

Baillie Gifford UK Equity Core Fund

31 March 2025

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	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

Investment Proposition

The Fund is actively managed and aims to invest in the best, high quality, growth companies which are principally based in the UK and are capable of growing their earnings faster than the market average. As long-term investors, our typical investment time horizon is five years and turnover is very low. The portfolio comprises 45-65 companies and is substantially differentiated from the benchmark, the FTSE All-Share Index.

Fund Facts

Fund Launch Date	17 January 2018
Fund Size	£221.3m
IA Sector	UK All Companies
Active Share	75%*
Current Annual Turnover	6%
Current number of stocks	54
Stocks (guideline range)	45-65

*Relative to FTSE All-Share Index. Source: Baillie Gifford & Co, FTSE.

Fund Manager

Name	Years' Experience
Iain McCombie*	31

*Partner

Fund Objective

To outperform (after deduction of costs) the FTSE All-Share Index by at least 1% 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 UK All Companies 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 (%)	-0.1	7.0	3.7	9.3
Index (%)*	4.5	10.5	7.2	12.0
Target (%)**	4.8	11.5	8.3	13.2
Sector Average (%)***	0.2	5.1	3.5	10.0

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

Share class 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.

*FTSE All-Share Index.

**FTSE All-Share Index plus at least 1% per annum over rolling five-year periods.

***IA UK All Companies Sector.

Discrete Performance

	31/03/20- 31/03/21	31/03/21- 31/03/22	31/03/22- 31/03/23	31/03/23- 31/03/24	31/03/24- 31/03/25
Class B-Acc (%)	39.7	-0.1	-2.0	6.4	7.0
Index (%)*	26.7	13.0	2.9	8.4	10.5
Target (%)**	28.0	14.2	4.0	9.5	11.6
Sector Average (%)***	38.0	5.4	-1.9	7.7	5.1

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

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

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Market environment

The first quarter of 2025 was characterised by significant volatility, driven by geopolitical tensions, inflationary concerns and cautious investor sentiment. Investors gravitated towards defensive, value-oriented sectors, while high-growth stocks struggled despite strong fundamentals in many cases.

The Bank of England cut rates and held them at 4.5% over the quarter, helping to stabilize gilt markets but offering limited relief to businesses or consumers. Consequently, UK consumer confidence remained low, with cost-of-living pressures curbing discretionary spending. The Chancellor's Spring Statement also emphasised fiscal restraint, lowering the UK growth forecast from 2% to 1% while committing to increased defence spending.

Inflation and high borrowing costs continued to weigh on equity markets, with even high-quality, growth businesses being swept up in fairly indiscriminate share-price weakness.

Performance

The fund lagged the index over the first quarter of the year. This earnings season was one of the most volatile in recent memory, with some stocks suffering sharp selloffs at any hint of market disappointment.

Ongoing geopolitical concerns provided a tailwind for defence-oriented stocks. As a result, some of the largest detractors to returns over the quarter were major index constituents within the defence sector, such as Rolls-Royce and BAE Systems, which are not held in the fund.

Of the fund holdings, retailer Marks & Spencer and bulk annuity provider Just Group were among the top detractors of relative performance. In the case of M&S, shares were down after the company flagged the uncertain economic outlook and headwind of increasing employment costs in its latest results. Just Group also detracted from returns despite reporting results that exceeded expectations. Notably, the company has over-delivered on its five-year earnings growth target, achieving this milestone two years early. The absence of new forward-looking targets may have contributed to recent share price weakness.

Railway ticketing platform Trainline also detracted. It reported strong results over the quarter; however, the shares fell following the UK government's announcement of plans to introduce a state-funded train ticketing website. It remains uncertain whether the government will follow through on its plans or what impact this could have on Trainline. We continue to believe the company's dominant market position will be challenging for competitors to disrupt.

Babcock, an international defence company, was the top contributor to returns this quarter. In March, the company secured a significant five-year contract extension from the Ministry of Defence, valued at £1 billion. This contract covers the development and maintenance of tanks, armoured vehicles and other critical equipment for the British Army. Our long-term investment case for Babcock is based on the management team's ambitious transformation plan for the company. They have made notable progress in addressing historical challenges and strengthening Babcock's position as a valued partner in the UK and European defence markets.

Other notable contributors to quarterly performance included wealth manager St James's Place and Asian-focused bank Standard Chartered.

St James's Place delivered a strong final quarter of the year, reporting an increase in client numbers and annual net inflows of £4.3 billion - an impressive feat given that most wealth managers are facing net outflows. This helped assets under management and advice reach a record £190 billion at year-end. The company's ability to attract new clients and sustain asset growth in a challenging climate reinforces its competitive positioning in the wealth management sector.

Standard Chartered also reported robust full-year earnings, with annual profit rising 18%, driven by record growth in its wealth management division. The bank continues to benefit from rising wealth in Asia, a long-term structural trend that we expect to persist. We remain positive about its outlook.

Notable Transactions

Over the quarter, we debated several existing holdings alongside potential new additions to the fund. Our research pipeline presents a diverse range of opportunities, and the competition for capital remains intense. We continue to have confidence in the fundamental strengths and long-term prospects of the companies in the fund. Therefore, it was a relatively quiet period for transactions this quarter.

Market Outlook

Market volatility has been a defining feature this quarter and we understand how challenging periods like this can be for our clients.

In times like these, our commitment to our investment philosophy and process becomes even more critical. At its core lies discipline, patience and maintaining a long-term perspective – qualities that enable us to separate meaningful signals from the distractions of short-term noise.

