

# Baillie Gifford™

## Baillie Gifford Long Term Global Growth Fund

First Quarter 2024

### About Baillie Gifford

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

### Fund Facts

K Class Ticker	BGLKX
Institutional Class Ticker	BSGLX
Launch Date	June 10, 2014
Size	\$705.5m
Benchmark	MSCI ACWI Index
Stocks (guideline range)	30-60
Current Number of Stocks	39
Active Share	91%*
Annual Turnover	13%**
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 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.

### Portfolio Summary

The LTGG Team is structured such that every investor can contribute meaningfully to the generation of new ideas, stock research and stock discussions. We want to bring cognitive diversity, creativity and imagination to the research process. Once a stock has been fully researched and discussed, the decision makers are responsible for making the ultimate decision on its inclusion (or otherwise) in the portfolio. Their decisions place an emphasis on backing enthusiasm rather than achieving a full consensus. The LTGG portfolio is deliberately concentrated so the bar is high for any stock to be included in the portfolio. Stocks will typically enter the portfolio as small positions. Thereafter, the bias is towards hold discipline and running winners with a belief that asymmetric returns will drive investment performance.

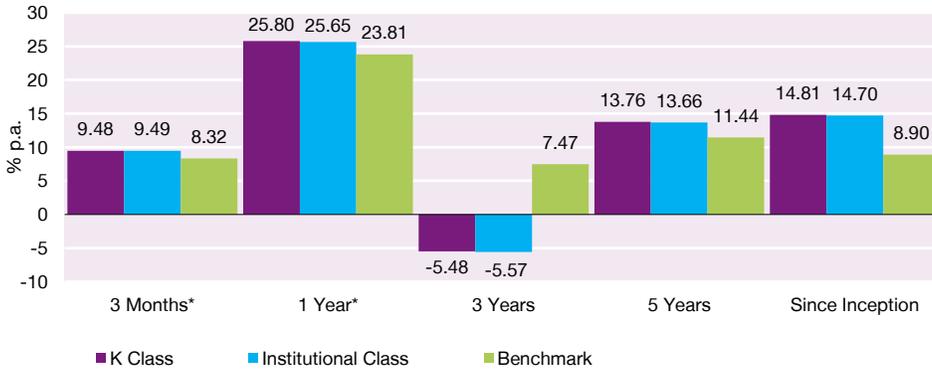
### LTGG Team

Name	Years' Experience
Mark Urquhart*	28
John MacDougall*	24
Michael Pye	11
Gemma Barkhuizen	7

\*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	0.73%
Share Class – Institutional	0.84%
Net Expense Ratio	
Share Class – K	0.73%
Share Class – Institutional	0.84%

Benchmark: MSCI ACWI 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. Fund inception: June 10, 2014. \*Not annualized.

*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 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. 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 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 (%)
NVIDIA	3.03
Spotify	0.81
Apple	0.78
ASML	0.75
Adyen	0.69

### Bottom Five Contributors

Asset Name	Contribution (%)
PDD Holdings	-1.61
Atlassian	-0.96
Tesla Inc	-0.82
HDFC Bank	-0.47
Kering	-0.45

One Year to March 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
NVIDIA	5.94
Amazon.com	1.44
Spotify	1.38
Netflix	1.10
Advanced Micro Devices	1.07

### Bottom Five Contributors

Asset Name	Contribution (%)
Kering	-2.33
Moderna	-2.06
Illumina	-1.64
Meituan	-1.59
CATL	-1.05

Five Years to March 31, 2024

### Top Five Contributors

Asset Name	Contribution (%)
Tesla Inc	19.33
NVIDIA	11.99
PDD Holdings	3.92
ASML	3.86
Dexcom	2.83

### Bottom Five Contributors

Asset Name	Contribution (%)
Illumina	-4.25
Carvana	-2.84
Alibaba	-2.76
Kering	-2.68
Microsoft	-2.24

Source: Revolution, MSCI, Baillie Gifford Long Term Global Growth Fund relative to MSCI ACWI 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

Market sentiment has grown increasingly positive about the widespread adoption of artificial intelligence (AI) applications across various sectors, boosting certain segments of the global economy and supporting many of the technological growth companies we have identified in the portfolio. Recognising these significant technological trends, which provide multi-decade opportunities, is part of the Long Term Global Growth team's core investment philosophy.

