

Baillie Gifford™

Baillie Gifford International Concentrated Growth Fund First Quarter 2024

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 21 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Fund Objective

To produce capital growth over the long term by investing primarily in equities outside of the US. Performance will be measured against the MSCI AC World ex US Index.

Investment Proposition

The 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

Launch Date	March 27, 2018
Fund Size	C\$74.4m
Benchmark	MSCI ACWI ex US Index
Current Active Share	94%*
Current Annual Turnover	11%
Style	Growth
Stocks (guideline range)	20-35
Current Number of Stocks	28

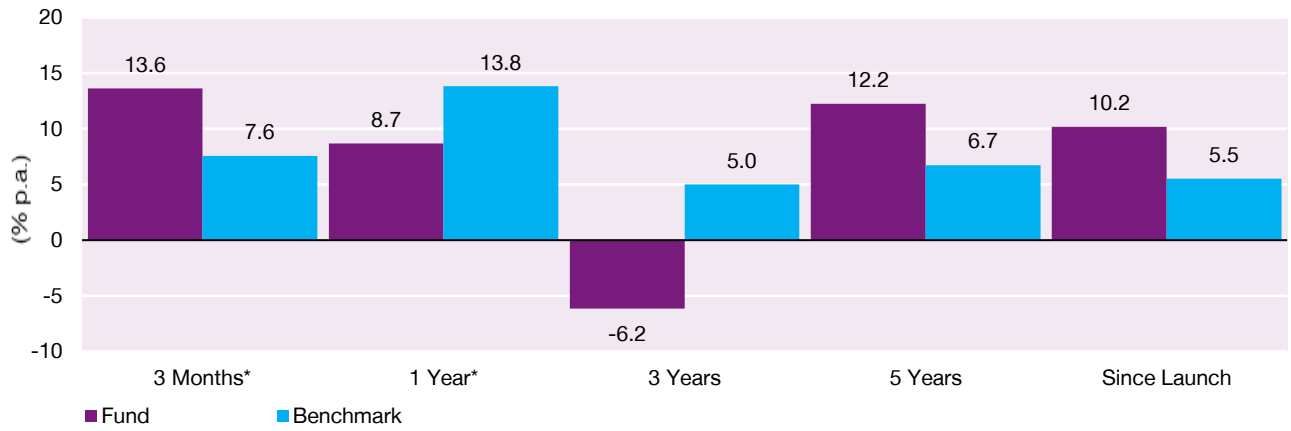
*Relative to MSCI ACWI ex US Index. Source: Baillie Gifford & Co, MSCI.

International Concentrated Growth Portfolio Construction Group

Name	Job Title	Years' Experience
Spencer Adair*	Investment Manager	24
Lawrence Burns*	Investment Manager	15
Paulina McPadden	Investment Manager	11

*Partner

Periodic Performance



Discrete Performance

	03/31/19- 03/31/20	03/31/20- 03/31/21	03/31/21- 03/31/22	03/31/22- 03/31/23	03/31/23- 03/31/24
Fund %	13.5	89.9	-23.2	-1.1	8.7
Benchmark %	-9.6	32.5	-1.7	3.4	13.8

Source: Revolution, MSCI. As at March 31, 2024. Canadian dollars. Fund performance shown is based on the NAV calculated by CIBC Mellon Trust Company, 4pm ET. Index calculated using close to close. *Not annualized. Launch date: March 27, 2018.

All the returns presented above are gross of investment management fees. The results do not reflect the deduction of investment management fees. Fees are charged outside the fund.

