	0.7
Albemarle	0.7
Datadog	0.6
Shiseido	0.6
PDD Holdings	0.6
adidas	0.6
Adobe Systems	0.6
Chewy	0.6
ASM International	0.6
Sysmex	0.6
Li Auto	0.6
Floor & Decor	0.6
Genmab	0.6
Sands China	0.6
Comfort Systems USA	0.6
SCP Pool Corporation	0.5
CATL	0.5
Estee Lauder	0.5
Samsung Electronics	0.5
Advanced Micro Devices	0.5
Coupang	0.5
Adyen	0.5
Snowflake	0.5
Howard Hughes	0.5
LVMH	0.5
Texas Instruments	0.5
Adevinta	0.5
Sartorius Stedim Biotech	0.5
Nippon Paint	0.4
SEA Limited	0.4
Neogen Corporation	0.4
Certara	0.3
Exact Sciences	0.3
Spotify	0.3
CyberAgent	0.3
Hoshizaki	0.3
Woodside Petroleum	0.3
Wayfair	0.2
STAAR Surgical	0.2

Asset Name	Fund %
Ping An Insurance	0.1
Novocure	0.1
Sberbank*	0.0
Abiomed CVR Line**	0.0
Cash	1.5
Total	100.0

Please note the fund information contained within this document is 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.

*As of March 2022, this Russian holding was valued at zero by our Fair Value Pricing Committee due to the ongoing issues in the Russian market.
**Abiomed was acquired in December 2022 by Johnson and Johnson. Holders received a cash allocation plus non-tradable contingent value rights (CVRs).

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	08 March 2010	GB00B61DJ021	B61DJ02	0.57	0.59
Class B-Inc	16 March 2010	GB00B3PPZ729	B3PPZ72	0.57	0.59

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

MSCI	Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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”).

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.

As with any investment, the clients’ capital is at risk. Past performance is not a guide to future returns.

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

All information as at 31 December 2023 and source is Baillie Gifford & Co unless otherwise stated.

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 bailliegifford.com

Ref: 83421