Baillie Gifford™

Value Assessment Report

31 March 2024

Assessing the value of our UK authorised fund range

Introduction

Dear Shareholders,

Welcome to Baillie Gifford & Co Limited's 2024 value assessment for our range of UK authorised funds. They include equity, income, balanced and multi-asset strategies.

Baillie Gifford & Co Limited (the company) is the authorised corporate director (ACD) of our funds. We are wholly owned by an unlimited liability partnership, Baillie Gifford & Co (Baillie Gifford, or the firm), and share the same beliefs, values and strategies as our parent.

Our value assessment process and reporting are now well-evolved and allow us to share our evaluation of client feedback, the firm's approach to managing costs and client service, and our reflections on performance returns.

As the chair of Baillie Gifford & Co Limited, it is my responsibility to ensure that, on an annual basis, the board of directors (board) conducts a detailed assessment and reports on whether our funds are providing value to investors over the periods specified in their respective investment objectives. The board must act in the company's best interests and take the interests of the investors in our funds and broader stakeholders into account. Among its responsibilities, the board monitors the funds to ensure they are managed in line with their investment objectives. The board comprises appropriately qualified senior management and experienced independent non-executive directors. During the year a further independent non-executive director joined the board, so there are now three such members who provide the board and its governance with independent expertise. The non-executive directors are fully involved in our value assessment process, providing input, perspective and challenge.

As in previous years, we have engaged with third parties who have provided impartial reporting and feedback. In particular, Fitz Partners, a fund data specialist, have helped with our analysis of performance and the costs incurred by the funds. We have also reviewed survey details from a range of independent researchers.

We measure performance for most of our funds over five-year periods, reflecting Baillie Gifford's focus on seeking exciting growth opportunities over the long term. These five-year returns have recently been weighed down by underperformance during a time of difficult market conditions for the growth style of investing that Baillie Gifford's investment teams favour – that is, selecting companies with perceived greater long-term growth potential ahead of any short-term returns. This backdrop was particularly pronounced in 2022 and 2023 when rising inflation and interest rates, in particular, led to negative market sentiment towards companies with longer-dated growth horizons. While there has been a welcome upturn in markets in the year to 31 March 2024, we fully appreciate the impact of this turmoil on investment performance and your returns. We thought it important, therefore, to include a question-and-answer section in this year's report on fund performance and the investment process (see **page 15**). I would encourage readers to reflect on this section when engaging with the value assessment across our fund range.

I hope that this detailed report provides greater insight into the value delivered by our funds you invest in and how we measure this.

Michael Wylie

Chairman
Baillie Gifford & Co Limited
July 2024

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If you would like a copy of this report (or any of the documents it references) in hard copy or an alternative accessible format, please contact Client Relations using the details on page 86 of this report.

Executive summary

This report covers our range of UK authorised funds. Our conclusion is that value has been delivered for all of our 34 funds.

Of our 34 funds

34
provided value

0
did not provide value

Market environment

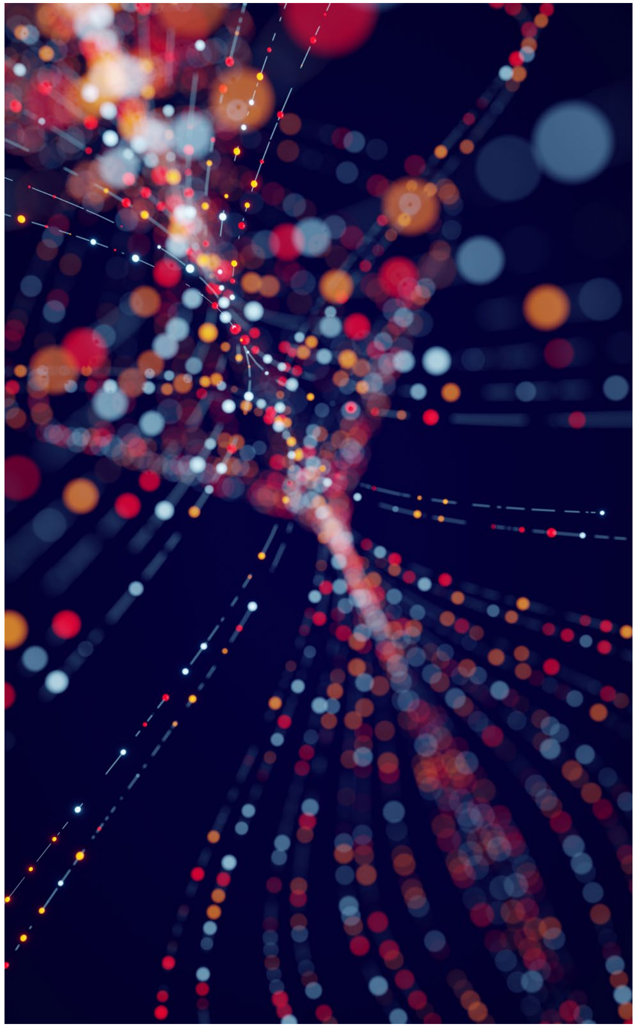
Over the 12 months to 31 March 2024, financial market performance was dominated by continued speculation about central banks' attempts to control inflation through interest rates. While inflation reduced from its 2022 peaks, it remained high enough to merit four more interest rate increases in the US and five in the UK. Despite this, the US economy remained resilient. In the second half of 2023 interest rates stabilised, with the US Federal Reserve Bank's more positive messaging boosting investor sentiment towards growth equities.

