

Baillie Gifford Managed 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 Fund seeks to produce long-term capital growth by investing in equities, bonds and cash. The equity portfolio is managed on a regional basis, with our specialist regional teams selecting what they consider to be the best growth stocks in their respective areas. The bond portfolios comprise both corporate bonds chosen by our Credit team and government bonds and currency positions selected by the Global Bond team. The Fund also actively allocates between equities, bonds and cash based on our prevailing view on the long-term attractiveness of each asset class.

Fund Facts

Fund Launch Date	01 April 1987
Fund Size	£4839.5m
IA Sector	Mixed Investment 40-85% Shares
Active Share	80%*
Current Annual Turnover	16%

*Estimate relative to a weighted composite of representative indices.

Fund Manager

Name	Years' Experience
Steven Hay	30
Iain McCombie*	30

*Partner

Definitions

IA Sectors are provided by the Investment Association. These sectors break up the universe of available funds to help investors navigate the large number of available products.

Active Share is a measure of the Fund's overlap with the benchmark. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. **The Annual Turnover** is then calculated as the sum of the monthly turnover figures for the 12-month period.

Periodic Performance is a method of evaluating how a fund is doing over time. It compares a fund's performance in each period to its performance in past periods. It also looks at the performance of the fund to the performance of an index or its peers.

Discrete Performance is a method of evaluating the degree to which a fund performs compared against its benchmark on a given date.

Credit ratings measure the creditworthiness of a bond issuer, such as a company or government. It tells you how likely the issuer is to pay back the money borrowed when they issued the bond. A higher rating means the issuer is considered more reliable and less likely to default on their debt, while a lower rating indicates a higher risk of not getting the invested money back. Baillie Gifford uses a blend of credit ratings from two agencies, Moody's and S&P. Where there is no official rating for a bond issuer, Baillie Gifford will rate these internally. The ratings scale from highest to lowest (AAA, AA, A, BBB, BB, B, CCC, CC and C).

Duration is a measure of how sensitive the price of a bond (or other debt instrument) is to a change in interest rates. In general, the higher the duration, the more a bond's price will drop in response to a rise in interest rates.

Fund Objective

To achieve capital growth over rolling five-year periods.

The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	1.2	8.9	-3.0	5.0
Sector Median (%)*	1.3	9.1	2.2	4.5

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.

*IA Mixed Investment 40-85% Shares Sector Median.

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 (%)	33.9	4.3	-24.3	10.7	8.9
Sector Median (%)*	5.1	11.1	-9.5	8.1	9.1

Source: FE. Total return net of charges, in sterling.

Share class returns calculated using 10am prices.

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Market environment

In 2024, global equity markets performed strongly. Corporate credit generated attractive returns. The global economy grew.

Latin America and Asia delivered steady economic growth and US data was surprisingly strong, although Europe and the UK stumbled. Central bankers made gains in their perennial battle with inflation, which retreated, allowing policymakers to cut interest rates. The US Federal Reserve was the latest to reduce interest rates by 0.25% in December. But by Hogmanay, expectations for further cuts were tempered by resilient growth and sticky inflation. Government bond yields rose as a result, causing prices to fall.

In stock markets, events on either side of the Pacific swung sentiment. At the beginning of October, Chinese equity markets bounced on the Communist Party's announcement of a growth package. Then, in early November, American stock markets jumped on Donald J. Trump's re-election as US President.

Investments in the Managed Fund benefitted from the so-called 'Trump bump'. Direct exposure to the US is far higher than to China, and momentum following the presidential election result has been stronger. Some of the progress was later reversed by interest rate sentiment, but the Managed Fund ended the quarter with a positive absolute return.

Performance

The Fund delivered a positive absolute return over the quarter, slightly behind the comparator benchmark. The largest contributors to returns were US technology companies with exposure to artificial intelligence (AI).

Merchant services company Shopify celebrated its largest ever Black Friday/Cyber Monday shopping weekend this quarter. Shopify is attracting more merchants willing to pay a higher price for its improved marketing analytics and new features, which in turn drive more customers to the platform. 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. Its stock price surged following the US presidential election, prompting us to reassess the investment opportunity. We determined that it would be harder for Tesla to meet our return expectations at this higher valuation and reduced the position. Tesla retains significant growth opportunities in

pursuing automotive, energy, autonomy, and robotics innovations.

