

Baillie Gifford American Fund

31 December 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 58 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

We are bottom-up, growth investors with a long-term horizon. We back our judgement, running a concentrated portfolio (usually between 30-50 stocks), with low turnover. The team aims to outperform by harnessing the asymmetry of returns inherent in equity markets. We believe we will maximise our chances of achieving this aim by identifying the exceptional growth businesses in America and owning them for long enough that the advantages of their business models and cultural strengths become the dominant drivers of their stock prices. We take a five year view when investing in stocks and are not driven by short-term trends.

Fund Facts

Fund Launch Date	31 July 1997
Fund Size	£3,198.2m
IA Sector	North America
Active Share	86%*
Current Annual Turnover	20%
Current number of stocks	47
Stocks (guideline range)	30-50

*Relative to S&P 500 Index. Source: Baillie Gifford & Co, S&P.

Fund Manager

Name	Years' Experience
Dave Bujnowski*	28
Tom Slater*	24
Gary Robinson*	21
Kirsty Gibson	12

*Partner

Fund Objective

To outperform (after deduction of costs) the S&P 500 Index, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association North America Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	19.8	30.9	-3.1	14.4
Index (%)*	9.7	27.3	11.8	15.8
Target (%)**	9.9	28.8	13.3	17.3
Sector Average (%)***	8.5	22.0	8.7	13.4

Source: FE, Revolution, S&P. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

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.

*S&P 500 Index.

**S&P 500 Index (in sterling) plus at least 1.5% per annum over rolling five-year periods.

***IA North America Sector.

Discrete Performance

	31/12/19- 31/12/20	31/12/20- 31/12/21	31/12/21- 31/12/22	31/12/22- 31/12/23	31/12/23- 31/12/24
Class B-Acc (%)	121.8	-2.8	-50.6	40.7	30.9
Index (%)*	14.7	29.9	-7.8	19.2	27.3
Target (%)**	16.2	31.4	-6.3	20.7	28.8
Sector Average (%)***	16.2	25.5	-9.7	16.7	22.0

Source: FE, Revolution, S&P. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

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***IA North America Sector.

Market environment

US equity markets rose in the quarter, buoyed by US presidential election results. As in prior quarters, investor enthusiasm gravitated toward AI-driven technological change and a handful of large companies. In our view, companies' ability to create and harness opportunity from persistent change is more important. Our focus remains on identifying those US companies that can sustain the highest long-term growth.

Performance

The Fund was well ahead of the market in the quarter. Notable contributors to performance included Shopify, Tesla and Cloudflare.

Merchant services company Shopify delivered its largest Black Friday/Cyber Monday shopping weekend ever, emblematic of the platform's successes for several years. Improved marketing measurement and new features attract more merchants willing to pay a higher toll, thus deepening the consumer network. Embracing AI, we believe Shopify could deliver efficient growth for longer than the market anticipates.

Tesla's culture and ability to execute aggressively make it uniquely positioned to drive the transition to a sustainable energy future. A recent surge in the stock's price following the US presidential election prompted us to reassess its upside opportunity, and we reduced the holding into share price strength. Tesla retains significant growth opportunities in pursuing automotive, energy, autonomy, and robotics innovations.

Cloudflare added a record number of large customers in the third quarter, driving strong bookings, revenue growth, and improved financial guidance. The share price rose. Cloudflare's growth opportunity is substantial. Its distributed computing network gives signals less distance to travel, making software more responsive - an enticing trait when considering enterprises' rapidly growing use of network-based AI tools.

Notable detractors from performance included Moderna, Tempus AI and Denali Therapeutics.

Moderna's share price fell due to lower vaccine sales performance forecasted. Moderna aims for profitability through research focus and commercial execution in vaccines and has prioritized clinical research efforts. It aims to release new drug candidates to market in the coming years, and we believe the potential of its drug platform to address

a broad swathe of diseases remains materially under-recognized.

Precision health data company Tempus AI saw its share price fall after the ending of its post-IPO lockup period, which we do not view as unusual. Driving strong growth are sizeable large-pharma contract renewals, and it expects profitability soon following its acquisition of Ambry Genetics - strong in hereditary testing. Tempus can grow for years, sating a growing demand for timely and accurate disease diagnosis.

Denali Therapeutics' share price fell as investors expressed seeming dissatisfaction with its latest financial results. This misses the bigger picture. Denali's novel technology approach, transporting medicines across the blood-brain barrier, could address several burdensome indications, including Alzheimer's and Parkinson's. Denali has a strong cash position and pursues significant commercial potential.

