

Baillie Gifford Long Term Global Growth Investment 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

The LTGG Team is structured such that every investor can contribute meaningfully to the generation of new ideas, stock research and stock discussions. We want to bring cognitive diversity, creativity and imagination to the research process. Once a stock has been fully researched and discussed, the decision makers are responsible for making the ultimate decision on its inclusion (or otherwise) in the portfolio. Their decisions place an emphasis on backing enthusiasm rather than achieving a full consensus. The LTGG portfolio is deliberately concentrated so the bar is high for any stock to be included in the portfolio. Stocks will typically enter the portfolio as small positions. Thereafter, the bias is towards hold discipline and running winners with a belief that asymmetric returns will drive investment performance.

Fund Facts

Fund Launch Date	10 April 2017
Fund Size	£2002.1m
IA Sector	Global
Active Share	88%*
Current Annual Turnover	21%
Current number of stocks	40
Stocks (guideline range)	30-60

*Relative to MSCI ACWI Index from 30 June 2023, previously FTSE All World Index. Source: Baillie Gifford & Co, MSCI.

Fund Manager

Name	Years' Experience
Mark Urquhart*	28
John MacDougall*	24
Michael Pye	11
Gemma Barkhuizen	7

*Partner

Fund Objective

To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2.5% per annum over rolling five-year periods. Prior to 1st July 2023, to outperform (after deduction of costs) the FTSE All-World index, as stated in Sterling, by at least 2.5% 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 Global 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 (%)	13.5	27.8	0.0	15.2
Index (%)*	6.1	20.1	8.8	11.8
Target (%)**	6.8	23.2	11.5	14.6
Sector Average (%)***	3.5	12.6	4.1	8.9

Source: FE, Revolution. 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.

*MSCI ACWI Index from 30 June 2023, previously FTSE All World Index.

**MSCI ACWI Index plus at least 2.5% per annum over rolling five-year periods from 30 June 2023; previously FTSE All World Index plus at least 2.5% per annum over rolling five-year periods.

***IA Global 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 (%)	95.6	3.9	-40.1	30.7	27.8
Index (%)*	13.0	20.0	-7.3	15.6	20.1
Target (%)**	15.8	23.0	-5.0	18.5	23.2
Sector Average (%)***	15.3	17.7	-11.1	12.7	12.6

Source: FE, Revolution. 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 Global Sector.

Market environment

The fourth quarter of 2024 saw continued trends of the past 18 months, with the markets mainly propelled by Artificial Intelligence (AI) related stocks and the “Trump Trade”. Following the US presidential elections, investor speculation focussed on Trump’s agenda of protectionism, deregulation and tax cuts. Amid this backdrop, Long Term Global Growth continued to demonstrate resilience, posting strong absolute and relative returns.

Performance

Among the largest contributors to performance over the quarter were AppLovin, Atlassian and Shopify.

AppLovin: Shares have more than doubled since our initial purchase in October 2024. The company’s latest results showed exceptional growth with revenues growing 39% and net income margin rising from 13% in Q3 2023 to 36% in Q3 2024. The sharp improvement highlights the success of its Axon technology in targeted advertising and positions the company well for its planned expansion beyond mobile game advertising into broader e-commerce.

Atlassian: The company’s focus on cloud migration and AI driven features has strengthened its position in collaboration and productivity software, demonstrating successful strategy execution. Revenues for the quarter ending 30 September 2024 surpassed \$1billion, up 21% year-over-year and exceeding market expectations. However, we continue to monitor the recent transition to a single CEO structure and the appointment of a new Chief Revenue Officer.

Shopify: Impressive growth and improving margins reflect the quality of Shopify’s business. Q3 2024 revenues rose 26% year over year, with operating income outpacing this by increasing 130%. This marks six consecutive quarters of revenue growth in excess of 25% alongside expanding free cash flow margins, demonstrating the improved economics and returns following the divestment of its logistics operations in June 2023.

Among the largest detractors to performance over the quarter were PDD holdings, Nu holdings, and ASML.