We know that the past three years have been difficult for our clients. While most of our funds delivered positive returns over the 12 months to 31 March 2024, many underperformed their benchmark. The inflationary environment and geopolitical tensions in 2022 and 2023 negatively impacted market sentiment against the growth investing style that Baillie Gifford's investment teams favour, and the consequences of this are still reflected in the funds' longer-term performance returns.

In looking to the future, Baillie Gifford's investment teams believe the companies that will flourish will be those that can solve problems, execute their plans and adapt to constant change. With that in mind, the investment teams are encouraged by the pace of change in areas such as technology, healthcare and energy infrastructure, providing a wealth of great investment opportunities. The companies held in the funds have strong financial characteristics – low debt and high cash levels – and stronger growth forecasts than the market.

It is on this basis Baillie Gifford investment teams believe they can deliver long-term growth for our clients. We encourage clients to read **Why growth, why now?** on Baillie Gifford's website, written by partners Mark Urquhart and Tim Garratt. The article explains why growth investing can generate attractive returns from here.

For our fixed income funds, the higher bond yields on offer recently have made the asset class much more attractive than it has been for some time, and our fixed income funds delivered good returns over the last 12 months. Within our multi-asset funds, the ability to invest in attractive diversifying asset classes, such as emerging market government bonds and structured finance, provided some good growth opportunities, although returns over longer-term time horizons remain disappointing, impacted principally by the turbulence of 2022. From here, however, several asset classes now look very attractively valued over the longer term, and the investment managers are finding exciting investment opportunities.



Our assessment of performance

In concluding whether value was delivered overall, fund performance is just one of seven criteria set by the Financial Conduct Authority (FCA), but it is significant to clients investing in our funds. Therefore, if a fund has not met its performance target, we must ask ourselves: have these funds performed in line with expectations? After considering all the information available, we believe the answer is 'yes'.

Baillie Gifford's investment ethos is centred on a long-term, growth-style investment approach. With a strong bias towards investing in growth opportunities, it is inevitable there will be performance cycles with volatility in returns. What has been extraordinary, however, is the pronounced divergence between long-horizon digital growth businesses (and those in close proximity to them) and more mature cash-generative ones. Investors have struggled to cope with the huge uncertainties of a global pandemic and its aftermath. This led to unprecedented levels of index divergence in many Baillie Gifford investment strategies, first above and then below.

The firm is clear on its investment style and does not seek to be a market timer, but the level of delivered volatility in returns for some funds has spurred a drive in the past year to review risk characteristics and calibrations.

Upon review and reflection, the risk guidelines in place at the time were found to be appropriate to each fund's strategy, and there is also little expectation of a repeat occurrence of these extreme volatility patterns in returns. Aggregate portfolio valuations and correlations were subject to review and challenge at market peaks but, in hindsight, challenge could have gone further. Taking this forward, analyses of valuation heatmaps, correlations and equity duration are now more explicitly integrated into risk frameworks and discussion, enhancing the risk function's primary focus on risks at the stock level.

In addition, investment teams have taken the time to re-evaluate the funds' holdings and, in some cases, the investment process to ensure they retain absolute conviction in company fundamentals and management's ability to deliver on growth potential. Following a challenging period, the investment teams remain steadfast in the belief that share prices will follow earnings per share over the long term and therefore investment efforts should focus on real-world progress. The qualities of the types of company that the investment teams favour – those that reinvest to secure competitive advantages, that have lower debt and long-term aligned management – should in time return to the fore. In fact, the investment teams believe that rewards on offer now for the patient, long-term investor look as compelling as they did in the dark days following 2000 and 2008.

Indeed, this optimism for the growth style executed by our equity funds is shared by many investment consultants. These consultants are globally renowned, sophisticated advisors on investment decision-making, and the majority rate Baillie Gifford's equity investment strategies favourably, represented by including Baillie Gifford strategies in their shortlists or longlists, with few detractors.

