

## Baillie Gifford Managed Fund

30 June 2024

### About Gifford Update

<b>Philosophy</b>	Long-term investment horizon Growth bias Stock picking approach which results in a portfolio that looks very different from the average
<b>Partnership</b>	100% owned by 58 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

### Fund Facts

Fund Launch Date	01 April 1987
Fund Size	£5514.3m
IA Sector	Mixed Investment 40-85% Shares
Active Share	81%*
Current Annual Turnover	17%

\*Estimate relative to a weighted composite of representative indices.

### Investment Proposition

The Fund seeks to produce long-term capital growth by investing in equities, bonds and cash. The equity portfolio is managed on a regional basis, with our specialist regional teams selecting what they consider to be the best growth stocks in their respective areas. The bond portfolios comprise both corporate bonds chosen by our Credit team and government bonds and currency positions selected by the Global Bond team. The Fund also actively allocates between equities, bonds and cash based on our prevailing view on the long-term attractiveness of each asset class.

### Fund Manager

Name	Years' Experience
Steven Hay	30
Iain McCombie*	30

\*Partner

### Definitions

**IA Sectors** are provided by the Investment Association. These sectors break up the universe of available funds to help investors navigate the large number of available products.

**Active Share** is a measure of the Fund's overlap with the benchmark. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

**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.

**Periodic Performance** is a method of evaluating how a fund is doing over time. It compares a fund's performance in each period to its performance in past periods. It also looks at the performance of the fund to the performance of an index or its peers.

**Discrete Performance** is a method of evaluating the degree to which a fund performs compared against its benchmark on a given date.

**Credit ratings** measure the creditworthiness of a bond issuer, such as a company or government. It tells you how likely the issuer is to pay back the money borrowed when they issued the bond. A higher rating means the issuer is considered more reliable and less likely to default on their debt, while a lower rating indicates a higher risk of not getting the invested money back. Baillie Gifford uses a blend of credit ratings from three agencies, Moody's, Fitch and S&P. Where there is no official rating for a bond issuer, Baillie Gifford will rate these internally. The ratings scale from highest to lowest (AAA, AA, A, BBB, BB, B, CCC, CC and C).

## 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 (%)	0.6	9.4	-4.9	4.9
Sector Median (%)*	1.7	11.9	2.6	4.8

Source: FE. Total return net of charges, in sterling.

Share class returns calculated using 10am prices.

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.

\*IA Mixed Investment 40-85% Shares Sector.

## Discrete Performance

	30/06/19- 30/06/20	30/06/20- 30/06/21	30/06/21- 30/06/22	30/06/22- 30/06/23	30/06/23- 30/06/24
Class B-Acc (%)	16.1	26.9	-28.3	9.7	9.4
Sector Median (%)*	-0.0	17.2	-6.4	3.0	11.9

Source: FE. Total return net of charges, in sterling.

Share class returns calculated using 10am prices.

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## Market environment

The three months to the end of June 2024 saw most major global equity markets deliver positive returns in sterling. This outcome belies the extent of noise that continues to dominate the market. From elections to speculation about the outlook for interest rates. 2024 has seen some major central banks cut rates, but the pace of change is slower than was previously anticipated. This has weighed on the returns from sovereign bonds. In the UK, inflation has recently fallen to the Bank of England's target of 2% but the increasing price of services remains stubborn. US inflation has slowed, though getting to the Federal Reserve's target of 2% is taking longer than most expected.

In the US, overall market returns continue to be dominated by a small subset of very large companies with Nvidia, Apple and Microsoft responsible for more than 90% of the growth of the S&P 500 in the second quarter. The S&P 500 has also seen "far more stocks with 10% swings in a day than at almost any other time" according to the Wall Street Journal. This serves to highlight just how much variability has been faced by stock pickers over this short period.

An environment like this demands patience. We must ensure our focus remains on the opportunity for long-term value creation. This is especially true when the valuation of the companies we own has fallen relative to the index while company fundamentals have improved.

