Baillie Gifford™

Baillie Gifford Sustainable Income Fund

31 December 2023

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 57 partners with average 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

Investment Proposition

Bespoke portfolios in each asset class are constructed specifically to meet the objectives of Sustainable Income. We believe a focus on income is essential in all aspects of portfolio construction, and we benefit from the depth of resource and expertise across Baillie Gifford in selecting individual securities from a global opportunity set. Getting the stock selection right and favouring resilient companies and countries that will not cut dividends or default on coupons is particularly important in limiting the income drawdown in extreme market conditions. Across all asset classes, each underlying investment is compatible with a sustainable economy.

Fund Facts

Fund Launch Date	31 August 2018
Fund Size	£162.1m
IA Sector	Mixed Investment 40-85% Shares

Fund Manager

Name	Years' Experience
Steven Hay	29
Lesley Dunn*	22
James Dow*	19
Nicoleta Dumitru	10

*Partner

This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients. All investment funds have the potential for profit and loss. Past performance is not a guide to future returns.

Fund Objective

To produce monthly income, whilst seeking to maintain the value of that income and of capital in line with inflation (UK CPI) over five-year periods.

The Fund has no target. However, you may wish to assess performance of both income and capital against inflation (UK CPI) over five-year periods. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years
Class B-Inc (%)	7.7	8.9	2.6	6.4
Sector Average (%)*	5.8	8.1	2.6	5.6

Source: FE. Total return net of charges, in sterling.
Share class returns calculated using 10am prices.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
Returns reflect the annual charges but exclude any initial charge paid.
*IA Mixed Investment 40-85% Shares Sector.

Discrete Performance

	31/12/18-31/12/19	31/12/19-31/12/20	31/12/20-31/12/21	31/12/21-31/12/22	31/12/22-31/12/23
Class B-Inc (%)	19.0	6.2	9.7	-9.6	8.9
Sector Average (%)*	15.8	5.3	10.9	-10.0	8.1

Source: FE. Total return net of charges, in sterling.
Share class returns calculated using 10am prices.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
Returns reflect the annual charges but exclude any initial charge paid.
*IA Mixed Investment 40-85% Shares Sector.

Market environment

The final quarter of the year brought a sharp recovery across nearly all asset classes. The dominant narrative previously was that economic growth was not slowing enough to bring inflation down to target levels. As a result, it was thought that interest rates would need to remain higher for longer. From late October, the story morphed into 'immaculate disinflation' as we saw inflation rates fall without a dramatic growth slowdown. Several benign inflation data releases in the US and Europe prompted this shift in opinion among central bankers and investors towards a view that inflation is indeed falling towards target levels quickly.

This led to a relief rally in sovereign and corporate bond markets, as the market priced in multiple interest rate cuts in 2024. Risk assets were well supported by the powerful combination of lower bond yields and a reduced probability of recession. These tailwinds helped the shares of property and infrastructure companies, for example, to finish the year strongly. The US dollar weakened on the back of declining Treasury bond yields, with the dollar giving back the gains it had made since the summer.

Although economic growth in the US remains strong, the rest of the world has shown signs of slowing. Chinese policymakers have added stimulus measures but there has been limited visible improvement in either the real economy or their financial markets, which continued to underperform other regions. This is largely because of the continued morass in China's real estate sector, which forms a large component of its economy. Elsewhere in emerging markets, several central banks in Central Europe and Latin America cut interest rates towards the end of the year. Their rapid responses to rising inflation in 2021 have been largely successful in cutting inflation, and their primary challenge now is to accelerate economic growth.

Beyond the short-term inflation and growth outlook, another important theme in markets was the rapid progress in artificial intelligence and who will be the beneficiaries. The 'magnificent seven' stocks of leading US mega-cap technology companies saw stark share price appreciation during 2023, and these stocks dominated equity market returns.