PDD Holdings: PDD’s rapid growth has become the norm, with a 5-year compound annual growth rate (CAGR) over 80% and improving profitability. With this backdrop, revenue growth of 44% and earnings growth of 60% year over year marked a deceleration and raised concerns about competition. After a deep-dive review, we believe

PDD is well-positioned to maintain strong domestic and international growth, leveraging its scale for continued profit expansion.

Nu Holdings: Despite strong results for the quarter, revenue growth of 56% and a return on equity of 30%, shares dropped 30% in December driven by market sentiment on emerging markets and valuation concerns. With 110 million customers and a lower cost base, we believe the company will continue to thrive across diverse product offerings, market segments, and geographies.

ASML: ASML posted third quarter 2024 revenues of €7.5 billion, with a 28% net income margin, however this was below market expectations and company guidance due to weaker extreme ultraviolet lithography (EUV) demand from its two largest customers due to production issues and a normalisation of sales from China. This, along with a downward revision of the 2025 outlook, raised concerns. While the semiconductor industry remains cyclical, we are evaluating lithography’s role in advancing computing power, while noting the company’s recent leadership change.

Notable Transactions

During the quarter, we added two companies to the fund: AppLovin and Horizon Robotics. AppLovin, a leading advertising technology company in the mobile game market, benefits from its AI based models to improve ad targeting, boosting both customer returns and its own net revenue. Given the operating leverage inherent in its business model, we see a clear path to 5x upside, and success in e-commerce could prove truly transformative to returns.

Horizon Robotics specialises in developing artificial intelligence solutions for the automotive industry, particularly in advanced driver assistance and autonomous driving. We have been following the company since 2016 when its founder left Baidu (a former LTGG holding). Having had the opportunity to get to know the company over the last several years we’ve come to view Horizon Robotics as possessing one of the most talented and ambitious teams globally. This, combined with operating in a fast-growing area with applications beyond automotive, led us to take a small initial position for our clients at IPO.

We sold our position in HDFC Bank during the quarter. The merger between HDFC Ltd and HDFC Bank, along with significant management changes, weakened our conviction in the company's cultural advantage, which was a key part of our investment thesis. To generate meaningful upside from here would require both improved profitability and faster growth, which are now at odds. Given more compelling opportunities elsewhere, we decided to redeploy the capital.

Market Outlook

Our outlook remains unchanged. We aim to invest in a concentrated portfolio of exceptional growth companies over the long term. We seek out companies that can grow to multiples of their current size, have a sustainable competitive advantage, are led by visionary and entrepreneurial management teams with a clear path to long-term profitability.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 December 2024

Stock Name	Contribution (%)
AppLovin	1.9
Atlassian Corp Plc	1.2
Cloudflare Inc	1.0
Shopify	1.0
Netflix Inc	0.8
Tesla Inc	0.7
Amazon.com	0.7
Spotify Technology SA	0.6
NVIDIA	0.5
Roblox	0.5
PDD Holdings	-1.0
Nu Holdings Ltd.	-0.6
ASML	-0.5
Moderna Inc	-0.5
Enphase Energy Inc.	-0.5
MercadoLibre	-0.5
Advanced Micro Devices Inc	-0.4
Meituan	-0.4
Apple	-0.4
Broadcom Inc	-0.4

One Year to 31 December 2024

Stock Name	Contribution (%)
NVIDIA	5.1
Spotify Technology SA	2.3
AppLovin	1.9
SEA Ltd	1.8
Meituan	1.5
Netflix Inc	1.4
The Trade Desk	1.2
Intuitive Surgical	1.0
Amazon.com	0.9
CATL	0.6
PDD Holdings	-2.3
Dexcom Inc	-1.7
Moderna Inc	-1.7
Kering	-1.1
Enphase Energy Inc.	-0.9
ASML	-0.8
e.l.f. Beauty	-0.7
Symbotic	-0.6
Moncler	-0.6
Workday Inc	-0.6

Source: Revolution. Baillie Gifford Long Term Global Growth Investment Fund relative to MSCI ACWI Index from 30 June 2023, previously FTSE All World 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.