## Performance

The Fund delivered a positive return over the quarter but underperformed the benchmark.

Payments processor Adyen was among the larger detractors from absolute performance. Recent news highlighted a weaker take rate (how much money the business makes from a transaction) related to scaling a large new customer, Cash App. This will ultimately support volume growth going forward, while the company's ability to charge a premium take rate remains intact given its superior product relative to peers.

In the case of bioprocessing equipment manufacturer Sartorius Stedim, its recovery might have been delayed in the near term owing to volatility in orders, but the long-term looks far brighter. The growth of biologic drugs will require more bioprocessing machines and consumable

equipment; as a market leader in the provision of this equipment, we believe Sartorius Stedim can disproportionately benefit from this growth.

Meanwhile, Shopify's share price fell in reaction to lower-than-expected financial guidance partly due to increased marketing spend, thanks to new artificial intelligence (AI) capabilities. This increase will push profitability lower in the near term, but we support Shopify spending where they see attractive future payoffs. That said, we recently reduced the holding to fund other purchases.

Turning to more positive stories, NVIDIA delivered exceptionally strong results. It owes this performance to the attractions of its Graphics Processing Unit (GPU), a microchip that is powering a rapidly increasing number of AI applications. NVIDIA enjoys continued hardware, software and manufacturing advantages built up through years of investment. We reduced the holding size during the quarter on diversification grounds. However, given the demand for ever greater energy efficiency and computing power advantages, we think the upside potential remains attractive.

However, NVIDIA is not the only game in town. All their top-end products are made by TSMC in Taiwan. The semiconductor manufacturer has benefitted from the recent massive hardware upgrade cycle as new products are forced to incorporate rapidly advancing AI capability, though reported revenue from AI is still in single digits.

Finally, the German mortgage origination platform (a specialist software designed to facilitate and streamline the process of originating, processing, and managing mortgage loans) Hypoport's performance was notable. With the German mortgage market beginning to see a recovery after a sharp downturn, we think Hypoport could be set for strong growth in revenues and profitability. We recently added to this holding.

Bond holdings delivered a negative absolute return over the quarter. Positive performance from corporate credit (mainly driven by high yield which outperformed investment grade credit) was offset by returns from government bonds. Corporate credit and government bond exposures are evenly split. We have been gradually reducing risk within our corporate bond exposures to take advantage of higher yields on offer from some shorter-dated credit exposures versus longer-

dated bonds which, in aggregate, appear expensive. Interest rate cuts have continued to be the focus for government bonds. We believe these will come and that yields will therefore fall although we don't anticipate a prolonged cycle of cuts; major central banks will likely pause and assess the impact of rates at 3.5 – 4%.

For further reading:

<https://www.bailliegifford.com/en/uk/individual-investors/insights/ic-article/2024-q2-managed-fund-10048199/>

### Notable transactions

New purchases reflect the diversity of growth opportunities available. We bought Dino Polska, a grocery store chain, focused on rural areas of Poland. It's expanding its store count rapidly and we believe it can continue to do so for many years to come. This is a company with a long growth runway at what we believe is a discounted price. We have also taken a new position in Nakanishi, a Japanese dental equipment manufacturer. Its share price has been weak lately owing to falling profit margins related to acquisitions. We believe these acquisitions will improve the company's technological and distribution capabilities.

Other new purchases included Shaftesbury Capital which owns a highly attractive London property portfolio. We carried out a site visit and believe there is potential for the revitalisation of some areas of the portfolio. With the shares trading at a meaningful discount to net asset value, we took the opportunity to purchase. Meanwhile, we sold Cemex, the Mexican-based cement producer – it had performed well, and we saw limited further upside. Adidas was also sold. It has endured a tough period and with early signs of a turnaround, the valuation has risen. We used this as an opportunity to fund other ideas.

