

## Baillie Gifford International Growth Fund

### First Quarter 2024

#### 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 21 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

#### Portfolio Summary

The Baillie Gifford International Growth Fund aims to produce good long-term performance by investing in a committed portfolio of international growth stocks constructed with little regard for the index. We are growth investors and invest in companies that have the potential to grow substantially more quickly than the market. We conduct our research with a five-year time horizon;  
The Baillie Gifford International Growth Fund is a genuinely active portfolio with a correspondingly low rate of turnover.

#### Fund Facts

K Class Ticker	BGEKX
Institutional Class Ticker	BGESX
Launch Date	March 06, 2008
Size	\$3,024.0m
Benchmark	MSCI ACWI ex US Index
Stocks (guideline range)	50+
Current Number of Stocks	56
Active Share	91%*
Annual Turnover	11%**
Style	Growth

Launch date refers to the longest running share class of the fund. This is earlier than the K and Institutional share class launch date.

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

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

\*\*The Turnover figure presented is based on internal calculation methods and differs to the financial statements which are calculated in accordance with the requirements of N-1A.

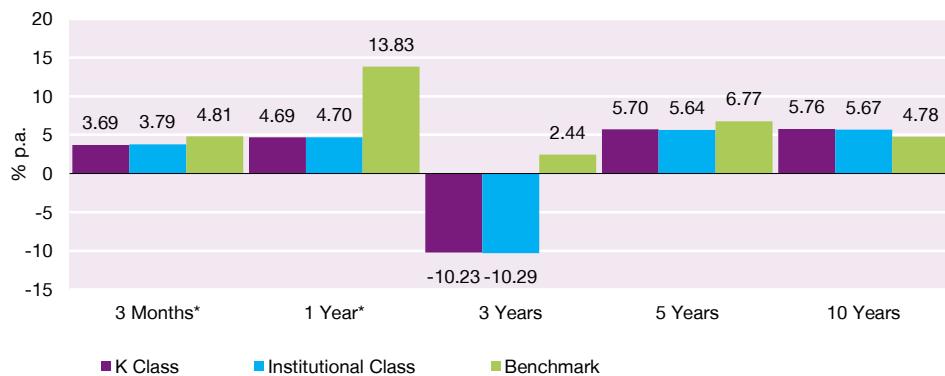
#### International Growth Portfolio Construction Group

Name	Years' Experience
Thomas Coutts*	25
Brian Lum	18
Julia Angeles*	16
Lawrence Burns*	15
Robert Wilson	8

\*Partner

*Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This information and other information about the Fund can be found in the prospectus and summary prospectus. For a prospectus and summary prospectus, please visit our website at [bailliegifford.com/usmutualfunds](http://bailliegifford.com/usmutualfunds). Please carefully read the Fund's prospectus and related documents before investing. Securities are offered through Baillie Gifford Funds Services LLC, an affiliate of Baillie Gifford Overseas Ltd and a member of FINRA.*

## Fund Performance as of March 31, 2024



Gross Expense Ratio	
Share Class – K	0.60%
Share Class – Institutional	0.68%
Net Expense Ratio	
Share Class – K	0.60%
Share Class – Institutional	0.68%

Benchmark: MSCI ACWI ex US Index

*The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at [bailliegifford.com/usmutualfunds](http://bailliegifford.com/usmutualfunds).*

*The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.*

Returns are based on the above noted share class from April 28, 2017. Prior to that date returns are calculated based on the oldest share class of the Fund adjusted to reflect the current share class fees where these fees are higher. \*Not annualized.

\*\*MSCI EAFE Index benchmark data used until November 22, 2019, MSCI ACWI ex USA thereafter. The above figures have been chain-linked for performance purposes.

*Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.*

The MSCI ACWI ex USA Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the MSCI ACWI ex US Index.

Source: Baillie Gifford & Co, Bank of New York Mellon, MSCI. Share Class launch date: April 28, 2017. NAV returns in US dollars.