## Performance

Among the largest contributors to performance over the quarter were NVIDIA, Spotify and ASML

NVIDIA's, a leader in graphic processing unit (GPU) chips, share price nearly doubled this past quarter, fuelled by its continuous breakthroughs in AI technology. We saw NVIDIA's Chief Executive Officer Jensen Huang showcase innovations at their technology conference, GTC. Huang said, "accelerated computing has reached the tipping point" and demand is surging across industries and countries. This has translated into record quarterly revenues of \$22 billion, an increase of over 250% from a year ago, and earnings per share rose nearly 8x over the same period. A new GPU chip named Blackwell was unveiled, which is 2x more powerful for training AI models, and has 5x more inference capability.

The audio streaming company Spotify's share price this quarter has been buoyed by the focus on profitability and continued user growth, with their monthly active users up to 600 million, up over 20% since last year. Spotify is making headway on efficiency initiatives, which included an executive team reshuffle and headcount reduction. We think the large, growing and engaged user base is Spotify's most distinctive asset. Spotify are providing better podcast distribution, making audiobooks free to paying subscribers and increasing prices, which are positive steps to improving profitability and cash generation.

Despite an uncertain few years for semiconductor equipment, ASML, the Dutch lithography machine manufacturer, continues to operate extremely well, seeing a revenue increase of 30% over 2023. This was driven by increasing sales of DUV (Deep

Ultraviolet) and EUV (Extreme Ultraviolet) lithography machine orders. ASML points to the global megatrends of the electronic industry to fuel growth across the semiconductor industry. In their full-year results, the long-term opportunity for ASML was conveyed by management's reiteration of their 2025 and 2030 revenue and gross margin goals, which aims for a doubling of sales and more than a 5% increase in margins.

Among the largest detractors from performance over the quarter were PDD Holdings, Atlassian and Tesla

PDD Holdings, a social e-commerce platform was one of the largest contributors to performance last quarter, so it is not surprising to see the share price come off slightly following a strong period of performance. However, it is worth restating the incredible operational progress, while PDD Holdings still continues to invest in its agricultural and supply chain technology. This quarter's results were strong, with a revenue increase of over 120% compared to this time last year. Although there is no disclosure of Temu's contribution, their ecommerce platform offered in the United States, we think the domestic business has reached significant profitability.

For the first time, software company Atlassian's quarterly revenue exceeded a billion dollars, which is over a 20% increase from the previous year. A key component of Atlassian's strategy is cloud migration, with the company anticipating strong growth going forward, but the market has been concerned about how much of this growth may be inorganic, due to some cloud revenues coming through Atlassian's acquisition of Loom. We think these concerns are overblown and the series of new products in the generative AI space are helping to further expand its offerings.

Tesla's, the electric vehicles (EV) company, share price continued to decline this quarter, due to reduced expectations for electric vehicle sales and intensifying competition in China. Despite this, it is important to highlight Tesla's remarkable achievement, with Model Y becoming the best-selling vehicle globally in 2023 with over 1.2 million units sold. In the most recent earnings, Tesla explained that by focusing on the next generation vehicle, a \$25,000 electric car, they expected slower volume growth in 2024. We are cognisant

that Tesla's intrinsic value is based on the company's ability to reach the long-term aims of selling 10-20 million cars per year, at an attractive margin with additional upside from energy and software businesses.

**Notable transactions**

During the quarter, we made four new purchases, electric truck manufacturer Rivian, Italian luxury company Moncler, robotics business Symbotic, and South American neo-bank Nu Holdings. Over the quarter, we sold longstanding positions in e-commerce and cloud service company Alibaba and electric vehicle company NIO due to increased competition and lacking conviction in the long-term growth opportunity.

**Market Outlook**

Our outlook remains unchanged. We aim to invest in a concentrated portfolio of exceptional growth over the long term. We seek out companies that can grow to multiples of their current size, have a sustainable competitive advantage, are led by visionary and entrepreneurial management teams, have a clear path to long-term profitability.

Transactions from 01 January 2024 to 31 March 2024.