### Market Outlook

Ultimately, investing in growing businesses is what matters for long-term returns, and it's on this basis we are excited about the opportunity from here given recent company results and new purchases. While our investment process will continually evolve, the core focus remains on identifying and investing in exceptional long-term growth opportunities. In a rapidly evolving environment, or even one where the status quo remains for longer than anticipated, we believe a focus on active stock and bond picking matters more than ever, and it is on this basis that we think the Baillie Gifford Managed Fund is poised for future growth.

Transactions from 01 April 2024 to 30 June 2024.

## 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. 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 we think that Block's efforts to grow merchant acceptance for its emerging card service will drive rapid growth. Increased focus and financial discipline should help Block to become profitable as it expands, with attractive operating margins possible within our investment time horizon.
Dino Polska	Dino Polska is a grocery store chain, focused on rural areas of Poland. It is expanding its store count rapidly and we believe it can continue to do so for around a decade, reinvesting its free cash flow at a high rate of return. It operates in areas where it faces little to no competition, and its format means it can operate in areas more sparsely populated than other discounters, creating a strong competitive advantage. Meanwhile the presence of the founder as its controlling shareholder gives us confidence that there is long-term alignment between the company and shareholders. Its valuation has come down recently, providing an opportunity to buy a company with a long growth runway at what we believe is a discounted price for the portfolio.
Nakanishi	Nakanishi is a founder family-run dental equipment manufacturer that commands a high market share in the European and Japanese markets. It is particularly strong in rotary cutting tools and, more broadly, in the premium end of the dental equipment market. Ageing demographic trends in developed economies drive the demand for its products, and there is significant demand growth in emerging economies as standards of living rise and hygiene regulations are tightened. Nakanishi looks particularly well placed to exploit growth in the Chinese and North American markets, where it has recently made acquisitions. Its share price has been weak lately owing to falling profit margins related to these acquisitions, but we believe they will improve the company's technological and distribution capabilities in the future.
Novo Nordisk	We have taken a new position in Novo Nordisk, a Danish pharmaceutical company. It has seen a recent rapid transformation from a steady compounding business focusing on diabetes care and clotting, to leading the way in GLP-1 weight-loss drugs. Its pioneering development of the medication Semaglutide could be transformational for millions of sufferers of metabolic diseases and, indeed, for the company itself. Semaglutide addresses a large, global market and it is being studied to see if it has use cases beyond obesity, including in renal and cardiac diseases. This grants Novo Nordisk a long and, potentially, very significant growth opportunity, something we believe it will execute on given the concentrated market structure, the long-term focus of the company and its culture of innovation. The stock has risen strongly in the past few years but the valuation is appealing to us on the basis that it continues its fast, profitable growth as this makes the multiple look attractive on a long-term view.

Shaftesbury Capital	Shaftesbury Capital was formed following the merger of two London-focused property companies that have a unique and highly attractive portfolio of retail, restaurants, office and residential properties in the West End notably in Covent Garden, Chinatown and Carnaby Street. Rents and footfall have recovered since the pandemic, and we think that there is a lot of potential in revitalising some areas of the portfolio, yet the shares are currently trading at an attractive discount to net asset value.
Tempus AI Inc	Tempus Ai uses artificial intelligence to analyse health data. This analysis helps its customers to make diagnosis more accurate, improve treatment outcomes, and make medicine more personalised. Having already established a strong presence in oncology, Tempus can expand into more sizeable disease areas like cardiology and neurology. Tempus' market opportunity is significant, given the growing demand for precision medicine and increasing reliance on data-driven insights in healthcare. Tempus' potential to drive advancements in medical research and patient care mean it can deliver significant long-term growth.
Vitec Software Group	We took a new holding in vertical market software (VMS) serial acquirer, Vitec, for the portfolio. VMS is specialised, mission-critical software for the industry a particular provider serves. While these businesses do not offer much of an organic growth opportunity, the fact that the VMS industry is so fragmented and cash-generative gives serial acquirers like Vitec the opportunity to continually reinvest cash flows at high rates of return and generate strong inorganic growth. Despite having already produced an impressive 22% compound revenue growth rate over the past decade, Vitec is still in the early stages of its growth opportunity. It has only made acquisitions in the Nordics and the Netherlands thus far and over time will expand into other European geographies, meaning it still has a long runway of acquisition-led growth ahead of it. Its track record gives us confidence it can execute on this opportunity, as does its strong reputation which should make it an acquirer of choice for VMS companies.