In conclusion, despite the difficulties of the past two to three years, we are satisfied that actions have been taken appropriately where funds have underperformed their target. We believe the investment teams should stick resolutely to their investment process, with the critical aim of providing clients with outperformance over the long term.

Overall value assessment

In addition to each fund's performance, we reviewed the other six value criteria in detail. We assessed that the investment process is well-resourced and proprietary research-led. Feedback from a broad range of client types, while impacted by recent performance, evidences high service standards. Also, our client-centric approach aims to keep our fund fees competitive and transparent. They remain at low levels relative to the funds' peers and generally align with charges applied to other funds managed by Baillie Gifford offering comparable services, including those for entry-level institutional clients in similar strategies. Finally, we are comfortable that clients are invested in appropriate share classes in the funds.

We have concluded, therefore, that all 34 funds delivered value to investors. Our assessment approach remains unchanged this year: we have RAG-rated (marked red, amber or green) our review of each of the seven FCA criteria, before reaching an overall conclusion as to whether a fund has provided value to investors.

We break down our approach and findings on a fund-by-fund basis later in this report.

We believe the investment teams should stick resolutely to their investment process, with the critical aim of providing clients with outperformance over the long term

Results of our value assessment at a glance

RAG rating of seven value criteria

34 funds provided value	Overall rating	Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Page no.
American	✓	Green	Red	Green	Green	Green	Green	Green	38
China	✓	Green	Amber	Green	Green	Green	Green	Green	39
Climate Optimism	✓	Green	○*	Green	Green	Green	Green	Green	40
Developed Asia Pacific	✓	Green	Red	Green	Green	Green	Green	Green	41
Diversified Growth	✓	Green	Red	Green	Green	Green	Green	Green	70
Emerging Markets Bond	✓	Green	Green	Green	Green	Green	Green	Green	61
Emerging Markets Growth	✓	Green	Amber	Green	Green	Green	Green	Green	42
Emerging Markets Leading Companies	✓	Green	Amber	Green	Green	Green	Green	Green	43
European	✓	Green	Red	Green	Green	Green	Green	Green	44
Global Alpha Growth	✓	Green	Red	Green	Green	Green	Green	Green	45
Global Alpha Paris-Aligned	✓	Green	○*	Green	Green	Green	Green	Green	46
Global Discovery	✓	Green	Red	Green	Green	Green	Green	Green	47
Global Income Growth	✓	Green	Green	Green	Green	Green	Green	Green	62
Health Innovation	✓	Green	Red	Green	Green	Green	Green	Green	48
High Yield Bond	✓	Green	Red	Green	Green	Green	Green	Green	63
International	✓	Green	Red	Green	Green	Green	Green	Green	49
Investment Grade Bond	✓	Green	Red	Green	Green	Green	Green	Green	64
Japanese	✓	Green	Red	Green	Green	Green	Green	Green	50
Japanese Income Growth	✓	Green	Red	Green	Green	Green	Green	Green	51
Japanese Smaller Companies	✓	Green	Red	Green	Green	Green	Green	Green	52

*New fund, performance time period is too short to be meaningful.

34 funds provided value (continued)	Overall rating	Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Page no.
		RAG rating of seven value criteria							
Long Term Global Growth Investment	✓	Green	Green	Green	Green	Green	Green	Green	53
Managed	✓	Green	Green	Green	Green	Green	Green	Green	71
Multi Asset Growth	✓	Green	Red	Green	Green	Green	Green	Green	72
Pacific	✓	Green	Green	Green	Green	Green	Green	Green	54
Positive Change	✓	Green	Green	Green	Green	Green	Green	Green	55
Responsible Global Equity Income	✓	Green	Green	Green	Green	Green	Green	Green	65
Sterling Aggregate Bond	✓	Green	Amber	Green	Green	Amber	Green	Green	66
Strategic Bond	✓	Green	Red	Green	Green	Green	Green	Green	67
Sustainable Growth	✓	Green	Red	Green	Green	Green	Green	Green	56
Sustainable Income	✓	Green	Red	Green	Green	Green	Green	Green	68
Sustainable Multi Asset	✓	Green	○*	Green	Green	Green	Green	Green	73
UK and Worldwide Equity	✓	Green	Red	Green	Green	Green	Green	Green	57
UK Equity Alpha	✓	Green	Red	Green	Green	Green	Green	Green	58
UK Equity Core	✓	Green	Red	Green	Green	Green	Green	Green	59

*New fund, performance time period is too short to be meaningful.