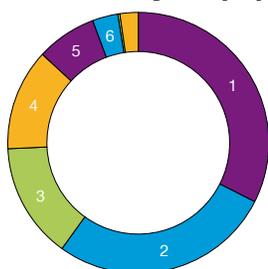
## New Purchases

Stock Name	Transaction Rationale
Moncler	<p>We have initiated a new holding in Moncler. The company's core winter-wear brand has deep luxury heritage which cannot be replicated, and it occupies a differentiated position at the intersection of luxury goods and high performance textiles. These characteristics afford the brand among the most attractive margin structures in the luxury goods industry. We believe this margin structure is defensible, given limited need for ongoing product development expense to support the core line, which does not face the same design risk plaguing many other luxury apparel brands today. While we perceive some risk around the recent Stone Island acquisition, we are reassured that the deal has clear strategic logic given the synergies in performance textiles and the benefits to increased scale in the luxury industry. We also take comfort in management's intention to apply the same growth playbook at Stone Island which they've used to excellent effect in core Moncler. Our blue sky case rests on the ability to materially expand the store footprint in underpenetrated markets outside Europe, while also increasing average selling price through successful execution of the transition away from wholesale channels.</p>
Nu Holdings	<p>We have initiated a position in Nu Holdings, a founder-run digital bank operating in Brazil, Mexico and Colombia. After a decade of operation, the company has attracted over half of Brazil's adult population, mainly through organic customer acquisition. This demonstrates a strong product-market fit replicated across an increasingly broad product portfolio, different market segments and multiple geographies. Nu has achieved 40% underlying return on equity (ROE) in its core Brazilian market while continuing to grow rapidly. Nu leverages its digital business model with an 85% cost advantage over incumbent banks to undercut fees while offering superior customer experience, commanding the highest net promoter score of any consumer company in the world. Our 5x return requires Nu to continue gaining market share in its current geographies and products while successfully expanding into new areas and products for a 'second act' over ten years.</p>
Rivian	<p>Rivian builds compelling EVs for the USA's largest vehicle segment where it faces limited and retreating competition. The market is worried about the company's cash burn rate, however, we see a clear path to breakeven due to the significant up-front investments Rivian has made in vertical integration (which are not yet visible). We are also excited about the upcoming and lower-priced R2 (which opens up a much larger addressable market). The company is led by a long term-oriented founder-owner who holds deep conviction in the inevitable electrification of the vehicle fleet. We believe Rivian has a small but growing chance of becoming one of the iconic brands of the EV era.</p>
Symbotic	<p>We purchased a new holding in Symbotic, a leading American warehouse automation company. The vast majority of warehouses are still largely manually operated and the industry is increasingly struggling with labour shortages, rising wages and high employee turnover. Symbotic's solution combines both hardware and software to control autonomous robots that move packages around the facility in preparation for delivery. The main initial customers are large supermarket chains like Walmart but the system will be applicable to many other end industries. The company has a large order backlog, is very efficient with only a small salesforce and we expect returns to improve over time as recurring revenues from software become a larger proportion of total sales.</p>

## Complete Sales

Stock Name	Transaction Rationale
Alibaba	<p>We have decided to sell Alibaba, a company we have held since 2014. Our initial excitement stemmed from the company's ability to help China leapfrog bricks-and-mortar retail to e-commerce dominance thus driving Alibaba to become the primary retail channel in China. Alibaba was able to do this by stimulating consumer demand with innovations such as Singles Day and harnessing the efforts of thousands of Chinese businesses to create an ecosystem that is faster, smarter, and more efficient. The company has since broadened its offering by expanding to cloud computing, digital media, entertainment, and payments. However, the e-commerce business continues to lose share to competitors while growth in the cloud has been anaemic. Although profitability in cloud computing has improved, Alibaba has decided against a spin-off to unlock value thereby eliminating a key reason to hold.</p>
NIO	<p>We have sold the holding in Nio. We have lost conviction that the company will successfully navigate an increasingly complex landscape, balancing brand positioning, technological differentiation, and market expansion amidst fierce competition and financial pressures. The company has never made an operating profit and is sub-scale in the world's most brutal market. Competition in the upper end of the market is clearly tougher than expected and we worry that a foray into the mass market will be even more difficult. We had hoped that Nio could build a strong brand in the premium end of the market which would lead to differentiation but this thesis has not played out in terms of volumes and will be even harder to achieve in the crowded mass market. Despite a strong balance sheet after capital injections from Chinese and Abu Dhabi government bodies, we worry that the cash will be squandered trying to compete in such a torrid environment.</p>

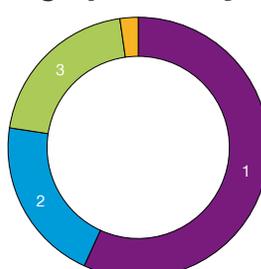
**Sector Analysis (%)**



1	Information Technology	32.46
2	Consumer Discretionary	27.48
3	Communication Services	14.33
4	Health Care	12.59
5	Financials	7.47
6	Industrials	3.16
7	Materials	0.25
8	Cash	2.26

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.