Cloudflare attracted a record number of large customers in the third quarter, which improved its revenue growth and outlook, and pushed up the share price. Cloudflare's growth opportunity is substantial especially because its services complement AI computing.

Hypoport, Moderna and Allegro detracted from returns in the final quarter of 2024.

German mortgage platform, Hypoport has suffered from poor macroeconomic sentiment. The German economy contracted for the second year running in 2024, and the country's central bank recently revised its growth expectations downwards. However, Hypoport's core business is growing 23% year-over-year and we are content with management's performance.

US biotech Moderna's share price fell due to lower vaccine sales than forecasted. Moderna aims for profitability through research and commercialisation of vaccines. It has prioritised research and aims to release new drug candidates to market in the coming years. We believe the potential of its vaccine platform to address a broad swathe of diseases remains materially under-recognised.

Poland's largest e-commerce platform, Allegro, detracted from performance. The company issued guidance in November which disappointed the market as it signalled slower profit growth than consensus expectations. This is due to its investment in customer acquisition and experience, reflecting a challenging competitive backdrop. Looking longer-term, Allegro is well-positioned to maintain its dominance in Poland while growing its market shares in Central and Eastern Europe.

Bonds delivered a positive return, despite the negative impact of rising government yields. Corporate bond prices were supported by positive momentum in economic growth, with high yield companies the biggest beneficiary. Security selection contributed positively, with high conviction positions in the property sector among those boosting returns. Annington Finance owns the Married Quarters Estate in the UK that is leased to the Ministry of Defence. In December it was announced the UK government would purchase these properties, and Annington offered to buy back its bonds above market prices.

Notable transactions

With exceptional performance of US companies in the portfolio relative to other regions we trimmed the Fund's allocation, adding to cash. As noted earlier, we also took some profit on Tesla within the US holdings.

We made the decision to exit longstanding holdings, Hargreaves Lansdown and Mettler Toledo. In October, shareholders in Hargreaves Lansdown, the UK's largest investment platform, voted to accept a takeover bid from a private equity consortium. Although we were disappointed by the price, it was a significant increase on the consortium's first offer in April this year.

Since we bought Mettler Toledo in 2010, it has returned over 12.5x. The Swiss company makes instruments for quality control, research, and manufacturing. It has a large share of the global market and its products are among the best available. It has sustained impressive earnings-per-share growth over many years. Mettler Toledo stock has recently appreciated, and it is harder to meet our long-term growth expectations at this higher valuation. We sold the holding, but would consider buying again at a reduced price due to the company's excellent track record.

We bought Yorkshire pork and chicken producer, Cranswick and Japanese manufacturer JEOL in the quarter.

Cranswick has gone from a few farmers milling their own animal feed to a leading food producer. It is a clever allocator of capital, expanding into convenience foods and winning valuable contracts with McDonalds for poultry and halloumi fries. While not a typical growth company—the amount of meat that Brits eat is fairly stable—Cranswick is investing ambitiously to grow market share and can improve margins by gaining greater control over its supply chains.

JEOL makes high-powered microscopes and specialist analysis equipment. Its products are used by conservationists at the National Museum of Western Art in Tokyo to restore masterpieces. JEOL also manufactures multi-beam mask writers, a crucial technology for making high-spec computer chips, which has proved to be a highly successful business. We believe the market has not appreciated JEOL's ability to sustain recently improved margins.

Market Outlook

On a global view, inflation appears generally contained, and interest rates are likely past their peaks. Although there is weakness in some regions, global equity markets should benefit from economic growth.

If stickier-than-expected inflation causes interest rates to remain higher for longer, the best defence is a strong portfolio. The businesses represented by the Managed Fund have robust balance sheets and are making good progress.

Absolute performance over the past year has been positive. The portfolio is in a strong position. Our focus remains on owning exceptional growth companies, with strong management teams capable of executing on their long-term potential.