The performance of financial markets in 2023 highlights how fickle they can be. Although current data points towards a 'soft landing' of the economy, we see significant probabilities of two other scenarios during 2024. One is that central banks keep interest rates high because growth remains positive. In other words, they would sense no urgency to cut while inflation is falling but its outlook is still uncertain. Any upside surprises to inflation in the coming months would make this more likely and we would expect various asset classes, including bonds, to retrace their recent rally.

The other scenario we consider is where something in the economy 'breaks', which damages consumer and business confidence, kickstarting a negative feedback loop that leads to recession. This is likely the worst scenario for asset prices. However, the increased likelihood of a soft landing of the economy increases our optimism for the year ahead.

In conclusion, recent events have been fundamentally positive for financial markets, with growing evidence that inflation is under control in developed and emerging markets. However, markets are now pricing in rapid interest rate cuts in 2024, and there is scope for asset prices to disappoint if central banks do not proceed down this path.

Performance

The Fund delivered a total return of 7.7% during the final quarter of 2023, net of fees. With interest rate expectations falling and the likelihood of a "soft landing" for the economy on the rise, all asset classes delivered positive performance. This was especially true for global equities and property, as both benefitted from lower interest rate expectations and a better outlook for the health of the economy. Within equities, it was therefore the more cyclical names that performed particularly well: Atlas Copco, Schneider Electric and Fastenal. Among the property holdings, two mobile tower businesses – American Tower and Crown Castle – showed the best performance over the quarter thanks to good operating results and the tailwind of falling rate expectations.

The income paid by the Fund experienced healthy growth of 4.4% compared to 2022, which was ahead of the latest UK inflation data (UK CPI change of 4.2% in the 12 months to November 2023).

Positioning

During the quarter, the asset allocation remained relatively neutral compared with the Fund's strategic allocation, reflecting the finely balanced risk environment. At the beginning of the quarter, we completely sold the remaining commodities exposure, which was invested predominantly in shares of gold mining companies. We held these as diversifiers against tail risks. Our recent research found that this strategy works well mainly in the case of an inflationary shock. Therefore, with one such instance now largely behind us, we have less conviction in their value as a hedge and decided to sell.

Unusually for the Fund, we started the quarter with a cash allocation of around 5 per cent, reflecting the degree of uncertainty over the path of inflation and growth. Therefore, we found it prudent to hold some dry powder, especially as cash now offered attractive rates of interest.

As the quarter progressed, we saw growing evidence of inflation rates falling towards target levels, without witnessing a significant economic slowdown many had predicted. This prompted us to reduce the cash weighting, with some of it invested in asset classes which ought to fare well against this backdrop – equities, property and infrastructure.

Within the property portfolio, we bought shares of Montea, a Belgium based owner and operator of logistics assets. Montea is the "smaller brother" of another holding in the Fund, Warehouses de Pauw (WDP). Like WDP, Montea also owns enviable assets in a very tight logistics market and has best-in-class environmental credentials, helping to future-proof their portfolio. In a tough market for property companies, Montea shares were trading at discount compared to WDP so we took advantage of the dislocation to establish a position for the Fund.

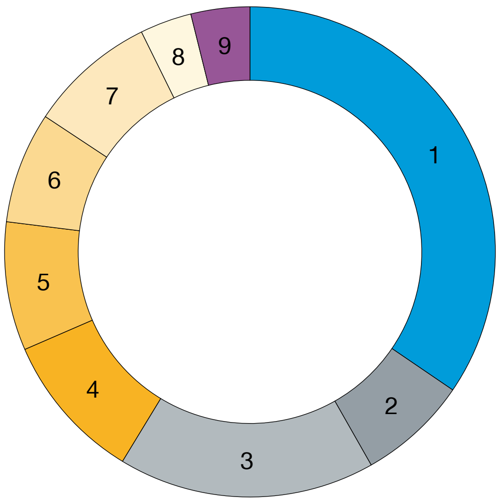
In the credit portfolio, we bought bonds of DaVita, a dialysis treatment provider. The price of the bonds fell victim to the fears that the success of new obesity treatments such as NovoNordisks's Wegovy (also held in the Fund) will impair demand for therapies of ailments linked to obesity, such as kidney failure. However, we believe the bond market overestimates the magnitude and timing of the impact. DaVita demonstrates very healthy cash generation and the possibility of demand reduction is a long-term risk that we believe will be borne by equity investors. We therefore bought the bonds for the Fund.