Stewardship

We met with The Trade Desk's (TTD) CEO, Jeff Green to discuss the company's strategic positioning in the rapidly evolving advertising industry. The meeting highlighted to us that TTD is gaining in relevance and influence. Green has been assembling the strategic pieces together for years to put The Trade Desk at the centre of a more transparent and effective open advertising ecosystem. Its opportunity grows as it does so.

We met biotech Moderna's executive and commercial leadership to discuss challenges and strategy following disappointing Respiratory syncytial virus (RSV) and COVID-19 performance. The team acknowledged competitive disadvantages and that expanding its vaccine offering would be key. We are pleased by the commercial team's changes, clarity, and confidence as it pursues commercial success.

We met EV and energy company Tesla's board Chair to discuss Texas reincorporation and recent political developments. The Chair expressed satisfaction with Texas's commercial courts, actively seeks new independent directors, and sees no change in the CEO's involvement with Tesla to date. We will continue to emphasize our support for board independence while monitoring leadership developments.

Notable transactions

Tesla's share price surged since the November presidential election, and we reduced the holding due to share price strength. Tesla retains a significant growth opportunity along several business lines: auto, energy, autonomy, and robotics. However, the current valuation already prices in significant success across multiple fronts. We nevertheless remain optimistic about its substantial long-term growth potential.

We took a new holding in online sports betting platform DraftKings. The company has demonstrated efficient customer acquisition and retention while changing legislation opens up a significant, expanding market opportunity. Operating at scale and growing rapidly, DraftKings can leverage its strength to capture share and increased margins on a path to sustained profit growth.

Coursera, the online learning platform company, experienced challenging revenue growth and reduced marketing spending. These developments, along with lackluster degree business performance, challenged our view of Coursera's long-term growth opportunity. While education and training remain substantial growth markets, these developments dampened our conviction, and we consequently decided to sell the holding.

Market Outlook

The Fund's companies stand apart from the market in terms of ambition, investment in the future, and, thus, pursuit of profitable growth. We have built what we believe to be a distinctive collection of companies at earlier stages of their growth journeys. As history shows, the greatest returns come not from following the herd but from spotting tomorrow's winners before their potential is fully recognized. We are excited to identify and hold these winners for years to come.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2024

Stock Name	Contribution (%)
Shopify	1.4
Tesla Inc	1.0
Cloudflare Inc	1.0
Netflix Inc	0.9
Affirm Holdings Inc Class A	0.8
Doordash Inc	0.7
Roblox	0.5
Amazon.com	0.5
The Trade Desk	0.4
Datadog	0.4
Moderna Inc	-0.8
Tempus Ai Inc	-0.6
Broadcom Inc	-0.5
Alphabet	-0.4
Apple	-0.4
Anylam Pharmaceuticals	-0.3
Denali Therapeutics	-0.3
Wayfair Inc	-0.3
Pinterest	-0.2
Lineage Inc	-0.2

One Year to 31 December 2024

Stock Name	Contribution (%)
NVIDIA	3.3
The Trade Desk	2.1
Netflix Inc	1.6
Doordash Inc	1.6
Sweetgreen	1.2
Meta Platforms Inc.	0.7
Aurora Innovation Class A Common	0.7
Microsoft	0.7
Tesla Inc	0.6
Duolingo Inc	0.5
Moderna Inc	-2.6
Coursera Inc	-1.1
Pinterest	-1.0
CoStar Group	-1.0
Workday Inc	-0.9
Snowflake Inc	-0.9
Broadcom Inc	-0.9
Wayfair Inc	-0.8
10X Genomics Inc Class A	-0.7
Sprout Social	-0.7

Source: Revolution, S&P. Baillie Gifford American Fund relative to S&P 500 Index.

Some stocks may only have been held for part of the period.

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

As Attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Transactions from 01 October 2024 to 31 December 2024.

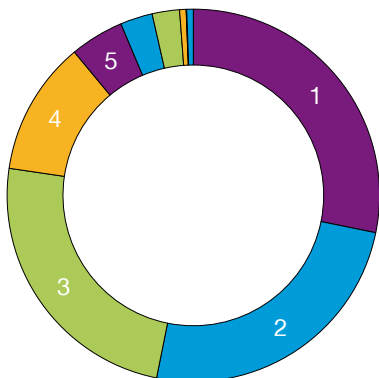
New Purchases

Stock Name	Transaction Rationale
DraftKings	DraftKings operates in the sports betting and gaming industry, offering an online platform for sports wagering and fantasy sports. The company has emerged as one of two leading platforms in the US, where a growing number of States are legalising sports betting and gambling, opening up a large, expanding market opportunity. DraftKings has demonstrated efficient customer acquisition and retention strategies, leveraging its technology platform to drive engagement and increase revenue per user. The company's focus on product innovation, particularly in live betting and parlay offerings, positions it well for future growth. We believe Draftkings will leverage its competitive strengths to capture market share and increase margins on a path to sustained profit growth.