For further reading: [30 years of growth: investment lessons from Iain McCombie | Baillie Gifford](#)

Transactions from 01 October 2024 to 31 December 2024

New Purchases

Stock Name	Transaction Rationale
Applied Nutrition	<p>Applied Nutrition manufactures branded products for the sports nutrition, health supplements, and protein powder end-markets.</p> <p>Having met the management team on several occasions prior to it floating on the stock market, we were impressed by their entrepreneurial drive and ambition. In particular, we think that the founder-CEO is a high-quality operator who will retain a substantial stake in the business which should lead to a strong alignment of interests with external shareholders. The company is well placed to grow quickly over the next few years for several reasons. Firstly, Applied Nutrition has a differentiated approach to innovation in that it develops new products much faster than its competitors. Secondly, Applied Nutrition sells its products into end-markets which are growing quickly. Thirdly, Applied Nutrition have recently signed contracts with a number of large retail partners (e.g. Walmart in the US) and we think that there is significant revenue growth potential within these relationships. Lastly it is a high margin and cash generative business, with low incremental costs of growth. The shares were offered at what we thought was an attractive price at IPO so we decided to take a holding for the portfolio.</p>
ASM International NV	<p>We have made a new investment in ASM International, a semiconductor equipment manufacturer focused on advanced deposition technology. ASM is the leader in single wafer atomic layer deposition (ALD), a next-generation technology in high-precision deposition, an early process step in the production of leading-edge semiconductors. This is a fast-growing segment within the semiconductor equipment space, and we believe demand will continue to rise driven by increasing process intensity, rising capex and market share gains. Over the past decade, ASM has transitioned to create a strong leading position in ALD at a time when the process technique is becoming increasingly critical to advanced semiconductor chip architectures.</p>
Cranswick	<p>Cranswick is a food processor and distributor, selling to UK supermarkets and food retailers such as Sainsbury's and Marks & Spencer. The business has a leading market share in the UK pork processing industry and has recently entered into the poultry market following investment into a new facility in Suffolk, the first new poultry processing capacity built in the UK for many years. Due to consistent investment in its infrastructure and people over the last decade, Cranswick has built on its long-standing customer relationships to win new contracts and take share by delivering value-add and innovative new products. Combined with opportunistic M&A, this organic growth has driven robust revenue growth over the last decade. Working within an often volatile and low-value industry beset by influential customers and low margins, Cranswick stands out as an excellent operator delivering strong cash conversion and returns alongside its growth track record. We expect sustained growth in the core pork categories as the business continues to invest in its capabilities and customers increasingly value the quality of their supply chain. We are also excited about the prospects within poultry where Cranswick's professional and well-invested approach can set them up for sustained market share gains.</p>
DraftKings Inc	<p>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.</p>
JEOL	<p>JEOL is a specialist manufacturer of high-powered microscopes and other scientific analysis equipment. In addition, through its partnership with IMS (an Austrian company), JEOL participates in manufacturing multi-beam mask writers for the semiconductor industry, which has proved to be a highly successful business. Over the past few years, JEOL increased its margins in both microscope and mask-writing businesses, driven by new product launches and strong demand. We believe the market currently undervalues JEOL, as investors appear to question whether the company can maintain its improved margins. While recognising the cyclical nature of JEOL's end markets, we believe the company can continue to grow revenues and defend its margins through the cycle thanks to its ongoing technological developments and product innovation. Therefore, we decided to take a holding for the fund.</p>
Spirax Group	<p>We have taken a position in Spirax, a world leader in niche heat transfer and flow control technologies. We believe this is an exceptional business with a long and sustainable track record of organic growth and stable returns, underpinned by a workforce of highly skilled engineers who provide consultative selling and custom solutions to clients. The company is committed to 'engineering sustainable value' by improving its customers' operational efficiency and environmental footprint. Trading in some of its markets has been subdued since Covid, and some operational issues at an acquired business have, in combination, caused the shares to de-rate from previously very high levels. We think these issues are temporary rather than structural and see it as a good opportunity to take a position.</p>

Worley Group

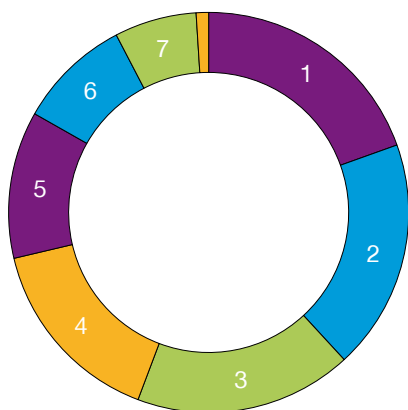
Worley is a leading engineering and professional services company that provides project delivery and consulting services to energy, chemicals, and mining industries across the world. While continuing to have some exposure to oil projects, over the past few years, Worley successfully shifted its business mix from traditional energy to sustainability-related projects (including gas), with the latter currently making up more than half of the company's revenues and backlog. In the more recent period, Worley has significantly improved its underlying profitability, cash generation, and debt position. While macro uncertainties and geopolitical risks could cyclically affect some of Worley's projects in the short term, we expect the company to deliver solid revenue growth and ongoing margin improvements over the next five years by benefitting from the growing structural demand for energy and sustainability-related projects. We believe the current share price fails to capture these opportunities, and therefore, we decided to take a holding.