Our engagement efforts this quarter focused on climate. We queried the largest contributors to financed emissions in the credit portfolio, Yara and Alcoa, and confirmed they are on track with their respective decarbonisation milestones. We also continued a review of physical asset risk for the Northern American utility holdings.

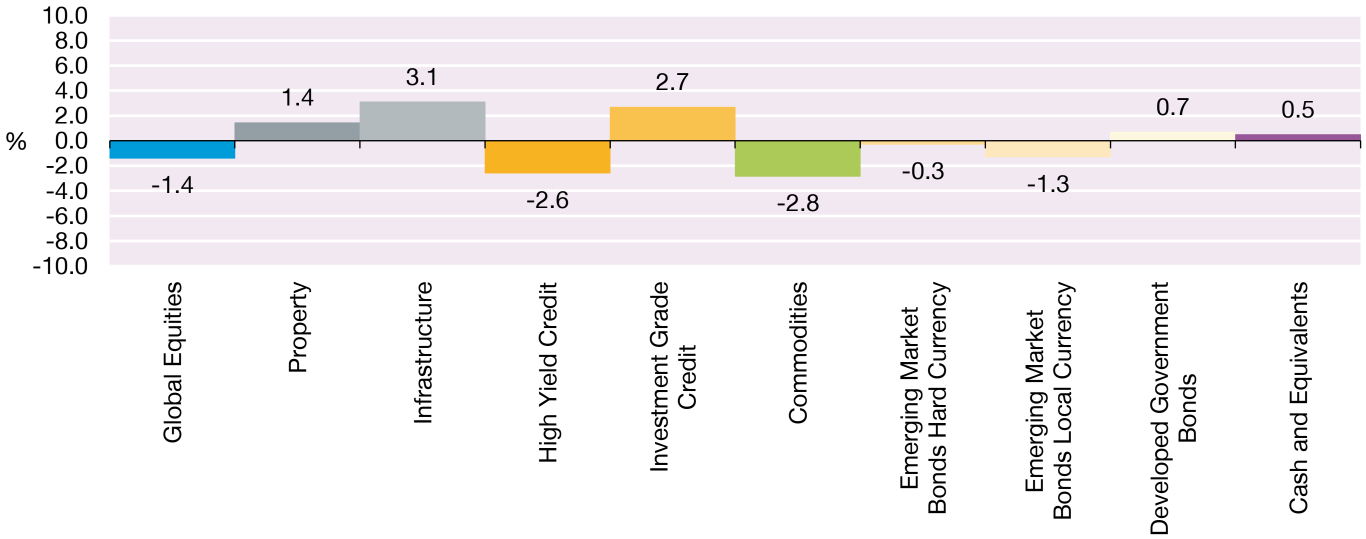
Overall, we still retain a fairly neutral asset allocation, with a small overweight in cash and underweight in infrastructure. We believe that most of the outperformance potential in the Fund comes from bottom-up stock selection. And we are excited about the prospects of the underlying investments to thrive in the years ahead and deliver good operational performance, coupled with a growing income.

