



Baillie Gifford Health Innovation Equities Fund

Fourth Quarter 2022

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 51 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

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	\$20.9m
Benchmark	MSCI ACWI Index
Stocks (guideline range)	25-50
Current Number of Stocks	39
Active Share	99%*
Annual Turnover	12%
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.

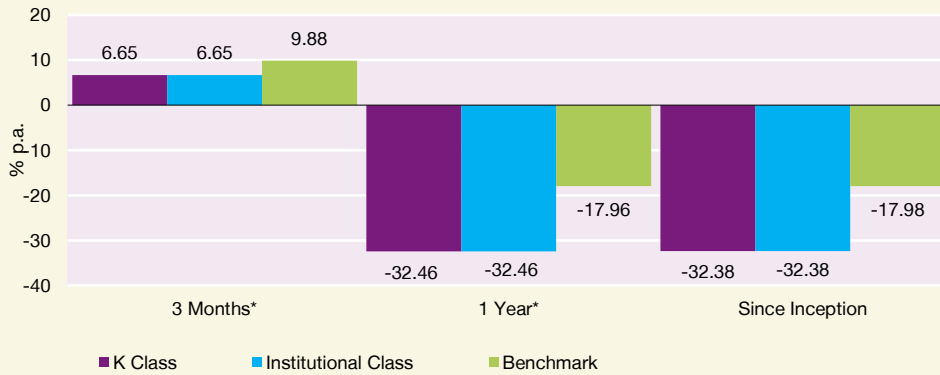
Health Innovation Team

Name	Years' Experience
Julia Angeles*	15
Marina Record	15
Rose Nguyen	10

*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 December 31, 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.

*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. *Not annualized.*

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 December 31, 2022

Top Five Contributors

Asset Name	Contribution (%)
Moderna	2.01
Abiomed	1.14
Genmab	1.09
Ambu	0.99
Dexcom	0.84

Bottom Five Contributors

Asset Name	Contribution (%)
ShockWave Medical	-2.50
Edwards Lifesciences	-0.68
Alk-Abello	-0.66
Relay Therapeutics	-0.66
Staar Surgical	-0.65

One Year to December 31, 2022

Top Five Contributors

Asset Name	Contribution (%)
ShockWave Medical	3.66
Alnylam Pharmaceuticals	3.19
argenx	2.13
Genmab	1.64
Abiomed	0.88

Bottom Five Contributors

Asset Name	Contribution (%)
10X Genomics	-4.95
Illumina	-2.23
Teladoc	-2.22
Ambu	-2.19
M3	-1.83

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 baillieghifford.com/usmutualfund. A full list of holdings is available on request. The composition of the Fund's holdings is subject to change.

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

Stock market prices remained sensitive to news flow, particularly about anything suggesting a change to the inflation outlook. Tighter financing conditions affect investor sentiment and companies' choices, with many seeking more balance sheet security. For companies early in their growth trajectory, the balance is shifting from growth at all costs to growth with cost control.

Despite the problematic macro conditions, this is an exciting time to invest in innovative healthcare. This quarter we saw announcements about breakthrough treatments for Alzheimer's disease, gene-editing of immune cells to treat cancer, and Moderna's Personal Cancer Vaccine delivering exceptional trial results. The majority of holdings in the fund are in rude health. We are pleased with how they are delivering operationally and believe this select group of exceptional healthcare companies are well-placed for long-term growth.

Performance

The Fund delivered a positive absolute return but was behind its index over the quarter. Notable detractors included Shockwave Medical, Staar Surgical and ALK-Abello.

ShockWave Medical makes innovative catheters to treat blocked heart arteries that conventional treatments struggle to deal with. It performed strongly in 2022 but gave back some of its gains this quarter despite continuing progress. The company announced another set of quarterly results ahead of consensus. It is seeing strong demand for its products and again raised guidance. It is likely that broader macroeconomic market concerns were behind the share price weakness in the quarter, with some investors taking some profits after a strong run.