Complete Sales

Stock Name	Transaction Rationale
Coursera Inc	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.
CRISPR Therapeutics AG	We have sold the position in gene editing biotech company, CRISPR Therapeutics. While it fulfilled our investment hypothesis of becoming the first company to receive Food and Drug Administration (FDA) approval for a CRISPR-based therapy, the subsequent change in the valuation has been disappointing. With catalysts for an uplift in valuation less clear in the medium-term, we decided to sell and put the capital to work in higher conviction ideas.
Dassault Systemes	We have sold the position in French software company, Dassault Systemes. Our conviction has been weakened by research which suggests its competitive position in some of its product lines, such as its software for clinical trials management, isn't as strong as we had initially believed. As a result, we decided to sell and reinvest the capital into higher conviction ideas.
Denso	Denso is the largest car parts maker in Japan, with close ties to the Toyota group. The shares have performed strongly in recent years as the margin has improved through a mixture of self-help and a weak yen. However, in the longer term, we have concerns about the Toyota group's positioning in battery electric vehicles amid rising competition from Tesla and various Chinese players. On balance, we decided that we could do better elsewhere.
Eurofins	We have sold the position in testing business, Eurofins. Its share price performance has been poor, leading to the position size becoming increasingly small. We decided that rather than maintaining the position, it would be more prudent to reinvest the capital in higher conviction ideas.
Hargreaves Lansdown	We decided to sell the holding in the UK's leading wealth platform following the agreed bid by private equity. As long term owners we are somewhat disappointed by the offer price but it partly reflects the operational and strategic challenges that the business faces.
IG Group	We decided to sell the holding in the spread betting and derivatives business IG Group. While the business is very profitable, the new CEO has pointed out that the business has lost share in most of its key markets and the business needs to become more nimble and receptive to changes in the market. That may also require acquisitions to fill some gaps in their product or geographical footprint. While we applauded the candour, we were of the same view as the CEO that there are no quick fixes to the problems and we are also a little wary that some of the newer areas of growth potentially carry greater risks as well as reward. Given the challenges and unknowns, we believe that there are better opportunities elsewhere to deploy our clients capital.
Melrose Industries	We decided to sell the remaining position in this aerospace parts business. While operationally, the company is now reaping the benefits of prior upfront investment many years ago, which allowed them access to various plane programmes, we are concerned that this 'sweet spot' is temporary. We suspect that the business will be forced to invest heavily when the aircraft manufacturers decide to launch new models rather than versions of existing models.
Mettler-Toledo	We have sold the position in precision weighing equipment manufacturer, Mettler-Toledo. Its valuation looks stretched and we believe the probability of a further doubling in value looks limited.
Petrobras	Petrobras is a highly profitable, low-cost energy company focusing on exploration and production of oil and gas in Brazilian offshore fields. It has a unique asset base which has been driving moderate production growth, with extraction costs continuing to fall. There has also been improving governance at the company following the excesses and corruption of the first half of the 2010s. We have been engaging with Petrobras for many years on a number of matters and while it has made considerable steps to reduce greenhouse gas emissions, it is unlikely to meet the Fund's long-term net zero goal. Production is likely to continue to rise gradually, but overall financial returns to shareholders may diminish as dividends wane.
Vitec	We have sold the position in Vitec, a serial acquirer of vertical market software businesses. This has been an unusually short holding period for us. In recent earnings releases we have become increasingly concerned about aspects of the company's accounting and signs of poor earnings quality. For these reasons, we decided to act swiftly and move on from the investment.
Wizz Air	Wizz Air is an ultra-low cost airline, focused on Central and Eastern Europe, immature markets that offer the potential for significant growth in air travel. Since taking a holding for the portfolio, Wizz has encountered a number of operational challenges. At the same time, it is facing increasing competition from Ryanair - a formidable operator also held in the portfolio. Taking this into account we decided to sell the shares.