Periods of uncertainty and turbulent markets are not unfamiliar territory for us. Throughout, our focus remains unwavering: adhering to our philosophy and process, rigorously evaluating fund holdings, and challenging ourselves to ensure the fund is best positioned to capture the best long-term growth opportunities in the UK. We remain confident in the fund's resilience and fundamental strength.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 March 2025

Stock Name	Contribution (%)
Babcock International	1.1
Prudential	0.5
Glencore International	0.4
Standard Chartered	0.3
St. James's Place	0.2
Anglo American	0.2
Tesco	0.1
INTERCONTINENTAL HOTELS GROUP	0.1
Compass	0.1
WPP Group	0.1
Shell PLC	-0.7
HSBC	-0.6
Rolls-Royce	-0.5
Inchcape	-0.5
Bunzl	-0.5
Trainline Plc	-0.5
Just Group	-0.5
BAE Systems	-0.4
Lloyds Banking Gp	-0.4
Greggs	-0.4

One Year to 31 March 2025

Stock Name	Contribution (%)
St. James's Place	1.3
Standard Chartered	1.1
Glencore International	0.9
Babcock International	0.8
Marks & Spencer	0.7
Just Group	0.7
BP	0.6
GSK Plc	0.6
Hargreaves Lansdown	0.4
Games Workshop Group	0.4
HSBC	-1.9
Rolls-Royce	-0.9
Howden Joinery Group	-0.8
British American Tobacco	-0.6
Ashtead	-0.6
Barclays	-0.5
Renishaw	-0.5
PageGroup	-0.5
NatWest group PLC	-0.5
Burberry	-0.5

Source: Revolution, FTSE. Baillie Gifford UK Equity Core Fund relative to FTSE All-Share 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.

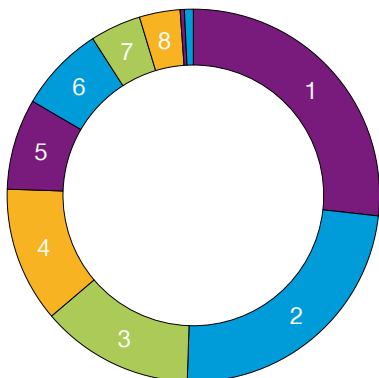
As Attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Transactions from 01 January 2025 to 31 March 2025.

There were no new purchases during the period.

There were no complete sales during the period.

Sector Exposure



		%
1	Industrials	26.8
2	Financials	23.8
3	Consumer Discretionary	13.3
4	Consumer Staples	11.8
5	Health Care	7.9
6	Technology	7.5
7	Real Estate	4.4
8	Basic Materials	3.5
9	Energy	0.4
10	Cash	0.8

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
AstraZeneca	Anglo-Swedish global pharma and bio-pharma company	4.5
RELX	Professional publications and information provider	4.0
Babcock International Group	Leading provider of engineering services for aerospace and defence	3.9
Marks and Spencer Group	British retailer specialising in selling food, clothing & home products	3.9
Unilever	Multinational consumer goods company	3.8
Standard Chartered	International commercial bank	3.7
Rio Tinto	Global metals and mining company	3.5
Legal & General	Insurance and investment management company	3.5
Prudential	Life insurer focused on structural growth in Asia and Africa	3.4
Just Group	Provider of retirement income products and services	3.4
Total		37.6

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	2	Companies	None	Companies	None
Resolutions	40	Resolutions	None	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	Prudential plc
Social	Prudential plc
Governance	Babcock International Group PLC, Burberry Group plc, Halma plc, Inchcape plc, Informa plc, Prudential plc, Rio Tinto Group
Strategy	Informa plc, Prudential plc, Rio Tinto Group

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 %
AstraZeneca	4.5	Applied Nutrition	0.3
RELX	4.0	Sabre Insurance	0.3
Babcock International Group	3.9	Close Brothers Group	0.3
Marks and Spencer Group	3.9	Ocado	0.2
Unilever	3.8	Moonpig Group	0.1
Standard Chartered	3.7	Cash	0.8
Rio Tinto	3.5	Total	100.0
Legal & General	3.5		
Prudential	3.4		
Just Group	3.4		
Bunzl	3.3		
Auto Trader	3.1		
St. James's Place	2.9		
Experian	2.9		
Inchcape	2.8		
Weir	2.8		
Hikma Pharmaceuticals	2.5		
Rightmove	2.5		
Diageo	2.5		
Howden Joinery	2.4		
Informa	2.2		
Lancashire Holdings	2.1		
Ashtead	2.0		
Volution Group	1.7		
Intermediate Capital Group	1.7		
Games Workshop	1.6		
Hiscox	1.5		
Breedon Aggregates	1.4		
Wise	1.4		
Bodycote	1.4		
Persimmon	1.3		
Halma	1.2		
Keller	1.2		
Diploma	1.1		
Shaftesbury Capital	1.1		
Bellway	1.1		
PageGroup	1.0		
Genus	0.9		
Burberry	0.8		
Trainline	0.8		
Helical	0.8		
Renishaw	0.8		
Greggs	0.6		
IntegraFin	0.6		
Cranswick	0.5		
Molten Ventures	0.5		
Spirax Sarco	0.5		
EnQuest	0.4		
Kainos	0.3		

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Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	17 January 2018	GB00BZ3G2258	BZ3G225	0.42	0.45

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.

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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 March 2025 and source is Baillie Gifford & Co unless otherwise stated.