## Complete Sales

Stock Name	Transaction Rationale
adidas	We have sold the position in German sportswear company, Adidas. In recent years, Adidas has endured tough times, stemming from matters including the conclusion of its Yeezy partnership with Kanye West, lost market share in China and a decline in cultural relevance. A turnaround has begun under new CEO Bjorn Gulden and with early signs being positive, the valuation has risen and we have decided to use this as an opportunity to fund other ideas.
Cemex	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. Operational performance has been strong and the shares have performed well. From this point, we struggle to get comfortable with the likelihood of the company making superior long-term returns. We sold the holding.
Delivery Hero	We have sold the position in online food delivery company Delivery Hero. Online food delivery has been a very competitive industry since its inception. This led companies like Delivery Hero to continually reinvest in expanding its geographic footprint and into new business lines, something which led to high market shares in many markets across the world. However, this investment has been at the expense of profitability and free cash flow generation, something which contributed to its significant share price fall in 2022 as the market regime shifted. Delivery Hero has pulled several levers to increase profitability and it looks on track to produce free cash flow in the coming year. While this is a positive, we note that it is still subject to irrational competitive behaviour in some of its markets as peers look to take market share. This highlights that, even in a changed environment, fierce competition will still be a factor and could depress long-term margins. Selling the position enabled us to reallocate the capital to other ideas with more sustainable competitive advantages.
Dowlais Group	Last year, the holding in Melrose carried out a demerger of the auto parts business, Dowlais. Following a detailed review of Dowlais, we decided to sell the small holding. We concluded that its prospects were unexciting, particularly given it will have to manage the transition to electric vehicles and we believe this poses significant challenges both to Dowlais and its end customers.
Evotec	Our investment case for Evotec was that it was a unique contract research organisation (CRO). It had a growing traditional business, working with customers on pre-clinical tasks, and an interesting 'Innovate' segment which would co-develop, and co-own, drugs with customers. We also noted the role that the CEO had played in fostering a strong culture and pointing the business in that strategic direction. Since investing, however, the CEO has stepped down and his newly appointed replacement is being tasked with turning around the business and there has been a re-organisation of the business units. This has broken our investment case and as a result, we sold the holding.
Fisher (James) & Sons	We decided to sell the small holding in this marine service business as we came to the view that the recovery from the previous management team's poor capital allocation decisions will be slow and there are better opportunities elsewhere.