Fund Name	Update
Baillie Gifford Managed Fund	<p>There was no major change in the overall positioning of the Managed Fund's bonds over the quarter. The Fund remains close to its neutral allocation of 50% global government bonds and 50% global corporate bonds. We prefer select emerging markets relative to developed market government bonds, and we are slightly overweight high yield bonds versus investment grade bonds.</p> <p>In government bonds our view was that developed market yields would rise, most notably in the US as inflation proves to be stickier than hoped and growth continues to be robust. We reduced the scale of our underweight to US bonds during the quarter as this positioning worked well, but there was a brief rally following the US election and we took this opportunity to add back to the underweight - well timed as yield rose substantially again in December. We reduced the risk in our emerging market positioning a little following good performance, selling South African bonds for example. While the precise nature of US policy under Donald Trump is still uncertain, we do think that tariffs are likely and that will be challenging for some emerging markets. We moved from an overweight in Mexican peso to an underweight for this reason.</p> <p>Corporate bonds performed well versus government bonds in 2024 and valuations have become increasingly expensive. We made a modest reduction to high yield bonds as a result. Sales included Veritext and Townsquare Media, with the proceeds recycled into high quality issuers Oxford University and National Grid. While valuations are more challenging, the outlook remains supportive for corporate bonds. The Fund holds a diverse range of resilient companies that we are confident holding through a potential period of volatility. A new idea added to the portfolio during the quarter was parcel delivery company Evri. It will benefit from positive structural growth tailwinds such as ecommerce growth, has long-tenured blue-chip customers and a recent history of gaining market share. Private equity involvement carries some risks and it has a poor customer service record - these aspects meant the valuation was more attractive and we are confident Evri is on an improving trajectory with healthy levels of cash flow.</p>

Geographic Exposure



		%
1	UK	19.5
2	Europe (ex UK)	18.6
3	North America	17.6
4	Overseas Bonds	15.6
5	Developed Asia Pacific	11.9
6	Emerging Markets	9.2
7	UK Bonds	6.6
8	Cash & Derivatives	1.0

A negative cash position may sometimes occur due to obligations awaiting settlement.

Top Ten Equity Holdings

Stock Name	Description of Business	% of Portfolio
TSMC	Semiconductor manufacturer	1.6
Amazon.com	E-commerce, computing infrastructure, streaming and more	1.5
The Trade Desk	Advertising platform	1.4
DSV	Freight forwarder	1.2
Shopify	Cloud-based commerce platform provider	1.1
Prosus	Portfolio of online consumer companies including Tencent	1.1
Netflix	Streaming platform	1.0
Meta Platforms	Social media and advertising platform	1.0
Tencent	Technology conglomerate	1.0
ASML	Semiconductor equipment manufacturer	1.0
Total		11.8

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	26	Companies	6	Companies	1
Resolutions	210	Resolutions	7	Resolutions	1