Asset Allocation at Quarter End

		(%)
1	Global Equities	34.5
2	Property	7.3
3	Infrastructure	16.9
4	High Yield Credit	9.8
5	Investment Grade Credit	8.5
6	Emerging Market Bonds Hard Currency	7.3
7	Emerging Market Bonds Local Currency	8.4
8	Developed Government Bonds	3.4
9	Cash and Equivalents	3.9
	Total	100.0



Change in Asset Class Weights over the Quarter



Source: Baillie Gifford & Co

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	12	Companies	5	Companies	4
Resolutions	163	Resolutions	26	Resolutions	9

The Principles of Responsible Investment (PRI) has released the results of its 2023 survey. Baillie Gifford has retained a 4/5 star rating

Regulation continues to evolve. The FCA, in the UK, has published its final rules and guidance on its Sustainability Disclosure Requirements (SDR). They are designed to enforce naming and anti-greenwashing regulations across all FCA-authorized firms

The engagement meetings this quarter focus on decarbonisation plans of the largest contributors to financed emissions in the credit portfolio, as well as physical asset risk of our infrastructure holdings

Company Engagement

Engagement Type	Company
Environmental	Admiral Group plc, Albemarle Corporation, Analog Devices, Inc., Assura Plc, Exelon Corporation, First Quantum Minerals Ltd., Fortis Inc., LondonMetric Property Plc, Midea Group Co., Ltd., NextEra Energy, Inc., Prologis, Inc., Texas Instruments Incorporated, United Parcel Service, Inc., WEC Energy Group, Inc., Wolters Kluwer N.V., Yara International ASA
Social	ANTA Sports Products Limited, First Quantum Minerals Ltd., LondonMetric Property Plc, Prologis, Inc.
Governance	Admiral Group plc, Albemarle Corporation, Amadeus IT Group, S.A., Analog Devices, Inc., CAR Group Limited, Crown Castle Inc., First Quantum Minerals Ltd., HDFC Bank Limited, HKT Trust and HKT Limited, Kering SA, LondonMetric Property Plc, Medtronic plc, Prologis, Inc., Schneider Electric S.E., TCI Co., Ltd., Texas Instruments Incorporated, The Procter & Gamble Company, United Parcel Service, Inc., Valmet Oyj, Victoria PLC, WEC Energy Group, Inc., Warehouses De Pauw SA, Wolters Kluwer N.V.
Strategy	Exelon Corporation, First Quantum Minerals Ltd., Fortis Inc., Victoria PLC, WEC Energy Group, Inc., Wolters Kluwer N.V., Yara International ASA

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, here.

Asset Name	Fund %	Exposure (%)
Global Equities		
Novo Nordisk	1.7	1.7
Microsoft	1.6	1.6
Watsco Inc	1.5	1.5
Fastenal	1.4	1.4
Schneider Electric SE	1.2	1.2
TSMC	1.1	1.1
Procter & Gamble	1.1	1.1
Apple	1.1	1.1
Atlas Copco A	1.1	1.1
Partners Group	1.0	1.0
Pepsico	1.0	1.0
Analog Devices	0.9	0.9
Deutsche Boerse	0.9	0.9
UPS	0.9	0.9
Carsales.com	0.9	0.9
Roche	0.8	0.8
Sonic Healthcare	0.8	0.8
Wolters Kluwer NV	0.8	0.8
Experian	0.8	0.8
Nestle	0.7	0.7
Admiral Group	0.7	0.7
Edenred	0.7	0.7
Intuit	0.7	0.7
L'Oreal	0.6	0.6
B3 S.A.	0.6	0.6
AJ Gallagher & Co	0.6	0.6
Kuehne & Nagel	0.5	0.5
United Overseas Bank	0.5	0.5
SAP	0.5	0.5
Cisco Systems	0.4	0.4
Greencoat UK Wind	0.4	0.4
Starbucks Corp	0.4	0.4
ANTA Sports Products	0.4	0.4
NetEase HK Line	0.4	0.4
Coloplast AS	0.4	0.4
Albemarle	0.4	0.4
Amadeus IT Group SA	0.4	0.4
USS Co	0.4	0.4
Valmet Oyj	0.3	0.3
Dolby Laboratories	0.3	0.3
Texas Instruments	0.3	0.3