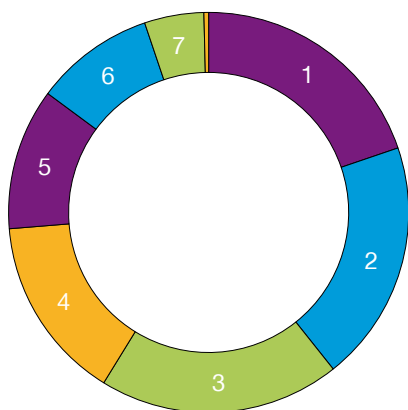
Hashicorp	HashiCorp provides a suite of software tools designed to make managing software across customers' computing infrastructure simpler and more secure. Computing conglomerate IBM announced in April that it would acquire HashiCorp. We have decided to sell the shares rather than wait for the acquisition to complete.
Kinnevik Redemption Shares June '24	Following Kinnevik's divestment of Tele2 the company is returning to cash to shareholders via a share redemption. We have sold our redemption shares to allow timely reinvestment and to avoid incurring a withholding tax.
Ryman Healthcare	Ryman is a New Zealand based developer of aged care facilities. The long-term growth opportunity, driven by the ageing demographics, continues to be attractive. However, we have concerns around Ryman's capital management, as the company's debt level increased significantly over the past few years. Also, we find the level of management turnover discouraging, including the exit of the CEO and CFO. Therefore, we decided to sell Ryman to invest in faster growth opportunities elsewhere.
Tsingtao Brewery	Tsingtao Brewery is a leading brewery in China. Our investment case centred on growth being delivered by increasing levels of beer consumption in China and 'premiumisation' trends. Benefitting from these trends, Tsingtao Brewery expanded its operating margins over the past five years. However, we believe the company may not be able to grow its margins at the historical rates achieved, as the markets in which it operates appear to be reaching maturity. Therefore, we decided to sell the holding in favour of other more exciting growth opportunities.
Victrex	Victrex manufactures PEEK thermoplastic polymer (a type of high-quality plastic used in various industries). We have sold the holding because the pace at which Victrex is penetrating its end markets remains disappointing. Whilst many interesting potential applications remain, the lack of demonstrable progress in capturing those opportunities through its downstream strategy, combined with the perennial threat of more competition in its core materials business, raises questions over its long-term growth outlook.



Fund Name	Update
Baillie Gifford Managed Fund	<p>The fixed income portion of the Managed Fund is positioned close to its neutral allocation of 50% global government bonds and 50% global corporate bonds. The Fund is overweight in emerging markets (EM) and high yield corporate bonds. Corporate bond credit spreads (the additional yield on offer for lending to companies rather than countries) remain near historically low levels but the total compensation available from high yield bonds remains attractive. Our overweight position in EM bonds is for similar reasons, with attractive total return opportunities underpinned by inflation and interest rates both being on a downward trend.</p> <p>In developed markets, we expect positive economic surprises in Europe, relative to consensus views, driven by strong consumer spending due to real wage growth. As a result, the market's expectations on rate cuts may prove overly optimistic, which is why we have an underweight position in European government bonds. The fund will benefit if bond yields rise (prices fall).</p> <p>Emerging market bonds have been volatile, particularly in Latin America, due to political and fiscal concerns. However, we find the high yields on offer in certain markets attractive and have added to positions in Mexico and Brazil following market selloffs. The fund has also opened an overweight position in Czech government debt. The market expects Czech's high interest rates will persist long into the future. We disagree - the fortunes of the Czech economy remain dependent on a sluggish German industrial sector. We expect this reliance to result in a fall in Czech rates over the long term.</p> <p>In corporate credit, the fund has participated in a number of single B-rated issues in the buoyant new issuance market. For example, we participated in a new issue from the German hotelier, Motel 1. This is a well-run family business that has impressively grown from 2,000 to 94,000 hotel rooms internationally over the past two decades. Motel 1 is entirely self-funded and operates with an asset-light model. We expect the company to execute its deleveraging plan (plan to reduce debt), which may prompt a future credit rating upgrade and an Initial Public Offering (IPO).</p>

**Credit ratings** measure the creditworthiness of a bond issuer, such as a company or government. It tells you how likely the issuer is to pay back the money borrowed when they issued the bond. A higher rating means the issuer is considered more reliable and less likely to default on their debt, while a lower rating indicates a higher risk of not getting the invested money back. Baillie Gifford uses a blend of credit ratings from three agencies, Moody's, Fitch and S&P. Where there is no official rating for a bond issuer, Baillie Gifford will rate these internally. The ratings scale from highest to lowest (AAA, AA, A, BBB, BB, B, CCC, CC and C).