Company Engagement

Engagement Type	Company
Environmental	Amazon.com, Inc., BHP Group Limited, CTP N.V., Cranswick plc, Edge Finco PLC, Fast Retailing Co., Ltd., Instalco AB (publ), Insulet Corporation, Moderna, Inc., PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Ping An Insurance (Group) Company of China, Ltd., Rio Tinto Group, Samsung Electronics Co., Ltd., Sea Limited, Shopify Inc., Tencent Holdings Limited, Tesla, Inc., The Trade Desk, Inc.
Social	Amazon.com, Inc., CTP N.V., Cloudflare, Inc., CyberAgent, Inc., Edge Finco PLC, Fast Retailing Co., Ltd., Insulet Corporation, LY Corporation, PDD Holdings Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Ping An Insurance (Group) Company of China, Ltd., Rivian Automotive, Inc., Samsung Electronics Co., Ltd., Sea Limited, Tencent Holdings Limited, The Trade Desk, Inc.
Governance	AIA Group Limited, ASML Holding N.V., Affirm, Inc., Allegro.eu S.A., Amazon.com, Inc., B3 S.A. - Brasil, Bolsa, BalcAo, Bellway p.l.c., Burberry Group plc, CTP N.V., Close Brothers Group plc, Compagnie Financière Richemont SA, CyberAgent, Inc., Edge Finco PLC, Fast Retailing Co., Ltd., Games Workshop Group PLC, Genus plc, Howden Joinery Group Plc, IDP Education Limited, Kinnevik AB, Kweichow Moutai Co., Ltd., LY Corporation, Moderna, Inc., Moncler S.p.A., Olympus Corporation, Ping An Insurance (Group) Company of China, Ltd., Prudential plc, Reply S.p.A., Rivian Automotive, Inc., Ryanair Holdings plc, Samsung Electronics Co., Ltd., Schibsted ASA, Shopify Inc., St. James's Place plc, Tesla, Inc., Volution Group plc, Worley Limited
Strategy	B3 S.A. - Brasil, Bolsa, BalcAo, CTP N.V., Cloudflare, Inc., Edge Finco PLC, Epiroc AB (publ), Insulet Corporation, Moderna, Inc., Moncler S.p.A., Ping An Insurance (Group) Company of China, Ltd., Rivian Automotive, Inc., Roblox Corporation, Sea Limited, 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 %	Asset Name	Fund %
Equities		Equities	
UK		UK	
Marks & Spencer	0.83	Genus	0.15
AstraZeneca	0.82	Helical	0.14
Bunzl	0.78	IntegraFin	0.13
RELX	0.72	Molten Ventures	0.12
Unilever	0.71	Cranswick plc	0.11
Just Group	0.71	Spirax Group	0.10
Rio Tinto	0.69	Kainos Group	0.07
Standard Chartered	0.68	Applied Nutrition	0.07
Auto Trader	0.64	Sabre Insurance Gp	0.06
Legal & General	0.63	Enquest	0.05
Inchcape	0.62	Close Brothers	0.04
Diageo	0.60	Ocado	0.03
Babcock International	0.55	Total UK	19.53
Experian	0.53	North America	
Howden Joinery Group	0.52	Amazon.com	1.45
Weir	0.51	The Trade Desk	1.44
Prudential	0.50	Shopify 'A'	1.12
St. James's Place	0.50	Netflix Inc	1.00
Hikma Pharmaceuticals	0.49	Meta Platforms Inc	0.99
Ashtead	0.47	Doordash Inc	0.93
Lancashire Holdings	0.45	NVIDIA	0.88
Rightmove	0.44	Cloudflare Inc	0.79
Informa	0.44	Tesla Inc	0.63
Volution Group	0.35	Duolingo Inc	0.59
Intermediate Capital Group	0.34	Workday Inc	0.46
Bodycote	0.31	Roblox	0.42
Games Workshop Group	0.31	Affirm Holdings Inc Class A	0.41
Wise Plc	0.31	Datadog	0.40
Breedon Group	0.28	Watsco Inc	0.38
Hiscox	0.27	Sweetgreen	0.33
Persimmon	0.25	CoStar Group	0.31
Trainline Plc	0.25	Block Inc	0.29
Diploma	0.25	Alnylam Pharmaceuticals	0.28
Keller	0.25	DraftKings Inc	0.26
Halma	0.24	Insulet	0.26
Bellway	0.22	Pinterest	0.26
PageGroup	0.22	Aurora Innovation Class A Common	0.26
Greggs	0.20	SharkNinja	0.24
Burberry	0.20	Snowflake Inc	0.23
Renishaw	0.20	Moderna Inc	0.22
Shaftesbury Capital REIT	0.17	Wayfair Inc	0.22
		Inspire Medical Systems	0.22

