



Baillie Gifford Health Innovation Equities Fund

Second Quarter 2022

Baillie Gifford Update

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 51 partners with average 19 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 strategy aims to invest in companies that have the potential to bring substantial improvements to human health and healthcare systems. The team believe such companies are best positioned to deliver attractive investment returns over the long term. The team recognise that such companies often lie at the intersection of the different disciplines, driven by the convergence of technologies and it is therefore critical that the scope is not limited to the traditional definition of the healthcare sector. The team's ambition extends beyond generating attractive returns for the Fund's investors - they also want to play a part in speeding up the healthcare revolution.

Fund Facts

K Class Ticker	BGHDX
Institutional Class Ticker	BGHBX
Launch Date	December 28, 2021
Size	\$6.3m
Benchmark	MSCI ACWI Index
Stocks (guideline range)	25-50
Current Number of Stocks	39
Active Share	99%*
Style	Long-term growth stockpicking

*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.

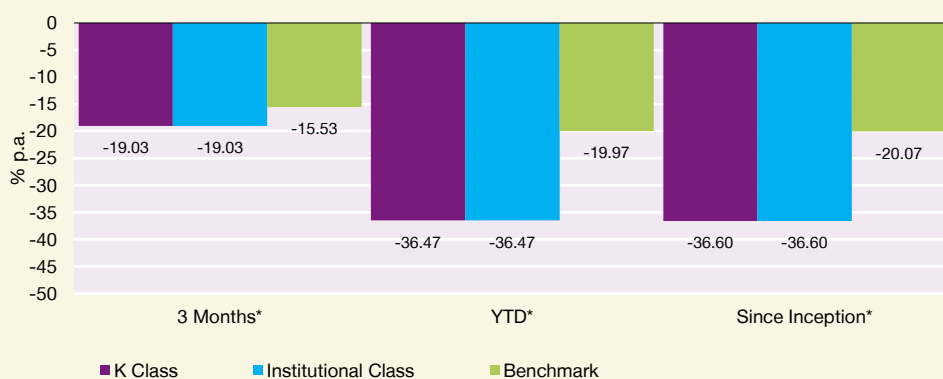
Health Innovation Team

Name	Years' Experience
Julia Angeles*	14
Marina Record	13
Rose Nguyen	9

*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 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 June 30, 2022



Gross Expense Ratio	
Share Class – K	2.22%
Share Class – Institutional	2.37%

Net Expense Ratio	
Share Class – K	0.65%
Share Class – Institutional	0.80%

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.

*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. *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 net expense ratios for this fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses) through April 30, 2023.

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: Dec 23, 2021. NAV returns in US dollars.

Stock Level Attribution

Quarter to June 30, 2022

Top Five Contributors

Asset Name	Contribution (%)
argenx	2.68
Wuxi Biologics Cayman	0.95
ShockWave Medical	0.94
Amazon.com	0.52
Recursion Pharmaceuticals	0.38

Bottom Five Contributors

Asset Name	Contribution (%)
Illumina	-2.35
10X Genomics	-1.37
Teladoc	-1.34
Dexcom	-1.19
Ambu	-0.93

Source: StatPro, MSCI, Baillie Gifford Health Innovation Equities 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. A full list of holdings is available on request. The composition of the Fund's holdings is subject to change.

Market Environment

Market conditions continue to be volatile; compounding uncertainty has continued to affect the market and the sector this quarter. It will end, it always does, but when, and how much lower are still unclear. We believe that in periods of great uncertainty similar those which we are currently enduring, it is vital that as stewards of your capital we stick to our fundamentals. We have now met with every company in the portfolio and examined their positioning and strategy in a changed macro environment and maintain our conviction that we hold the best in class companies that are well financed to continue growth, with a well-balanced resilient portfolio with ~60% of holdings generating positive free cash flows.

We also feel in sticking to our process it is important to stay close to our eco-system. The team have been busy visiting new companies and institutions around the world as we look to build upon our investment hypothesis, explore current and future trends transforming healthcare, and meet leading industry experts and thinkers. The companies in which we invest are solving some of the biggest problems facing humanity, both in the most vexing diseases, and in repairing a health care system which isn't serving patient's needs. These trends will not go away, and the incumbent players are ripe to be disrupted.