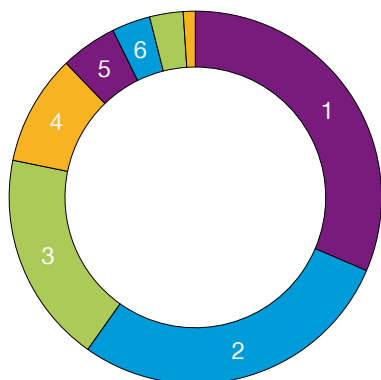
New Purchases

Stock Name	Transaction Rationale
AppLovin	<p>We have purchased a new holding in AppLovin for the fund. This performance advertising technology company has established a dominant position in the mobile game market. Its core software business grows as its artificial intelligence models power improvements in yield. As AppLovin's AI models get better at targeting the right ad impressions to buy in order to deliver return-on-advertising-spend, the advertiser benefits and AppLovin grows net revenue. The company's AI models have been improving their yield at a rapid clip, while very small percentage yield improvements can drive multiples of net revenue (2.5x net revenue requires 45bps of extra yield). These increases in net revenue come with >85% incremental Earnings before interest, taxes, depreciation, and amortization (EBITDA) margin given strong operating leverage inherent in the business model, and the company requires negligible capital reinvestment for continued organic growth, allowing a clear path to 5x upside from growth in the core software business's cash flows over the next 5 years. We believe this is dramatically underappreciated by the market, with consensus assuming a rapid deceleration in growth over the next three years. There is additional upside potential from the company's emerging second act, namely its expansion beyond mobile game app advertising into ecommerce advertising - this new vertical is still experimental for AppLovin but early signs are encouraging. Underpinning all of this is a starkly differentiated business culture defined by talent density and high performance, captained by an obsessive founder who has proven himself a capable capital allocator and aligned with our long-term horizon. Note the company also owns mobile game studios which they intend to divest as opportunities arise - these studios were strategically important in the early days of building AppLovin's AI models but they are not part of our growth thesis. Their divestment is likewise immaterial to our upside case.</p>
Horizon Robotics Inc	<p>We have followed Horizon Robotics' vision to create hardware and operating systems for artificial intelligence with interest since 2016. The company has focused its efforts on automotive chips and software, taking significant share in China from Western advanced driver-assistance system providers. We expect Horizon to benefit from further consolidation in the autonomous driving space. Creating a scalable solution requires co-design of hardware and software - which Horizon excels at - and the complexity of this task makes it less likely over the long term that individual vehicle brands or Tier 1 vendors will pursue their own capability. We think Horizon possesses one of the most talented and ambitious teams globally in this compelling growth area, with potential applications beyond automotive, and therefore we have taken a small initial position in the IPO.</p>

Complete Sales

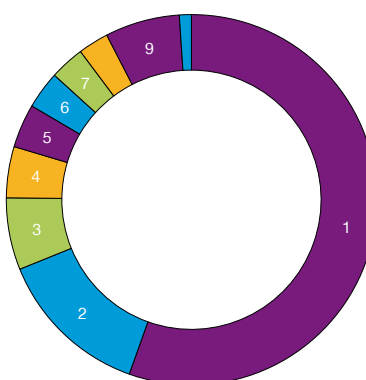
Stock Name	Transaction Rationale
HDFC Bank	<p>We have sold the position in HDFC Bank. LTGG invests in growth companies with the potential to multiply in size and we believe HDFC has limited remaining runway to do so. For worthwhile upside from here, we require both improved profitability and an acceleration in loan growth, but the two are increasingly in tension with each other for HDFC. The merger between the erstwhile parent company HDFC Ltd and HDFC Bank exacerbated this tension between growth and profitability, because the company must channel a material chunk of its deposit growth toward replacement of the former parent company's maturing debt. The resulting funding constraint creates a headwind to loan growth. Our long-term focus initially meant we were willing to look through some of the shorter-term headwinds to growth and profitability caused by the merger, but in the meantime our conviction in the company's cultural advantage has significantly diminished through management changes and demotions. The cultural advantage was the central pillar of our HDFC investment case, because it supported the exceptional asset quality HDFC has demonstrated over the years. The combination of this deterioration to the core investment thesis and truncated runway for upside led us to conclude HDFC no longer meets LTGG's high bar.</p>