Asset Name	Fund %	Asset Name	Fund %
Chewy	0.22	Soitec	0.44
Samsara	0.22	Richemont	0.41
Doximity Inc	0.21	Moncler	0.37
Roku	0.20	Avanza Bank Holding	0.33
Penumbra Inc	0.18	Epiroc B	0.32
Guardant Health Inc	0.17	Dino Polska	0.32
Lineage Inc	0.17	Camurus	0.31
Tempus Ai Inc	0.14	Assa Abloy 'B'	0.31
The Ensign Group	0.14	Beijer Ref	0.25
Denali Therapeutics	0.12	Instalco	0.24
Lemonade Inc	0.12	ASM International NV	0.19
YETI Holdings	0.11	Kinnevik	0.16
Oddity	0.10	Genmab	0.15
Sprout Social	0.08	AutoStore Hdgs	0.09
Rivian Automotive Inc	0.08	Total Europe (ex UK)	18.63
Recursion Pharmaceuticals Inc	0.05		
Ginkgo Bioworks Holdings Inc	0.01	Developed Asia Pacific	
Sana Biotechnology Inc	0.01	Recruit Holdings	0.70
Abiomed CVR Line	0.00	United Overseas Bank	0.69
Total North America	17.59	Baillie Gifford Japanese Smaller Cos Fund C Acc	0.67
		SoftBank Group	0.58
Europe (ex UK)		MS&AD Insurance	0.49
DSV	1.19	Sony	0.44
Prosus N.V.	1.10	James Hardie Industries	0.42
ASML	0.96	Olympus	0.41
Schibsted B	0.94	Fast Retailing	0.40
Ryanair	0.86	Techtronic Industries	0.40
Kingspan Group	0.81	Hong Kong Exchanges & Clearing	0.38
Adyen NV	0.70	SBI Holdings	0.34
Novo Nordisk	0.69	SMC	0.32
Atlas Copco B	0.69	Shimano	0.31
IMCD Group NV	0.68	Murata	0.29
Spotify Technology SA	0.68	Tokyo Electron	0.27
Reply Spa	0.66	Chugai Pharmaceutical	0.27
Nexans	0.65	Nippon Paint	0.26
EQT	0.60	Nintendo	0.26
Sartorius Stedim Biotech	0.59	BHP Group Ltd (Aus. listing)	0.25
Royal Unibrew A/S	0.57	Keyence	0.24
Hypoport	0.51	Cosmos Pharmaceutical	0.23
Allegro.eu	0.48	Shiseido	0.23
EXOR	0.48	Xero Ltd	0.21
LVMH	0.45	Technopro Holdings	0.21
Lonza Group	0.44	AIA Group	0.20

Asset Name	Fund %
Cochlear	0.18
Unicharm	0.18
IDP Education	0.17
REA Group	0.17
Hoshizaki Corp	0.16
Systemex Corp	0.15
LY Corp	0.15
CyberAgent Inc	0.13
MonotaRO Co	0.13
Nakanishi	0.13
Treasury Wine Estates	0.12
JEOL	0.12
Worley Group	0.12
Sugi Holdings	0.10
Kobe Bussan Co Ltd	0.09
Asahi Group Holdings	0.09
FANUC	0.09
freee K.K.	0.07
iFAST Corp	0.07
Total Developed Asia Pacific	11.90

Emerging Markets	
Asset Name	Fund %
TSMC	1.63
Tencent	0.96
Sea Ltd ADR	0.54
Samsung Electronics	0.54
Meituan	0.48
ICICI Bank Ltd	0.46
First Quantum Minerals	0.43
MercadoLibre	0.40
Ping An Insurance	0.38
Reliance Industries Ltd	0.34
BYD Company 'H'	0.34
Jio Financial Services Ltd	0.32
ICICI Prudential Life Insurance	0.31
PDD Holdings Inc	0.30
Nu Holdings Ltd.	0.29
Bank Rakyat Indonesia	0.29
FEMSA ADR	0.27
Kweichow Moutai 'A'	0.27
Grupo Financiero Banorte	0.23
B3 S.A.	0.21
Samsung SDI Co Ltd	0.15

Asset Name	Fund %
Norilsk Nickel ADR	0.00
Mmc Norilsk Nickel	0.00
Sberbank Of Russia	0.00
Total Emerging Markets	9.15
Total Equities	76.80
Fixed Income	
UK Bonds	
Credit	3.70
Government	2.94
Total UK Bonds	6.63
Overseas Bonds	
Credit	6.82
Government	8.75
Total Overseas Bonds	15.57
Total Fixed Income	22.20
Cash & Derivatives	
Cash & Derivatives	1.00
Total Cash & Derivatives	1.00

Total Fund	100.00
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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	01 April 1987	GB0006010168	0601016	0.40	0.43
Class B-Inc	01 April 1987	GB0006007909	0600790	0.40	0.43

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.

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. The specific risks associated with the Fund include:

- Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- 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.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at bailliegifford.com.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The yields quoted are historic yields based on distributions paid by the Fund in the previous 12 months as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their distributions.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, bailliegifford.com.

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. The comparative index for this Fund is the median of The Investment Association Mixed 40-85% Shares Sector. As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

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

Further Information

Any comments expressed in this report should not be taken as a recommendation or advice. This report does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary.

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.

Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Fund does not offer capital protection.

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”).

Singapore: In Singapore the Fund is on the Monetary Authority of Singapore’s List of Restricted schemes. This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this information memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares in the Fund may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Contact Us

For further information about the Fund or Baillie Gifford’s range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at bailliegifford.com or email enquiries@bailliegifford.com.

All information as at 31 December 2024 and source is Baillie Gifford & Co unless otherwise stated.

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