Asset Name	Fund %	Exposure (%)
Hong Kong Exchanges & Clearing	0.3	0.3
TCI Co	0.3	0.3
AVI	0.3	0.3
Medtronic	0.3	0.3
Cognex Corp	0.3	0.3
Kering	0.3	0.3
T. Rowe Price	0.3	0.3
Midea Group 'A'	0.3	0.3
GSK PLC	0.2	0.2
Hargreaves Lansdown	0.2	0.2
Home Depot	0.2	0.2
Eurofins	0.2	0.2
Mobile Telesystems Ojsc	0.0	0.0
Alrosa	0.0	0.0
Total Global Equities	34.5	34.5

Property		
American Tower Corp REIT	0.7	0.7
Ctp N.V.	0.6	0.6
LondonMetric Property	0.6	0.6
Unite Group	0.5	0.5
Assura Group	0.5	0.5
Prologis Inc REIT	0.5	0.5
Crown Castle International REIT	0.4	0.4
Equity Residential REIT	0.4	0.4
Equinix	0.4	0.4
Tritax Big Box REIT	0.3	0.3
Digital Realty Trust REIT	0.3	0.3
Warehouses De Pauw	0.3	0.3
Segro Plc	0.3	0.3
Target Healthcare Reit Plc	0.3	0.3
Physicians Realty Trust	0.3	0.3
Healthcare Realty Trust REIT	0.3	0.3
Montea NV	0.2	0.2
Sun Communities Inc REIT	0.2	0.2
Rexford Industrial Realty REIT	0.2	0.2
Total Property	7.3	7.3

Infrastructure		
WEC Energy Group	1.3	1.3
Terna	1.2	1.2
Exelon Corporation	1.1	1.1

Asset Name	Fund %	Exposure (%)
Greencoat UK Wind	1.1	1.1
NextEra Energy	1.1	1.1
Greencoat Renewables	1.0	1.0
TINC Comm. VA	0.9	0.9
John Laing Environmental Assets Group	0.9	0.9
Eversource Energy	0.9	0.9
Italgas S.p.A	0.9	0.9
3i Infrastructure	0.8	0.8
Fortis	0.8	0.8
Renewables Infrastructure Group	0.8	0.8
Aguas Andinas	0.8	0.8
Transurban Group	0.7	0.7
Brookfield Renewable	0.6	0.6
BCE Inc	0.6	0.6
Consolidated Edison	0.5	0.5
Ameren	0.5	0.5
HKT Trust and HKT	0.2	0.2
Total Infrastructure	16.9	16.9

High Yield Credit		
Sirius Media 5% 2027 (144A)	0.4	0.4
Cheplapharm 5.5% 2028 (144A)	0.3	0.3
FMG Resources 6.125% 2032 (144A)	0.3	0.3
Veritext 8.5% 2030 (144A) (144A)	0.3	0.3
CCO Holdings 6.375% 2029 (144A)	0.3	0.3
Organon & Co. 5.125% 2031 (144A)	0.3	0.3
Cogent Communications Holdings 7% 2027 (144A)	0.3	0.3
Solenis 9.625% 2028	0.3	0.3
Marks and Spencer 7.125% 2037 (144A)	0.3	0.3
Burford Capital 9.25% 2031 (144A)	0.3	0.3
Grifols 4.75% 2028 (144A)	0.3	0.3
Canpack 3.125% 2025 (144A)	0.3	0.3
Hilton Grand Vacations 4.875% 2031 (144A)	0.3	0.3
Ardagh Packaging 5.25% 2025 (144A)	0.3	0.3
DaVita 4.625% 2030 (144A)	0.3	0.3
Iceland Foods 10.875% 2027	0.3	0.3
Chart Industries 7.5% 2030 (144A)	0.3	0.3
Nationwide 5.75% Perp AT1	0.3	0.3
Bharti Airtel 5.65% 2025 Perp	0.3	0.3
ING Group 6.5% 2025 Perp AT1	0.3	0.3
Iliad 7% 2028 (144A)	0.2	0.2
First Quantum Minerals 6.875% 2026 (144A)	0.2	0.2