✓ Provided value

✗ Did not provide value

The board's overall conclusion of whether value has been delivered to investors in the fund (B class shares).

RAG rating (red, amber, green) used to evaluate each of the seven criteria.

Overall ratings and RAG ratings of the seven criteria for the other share classes in issue are noted in the **Appendices**.

What is a value assessment?

The rules of the Financial Conduct Authority (FCA) require the board of Baillie Gifford & Co Limited to conduct a value assessment of the UK authorised funds we manage. The FCA sets seven criteria. We are comfortable to use these criteria for our assessment, recognising that they cover important aspects of what we do for our clients.

The seven criteria are:

01

Quality of service
The range and quality of service we or others provide to investors relating to the fund or any additional services carried out on behalf of investors.

02

Performance
The performance of the fund after the deduction of all payments, over an appropriate timescale and in relation to the investment objective and policy of the fund.

03

Costs
Whether charges to the fund are reasonable and services are provided on a competitive basis.

04

Economies of scale
Whether we are able to achieve savings and benefits from economies of scale relating to the costs of managing the fund, whether such savings have been achieved and, if so, whether these have been passed on to investors.

05

Comparable market rates
A comparison of the fund's charges to those of similar funds in the market.

06

Comparable services
A comparison of our charges to those charged for comparable services to Baillie Gifford's other clients, including institutional clients.

07

Classes of shares
Whether it is appropriate for investors to hold shares in classes with higher charges than other classes of the same fund.

A word from our Independent Non-Executive Directors

Part of our role as Independent Non-Executive Directors of Baillie Gifford & Co Limited is to represent the interests of investors in Baillie Gifford funds and determine whether each fund offers value for money. We view the value assessment as an ongoing responsibility which requires a balanced appraisal of investment outcomes delivered for investors, relative to the commitment to the long-term objectives set by the manager.

To achieve this, we engage in regular discussions across Baillie Gifford. We have had extensive dialogue with senior leadership, investment or product specialists, client-facing professionals who are focused on servicing investors and operational executives who ensure the funds are effectively supported by the in-house teams and outsourced suppliers.

We have received a comprehensive range of reports and documentation, including all bespoke information we requested. Additionally, we have reviewed a wide range of client satisfaction surveys to allow us to hear investor feedback directly.

Baillie Gifford continues to welcome our independent engagement and challenge evidenced by the appointment of a third Independent Non-Executive Director to our board last November.

Fund performance is central to our assessment, and this year has proved particularly challenging. For any highly active investment strategy with long-term objectives, there will inevitably be periods of outperformance and underperformance relative to a target or benchmark index. This is especially true for investment strategies characterised by a distinct investment style such as those managed by Baillie Gifford.

Baillie Gifford's investment teams are encouraged to develop their own distinct investment philosophies and processes, but most are characterised by having a 'growth style'. This has meant that they've faced a considerable headwind to performance over the past 24 months as interest rates rose and peaked, negatively impacting short-term performance numbers and having an adverse impact on longer-term numbers too. As a result, most Baillie Gifford funds have underperformed their benchmark index and target over their minimum recommended holding period (five years, or three for fixed income funds) and we have consequently rated their performance red.

As Independent Directors, our job is to recognise these external headwinds while challenging whether each fund is performing as expected in the context of these downward pressures. In speaking with senior management and investment teams, we have secured assurance that investment teams have not deviated from their investment approach and are performing in line with expectations despite the macroenvironment.

We recognise that recent performance will have been extremely disappointing for investors but are confident that Baillie Gifford's investment teams remain focused on delivering long-term value for investors. We will continue to monitor performance.

Baillie Gifford are highly active, long-term investors who look for high quality companies with exciting growth prospects

Periods of underperformance necessitate superior client service and support and we have been pleased to see that the results of client surveys reflect well on Baillie Gifford's client service levels. On fees and costs, we have engaged with third parties to understand how Baillie Gifford's fund costs compare to the market and welcome the fact they remain some of the lowest for active managers in the UK.

During the year, Baillie Gifford & Co Limited oversaw the closure of three funds – Baillie Gifford British Smaller Companies Fund, Baillie Gifford Investment Grade Long Bond Fund and Baillie Gifford Emerging Markets Bond Fund – which the board determined were of limited long-term relevance to clients. We were actively involved in these decisions and were provided with sufficient transparency and input throughout the processes to ensure the fund closures were conducted in a manner that prioritised investors' interests.

Baillie Gifford are highly active, long-term investors who look for high quality companies with exciting growth prospects. We are confident that they remain focused on delivering strong returns for investors and, notwithstanding recent performance, believe that the Baillie Gifford fund range continues to offer high quality investment expertise at a very competitive cost coupled with outstanding client service.