## Geographic Exposure



		%
1	Europe (ex UK)	19.9
2	UK	19.7
3	North America	19.6
4	Overseas Bonds	15.0
5	Developed Asia Pacific	11.5
6	Emerging Markets	9.8
7	UK Bonds	4.8
8	Cash & Derivatives	-0.4

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

## Top Ten Equity Holdings

Stock Name	Description of Business	% of Portfolio
Amazon.com	E-commerce, computing infrastructure, streaming and more	1.7
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	1.7
The Trade Desk	Advertising platform	1.6
TSMC	Semiconductor manufacturer	1.6
ASML	Semiconductor equipment manufacturer	1.4
Meta Platforms	Social media and advertising platform	1.1
Netflix	Streaming platform	1.0
AstraZeneca	Anglo-Swedish global pharma and bio-pharma company	1.0
Prosus	Portfolio of online consumer companies including Tencent	1.0
Hypoport	Technology-based financial products and services	1.0
<b>Total</b>		<b>13.3</b>

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	133	Companies	40	Companies	9
Resolutions	1920	Resolutions	98	Resolutions	20

Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., BHP Group Limited, Beijer Ref AB (publ), NVIDIA Corporation, Nintendo Co., Ltd., Popular Inc, Roku, Inc., Ryanair Holdings plc, Samsung Electronics Co., Ltd., Taiwan Semiconductor Manufacturing Company Limited
Social	Adyen N.V., BHP Group Limited, Oddity Tech Ltd., PT Bank Rakyat Indonesia (Persero) Tbk, Ryanair Holdings plc, Samsung Electronics Co., Ltd., Taiwan Semiconductor Manufacturing Company Limited, Unilever PLC
Governance	10x Genomics, Inc., Adyen N.V., Affirm Incorporated, Alnylam Pharmaceuticals, Inc., AstraZeneca PLC, AutoStore Holdings Ltd., Avanza Bank Holding AB (publ), BHP Group Limited, Beijer Ref AB (publ), Breedon Group plc, CTP N.V., Camurus AB (publ), CoStar Group, Inc., Compagnie Financière Richemont SA, Dassault Systèmes SE, Denali Therapeutics Inc., EnQuest PLC, Enel SpA, Epiroc AB (publ), Exor N.V., Fanuc Corporation, First Quantum Minerals Ltd., Fomento Economico Mexicano, S.A.B. de C.V., HDFC Bank Limited, Hargreaves Lansdown plc, Hikma Pharmaceuticals PLC, Hiscox Ltd, IMCD N.V., Just Group plc, Keller Group plc, Kering SA, MS&AD Insurance Group Holdings, Inc., Marks and Spencer Group plc, Meta Platforms, Inc., Moderna, Inc., Murata Manufacturing Co., Ltd., Nintendo Co., Ltd., Oddity Tech Ltd., Persimmon Plc, Pinterest, Inc., Recruit Holdings Co., Ltd., Roku, Inc., Ryanair Holdings plc, SBI Holdings, Inc., Sabre Insurance Group plc, Samsung Electronics Co., Ltd., Schibsted ASA, Shaftesbury Capital PLC, St. James's Place plc, Standard Chartered PLC, Sysmex Corporation, Taiwan Semiconductor Manufacturing Company Limited, Tesla, Inc., The Trade Desk, Inc., Wise Payments Ltd
Strategy	10x Genomics, Inc., AIA Group Limited, Adyen N.V., Avanza Bank Holding AB (publ), Beijer Ref AB (publ), CoStar Group, Inc., Denali Therapeutics Inc., Ginkgo Bioworks Holdings, Inc., MercadoLibre, Inc., Nintendo Co., Ltd., Nu Holdings Ltd., Oddity Tech Ltd.