Asset Name	Fund %	Exposure (%)
Dana 4.25% 2030	0.2	0.2
Venture Global Delta LNG 8.125% 2028 (144A)	0.2	0.2
Infopro Digital 8% 2028	0.2	0.2
Liberty Costa Rica 10.875% 2031 (Reg S)	0.2	0.2
Cushman & Wakefield 6.75% 2028 (144A)	0.2	0.2
Italmatch Chemicals 10% 2028	0.2	0.2
Mineral Resources 9.25% 2028 (144A)	0.2	0.2
Perrigo 4.9% 2044	0.2	0.2
Santander 9.625% 2029 Perp AT1	0.2	0.2
Banijay Gp 8.125% 2029 (144A)	0.2	0.2
Pinewood Gp 3.625% 2027	0.2	0.2
Liberty Puerto Rico 6.75% 2027 (144A)	0.2	0.2
Victoria 3.625% 2026	0.2	0.2
B&M European Value Retail 8.125% 2030	0.2	0.2
ZF NA Capital 4.75% 2025 (144A)	0.2	0.2
Natwest 4.6% 2031 Perp AT1	0.1	0.1
Virgin Media RFN 4.875% 2028	0.1	0.1
Darling Ingredients 6% 2030 (144A)	0.1	0.1
Total High Yield Credit	9.8	9.8

Investment Grade Credit		
National Express Group 2.375% 2028	0.4	0.4
Weir Group 6.875% 2028	0.3	0.3
CaixaBank 6.875% 2028/33 T2	0.3	0.3
Enel 7.5% 2032 (144A)	0.3	0.3
United Rentals 6% 2029 (144A)	0.3	0.3
Pension Insurance Corp 8% 2033 T2	0.3	0.3
Open Text 6.9% 2027 (144A)	0.3	0.3
OCI 4.625% 2025 (144A)	0.3	0.3
J.P. Morgan 6.4% 2038	0.3	0.3
DNB Bank 4% 2026/27	0.3	0.3
Annington Funding 2.308% 2032	0.3	0.3
Barclays 3.811% 2041-42 T2	0.3	0.3
Investec 9.125% 2027-33 T2	0.3	0.3
Phoenix 4.375% 2029 T2	0.2	0.2
Banco Santander 3.225% 2031/32 T2	0.2	0.2
Amgen Inc 4% 2029	0.2	0.2
Center Parcs 5.876% 2027	0.2	0.2
MSCI Inc 4% 2029 (144A)	0.2	0.2
Tesco 6.15% 2037	0.2	0.2
Yara Intl 7.378% 2032 (144A)	0.2	0.2
Time Warner 4.5% 2042	0.2	0.2

Asset Name	Fund %	Exposure (%)
Ashtead 5.55% 2033 (144A)	0.2	0.2
Antofagasta 5.625% 2032	0.2	0.2
Ford 9.625% 2030	0.2	0.2
Admiral Group 8.5% 2034 T2	0.2	0.2
Concentrix 6.65% 2026	0.2	0.2
Telefonica 8.25% 2030	0.2	0.2
Inchcape 6.5% 2028	0.2	0.2
CTP 0.625% 2026	0.2	0.2
IQVIA 6.25% 2029 (144A)	0.2	0.2
E.ON 6.65% 2038	0.2	0.2
Verisk Analytics 5.75% 2033	0.2	0.2
Realty Income 6% 2039	0.2	0.2
Berkeley Group 2.5% 2031	0.1	0.1
Sealed Air 1.573% 2026 (144A)	0.1	0.1
Pershing Square Holdings 3.25% 2030	0.1	0.1
Orbia Advance Corp 5.875% 2044	0.1	0.1
Alcoa 4.125% 2029 (144A)	0.1	0.1
Total Investment Grade Credit	8.5	8.5