Performance

The fund underperformed the benchmark this quarter, driven largely by the continued sell off across growth equities, and the broader trend in markets. The main contribution to performance has been led by Argenx a Belgian company that develops antibody-based drugs for rare auto-immune diseases and cancer following earnings which beat analyst expectations. Currently they have seven wholly owned product candidates and four co-developed and partnered product candidates. Our investment hypothesis in Argenx is built on their special management culture, that closely ties in advances in academia, the scalability of their platform, and their ability to iterate on success which has seen their first drug approved in the last 6 months, and another three-nearing commercialisation.

Our second largest contributor to performance is WuXi Biologics a Chinese contract development and manufacturing organisation (CDMO). Shares jumped following indications that it would soon be removed from US unverified lists, as inspectors will soon be able to visit the factories in China, following an inability to do so during Covid lock downs. Their business model allows a biotech company to bring their drug design to WuXi, then have it produced, trialed, and commercialised in exchange for a royalty. WuXi currently accounts for 40% of new biologic assets globally. We think that this CDMO model is highly compelling in terms of its ability to disrupt big Pharma as well as bring innovation to patients more cheaply and far quicker.

The third top contributor to performance has been Shockwave Medical, a California based pioneer of intravascular lithotripsy (IVL), an innovative technology that treats calcified blood vessels using sonic pressure waves. Shockwave has aggressively reinvested revenues in R&D doubling the size of the team in the last year and expects to have six commercialised products in 2026. Management is forecasting 71-79% revenue growth this year, and entry to the Chinese market with their products. At the end of last year Shockwave attained a permanent reimbursement code from the Centres for Medicare and Medicaid Services (CMS), which paves the way for increased market share, allowing physicians to fund treatment from Medicaid and Medicare (US government funded healthcare provision). This essentially doubles the payments hospitals receive and levels the economic playing field with the incumbent treatments. Coupled with an expected reimbursement upgrade for coronary devices removes any reimbursement uncertainty, which has been the largest barrier to adoption, for this faster, simpler, and safer procedure in removing arterial blockages.

Our bottom contributor to performance this quarter has been Illumina, the world leader in gene-sequencing technology. They provide the foundational technology which could help to usher in a new standard of personalised healthcare and a whole new suite of therapies. Illumina's machines have helped to drive down the cost of human genome sequencing from ~ \$2 bn in 2001 to ~\$500 now. They think they can get below \$100. Its Next -Generation Sequencing (NGS) technology is six times faster than the previous generation of genetic sequencing. The biggest news item weighing on the shares continues to be the attempted acquisition of the liquid biopsy company GRAIL (which Illumina spun out of its own business a little over 5 years ago). If completed it could accelerate the adoption of routine cancer screening via blood samples at much lower costs and accuracy to the healthcare systems, as well as screening for 50 cancers at once, including 45 hard to detect types. At the end of May there was also an announcement from Ultima Genomics, a private company who came out of stealth mode with claims that they will be able to sequence a full genome for c.100 USD, although there has yet to be any publishing of proof-of-concept data, and it won't be ready for commercial deployment until 2023 at earliest.

10X Genomics, a US company that builds the tools to understand and manipulate the genome at the single cell level, has been the second bottom detractor to performance this quarter. Shares in the company were volatile, but this appears largely driven by market sentiment rather than company fundamentals. We maintain our view that 10X Genomics' technology is a crucial pillar in the shift to personalised medicines. Their tools and software allow scientists to compare healthy and diseased cells to understand the drivers of disease and provide the infrastructure with which to develop many cell and gene therapies. The continued operational progress and the excellent culture and management team further strengthens our conviction. The third bottom contributor has been Teladoc, the US based telemedicine provider. Recent news from Teladoc has disappointed following a relatively strong 2021. During FY (fiscal year) 2021 revenue grew 86% (to over \$2billion) and total visits increased by 38% to 15.4m which exceeded guidance. Operating cash flow improved significantly to \$194m from negative \$53m the previous year. Growth in revenue, visits and utilisation has all continued to trend upwards this year, however, the recent disappointment came from the lower FY guidance by 7%. They are now expecting 18-23% FY revenue growth and 10% adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization) margin compared to previous guidance of 13%. Management pointed to several factors including a lower return than expected on the D2C mental health business, an elongated sales cycle for the chronic care business and more competition from point solution providers (Teladoc is a whole person solution rather than a one-point solution). There is much to admire about Teladoc's operational progress over the past few years: it is at the fulcrum of US healthcare digitisation. However, there are clearly evolving aspects around competition, which we continue to monitor.