Kate Bolsover

Non-Executive Director

Dean Buckley

Non-Executive Director

Chris Turpin

Non-Executive Director

Actions to enhance value and choice for investors

Over the past 12 months, we have taken steps outlined in the table below to deliver enhancements to the value and choice offered to investors in the funds.

Focus area	Fund	Details
Reduction of tax agent fees	All funds	Baillie Gifford negotiated reduced tax agency fees for the funds during 2023 and the cost savings are passed directly to investors in the funds. Savings arose from consolidation of services previously provided by several local tax agents into one overall service agreement with a single provider across all jurisdictions.
Changes to fund range	Baillie Gifford Emerging Markets Bond Fund	Baillie Gifford Emerging Markets Bond Fund was closed in April 2024 following a review of client demand for the Fund's strategy.
	Baillie Gifford Investment Grade Long Bond Fund	Baillie Gifford Investment Grade Long Bond Fund was closed in December 2023 following a review of client demand for the Fund's strategy.
	Baillie Gifford British Smaller Companies Fund	Baillie Gifford carried out a strategic review of its investment capabilities, which highlighted a lessening of demand for investments in British smaller companies, combined with a growing trend for the firm's investment research to have a global, rather than a domestic, focus. Taking this into account, together with the performance of the Fund over recent years, we believed it in the best interests of shareholders to close the Fund. The Fund was closed in June 2023.

Baillie Gifford's approach to adding value

Baillie Gifford is firmly committed to providing its clients with long-term value for money. It's the basis on which we evaluate success and we support wholeheartedly the need to publish an annual Value Assessment Report.

This article is by Baillie Gifford & Co (Baillie Gifford, or the firm), as investment manager of the funds, for the value assessment by the board of Baillie Gifford & Co Limited, the funds' authorised corporate director.

As an active investment manager, it is critical to compare our long-term investment performance, net of all costs, against relevant passive funds and our peer group of active investment managers. Simply put, we want our clients to be better off in the long term than if they had invested in:

- a passive equivalent
- the average performing active fund.

We believe it's our role to allocate capital to companies with productive investment opportunities, and to act as engaged owners on our clients' behalf. We frequently visit and interact with the management of companies we invest in to understand their actions, ambitions and alignment of interests with long-term shareholders. We aim to support and encourage companies that grow by attracting new customers and increasing market share through innovating to meet evolving needs and desires. Such companies typically have pricing power and customer loyalty and are well-placed to generate strong investment returns for shareholders. We pay for multiple sources of academic and industry expertise to guide us to areas of opportunity. Our approach goes far beyond analysing annual reports and participating in group calls with management. We believe that the costs that we incur from this relatively resource-intensive research process are more than justified by the insights we gain.

Measuring value for money

Baillie Gifford is a long-term fundamental investor. We measure success in terms of relative investment returns over periods long enough to separate value-added stock selection from temporary share-price noise. Studies have shown a strong correlation between a company's relative operating performance and its share price over timespans of five years and longer. This relationship is weak over three to five years and non-existent over shorter periods. That is why, for Baillie Gifford funds, judgements about value provision are most useful over at least five years, and we encourage you to focus on those figures in this report.

In many cases, we are not meeting our five-year returns objective at present, and this Value Assessment Report scores performance accordingly. In last year's report, we said that we thought the five-year underperformance would likely be temporary, and we still expect this to be the case. However, we have yet to see a convincing performance turnaround. The number of funds lagging their index over five years (or three for fixed income funds) remains relatively high at 20, an uptick from 18 last year. The number of funds outperforming the relevant index but underperforming their objectives is four, compared to three last year.