## Stock Level Attribution

Quarter to March 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Spotify Technology	1.53
ASML	1.11
Ferrari	1.06
Adyen	1.02
Nu Holdings	0.42

### Bottom Five Contributors

Asset Name	Contribution (%)
Ocado	-0.75
Aixtron	-0.68
PDD	-0.65
AIA	-0.63
MercadoLibre	-0.45

One Year to March 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Spotify	2.85
Ferrari	1.86
ASML	1.36
Nu Holdings	0.84
Atlas Copco	0.59

### Bottom Five Contributors

Asset Name	Contribution (%)
Kering	-1.94
Meituan	-1.31
AIA	-1.17
Genmab	-1.15
Zalando	-0.98

Five Years to March 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
ASML	9.10
Ferrari	4.77
MercadoLibre	3.90
Spotify	2.16
M3	1.91

### Bottom Five Contributors

Asset Name	Contribution (%)
Ocado	-2.08
Kering	-1.95
Rolls-Royce	-1.79
Nidec	-1.61
Wuxi Biologics	-1.56

Source: Revolution, MSCI, Baillie Gifford International Growth Fund relative to MSCI ACWI ex US Index.

*The performance data quoted represents past performance and it should not be assumed that transactions made in the future will be profitable or will equal the performance of the securities mentioned. For the most recent month-end performance please visit our website at [bailliegifford.com/usmutualfund](http://bailliegifford.com/usmutualfund). A full list of holdings is available on request. The composition of the Fund's holdings is subject to change.*

*All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.*

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

## Market environment

Growing optimism about the world economy and improved corporate earnings drove many equity markets to record highs during the quarter. Given the excitement around the potential of generative artificial intelligence (AI) to improve economic productivity the Technology sector has continued to dominate.

## Performance

Against this backdrop the portfolio was up over 3%, though a little behind the benchmark. Holdings in Spotify, ASML and Ferrari contributed positively to performance.

Building on last year's strength, audio streaming company Spotify's share price continued to climb in the first quarter, buoyed by impressive operational progress. The platform witnessed unprecedented growth in 2023, adding a record 113 million monthly active users and 31 million premium subscribers, marking its highest annual growth to date. Looking ahead, Spotify expects to continue this trend of robust user expansion, mirroring the growth patterns of recent years with a significant rise in subscriber numbers. The company forecasts revenue growth of over 20% on an annual basis. Even with its investment in audiobooks, Spotify is confident in sustaining a strong gross margin over the course of the year.

The Dutch lithography business ASML continues to occupy a unique position as the sole supplier of extreme ultraviolet (EUV) lithography machines which are used to make leading-edge microchips. It has been central to the continuation of Moore's Law (the doubling of computing power every two years) and a leading contributor to the portfolio's performance this quarter as well as its longer-term returns. During its fourth-quarter results, ASML announced an unprecedented order intake of €9.2 billion, nearly three times market expectations. Over 60% of this was for EUV machines which underscores its position as a critical 'picks and shovels' supplier in the generative artificial intelligence rush.

Ferrari delivered record results in 2023 despite facing the challenges of supply chain disruption and inflation, particularly in the cost of labour. Its order book remains remarkably strong across all geographies and covers the entirety of 2025. The company has demonstrated judicious pricing power by increasing the price of its personalisation services and cars with no impact on demand.

Management has guided towards the high end of their 2026 targets, citing the exceptional visibility of the order book and improving operational efficiency as the reasons for confidence.

Holdings in Ocado, Aixtron and PDD were among the top detractors to performance.

The United Kingdom (UK) based grocery technology business Ocado's origins are in online UK food retail, but its value lies in its Technology Solutions business. It is deploying AI driven robotics to solve the unique fulfilment and logistics demands of online grocery and beyond. Ocado's shares have been weak recently, as Technology Solutions growth is expected to slow to between 15-20% this year and reaccelerate thereafter.

Aixtron is a German company that manufactures deposition equipment used primarily by the semiconductor industry. Its dominant end-market application is in power electronics. Last year revenue grew 36% largely driven by systems for power electronics based on silicon carbide and gallium nitride, which combined accounted for 74% of the equipment revenues. However, Apple's suspected suspension of its micro-LED road map for the next generation watches – from which Aixtron could have benefitted – has weighed on recent share price performance.

The operational and financial performance of the Chinese social e-commerce platform PDD the group behind online marketplace Temu - has been remarkable. Its fourth quarter revenues increased 123%, from a year earlier, driven by its transaction services division, where Temu revenues are booked, which grew a staggering 357%. Profitability has also been well ahead of expectations. However, the shares have been weak due to uncertainty about United States (US)-Sino relations and concerns that the road to US expansion may one day be cut off. This is a risk we have assessed and remain comfortable that while this is a possibility, both domestic Chinese and international expansion beyond the US outweigh the possibility of US growth being curtailed.