Staar Surgical is a recent addition to the fund. US-based Staar designs and manufactures implantable lenses to treat various eye conditions, including myopia and cataracts. Despite announcing strong operational progress in the quarter, the company lowered near-term guidance due to short-term headwinds, including dollar strength and delayed demand in China due to the country's lockdowns. We believe these issues are temporary, and the company's underlying growth remains strong and early in large market opportunities.

For Danish pharmaceutical company ALK-Abello, the main reason behind its share price weakness was a decline in its short-term growth expectations for its tablet business, mainly due to a weak pollen season. This is a near-term headwind and doesn't undermine our long-term thesis for growth.

There were notable positive contributions from Moderna, Abiomed and Genmab.

The messenger ribonucleic acid (mRNA) biotechnology business Moderna has tended to see its share price move on forecasts of its Covid and respiratory vaccines, but the big news this quarter was tied to a new therapeutic area for the business; personal cancer vaccines. A combination of a Moderna personalized vaccine and Merck's drug Keytruda appears to reduce the risk of recurrence or death from skin cancer. This lends weight to the idea that Moderna could develop a platform healthcare technology.

Abiomed is a heart pump manufacturer and a long-standing holding. It is being taken over by Johnson and Johnson's medical technology division at a 50% premium to the prevailing share price. Johnson and Johnson have recognized the potential for Abiomed's pumps to provide a higher standard of care for people who need temporary heart support.

Danish biotech Genmab designs antibody drugs to treat cancer. It released good operational results during the quarter and promising incremental updates to its broad pipeline of treatments.

Stewardship

Earlier this year, we asked Moderna management how we could best support them in their mission. They asked whether we could assist them in improving vaccine access. We met again in October to discuss how we might help amplify the company's efforts in helping to tackle vaccine hesitancy, a significant threat to global health. We can potentially leverage our network and facilitate partnerships between public and private organizations, creating opportunities that neither can achieve in isolation. We see value in supporting the establishment of more effective public-private partnerships to fight anti-vaccine movements and eventually drive growth and boost the resilience of vaccine companies. Our meeting explored potential joint projects between Moderna and groups such as UNICEF on reducing vaccine hesitancy, particularly in low- and middle-income countries. We will update you as the conversation progresses.

Notable transactions

This quarter we sold US biotech company BridgeBio, which is looking to develop treatments for various genetic diseases. We used the proceeds to initiate a position in Staar Surgical. We also used the proceeds from Abiomed's acquisition to add to biotech company Exscientia, diagnostic company Exact Sciences, online medical network Doximity, and Moderna.

Transactions from 01 October 2022 to 31 December 2022.

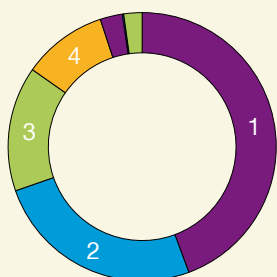
New Purchases

Stock Name	Transaction Rationale
Staar Surgical	Based in California, Staar Surgical designs and manufactures implantable lenses to treat various eye conditions, including myopia (short-sightedness) and cataract (cloudy vision). It's estimated that 5bn people could be short-sighted by 2050; therefore, we believe the addressable market is significant, and there is the opportunity to grow revenues considerably over the coming decade and beyond. This is already being seen today, where Staar is an established player in Asian markets and is starting to gain traction in Western countries. Staar boasts a patient-focused, long-term, and collaborative culture with an experienced and proven senior management team. Given the size of the market opportunity, and the company's strong culture for innovation and patient care, we believe Staar Surgical has real outlier potential.

Complete Sales

Stock Name	Transaction Rationale
BridgeBio Pharma	BridgeBio is a US biotech company looking to develop treatments for a wide range of genetic diseases. Our initial investment case for BridgeBio rests on its differentiated decentralised and capital-efficient business model which we think can make the company more resilient to failures and capable of bringing multiple drugs to market in a faster and more scalable way. However, the failure of a key clinical study (phase 3 ATTR-CM part A) has derailed the company and significantly lowered its long-term chance of success . This has reduced the company's access to the capital markets for long-term funding, and made the business less resilient overall. Hence, we decided to exit the holding for our clients.