Sector Exposure



	%
1 Information Technology	31.4
2 Consumer Discretionary	28.4
3 Communication Services	18.4
4 Health Care	9.6
5 Financials	4.9
6 Consumer Staples	3.3
7 Industrials	2.9
8 Cash	1.0

Geographic Exposure



	%
1 United States	55.5
2 China	13.4
3 Netherlands	6.3
4 Brazil	4.5
5 Canada	3.8
6 Sweden	3.3
7 Singapore	3.0
8 South Korea	2.7
9 Others	6.5
10 Cash	1.0

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	7.1
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	5.2
Netflix	Streaming platform	4.1
The Trade Desk	Advertising platform	4.0
Intuitive Surgical	Surgical robots and consumables	3.9
Meituan	Chinese online services platform	3.9
Shopify	Cloud-based commerce platform provider	3.8
Cloudflare	Web infrastructure and cybersecurity provider	3.8
Tesla Inc	Electric vehicles, autonomous driving technology and energy solutions	3.3
Spotify	Streaming platform for audible content	3.3
Total		42.4

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	6	Companies	None	Companies	1
Resolutions	49	Resolutions	None	Resolutions	1

Company Engagement

Engagement Type	Company
Environmental	Amazon.com, Inc., Enphase Energy, Inc., Moderna, Inc., PDD Holdings Inc., Sea Limited, Shopify Inc., Tencent Holdings Limited, Tesla, Inc., The Trade Desk, Inc.
Social	Advanced Micro Devices, Inc., Amazon.com, Inc., Cloudflare, Inc., PDD Holdings Inc., Rivian Automotive, Inc., Sea Limited, Tencent Holdings Limited, The Trade Desk, Inc.
Governance	ASML Holding N.V., Amazon.com, Inc., AppLovin Corporation, Enphase Energy, Inc., Horizon Robotics, Kweichow Moutai Co., Ltd., Moderna, Inc., Moncler S.p.A., Rivian Automotive, Inc., Shopify Inc., Symbotic Inc., Tesla, Inc., Titan Company Limited
Strategy	AppLovin Corporation, Cloudflare, Inc., Horizon Robotics, Joby Aviation, Inc., Moderna, Inc., Moncler S.p.A., Rivian Automotive, Inc., Roblox Corporation, Sea Limited, Symbotic Inc., Tencent Holdings Limited, 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	7.1
NVIDIA	5.2
Netflix	4.1
The Trade Desk	4.0
Intuitive Surgical	3.9
Meituan	3.9
Shopify	3.8
Cloudflare	3.8
Tesla Inc	3.3
Spotify	3.3
Atlassian	3.3
ASML	3.2
Adyen	3.0
Sea Limited	3.0
PDD Holdings	2.8
Coupang	2.7
MercadoLibre	2.6
AppLovin	2.6
Samsara	2.4
Workday	2.3
Tencent	2.1
e.l.f. Beauty Inc	2.0
Hermès International	1.9
Roblox	1.9
Nu Holdings	1.9
Dexcom	1.8
Datadog	1.8
BioNTech	1.6
CATL	1.6
Advanced Micro Devices	1.5
Titan Company Limited	1.5
Moncler	1.5
BeiGene	1.3
Kweichow Moutai	1.3
Enphase Energy	1.1
Rivian Automotive	1.1
Moderna	0.9
Symbotic	0.7
Joby Aviation	0.7
Horizon Robotics	0.4
Cash	1.0
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.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	10 April 2017	GB00BD5Z0Z54	BD5Z0Z5	0.62	0.65
Class B-Inc	01 May 2019	GB00BD5Z1070	BD5Z107	0.62	0.65

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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