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 %	Asset Name	Fund %
<b>Equities</b>			
<b>UK</b>			
AstraZeneca	1.01	Trainline Plc	0.19
Rio Tinto	0.79	Renishaw	0.19
Bunzl	0.79	Burberry	0.18
RELX	0.75	Molten Ventures	0.15
Unilever	0.71	IntegraFin	0.14
Marks & Spencer	0.69	Genus	0.11
Auto Trader	0.68	Kainos Group	0.10
Legal & General	0.65	Close Brothers	0.08
Inchcape	0.63	Sabre Insurance Gp	0.07
Howden Joinery Group	0.60	Enquest	0.07
Babcock International	0.60	Melrose Industries	0.05
Experian	0.59	Ocado	0.04
Diageo	0.58	Exscientia Ltd ADR	0.01
Prudential	0.52	<b>Total UK</b>	<b>19.68</b>
Ashtead	0.52	<b>North America</b>	
Standard Chartered	0.51	Amazon.com	1.73
Informa	0.50	NVIDIA	1.70
Just Group	0.48	The Trade Desk	1.65
Weir	0.48	Meta Platforms Inc	1.14
Hikma Pharmaceuticals	0.48	Netflix Inc	1.02
Lancashire Holdings	0.44	Shopify 'A'	0.96
Rightmove	0.39	Moderna Inc	0.87
Intermediate Capital Group	0.37	Doordash Inc	0.82
St. James's Place	0.33	Tesla Inc	0.81
Hargreaves Lansdown	0.30	Cloudflare Inc	0.73
Persimmon	0.30	Pinterest	0.55
Hiscox	0.29	Workday Inc	0.53
Volution Group	0.29	Duolingo Inc	0.51
PageGroup	0.28	Watsco Inc	0.50
Games Workshop Group	0.27	Datadog	0.48
Halma	0.26	CoStar Group	0.42
Bodycote	0.26	Sweetgreen	0.41
IG Group	0.26	Alnylam Pharmaceuticals	0.38
Diploma	0.25	Roblox	0.36
Bellway	0.23	Insulet	0.27
Keller	0.21	Affirm Holdings Inc Class A	0.27
Greggs	0.21	Wayfair Inc	0.27
Shaftesbury Capital REIT	0.20	Snowflake Inc	0.27
Wise Plc	0.20	Block Inc	0.26
Helical	0.20	Chewy	0.24
Breedon Group	0.20	Samsara	0.23
		Roku	0.21

Asset Name	Fund %	Asset Name	Fund %
Inspire Medical Systems	0.21	Lonza Group	0.40
Guardant Health Inc	0.21	Epiroc B	0.39
Tempus Ai Inc	0.19	Dassault Systemes	0.38
Denali Therapeutics	0.18	Wizz Air Holdings Plc	0.32
Doximity Inc	0.15	Avanza Bank Holding	0.32
YETI Holdings	0.14	Assa Abloy 'B'	0.30
Penumbra Inc	0.14	Beijer Ref	0.30
Aurora Innovation Class A Common	0.14	Kering	0.29
Oddity	0.13	LVMH	0.26
Sprout Social	0.12	Royal Unibrew A/S	0.26
Coursera Inc	0.10	Vitec Software Group 'B'	0.23
Lemonade Inc	0.08	Dino Polska	0.21
Recursion Pharmaceuticals Inc	0.07	Kinnevik	0.20
10X Genomics Inc Class A	0.06	Camurus	0.18
Rivian Automotive Inc	0.05	Genmab	0.18
Sana Biotechnology Inc	0.02	AutoStore Hdgs	0.12
Ginkgo Bioworks Holdings Inc	0.02	Eurofins	0.12
Abiomed CVR Line	0.00	CRISPR Therapeutics AG	0.12
<b>Total North America</b>	<b>19.63</b>	<b>Total Europe (ex UK)</b>	<b>19.92</b>
<b>Europe (ex UK)</b>		<b>Developed Asia Pacific</b>	
ASML	1.40	MS&AD Insurance	0.67
Prosus N.V.	0.99	Baillie Gifford Japanese Smaller Cos Fund C Acc	0.63
Hypoport	0.99	SoftBank Group	0.62
Atlas Copco B	0.98	United Overseas Bank	0.59
Kingspan Group	0.95	Recruit Holdings	0.52
Schibsted B	0.94	SBI Holdings	0.49
Ryanair	0.76	SMC	0.44
DSV	0.75	Olympus	0.42
Allegro.eu	0.68	James Hardie Industries	0.42
Nexans	0.66	Shiseido	0.36
IMCD Group NV	0.63	Shimano	0.35
Novo Nordisk	0.60	Techtronic Industries	0.33
Adyen NV	0.56	Hong Kong Exchanges & Clearing	0.32
EXOR	0.54	Cochlear	0.30
EQT	0.54	Murata	0.29
Soitec	0.53	Fast Retailing	0.29
Reply Spa	0.53	BHP Group Ltd (Aus. listing)	0.28
Spotify Technology SA	0.52	Denso	0.27
Sartorius Stedim Biotech	0.49	Galaxy Entertainment Group	0.25
Mettler-Toledo	0.45	Keyence	0.24
Moncler	0.43	Unicharm	0.23
Richemont	0.41	REA Group	0.22