Asset Name	Fund %	Exposure (%)
Emerging Market Bonds Hard Currency		
GBP Fwd Asset 25-Jan-2024 P	1.6	1.6
USD Fwd Asset 25-Jan-2024 P	1.6	1.6
Mexico 5.75% 12/10/2110 (USD)	0.5	0.5
Colombia 7.5% 02/02/2034 (USD)	0.3	0.3
Senegal 5.375% 08/06/2037	0.3	0.3
South Africa 5.875% 2030 (USD)	0.3	0.3
Romania 2% 28/01/2032 (EUR)	0.3	0.3
Peru 8.75% 21/11/2033 (USD)	0.3	0.3
North Macedonia 3.675% 03/06/2026 (EUR)	0.3	0.3
Ivory Coast 6.625% 2048 (EUR)	0.2	0.2
Serbia 2.05% 23/09/2036 (EUR)	0.2	0.2
Indonesia 5.25% 17/01/2042 (USD)	0.2	0.2
Dominican Republic 6.875% 29/01/2026 (USD)	0.2	0.2
Ivory Coast 5.25% 2030 (EUR)	0.2	0.2
Dominican Republic 5.875% 30/01/2060 (USD)	0.2	0.2
Bharti Airtel 5.65% 2025 Perp	0.2	0.2
Chile 4.34% 07/03/2042 (USD)	0.2	0.2
Instituto Costarricense Elctdad 6.375% 2043	0.2	0.2
ReNew Energy Global 4.5% 2027	0.2	0.2
IHS Holding 5.625% 2026	0.2	0.2
DP World 6.85% 2037	0.2	0.2
Sweihan 3.625% 2049	0.2	0.2
Serbia 3.125% 15/05/2027 (EUR)	0.2	0.2
Chile 3.5% 25/01/2050 (USD)	0.2	0.2
Indonesia 4.45% 15/04/2070 (USD)	0.1	0.1
OTP Bank Nyrt. 8.75% 2033	0.1	0.1
Oman 7.375% 28/10/2032 (USD)	0.1	0.1
Hungary 6.75% 25/09/2052 (USD)	0.1	0.1
Dominican Republic 7.45% 30/04/2044 (USD)	0.1	0.1
Inkia Energy 5.875% 2027	0.1	0.1
Oman 6.5% 08/03/2047 (USD)	0.1	0.1
Poland 4.875% 04/10/2033 (USD)	0.1	0.1
Hungary 5.5% 16/06/2034 (USD)	0.1	0.1
Senegal 6.25% 23/05/2033 (USD)	0.1	0.1
Mexico 4.75% 27/04/2032 (USD)	0.1	0.1
Uzbekistan 5.375% 20/02/2029 (USD)	0.1	0.1
Turkcell Iletisim Hizmetleri AS 5.8% 2028	0.1	0.1
Georgia 2.75% 22/04/2026 (USD)	0.1	0.1
HDFC 3.7% Perp	0.1	0.1
Angola 9.375% 08/05/2048 (USD)	0.1	0.1
Tajikistan 7.125% 14/09/2027 (USD)	0.1	0.1
Globo Comunicacao e Participacaes 5.5% 2032	0.1	0.1
Greenko Energy 3.85% 2026	0.1	0.1
Nigeria 7.625% 28/11/2047 (USD)	0.1	0.1
Uruguay 4.975% 20/04/2055 (USD)	0.1	0.1
Poland 5.5% 04/04/2053 (USD)	0.1	0.1
Dominican Republic 6% 19/07/2028 (USD)	0.1	0.1
Panama 4.5% 16/04/2050 (USD)	0.1	0.1
Ukraine 7.75% 01/09/2029 (USD)	0.0	0.0
Ukraine 4.375% 27/01/2032 (EUR)	0.0	0.0
Peru 3.23% 28/07/2121 (USD)	0.0	0.0
Unigel 8.75% 2026	0.0	0.0
EUR Fwd Asset 25-Jan-2024 S	-1.6	-1.6
GBP Fwd Asset 25-Jan-2024 S	-1.7	-1.7
Total Emerging Market Bonds Hard Currency	7.3	7.3