Stewardship

This quarter we met with Ambu, a manufacturer of airway and imaging devices about their environmental impact, and projects they have launched to reduce water and chemical use. We also engaged extensively with Moderna following a shareholder resolution around technology transfer and drug pricing, this has led to us initiating a drug pricing conference later in the year co-chaired by Cambridge university.

Notable Transactions

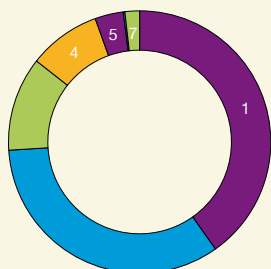
There have been no transactions this quarter.

Transactions from 01 April 2022 to 30 June 2022.

There were no new purchases during the period.

There were no complete sales during the period.

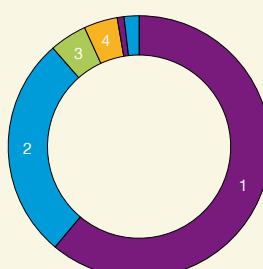
Sector Analysis (%)



1	Biotechnology	40.2
2	Health Care Equipment & Supplies	33.8
3	Life Sciences Tools & Services	11.6
4	Health Care Technology	8.9
5	Pharmaceuticals	3.5
6	Insurance	0.2
7	Cash	1.8

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	61.09
2	Europe (ex UK)	27.47
3	Emerging Markets	4.60
4	Developed Asia Pacific	4.16
5	UK	0.84
6	Cash	1.84

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 Argenx	8.65
2 ShockWave Medical	8.05
3 Moderna	6.29
4 Genmab	6.15
5 Alnylam Pharmaceuticals	4.84
6 Sartorius Group	4.79
7 Edwards Lifesciences	4.56
8 M3	4.16
9 Illumina	3.86
10 WuXi Biologics	3.67

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	8
Number of sectors	2
Number of industries	6
Active Share	99%*

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

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies 33	Companies 6	Companies 2
Resolutions 258	Resolutions 7	Resolutions 2

Company Engagement

Engagement Type	Company
Corporate Governance	M3, Inc., Moderna, Inc., Sartorius Aktiengesellschaft
Environmental/Social	Alector, Inc., BridgeBio Pharma, Inc., Lyell Immunopharma, Inc., M3, Inc., Moderna, Inc.
AGM or EGM Proposals	Ascendis Pharma A/S, Butterfly Network, Inc., Edwards Lifesciences Corporation, Moderna, Inc., Relay Therapeutics, Inc., Sage Therapeutics, Inc.

There are four options that an engagement can be tagged as:

- 'Corporate Governance' (engagement on corporate governance issues and the governance of companies),
- 'Executive Remuneration' (pay of executives),
- 'Environmental/Social' (any issues)
- 'AGM or EGM Proposals' (engagement with proposals)

Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Zai Lab HK Line	AGM 06/22/22	15.1	We supported an annual say-on-pay vote frequency as we believe this is in the best interests of our clients.
Companies		Voting Rationale	
10X Genomics Inc Class A, Alektor Inc, Alnylam Pharmaceuticals, American Well Corp Class A, Ascendis Pharma ADR 1:1, Berkeley Lights Inc, BridgeBio Pharma Inc, Butterfly Network Inc, Denali Therapeutics, Dexcom Inc, Edwards Lifesciences Corp, Exact Sciences, Exscientia Ltd ADR, Health Catalyst Inc, Illumina, Ionis Pharmaceuticals, Lyell Immunopharma Inc, M3, Masimo Corp, Moderna Inc, Novocure Ltd, Oscar Health Inc, Recursion Pharmaceuticals Inc, Relay Therapeutics Inc, Sage Therapeutics Inc, Sana Biotechnology Inc, ShockWave Medical Inc, Teladoc, Veeva Systems Inc Class A, Vir Biotechnology Inc, Wuxi Biologics Cayman Inc, Zai Lab HK Line, argenx		We voted in favour of routine proposals at the aforementioned meeting(s).	

