

Baillie Gifford International Concentrated Growth Equities Fund



Second Quarter 2021

Baillie Gifford Update

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 47 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 Baillie Gifford International Concentrated Growth Equities Fund invests in exceptional growth companies operating in international markets. We invest with a 10-year investment horizon which we believe differentiates us from the market and allows us to benefit from the power of compound returns. We run a concentrated portfolio to avoid diluting the growth stocks in which we have the highest conviction.

Fund Facts

K Class Ticker	BTLKX
Institutional Class Ticker	BTLSX
Launch Date	December 14, 2017
Size	\$137.5m
Benchmark	MSCI AC World ex US Index
Stocks (guideline range)	20-35
Current Number of Stocks	25
Active Share	93%*
Annual Turnover	29%
Style	Growth

*Relative to MSCI AC World 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.

International Concentrated Growth Portfolio Construction Group

Name	Years Experience
James Anderson*	38
Lawrence Burns*	12
Paulina Sliwinska	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 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, 2021



Gross Expense Ratio	
Share Class – K	0.79%
Share Class – Institutional	0.87%
Net Expense Ratio	
Share Class – K	0.72%
Share Class – Institutional	0.80%

**MSCI AC World 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.

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, 2022.

The MSCI AC World ex US 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 AC World ex US Index.

Source: Baillie Gifford & Co, Bank of New York Mellon, MSCI. Share Class launch date: December 14, 2017. NAV returns in US dollars.*Not annualized

Stock Level Attribution

Quarter to June 30, 2021

Top Five Contributors

Asset Name	Contribution (%)
Moderna	1.59
ASML	0.82
Zalando	0.78
Kering	0.78
Hermes International	0.73

Bottom Five Contributors

Asset Name	Contribution (%)
Ping An Insurance	-0.44
Tencent	-0.39
Tesla Inc	-0.26
Alibaba	-0.21
Delivery Hero	-0.20

One Year to June 30, 2021

Top Five Contributors

Asset Name	Contribution (%)
Tesla Inc	7.17
ASML	3.19
NIO	2.00
MercadoLibre	1.82
Meituan Dianping	1.77

Bottom Five Contributors

Asset Name	Contribution (%)
Spotify Technology SA	-0.79
Ocado	-0.76
Tencent	-0.71
Alibaba	-0.69
TSMC	-0.65

Source: StatPro, MSCI, Baillie Gifford International Concentrated Growth Equities Fund relative to MSCI AC World 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. A full list of holdings is available on request. The composition of the Fund's holdings is subject to change.

During the second quarter of 2021, the K class rose 11.07% and the Institutional class rose 11.09% in comparison to the MSCI ACWI ex US index which rose 5.64%. Stock picking is the main driver of performance in International Concentrated Growth. Positive contributors to performance during the period included a variety of different business models, such as cutting-edge biotechnology, lithography production, online fashion and gene sequencing. This variety reflects the bottom up nature of International Concentrated Growth. What portfolio holdings have in common, though, is that they are all viewed by the Portfolio Construction Group as offering the potential for exceptional investment returns by transforming large parts of societies and economies, and therefore the index.

A quarter is not long enough a time frame by which to properly judge the performance of portfolio holdings, because transformational growth takes place over five to ten years, not months. However, information on holdings that contributed to performance over the period is included below.

Top Contributors included Moderna and ASML.

Moderna is a North American based pharmaceutical and biotechnology company, which uses a cutting-edge platform approach to exploiting messenger RNA to transform the potential of immunology and therapeutic medicines. Moderna is a leader in this field, of using the body's natural protein production processes to fight diseases. The company was founded in 2010 but has come to increasing prominence recently, with news of the success of its Covid-19 vaccine, which helped to showcase the effectiveness of its revolutionary mRNA platform on a worldwide scale. Hundreds of millions of doses of its vaccine have been distributed, with regular news reports of success in research, efficacy, manufacture, and distribution. However, while the success of this outcome is widely welcomed, we view with further excitement a much broader range of applications in prophylactics, oncology and other therapeutics too, which is why the foundational approach of the platform technology is so inspiring: it has immense scalability.