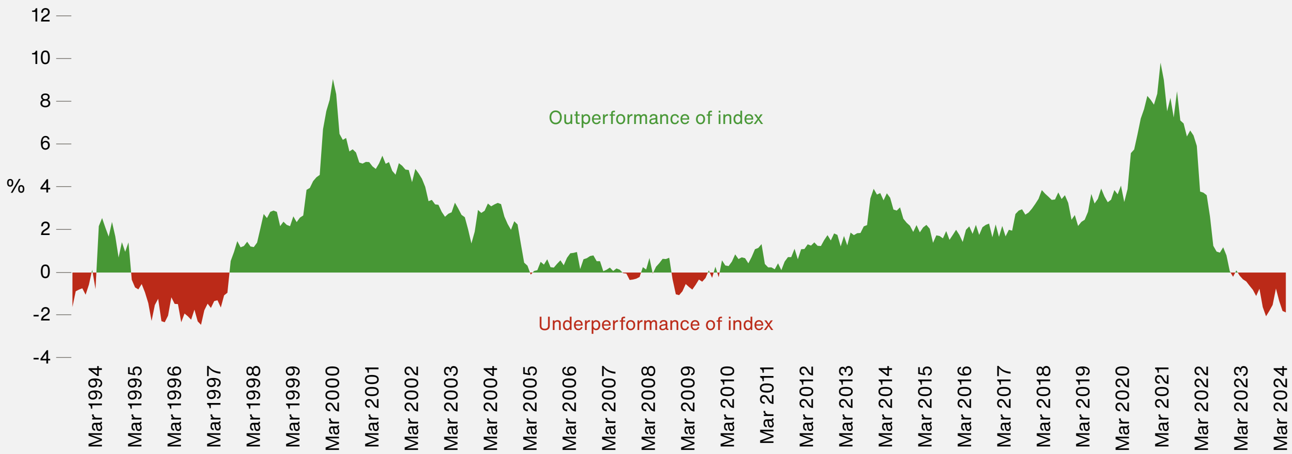
In the year to March 2024, two funds were closed (in addition to Baillie Gifford British Smaller Companies Fund, reported previously). At the time of closure, Baillie Gifford Emerging Markets Bond Fund's performance had been ahead of the benchmark over both three and five years. It was not closed based on a value assessment but due to a lack of client demand for the Fund. Baillie Gifford Investment Grade Long Bond was also closed due to a lack of client demand, having narrowly underperformed its benchmark over three years.

Although, in the long term, earnings growth determines share prices, it is observable that changing interest rate expectations indiscriminately impact market valuations for growth companies. Since expectations for further interest rate rises started to moderate toward the end of 2023, performance in our funds has improved, with 19 out of 34 funds outperforming the relevant index in the six months to 31 March 2024. In the medium term, it seems probable that falling interest rates should help boost the valuations of companies held by the funds. However, as we cannot forecast the precise timing of such changes, we think the best way to protect client assets is to ride out market gyrations while appreciating that this can be challenging for investors in the funds. In less extreme interest rate cycles, the fundamental progress of the companies typically drowns out the valuation impacts. In this most recent cycle, extreme rate rises have swamped fundamental operational progress. We ask that investors remain patient until this progress is recognised in share prices.

The following chart shows the average rolling five-year performance relative to the index for all of Baillie Gifford's UK-domiciled equity fund range. It illustrates that for the vast majority of the time, our equity funds have collectively outperformed over five-year periods.

For the 30-year available history, outperformance over five years has averaged +1.9% per annum (p.a.). The current situation is that, having peaked at +9.8% p.a. in January 2021, the very sharp sell-off in growth equities has resulted in an underperformance of -1.9% p.a. in the five years to the end of March 2024. We have seen such periods from January 1995 to June 1997 and September 2008 to November 2009. In both cases, these periods were precursors to strong recoveries in performance over the following five years. There can be no guarantee that this will happen again, but we hope it will be informative for investors to see the long-term pattern of relative fund performance resulting from our investment style.

Rolling 5-year annualised returns for our equity funds relative to their indices



In charting this, we looked at each equity fund's outperformance (or underperformance) compared to the fund's relevant index over five-year periods for each quarter since that fund's inception. Then, for each quarter, we calculated the average of outperformance or underperformance across all equity funds and plotted that across the timeline shown in the graph, where the 0% axis represents the index return. Overall, the chart demonstrates a clear pattern of historic performance against the relevant investment measure for each fund.

Source: FE, Revolution and relevant index providers. Longest running share class used for each fund. Share class returns B Acc or B Inc based on 10am NAV prices. Index calculated close to close.

Beyond performance

Some of the funds we manage have dual objectives. That applies to those aiming to deliver dependable income or lower levels of volatility. Meeting this objective is as important to clients as generating investment returns. It, therefore, becomes a component of offering value for money. This report details how we are meeting these additional objectives for relevant funds.

Service and communication are also elements of providing value. Among other things, we believe that our clients care about:

- efficiency of service
- administration
- access to information
- the quality of our website and fund reporting

We recognise these factors are important in our service offering and resource them appropriately. Client satisfaction surveys suggest that we are meeting expectations. However, as investment managers, we would not consider a fund to provide value solely based on its service levels in the absence of long-term investment outperformance.

Transparency and costs

Outperformance is directly impacted by the fees and other costs that investors pay within our funds. High costs dramatically reduce the likelihood of outperformance. With this in mind, we have long advocated for transparency on all fees and charges, and we cover administration, accounting, transfer agency and registration costs for our UK fund range from each fund's annual management charge rather than adding charges to the funds. Investment returns and outperformance targets are quoted net of all costs in fund literature to make it easier to measure value added.