## Notable transactions

We purchased Hermes, the iconic French luxury business, Wizz Air, the European low-cost carrier and Kinaxis, a software company.

We have sold the portfolio's holding in Chinese electric vehicle manufacturer NIO as the company has struggled to achieve the level of profitability and scale that we think is required to succeed in an increasingly competitive environment.

**Market Outlook**

Inflation across developed market economies has been falling from pandemic highs and looks set to reach close to 2% this year. That will help pave the way for many central banks to start cutting policy rates. While this should benefit our investment style, we believe that over time it will be the fundamental operational progress of the companies we invest in that will drive long-term portfolio returns.

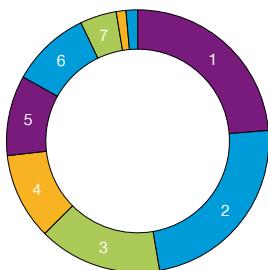
Transactions from 01 January 2024 to 31 March 2024.

### New Purchases

Stock Name	Transaction Rationale
Hermes	Hermes is a French luxury business founded in 1837 that predominantly produces leather goods. Hermes has an exceptionally strong position in high-end handbags, where it carefully manages the supply of products to protect the status of its brand. We have been wrong not to have owned Hermes, which is one of the highest-quality businesses in the world, capable of delivering above-average growth rates for generations to come.
Kinaxis	Kinaxis is a software company. Its RapidResponse product allows companies to model complex supply chains and therefore react to changes more effectively, for example, a spike in demand or disruptions to component supply. Kinaxis counts some of the leading companies in sectors such as automotive and electronics as customers and appears to have a well-regarded product. We believe the growth potential here is substantial and have taken a holding for the portfolio.
Wizz Air	We have taken a holding in Wizz Air, the European low-cost carrier, for the portfolio. Wizz initially focused on Central and Eastern Europe - immature markets for air travel with the potential for significant growth. It has expanded its route network, notably through a joint venture in Abu Dhabi that offers interesting growth potential. A key advantage is its fleet of newer, more efficient planes - the Airbus A320. Competitors across the region are struggling to match its investments as they are saddled with higher costs, significant levels of debt and aging fleets. Wizz has a clear advantage in its cost structure, leading to a virtuous circle of lower prices, volume growth, and reinvestment. Recent concerns about its fuel hedging policy and Covid-dampened demand have caused the shares to be weak, and we have decided to take a holding.

### Complete Sales

Stock Name	Transaction Rationale
NIO	We have sold the holding in NIO, the Chinese electric vehicle (EV) company. When we first purchased the shares in 2018, we believed NIO's unique "mobility services" approach and premium positioning would enable it to stand out in an intensely competitive EV market in China. We also expected the range of potential outcomes for the business to be very wide. Unfortunately, despite considerable growth over the last 6 years, the company has struggled to achieve the level of profitability and scale that we think is required to succeed in an increasingly challenging competitive environment.

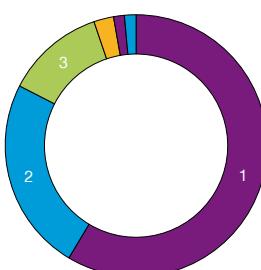
**Sector Analysis (%)**

Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

**Top Ten Holdings**

Holdings	Fund %
1 ASML	7.06
2 MercadoLibre	6.08
3 Spotify	5.71
4 Adyen	5.18
5 Ferrari	4.71
6 TSMC	4.53
7 Atlas Copco	3.74
8 L'Oréal	3.24
9 Tencent	2.97
10 argenx	2.92

The composition of the Fund's holdings is subject to change.  
Percentages are based on securities at market value.

**Geographic Analysis (%)**

Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

**Portfolio Characteristics**

Number of holdings	56
Number of countries	22
Number of sectors	8
Number of industries	26
Active Share	91%*
Annual Turnover	11%**

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

\*\*The Turnover figure presented is based on internal calculation methods and differs to the financial statements which are calculated in accordance with the requirements of N-1A.

### Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies Resolutions	2 30	Companies Resolutions
		None None

The lens through which we analyse a company's sustainability is its 'social license to operate', an intangible asset which depends on the individual firm

We engaged with Ocado's remuneration committee, culminating in company policies that better align management pay to company performance

Our Stewardship Principles focus on long-term value creation, alignment in vision and practice, governance fit for purpose, and sustainable business practices

### Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., HelloFresh SE, Kering SA, Sea Limited
Social	Kering SA
Governance	ASML Holding N.V., Genmab A/S, HelloFresh SE, Kering SA, L'Oreal S.A., Ocado Group plc, PDD Holdings Inc., Sartorius Aktiengesellschaft, Sea Limited, WuXi Biologics (Cayman) Inc.
Strategy	AIA Group Limited, PDD Holdings Inc.

**Votes Cast in Favour****Companies**

Genmab, HDFC Bank

**Voting Rationale**

We voted in favour of routine proposals at the aforementioned meeting(s).

**Votes Cast Against**

We did not vote against any resolutions during the period.

**Votes Abstained**

We did not abstain on any resolutions during the period.

**Votes Withheld**

We did not withhold on any resolutions during the period.

Asset Name	Fund %
ASML	7.06
MercadoLibre	6.08
Spotify	5.71
Adyen	5.18
Ferrari	4.71
TSMC	4.53
Atlas Copco	3.74
L'Oréal	3.24
Tencent	2.97
argenx	2.92
Genmab	2.83
WiseTech Global	2.57
Wix.com	2.53
Meituan	2.43
PDD Holdings	2.33
Coupa	2.24
AIA	2.06
Exor N.V.	2.05
Kering	2.01
Elastic	1.92
Sartorius Group	1.88
SMC	1.76
Vestas Wind Systems	1.75
Nu Holdings	1.56
Zalando	1.55
Wise	1.37
Delivery Hero	1.24
Nidec Corporation	1.21
Umicore	1.04
VAT Group	1.00
Aixtron	1.00
M3	1.00
Ocado	0.99
Xero	0.97
Ambu	0.88
Sea Limited	0.77
SBI Holdings	0.71
Kinnevik	0.70
Temenos	0.67
Kinaxis	0.67
Shopify	0.67
Prysmian	0.66
Hong Kong Exchanges & Clearing	0.63
Atlassian	0.58
Mobileye	0.52
Hermès International	0.51

Asset Name	Fund %
HDFC Bank	0.50
AutoStore	0.47
GMO Payment Gateway	0.44
WuXi Biologics	0.38
Soitec	0.33
CyberAgent	0.33
HelloFresh	0.26
SolarEdge	0.22
Ganfeng Lithium	0.17
Wizz Air	0.08
Cash	1.42
<b>Total</b>	<b>100.00</b>

Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

## Important Information and Fund Risks

Past performance is not a guide to future returns. This document contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

The Funds are distributed by Baillie Gifford Funds Services LLC. Baillie Gifford Funds Services LLC is registered as a broker-dealer with the SEC, a member of FINRA and is an affiliate of Baillie Gifford Overseas Limited.

All information is sourced from Baillie Gifford & Co unless otherwise stated. All amounts are in US dollars unless otherwise stated.

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. The most significant risks of an investment in the Baillie Gifford International Growth Fund are Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, and Non-U.S. Investment Risk. The Fund is managed on a bottom up basis and stock selection is likely to be the main driver of investment returns. Returns are unlikely to track the movements of the benchmark. The prices of growth stocks can be based largely on expectations of future earnings and can decline significantly in reaction to negative news. The Fund is managed on a long-term outlook, meaning that the Fund managers look for investments that they think will make returns over a number of years, rather than over shorter time periods. Non-U.S. securities are subject to additional risks, including less liquidity, increased volatility, less transparency, withholding or other taxes and increased vulnerability to adverse changes in local and global economic conditions. There can be less regulation and possible fluctuation in value due to adverse political conditions. Other Fund risks include: Asia Risk, China Risk, Conflicts of Interest Risk, Currency Risk, Emerging Markets Risks, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment Risk, Geographic Focus Risk, Government and Regulatory Risk, Information Technology Risk, Initial Public Offering Risk, Large-Capitalization Securities Risk, Liquidity Risk, Market Disruption and Geopolitical Risk, Market Risk, Service Provider Risk, Settlement Risk, Small-and Medium-Capitalization Securities Risk and Valuation Risk.

For more information about these and other risks of an investment in the Fund, see "Principal Investment Risks" and "Additional Investment Strategies" in the prospectus.

Baillie Gifford International Growth Fund seeks capital appreciation. There can be no assurance, however, that the Fund will achieve its investment objectives.

Any stock examples, or images, used in this presentation are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style.

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