ASML was another positive contributor to performance over the period. It is the Dutch company leading the world in the production of lithography machinery, which is used to make computer chips. Global economic progress has become closely linked with the increasing power of microchips (power that doubles every two years, which is known as Moore's law), and ASML's machinery is at the very heart of this progress. With tremendously broad frontier use cases, such as Artificial Intelligence, 5G, autonomous driving, and advance computing, requiring continuous advancements in underlying computing power, ASML remains poised to meet huge new demand for its highly valuable machinery (~\$160mn cost per machine). The only way ASML remains ahead is by investing heavily in R&D (~\$2.6bn in 2020). Looking forward, Intel, TSMC, and others are on track to spend ~\$70 billion on chipmaking tools this year alone, beating previous years by at least half again: the scale of potential demand is huge.

Ping An Insurance and Tencent were the two most significant detractors from performance

Ping An insurance is a leading Chinese provider of personal financial services, including insurance, banking, asset management and internet financing. The company was founded in 1988, but within more recent years, Ping An has demonstrated how investing in leading technology can allow it to compete extremely efficiently for the growing total addressable Chinese insurance market. This market is growing rapidly as hundreds of millions of people enter the Chinese middle class and seek social safety nets and later life provision in the absence of sufficient state provision. The government is supportive of Ping An helping to plug the gap, and the company is investing \$1bn a year on research and development (R&D) to prepare for the future, such as by building a huge suite of apps (helping with everything from pricing to recruitment). Ping An has made lots of forward-looking investments that can help to solidify the competitiveness of its core insurance business over the long term, including in healthcare. The share price has suffered lately though, as when Covid arrived, the company was a year into restructuring its agent force (of which it has 1mn) and senior management, for the next stage of competition against new tech entrants – this tumultuous news period, however, does not take away from the huge opportunity that the company is reaching for.

Tencent is a Chinese internet services and technology holdings company, that includes in its portfolio social media, entertainment (gaming, television & film, music, comics and video streaming), ecommerce, internet utilities (such as search engine), fintech and medical. It has stakes in over 600 companies, and it grows by increasing its number of regular users (>1bn), while also increasing the monthly hours of each user's engagement – both aims are met by having a broad range of appealing services. Operational progress has been impressive, with revenue up 25% year on year thanks to user figures rising across a range of services, including the messaging app WeChat, video and music subscriptions, and online gaming (in which it has again been top of the charts with “Honor of Kings”). Tencent's share price has been suppressed lately, with news of regulatory fines for Chinese *big tech*. However, far from aiming to dismantle companies like Tencent, which are pivotal to China's future economic success, fines have been intended to promote economic stability – an aim mutually beneficial to society and tech giants like Tencent.

The views expressed reflect the personal opinion of the author and should not be considered as advice or a recommendation to buy, sell or hold a particular investment.

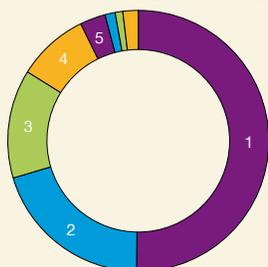
Transactions from 01 April 2021 to 30 June 2021.

There were no new purchases during the period.

Complete Sales

Stock Name	Transaction Rationale
Kinnevik Redemption	We have sold the Kinnevik redemption shares. These shares would convert into Zalando shares but doing so comes with potential withholding tax implications of up to 30% and thus we have opted to sell the shares and repurchase the equivalent value of shares in Zalando in the market.