Fund fees depend directly on the amount of assets in each fund. At the moment, with valuations significantly down from their peaks, Baillie Gifford receives less revenue for managing the UK OEIC fund range than we have in the past. However, we have continued to add selectively to our investment teams. The cyclicality of our investment approach is mirrored by our willingness to tolerate the ensuing cyclicality of our business, ensuring investment team stability and appropriate resources in place throughout. We believe that not having outside shareholders whose horizons may not match our own is a crucial advantage, allowing us to invest in a way other investment firms with annual profit targets find more challenging. This improves our ability to invest with conviction, which we believe adds value for clients in the long term.

Stewardship

Generating strong long-term investment returns for clients is the primary goal for our firm. A small number of the funds also target sustainability and impact objectives; for those, we incorporate social and environmental goals as appropriate. In practice, given our long investment horizon, there is a very high degree of overlap between the companies we favour for purely investment reasons and those that behave responsibly. Beyond that, we spend significant amounts of time with the management of the companies we invest in to understand their ambition and alignment with the long-term investment opportunities we have identified. Building such relationships is a crucial aspect of gaining investment insight, and we can help bring about positive outcomes for clients by encouraging the companies we invest in to focus on building long-term value, even in the face of the market's fixation on short-term metrics. Ours is a relatively resource-intensive approach that fulfils clients' expectations that we invest their assets for strong returns but also ensures that we can hold the companies we invest in to account through constructive dialogue. This stewardship aspect of our activities is one that we believe is becoming more important to clients and increasingly more relevant to investment outcomes.

High costs dramatically reduce the likelihood of outperformance. With this in mind, we have long advocated for transparency on all fees and charges

Q&A with Baillie Gifford on fund performance

Stuart Dunbar, Partner, Baillie Gifford & Co, answers questions from the board of Baillie Gifford & Co Limited, the funds' authorised corporate director.

Why do you ask clients to measure success over a minimum of five years?

For equity funds, we aim to outperform passive funds and our active competitors over rolling five-year periods. Fixed income funds' performance is assessed over three-year periods. In both cases, that is generally long enough for a company's stock and bond prices to reflect its underlying progress. Our expertise is in assessing individual companies' operating prospects, not predicting the valuation swings that those companies attract. Investors in our funds have been encouraged to focus on five-year measurement periods (or three, where appropriate) since the first Value Assessment Report in 2020. This does not guarantee that we will outperform over every five-year period but in normal market circumstances, it is a long enough period to disentangle skill in company selection from market noise. When markets are especially style-driven, as we have seen recently, even five-year periods can be too short to reflect a full performance cycle. This is reflected in the chart in the previous section, which shows that we have had periods where five-year performance has been behind the index, although this has not been the norm.

Why has recent performance been poor for many of the funds?

Investment performance has been poor for several of our strategies over five years compared to market indices and other providers' funds. Despite generally positive returns, many of our equity funds have underperformed their relevant indices in the 12 months since the previous Value Assessment. These outcomes are disappointing given the generally better-than-market operational progress of the companies we invest in. We cannot predict when other investors will start to positively revalue the prospects for these companies that are currently underappreciated. It also isn't easy to make predictions for markets that are driven almost entirely by interest rate expectations and discount rates in the short term. In time, either the companies' earnings growth will drive rising share prices or markets will recognise the value of this growth and raise valuations, or more likely both. We recognise that this has now been a relatively prolonged period where the valuations of growing companies have been compressed. However, we remain confident that the companies in our portfolios compare favourably to others.

Why do you not change your investment style to adapt to market conditions?

In the short term, exchanges set stock and bond prices at a level that satisfies supply and demand for a given security. Given the prevalence of sentiment-driven, short-term speculators and investor-herding behaviours, we often see significant imbalances. This can drive prices far from an objective assessment of fundamental value in the short and medium term as different styles come in and out of favour or as investors try to out-speculate each other. We believe there is no consistent way to predict these swings and make no attempt to.

Instead, we try to identify companies that can sustainably grow their earnings significantly faster than the market. If we succeed, we expect to outperform in most rolling five-year periods. It can be difficult for investors when the types of companies we prefer are out of favour, but there is abundant evidence that investors who try to trade in and out of such cycles typically worsen overall returns by missing turning points. Uncomfortable though it may be, the best thing we can do for our investors is stay focused on the companies we favour, ensure operational progress meets expectations, and if so, stay patient.

Have you changed your investment process to reflect increased levels of volatility?