Asset Name	Fund %
Nintendo	0.22
Chugai Pharmaceutical	0.21
Tokyo Electron	0.20
AIA Group	0.18
Xero Ltd	0.18
FANUC	0.17
Nippon Paint	0.17
Cosmos Pharmaceutical	0.16
Treasury Wine Estates	0.14
IDP Education	0.13
LY Corp	0.13
Systemex Corp	0.13
Nakanishi	0.13
Hoshizaki Corp	0.12
Technopro Holdings	0.12
CyberAgent Inc	0.11
Asahi Group Holdings	0.10
Kobe Bussan Co Ltd	0.09
Sugi Holdings	0.09
MonotaRO Co	0.09
iFAST Corp	0.07
freee K.K.	0.06
<b>Total Developed Asia Pacific</b>	<b>11.52</b>
<b>Emerging Markets</b>	
TSMC	1.64
Samsung Electronics	0.85
Tencent	0.83
Reliance Industries Ltd	0.49
Sea Ltd ADR	0.49
MercadoLibre	0.48
HDFC Bank	0.43
Petrobras Common ADR	0.43
First Quantum Minerals	0.41
PDD Holdings Inc	0.40
Jio Financial Services Ltd	0.40
Nu Holdings Ltd.	0.37
Meituan	0.33
FEMSA ADR	0.30
Ping An Insurance	0.29
ICICI Prudential Life Insurance	0.28
Bank Rakyat Indonesia	0.27
Byd Company 'H'	0.25

Asset Name	Fund %
Kweichow Moutai 'A'	0.25
B3 S.A.	0.22
Samsung SDI Co Ltd	0.19
Grupo Financiero Banorte	0.18
Norilsk Nickel ADR	0.00
Mmc Norilsk Nickel	0.00
Sberbank Of Russia	0.00
<b>Total Emerging Markets</b>	<b>9.76</b>
<b>Total Equities</b>	<b>80.51</b>
<b>Fixed Income</b>	
<b>UK Bonds</b>	
Credit	2.63
Government	2.21
<b>Total UK Bonds</b>	<b>4.84</b>
<b>Overseas Bonds</b>	
Credit	7.29
Government	7.74
<b>Total Overseas Bonds</b>	<b>15.03</b>
<b>Total Fixed Income</b>	<b>19.87</b>
<b>Cash &amp; Derivatives</b>	
Cash & Derivatives	-0.38
<b>Total Cash &amp; Derivatives</b>	<b>-0.38</b>
<b>Total Fund</b>	
<b>Total Fund</b>	<b>100.00</b>

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.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	01 April 1987	GB0006010168	0601016	0.40	0.44
Class B-Inc	01 April 1987	GB0006007909	0600790	0.40	0.44

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. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

## 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](http://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 yields quoted are historic yields based on distributions paid by the Fund in the previous 12 months as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their distributions.

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](http://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.

## 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”).

**Singapore:** In Singapore the Fund is on the Monetary Authority of Singapore’s List of Restricted schemes. This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this information memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares in the Fund may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **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](http://bailliegifford.com) or email [enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com).

All information as at 30 June 2024 and source is Baillie Gifford & Co unless otherwise stated.

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