Complete Sales

Stock Name	Transaction Rationale
Coursera	Coursera is an online learning platform offering a range of educational content, including short courses, guided projects, professional certifications, and online degrees. Education and training remain substantial global markets, however, Coursera's revenue growth has slowed as its sales and marketing spending has reduced. This challenges the view it should be able to grow on the strength of its learning platform's attractiveness to learners, education institutions and enterprises. Additionally, Coursera's degree business has not progressed as quickly as we had hoped, challenging our views about Coursera's potential for long-term expansion. Consequently, we have decided to sell the holding.

Sector Exposure



		%
1	Consumer Discretionary	28.2
2	Information Technology	25.0
3	Communication Services	24.2
4	Health Care	11.6
5	Financials	4.7
6	Real Estate	2.8
7	Industrials	2.4
8	Consumer Staples	0.6
9	Materials	0.0
10	Cash	0.6

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading, and does not necessarily represent a bank overdraft.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
Amazon.com	E-commerce, computing infrastructure, streaming and more	8.2
The Trade Desk	Advertising platform	8.0
Shopify	Cloud-based commerce platform provider	6.4
Meta Platforms	Social media and advertising platform	5.7
Netflix	Streaming platform	5.3
DoorDash	Provides restaurant food delivery services	5.0
Cloudflare	Web infrastructure and cybersecurity provider	4.6
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	4.4
Duolingo	Designs and develops mobile learning platform	3.5
Tesla Inc	Electric vehicles, autonomous driving technology and energy solutions	3.2
Total		54.3

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	4	Companies	None	Companies	None
Resolutions	13	Resolutions	None	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	Amazon.com, Inc., Insulet Corporation, Moderna, Inc., Shopify Inc., Tesla, Inc., The Trade Desk, Inc.
Social	Amazon.com, Inc., Cloudflare, Inc., Insulet Corporation, Rivian Automotive, Inc., The Trade Desk, Inc.
Governance	Affirm, Inc., Amazon.com, Inc., Moderna, Inc., Rivian Automotive, Inc., Shopify Inc., Tesla, Inc.
Strategy	Cloudflare, Inc., Insulet Corporation, Moderna, Inc., Rivian Automotive, Inc., Roblox Corporation, The Trade Desk, Inc.

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 %
Amazon.com	8.2
The Trade Desk	8.0
Shopify	6.4
Meta Platforms	5.7
Netflix	5.3
DoorDash	5.0
Cloudflare	4.6
NVIDIA	4.4
Duolingo	3.5
Tesla Inc	3.2
Workday	2.7
Roblox	2.4
Watsco	2.4
Datadog	2.3
Affirm	2.3
Sweetgreen	1.9
CoStar	1.9
Alnylam Pharmaceuticals	1.7
Block	1.7
Pinterest	1.6
Insulet Corporation	1.6
Aurora	1.5
DraftKings	1.4
SharkNinja Inc	1.4
Snowflake	1.3
Wayfair	1.3
Inspire Medical Systems	1.3
Doximity	1.3
Chewy	1.3
Samsara	1.3
Roku	1.2
Moderna	1.2
Penumbra	1.1
Guardant Health	1.0
Lineage, Inc.	0.9
Tempus AI Inc	0.9
The Ensign Group, Inc.	0.8
Denali Therapeutics	0.7
Lemonade	0.7
YETI Holdings	0.6
Oddity	0.6
Sprout Social	0.5
Rivian Automotive	0.4
Recursion Pharmaceuticals	0.3
Ginkgo Bioworks	0.0
Sana Biotechnology	0.0
Abiomed CVR Line	0.0
Cash	0.6
Total	100.0

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.

Abiomed was acquired in December 2022 by Johnson and Johnson. Holders received a cash allocation plus non-tradable contingent value rights (CVRs).

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	28 March 2002	GB0006061963	0606196	0.50	0.53
Class B-Inc	31 July 1997	GB0006061856	0606185	0.50	0.53

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. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

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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 2024 and source is Baillie Gifford & Co unless otherwise stated.

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