Stock Level Attribution

Quarter to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
NVIDIA	3.9
ASML	2.3
Spotify Technology	1.9
Ferrari	1.5
Adyen	1.4

Bottom Five Contributors

Asset Name	Contribution (%)
Ocado	-1.7
MercadoLibre	-0.8
Tesla	-0.7
Kering	-0.6
PDD Holdings	-0.4

One Year to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
NVIDIA	6.0
Spotify Technology	3.1
ASML	2.8
Ferrari	2.5
MercadoLibre	0.6

Bottom Five Contributors

Asset Name	Contribution (%)
Kering	-3.1
Moderna	-2.2
Meituan	-2.1
Zalando	-1.6
M3	-1.4

Since Inception* to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Tesla	15.7
ASML	14.6
MercadoLibre	10.6
NVIDIA	8.7
Ferrari	6.2

Bottom Five Contributors

Asset Name	Contribution (%)
Ocado	-4.6
Zalando	-3.3
Delivery Hero	-2.7
Baidu.com	-1.9
Moderna	-1.8

*March 27, 2018

Source: Revolution, MSCI. Baillie Gifford International Concentrated Growth Fund relative to MSCI ACWI ex US Index.

All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.

Attribution is shown relative to the index 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

Growing optimism about the world economy and improved corporate earnings drove many equity markets to record highs during the quarter. Given the excitement around the potential of generative artificial intelligence to improve economic productivity the Technology sector has continued to dominate.

Performance

Against this backdrop the portfolio was up 14% to the benchmark's 8%. Holdings in NVIDIA, ASML and Spotify contributed positively to performance.

Given the potential of generative artificial intelligence (AI) to improve economic productivity and its current position as a kingmaker in AI training and increasingly inference, NVIDIA has become the defining company of the AI age. It is the top contributor to the portfolio's performance this quarter. We are keeping our enthusiasm for NVIDIA in check remembering that it operates in a cyclical industry and its financial performance will ebb and flow as all cyclical businesses do, despite being exposed to a generation-defining secular growth opportunity.

The Dutch lithography business ASML continues to occupy a unique position as the sole supplier of extreme ultraviolet (EUV) lithography machines which are used to make leading-edge microchips. It has been central to the continuation of Moore's Law and a leading contributor to the portfolio's performance this quarter as well as its longer-term returns. During its fourth-quarter results, ASML announced an unprecedented order intake of €9.2bn, nearly three times market expectations. Over 60 per cent of this was for EUV machines which underscores its position as a critical 'pick and shovels' supplier in the generative artificial intelligence goldrush.

Building on last year's strength, Spotify's share price continued to climb in the first quarter, buoyed by impressive operational progress. The platform witnessed unprecedented growth in 2023, adding a record 113m monthly active users and 31m premium subscribers, marking its highest annual growth to date. Looking ahead, Spotify expects to continue this trend of robust user expansion, mirroring the growth patterns of recent years with a significant rise in subscriber numbers. The company forecasts revenue growth of over 20 per cent on an annual basis. Even with its investment in audiobooks, Spotify is confident in sustaining a strong gross margin over the course of the year.

Holdings in Ocado, Tesla and Kering were among the top detractors to performance.

UK based grocery technology business Ocado's origins are in online UK food retail, but its value lies in its Technology Solutions business. It is deploying AI driven robotics to solve the unique fulfilment and logistics demands of online grocery and beyond. Ocado's shares have been weak recently, as Technology Solutions growth is expected to slow to between 15-20 per cent this year and reaccelerate thereafter.

Last year Chinese auto manufacturer BYD surpassed Tesla, a holding, to become the world's biggest maker of electric vehicles (including plug-in hybrids). Growth in the global EV market remains strong but has slowed recently, and Tesla has also seen some manufacturing issues in both the US and Europe that have constrained supply. All of this has weighed on Tesla's share price so far this year. Despite this, Tesla has maintained its commanding market share of battery electric vehicles in the US and has held on to its strong position in the Chinese market amidst intensifying competition there. Our interest in Tesla however goes far beyond its EV business. Its energy storage business continues to grow rapidly, and we are especially attracted by the optionality Tesla offers in autonomous driving technology, which we think could eventually be a significant driver of the company's profits in the long term.