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Edwards Lifesciences Corp	Annual 05/03/22	2	We opposed the advisory vote on compensation as we do not believe the performance conditions are sufficiently stretching.
Edwards Lifesciences Corp	Annual 05/03/22	4	We opposed the shareholder proposal relating to a reduction in the threshold required for shareholders (from 15 per cent to 10 per cent) to call a special meeting as we are comfortable that the governance provisions currently in place provide adequate protection for minority holder interests.
Exact Sciences	Annual 06/09/22	6	We opposed a shareholder proposal to amend the company's proxy right access. We believe the provision as it is currently strikes an appropriate balance between providing shareholder the right to recommend directors to the board and adequate protection to reduce the likelihood of any potential abuse of that provision.
Illumina	Annual 05/26/22	4	We opposed a shareholder resolution requesting the company to change its articles of association to provide shareholders the right to call a special meeting when they own more than fifteen per cent of share capital. We supported management's alternate proposal for setting the threshold at twenty-five per cent, as we agree that this threshold strikes an appropriate balance between facilitating shareholder rights and protecting the company's and shareholders' long term interests.
Masimo Corp	Annual 05/26/22	3	We opposed the executive's remuneration as several aspects are not in line with best practice, including lack of disclosure of LTIP performance targets with significant on-target opportunities, and one-year performance periods.

Company	Meeting Details	Resolution(s)	Voting Rationale
Moderna Inc	Annual 04/28/22	4	We opposed the resolution to commission a third party report analysing the feasibility of transferring intellectual property. Following significant engagement with management and the chair of the board we have comfort that Moderna's leadership has deeply explored the feasibility of safely licensing its technology and to whom, in consultation with stakeholders, such as the WHO. As such we do not believe that there is a requirement for a third party report into this issue. We believe the steps Moderna is taking to expand access to mRNA technologies in the future and ensure the world is better prepared for future pandemics, as outlined in its Proxy Statement, are commendable and we believe that opposing this resolution will better allow management to focus on these, as well as its extensive product pipeline.
Veeva Systems Inc Class A	Annual 06/09/22	2	We opposed the amendment and restatement of the Equity Incentive Plan because we believe that the potential for excessive dilution was not in shareholders' best interests.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Edwards Lifesciences Corp	Annual 05/03/22	3	We abstained on the ratification of the auditor due to concerns regarding long audit tenure.
Sage Therapeutics Inc	Annual 06/16/22	3	We abstained on executive compensation due to concerns with the lack of holding period attached to a significant sign-on equity award for the new CEO.

Votes Withheld

We did not withhold on any resolutions during the period.

List of Holdings

Asset Name	Fund %
Argenx	8.65
ShockWave Medical	8.05
Moderna	6.29
Genmab	6.15
Alnylam Pharmaceuticals	4.84
Sartorius Group	4.79
Edwards Lifesciences	4.56
M3	4.16
Illumina	3.86
WuXi Biologics	3.67
Alk-Abello	3.45
10x Genomics	3.43
Ambu	2.90
ResMed	2.88
Dexcom	2.67
Abiomed	2.56
Novocure	2.35
Masimo	2.25
Ionis Pharmaceuticals	2.23
Denali Therapeutics	1.78
Teladoc	1.67
Ascendis Pharma	1.53
Veeva Systems	1.50
Recursion Pharmaceuticals	1.24
Exact Sciences	1.12
Health Catalyst	1.10
Zai Lab	0.92
Lyell Immunopharma	0.85
Exscientia	0.84
BridgeBio	0.83
Vir Biotechnology	0.83
Butterfly Network	0.82
Relay Therapeutics	0.72
Alector	0.68
Berkeley Lights	0.65
Sage Therapeutics	0.52
Amwell	0.44
Oscar Health	0.21
Sana Biotechnology	0.20
Cash	1.84
Total	100.00

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 investing in the Baillie Gifford Health Innovation Equities Fund are Investment Style Risk, Healthcare Industry Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, Non-Diversification Risk and Focused 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 healthcare industry is subject to regulatory action by a number of private and governmental agencies. The profitability of companies in the healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services, demand for medical products and services and product liability claims, among other factors. New products can be subject to regulatory approvals, which can be a long and costly process with no guarantee of success. Patent protection and the expiration of patents may affect a company's profitability. 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. The Fund's focus on a limited number of sectors or companies will create more risk and greater volatility than if the Fund were less focused. Other Fund risks include: China Risk, Conflicts of Interest Risk, Emerging Markets Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Geographic Focus Risk, Government and Regulatory Risk, Information Technology Risk, Initial Public Offering Risk, Liquidity Risk, Market Disruption and Geopolitical Risk, Market Risk, New and Smaller-Sized Funds Risk, Service Provider 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 Health Innovation Equities 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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