Industry Analysis (%)



1	Biotechnology	44.34
2	Health Care Equipment & Supplies	25.33
3	Life Sciences Tools & Services	15.08
4	Health Care Technology	10.21
5	Pharmaceuticals	2.68
6	Others	0.17
7	Cash	2.20

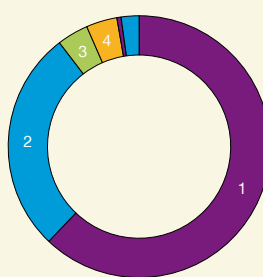
Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

Top Ten Holdings

Holdings	Fund %
1 Moderna	7.94
2 Genmab	7.52
3 Alnylam Pharmaceuticals	7.40
4 argenx	6.71
5 ShockWave Medical	5.10
6 Sartorius Group	4.91
7 Illumina	4.07
8 Dexcom	3.91
9 M3	3.82
10 Ambu	3.71

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

Geographic Analysis (%)



1	North America	62.12
2	Europe (ex UK)	27.47
3	Emerging Markets	3.87
4	Developed Asia Pacific	3.82
5	UK	0.52
6	Cash	2.20

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	38
Number of countries	7
Number of sectors	2
Number of industries	6
Active Share	99%*
Annual Turnover	12%

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

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	3	Companies	1	Companies	None
Resolutions	26	Resolutions	1	Resolutions	None

Healthcare companies with greater impact can attract capital, create and sustain demand, and attract and retain talent

This in turn makes companies less vulnerable to external shocks

Ultimately, this should lead to more sustainable long-term growth companies

Company Engagement

Engagement Type	Company
Corporate Governance	Illumina, Moderna,
AGM or EGM Proposals	Exscientia, Sartorius Aktiengesellschaft
Executive Remuneration	Sage Therapeutics

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

Companies	Voting Rationale
Ambu, ResMed, argenx	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
ResMed	Annual 11/16/22	3	We opposed the executive compensation resolution due to the inclusion of a retesting provision within the long-term incentive plan. We do not believe this structure is appropriate and our decision is consistent with how we voted on previous pay proposals.

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 %
Moderna	7.94
Genmab	7.52
Alnylam Pharmaceuticals	7.40
argenx	6.71
ShockWave Medical	5.10
Sartorius Group	4.91
Illumina	4.07
Dexcom	3.91
M3	3.82
Ambu	3.71
Edwards Lifesciences	3.35
WuXi Biologics	3.01
Doximity	2.91
10x Genomics	2.72
Alk-Abello	2.68
Exact Sciences	2.52
Masimo	2.46
ResMed	2.41
Novocure	2.39
Ionis Pharmaceuticals	2.18
Ascendis Pharma	1.95
Denali Therapeutics	1.65
STAAR Surgical	1.33
Recursion Pharmaceuticals	1.30
Veeva Systems	1.22
Teladoc	1.18
Health Catalyst	1.08
Relay Therapeutics	1.08
Zai Lab	0.86
Vir Biotechnology	0.82
Butterfly Network, Inc.	0.66
Alector	0.66
Sage Therapeutics	0.64
Exscientia	0.52
Lyell Immunopharma	0.48
Berkeley Lights	0.37
Oscar Health	0.17
Sana Biotechnology	0.12
Abiomed	0.00
Cash	2.20
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. There can be no assurance that the Fund will achieve its investment objective.

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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**Principal Office: Calton Square, 1 Greenside Row,
Edinburgh EH1 3AN, Scotland
Telephone: +44 (0)131 275 2000
bailliegifford.com**

**780 Third Avenue, 43rd Floor, New York, NY 10017
Telephone: (212) 319 4633**