Shares in the portfolio holding Kering – the owner of brands such as Gucci, Balenciaga, Bottega Veneta, and Yves Saint Laurent – have been under pressure. Growth in Gucci has slowed and the recent launch of new creative director, Sabato De Sarno's, first collection will take time to gain traction. As patient, long-term investors, we continue to view Kering as a high-quality business and look forward to its reinvigoration.

Notable transactions

We added TSMC, the world's leading semiconductor foundry company, to the portfolio. Along with another one of the holdings ASML, TSMC has played a crucial role in the advances in computing power achieved over the last decade. It has a dominant market share in the manufacturing of the most advanced semiconductor technology and is especially well-positioned to benefit from future developments in AI. We view TSMC as a diversified royalty on both compute and AI that will benefit regardless of which specific types of semiconductor technologies win out over the next decade.

We have sold the portfolio's holding in Chinese electric vehicle manufacturer NIO. When we first purchased the shares in 2018, we believed NIO's unique "mobility services" approach and premium positioning would enable it to stand out in an intensely competitive EV market in China. We also expected the range of potential outcomes for the business to be very wide.

Unfortunately, despite considerable growth over the last 6 years, the company has struggled to achieve the level of profitability and scale that we think is required to succeed in an increasingly challenging competitive environment.

Market Outlook

Inflation across developed market economies has been falling from pandemic highs and looks set to reach close to two per cent this year. That will help pave the way for many central banks to start cutting policy rates. While this should benefit our investment style, we believe that over time it will be the fundamental operational progress of the companies we invest in that will drive long-term portfolio returns.

Transactions from 01 January 2024 to 31 March 2024.

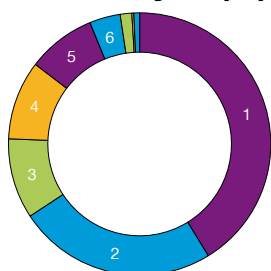
New Purchases

Stock Name	Transaction Rationale
TSMC	We have taken a new holding for you in TSMC, the world's leading semiconductor foundry company. Along with another of the holdings, ASML, TSMC has played a crucial role in the advances in computing power achieved over the last decade. It has a dominant market share in manufacturing the most advanced semiconductor technology and is well positioned to benefit from future developments in AI. We view TSMC as a diversified royalty on both compute and AI that will benefit regardless of which specific types of semiconductor technologies win out over the next decade.
Wise	We have taken a holding in the British Fintech company Wise (previously known as TransferWise). Having recognised that transferring money abroad is expensive, slow, opaque, and inconvenient, Wise aims to offer an attractive alternative for individual consumers and businesses. We think Wise's strong customer proposition provides a long runway for continued market share gains in the large global cross-border market and are encouraged that this is already starting to show in the results.

Complete Sales

Stock Name	Transaction Rationale
NIO	We have sold the holding in NIO, the Chinese electric vehicle (EV) company. When we first purchased the shares in 2018, we believed NIO's unique "mobility services" approach and premium positioning would enable it to stand out in an intensely competitive EV market in China. We also expected the range of potential outcomes for the business to be very wide. Unfortunately, despite considerable growth over the last 6 years, the company has struggled to achieve the level of profitability and scale that we think is required to succeed in an increasingly challenging competitive environment.

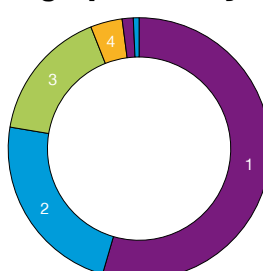
Sector Analysis (%)



1	Consumer Discretionary	41.2
2	Information Technology	24.5
3	Financials	9.9
4	Communication Services	9.7
5	Health Care	8.4
6	Consumer Staples	3.8
7	Industrials	1.4
8	Materials	0.2
9	Cash	0.7

Total may not sum due to rounding.