**Geographic Analysis (%)**



1	North America	56.81
2	Europe (ex UK)	20.60
3	Emerging Markets	20.33
4	Cash	2.26

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	NVIDIA	8.32
2	Amazon.com	6.72
3	ASML	5.13
4	PDD Holdings	4.17
5	Adyen	3.98
6	Dexcom	3.75
7	Spotify	3.50
8	Intuitive Surgical	3.45
9	Cloudflare	3.44
10	The Trade Desk	3.41

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

**Portfolio Characteristics**

Number of holdings	39
Number of countries	12
Number of sectors	7
Number of industries	18
Active Share	91%*
Annual Turnover	13%**

\*Relative to MSCI ACWI 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	1	Companies	None	Companies	None
Resolutions	12	Resolutions	None	Resolutions	None

The strategy continues to ensure that our Environmental, Social and Governance (ESG) research, integration and stewardship activities are focused on issues material to the investment case and our holdings' long-term growth prospects.

We remain of the view that companies who align with ever-evolving societal and environmental expectations will likely have higher odds of success over our investment timeframe.

Company Engagement

Engagement Type	Company
Environmental	Advanced Micro Devices, Inc., Adyen N.V., Affirm Incorporated, Contemporary Amperex Technology Co., Limited, Intuitive Surgical, Inc., Kering SA, Sea Limited
Social	Contemporary Amperex Technology Co., Limited, Intuitive Surgical, Inc., Kering SA, Tesla, Inc.
Governance	ASML Holding N.V., Contemporary Amperex Technology Co., Limited, Datadog, Inc., Kering SA, Netflix, Inc., PDD Holdings Inc., Rivian Automotive, Inc., Roblox Corporation, Sea Limited, The Trade Desk, Inc., Workday, Inc.
Strategy	Amazon.com, Inc., PDD Holdings Inc.

### Votes Cast in Favour

Companies	Voting Rationale
HDFC Bank	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.

## List of Holdings

Asset Name	Fund %
NVIDIA	8.32
Amazon.com	6.72
ASML	5.13
PDD Holdings	4.17
Adyen	3.98
Dexcom	3.75
Spotify	3.50
Intuitive Surgical	3.45
Cloudflare	3.44
The Trade Desk	3.41
Netflix	3.23
Shopify	3.21
Atlassian	3.03
Advanced Micro Devices	2.91
Meituan	2.82
Workday	2.80
Moderna	2.58
Coupang	2.45
Kering	2.30
Hermès International	2.29
MercadoLibre	2.22
Tesla Inc	2.17
Moncler	1.88
CATL	1.78
Sea Limited	1.74
HDFC Bank	1.59
BioNTech	1.52
Samsara	1.48
Roblox	1.40
BeiGene	1.28
Nu Holdings	1.24
Datadog	1.14
Tencent	1.05
Enphase Energy	1.01
Symbotic	0.92
Affirm	0.67
Joby Aviation	0.46
Rivian Automotive	0.46
Ginkgo Bioworks	0.25
Cash	2.26
<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 Long Term Global Growth Fund are Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, Non-Diversification Risk, Non-U.S. Investment Risk and China 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. The Fund may have a smaller number of holdings with larger positions in each relative to other mutual funds. 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. Investing in securities of Chinese issuers involves certain risks not typically associated with investing in securities of U.S. issuers, including more frequent trading suspensions and government interventions (including by nationalization of assets), currency exchange rate fluctuations or blockages, different financial reporting standards, custody risks, and potential adverse tax consequences. Investing in securities of Chinese issuers involves certain risks such as limits on use of brokers and foreign ownership. There can be a higher dependence on exports and international trade with the potential for increased trade tariffs, sanctions and embargoes. U.S. sanctions or other investment restrictions could preclude the Fund from investing in certain Chinese issuers or cause the Fund to sell investments at a disadvantageous time. Chinese securities can become illiquid quickly as Chinese issuers have the ability to suspend trading and have done so in response to market volatility and other events.

Other Fund risks include: Asia Risk, Conflicts of Interest Risk, Currency Risk, Emerging Markets Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment 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.

The Baillie Gifford Long Term Global Growth Fund seeks to provide long-term 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.

## Legal Notices

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