Asset Name	Fund %	Exposure (%)
Emerging Market Bonds Local Currency		
Indonesia 9% 15/03/2029	0.7	0.7
Thailand 1.25% IL 12/03/2028	0.6	0.6
Poland 2.5% 25/07/2027	0.5	0.5
Dominican Republic 13.625% 03/02/2033	0.4	0.4
Brazil 10% 01/01/2027	0.4	0.4
South Africa 6.25% 31/03/2036	0.3	0.3

Asset Name	Fund %	Exposure (%)
South Africa 8.75% 31/01/2044	0.3	0.3
Mexico 7.5% 03/06/2027	0.3	0.3
THB Fwd Asset 08-Feb-2024 P	0.3	0.3
Peru 6.15% 12/08/2032	0.3	0.3
Malaysia 4.232% 30/06/2031	0.3	0.3
Mexico IL 4% 15/11/2040	0.3	0.3
Colombia 3% IL 25/03/2033	0.3	0.3
Romania 4.85% 22/04/2026	0.2	0.2
Hungary 4.5% 23/03/2028	0.2	0.2
Indonesia 8.25% 15/05/2036	0.2	0.2
Hungary 4.75% 24/11/2032	0.2	0.2
Indonesia 6.125% 15/05/2028	0.2	0.2
Colombia 7% 26/03/2031	0.2	0.2
Colombia 7.25% 18/10/2034	0.2	0.2
Brazil 10% 01/01/2025	0.2	0.2
Uruguay 3.875% IL 02/07/2040	0.2	0.2
Chile 5% 01/03/2035	0.2	0.2
Mexico 4% IL 30/11/2028	0.1	0.1
Indonesia 7.5% 15/08/2032	0.1	0.1
Brazil CPI Linked 6% 15/05/2045	0.1	0.1
South Africa 1.875% IL 31/03/2029	0.1	0.1
Brazil CPI Linked 6% 15/08/2024	0.1	0.1
Mexico 4.5% IL 04/12/2025	0.1	0.1
EBRD 0% 10/11/2030	0.1	0.1
Chile 1.9% IL 01/09/2030	0.1	0.1
Czech Republic 6% 26/02/2026	0.1	0.1
Dominican Republic 11.25% 15/09/2035	0.1	0.1
Brazil CPI Linked 6% 15/05/2027	0.1	0.1
Chile 2.3% 01/10/2028	0.1	0.1
GBP Fwd Asset 08-Feb-2024 P	0.1	0.1
Mexico 7.75% 23/11/2034	0.1	0.1
Romania 3.65% 24/09/2031	0.1	0.1
Brazil 10% 01/01/2029	0.1	0.1
Czech Republic 2% 13/10/2033	0.0	0.0
ZAR Fwd Asset 08-Feb-2024 S	-0.1	-0.1
GBP Fwd Asset 08-Feb-2024 S	-0.3	-0.3
Total Emerging Market Bonds Local Currency	8.4	8.4
Developed Government Bonds		
US Treasury 4.125% 15/11/2032	3.4	3.4
Total Developed Government Bonds	3.4	3.4

Asset Name	Fund %	Exposure (%)
Total Cash and Equivalents	3.9	3.9
Total	100.0	100.0

Futures positions are included at their net exposure weight in the portfolio exposure column, and cash includes collateral held to back all long futures positions. Therefore total portfolio exposure may not sum to 100%.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Inc	31 August 2018	GB00BFXY2857	BFXY285	0.50	0.63
Class B-Acc	31 August 2018	GB00BFXY2964	BFXY296	0.50	0.63

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

Index Data	No third party data provider ("Provider") makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate. Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

This document contains information on investments which does not constitute independent investment 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. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients' capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 31 December 2023 and source is Baillie Gifford & Co unless otherwise stated.

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 bailliegifford.com

Copyright © Baillie Gifford & Co 2024

Ref: 83416