Geographic Analysis (%)



1	Europe (ex UK)	54.5
2	Emerging Markets	23.1
3	North America	16.4
4	UK	3.9
5	Developed Asia Pacific	1.4
6	Cash	0.7

Total may not sum due to rounding.

Top Ten Holdings

Holdings	Fund %
1 ASML	11.6
2 MercadoLibre	11.3
3 NVIDIA	8.7
4 Ferrari	7.8
5 Spotify	7.1
6 Adyen	6.9
7 Hermès International	4.0
8 Moderna	3.8
9 Kering	3.7
10 Meituan	3.4

Portfolio Characteristics

Number of holdings	28
Number of countries	15
Number of sectors	8
Number of industries	16
Active Share	94%*
Annual Turnover	11%

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

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	1	Companies	None	Companies	None
Resolutions	18	Resolutions	None	Resolutions	None

The lens through which we analyse a company's sustainability is its 'social license to operate', an intangible asset which depends on the individual firm

We engaged with Ocado's remuneration committee, culminating in company policies that better align management pay to company performance

Our Stewardship Principles focus on long-term value creation, alignment in vision and practice, governance fit for purpose, and sustainable business practices

Company Engagement

Engagement Type	Company
Environmental	Adyen N.V., Kering SA
Social	Kering SA, Tesla, Inc.
Governance	ASML Holding N.V., Genmab A/S, Kering SA, L'Oreal S.A., Ocado Group plc, PDD Holdings Inc.
Strategy	PDD Holdings Inc.

List of Holdings

Asset Name	Fund %
ASML	11.6
MercadoLibre	11.3
NVIDIA	8.7
Ferrari	7.8
Spotify	7.1
Adyen	6.9
Hermès International	4.0
Moderna	3.8
Kering	3.7
Meituan	3.4
Delivery Hero	3.0
Tencent	2.7
Coupang	2.6
Zalando	2.4
Ocado	2.1
Shopify	2.1
Genmab	2.0
Wise	1.8
L'Oréal	1.7
PDD Holdings	1.6
TSMC	1.5
Atlas Copco	1.4
Tesla Inc	1.4
M3	1.4
BioNTech	1.2
Kinnevik	1.2
SolarEdge	0.6
Ginkgo Bioworks	0.2
Cash	0.7
Total	100.0

Total may not sum due to rounding.

Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

Additional Fund Information

The Fund is a sub-fund of Baillie Gifford Funds Canada. Its Investment Manager and Distributor is Baillie Gifford Overseas Limited.

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. Further details of the risks associated with investing in the Fund can be found in the Offering Memorandum, copies of which are available at bailliegifford.com

Important Information and Risk Factors

This bulletin 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. Nothing in the document should be construed as advice and it is therefore not a recommendation to buy or sell shares.

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 authorized and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. Baillie Gifford Overseas Limited is regulated in Canada as a portfolio manager and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories. Baillie Gifford International LLC is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and territories. Baillie Gifford Investment Management (Europe) Limited ('BGE') relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec. 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 investment funds have the potential for profit and loss. All information is sourced from Baillie Gifford & Co. All amounts are in Canadian dollars unless otherwise stated.

Fees

International Concentrated Growth Fund Management Fees

0.57% first C\$150m

0.45% next C\$450m

0.35% thereafter

Investors are charged a fee for investment management services based on the above scale. This fee is payable directly to the manager.

Operating Expenses: 0.20%

Expense Cap: 0.15%

The Manager has agreed to bear the expenses of the Fund above the Expense Cap. The Funds operating expenses are all expenses the Fund incurs in its daily operations excluding transaction fees based on the actual expenses for the fiscal year to December 31, 2023. The expense cap has been approved until 31 December 2024.

Dealing Information

Settlement	T+2
Liquidity and Valuation	Daily
Eligibility	Permitted clients*
Dealing cut-off time	4pm Eastern
Custodian and Record Keeper	CIBC

*As defined in Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Managers.

Legal Notices

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