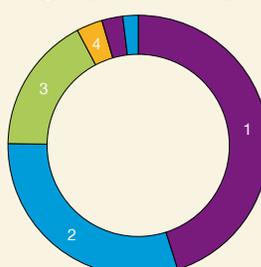
Sector Analysis (%)



1	Consumer Discretionary	50.22
2	Information Technology	20.17
3	Health Care	13.47
4	Communication Services	8.87
5	Financials	3.16
6	Consumer Staples	1.26
7	Industrials	0.95
8	Cash	1.90

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	Europe (ex UK)	45.10
2	Emerging Markets	30.11
3	North America	17.05
4	Developed Asia Pacific	3.23
5	UK	2.60
6	Cash	1.90

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 Five Holdings

Holdings	Fund %
1 ASML	12.13
2 MercadoLibre	8.58
3 Meituan	7.29
4 Tencent	5.42
5 Zalando	5.33

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

Portfolio Characteristics

Number of holdings	25
Number of countries	12
Number of sectors	7
Number of industries	14
Active Share	93%*
Annual Turnover	29%

*Relative to MSCI AC World ex US Index. Source: Baillie Gifford & Co, MSCI.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	22	Companies	2	Companies	3
Resolutions	351	Resolutions	3	Resolutions	4

As long-term growth managers, we continue to focus on a single objective: to maximise long-term financial returns

One of the ways we assess a company's sustainability is by deciding where it fits within our 'ESG pyramid'

We aim to continually improve and make our approach more rigorous and ambitious as time passes. Our underlying belief is that, in the long run, companies which contribute positively to society, will be better placed to succeed

Company Engagement

Engagement Type	Company
Environmental/Social	ASML Holding N.V., Alibaba Group Holding Limited, NVIDIA Corporation, Shopify Inc.
AGM or EGM Proposals	Delivery Hero SE, Kering SA

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
ASML, Adyen Nv, Atlas Copco B, Delivery Hero AG, Ferrari NV, Genmab, Hermes International, Illumina, Kering, Kinnevik, L'Oreal, M3, Meituan, MercadoLibre, Moderna Inc, NIO Inc ADR, NVIDIA, Ocado, Shopify 'A', Spotify Technology SA, Tencent, Zalando SE	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Hermes International	MIX 05/04/21	20, 22	We opposed two resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.
Kering	MIX 04/22/21	19	We opposed a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Kering	MIX 04/22/21	16	We abstained on a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.
Kinnevik	AGM 04/29/21	13.E, 14	We abstained on the election of James Anderson as board chairman due to adherence with our conflict of interest policy.
L'Oreal	MIX 04/20/21	17	We abstained on a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Withheld

We did not withhold on any resolutions during the period.

List of Holdings

Asset Name	Fund %
ASML	12.13
MercadoLibre	8.58
Meituan	7.29
Tencent	5.42
Zalando	5.33
Tesla Inc	5.31
Illumina	4.38
Adyen	4.32
Alibaba	4.22
Kering	3.91
Delivery Hero	3.88
Hermès International	3.65
Moderna	3.64
Spotify	3.45
M3	3.23
NIO	2.74
Ferrari	2.69
Ocado	2.60
Shopify	2.44
Genmab	2.22
Ping An Insurance	1.85
Kinnevik	1.31
NVIDIA	1.28
L'Oréal	1.26
Atlas Copco	0.95
Cash	1.90
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.

All information is sourced from Baillie Gifford & Co unless otherwise stated. All amounts are in US dollars, as of June 30, 2021 unless otherwise stated.

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.

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 International Concentrated Growth Equities Fund are: Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, Non-U.S. Investment Risk, Non-Diversification Risk and Asia 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. The Fund may have a smaller number of holdings with larger positions in each relative to other mutual funds. Some Asian securities may be less liquid than US or other foreign securities. They can be affected by high inflation, currency fluctuations, political instability and less efficient markets. Many Asian economies are dependent on international trade and only a few industries and can be badly affected by trade barriers. Other Fund risks include: China Risk, Conflicts of Interest Risk, Currency Risk, Emerging Markets Risk, Equity Securities Risk, Focused Investment Risk, Geographic Focus Risk, Government and Regulatory Risk, Information Technology Risk, IPO Risk, Japan Risk, Large-Capitalization 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 International Concentrated Growth Equities Fund seeks capital appreciation. There can be no assurance, however, that the Fund will achieve its investment objective.

Any stock examples, or images, used in this document 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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