We must never be complacent, and we constantly revisit whether our approach to investing remains valid, but we must also not over-react to extreme market circumstances. The current interest rate cycle has been prolonged, and the recent rate of rises is bigger than anything we have seen for many years. This has resulted in extreme style rotation and high levels of correlation between stocks of similar maturity, even where their underlying returns drivers are very different. We do not expect this to be the new norm, so it would be a mistake to become overly risk-averse. To generate strong returns for investors and outperform means embracing the uncertainty that causes some companies to be undervalued.

However, we have made some changes to how we incorporate valuations into our decision-making for some investment strategies and bolstered membership of our Investment Risk Committee. This recognises that with style rotation and herding behaviour more exaggerated, we need to be alert when we are reaching potential extremes. We have increased the use of tools such as valuation ‘heat maps’ and are applying stricter rules around exposures to very early-stage companies or different types of ‘growth buckets’. Investing should always be a process of constant evolution, and we see these changes as part of this ongoing philosophy rather than a one-off response to recent returns patterns.

Have you made investment mistakes that have led to recent underperformance?

Investment outcomes are inherently uncertain. There is a strong link between the companies that grow earnings fastest over five-year periods and those that perform best in stock market terms. So, it is vital to assess the quality of our analysis and earnings expectations against subsequent outcomes rather than simply measuring share price performance. Unforeseen events will always cause negative and positive outcomes. A ‘mistake’ is better defined as misunderstanding a company’s potential based on the facts available at the time. Viewed in this light, we believe we have made few mistakes although, to be clear, we will always make some.

For the most part, our earnings expectations for companies are coming through, and our continuing low levels of portfolio turnover reflect this. Where portfolio turnover has picked up, it is because we see abundant opportunities to invest in companies where the market is failing to recognise the disruptive potential of new technologies in areas such as health innovation or the scale of the infrastructure renewal required in the next decade and longer. We cannot remember a time in recent history when the disconnect between disruptive opportunity and growth valuations has been so vast.

How do you justify management fees when you are underperforming?

Performance needs to be measured over the long term for the above mentioned reasons. If we underperform over five years or longer, we will revisit the value we add for clients, assess whether this is temporary and act accordingly. We are likelier to close a fund than reduce management fees for performance reasons. If we cannot add value through our research and investment processes, we should return the assets to clients who can redeploy them to another active manager or a cheaper index fund. We have done just this in recent years with our developed market government bond funds and, more recently, our British Smaller Companies fund.

We do not seek to be the cheapest active manager. Our approach to fees is to find the optimum point where the level of resource we employ maximises after-costs returns for clients. If fees are too low, managers cannot afford the resources required to generate genuine insight and exercise meaningful stewardship and relationship-building with investee companies. If fees are too high, it may be a sign that a manager is inefficient or is seeking to keep too much of any value added for themselves. We are firmly focused on offering value for money in the context of clients’ reasonable expectations. We aspire to provide higher levels of investment insight and performance at average or lower fees. Ultimately, net-of-all-costs performance versus indices and competitors will determine whether we are doing so. However, evidence from Fitz Partners’ peer group analysis confirms that fees charged to the funds are low and competitive.

Value assessment and conclusion

Our value assessment process

When we, the board of Baillie Gifford & Co Limited (we or the board), developed the framework to measure whether our funds provide value, we considered how best to evaluate the seven core areas that the FCA require us to assess:

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

While no single measure provides a conclusive picture, when combined they indicate whether Baillie Gifford and the other service providers involved delivered value to the funds. As such, we decided not to apportion weight to individual criteria but to consider them collectively.

As part of the review process, we analysed the information Baillie Gifford & Co (Baillie Gifford or the firm) uses for management information and governance of the funds. However, we also engaged with external parties to provide independent benchmark data on performance, fund fees and expenses. We also reviewed the findings of client surveys carried out by third-party researchers.

A sub-group of the board conducted an interim and final assessment of value. The sub-group consists of independent non-executive directors, one of whom is the chair of the sub-group, and other members of the board and senior management. During their meetings, they undertook a comprehensive review and evaluation of the collected data before determining value assessment conclusions for each fund and share class.

We used our B class shares as the primary share class for comparative purposes, as these are best suited to individual investors. However, our analysis covered all the different share classes available to investors, and we reviewed data relating to individual share classes where available. Except for A class shares, management fee rates for the other classes are less than their B class equivalents.

We used a RAG rating (red, amber, green) to evaluate each of the seven criteria and then concluded overall whether value had been delivered to investors in a fund. The outcome of our review of each fund appears in the **Summary by fund** section for B class shares. Differences in the management fee charged to share classes mean that in some cases, outcomes at individual share class level for the Performance and Comparable Market Rates criteria may differ from those for B class shares. However, the outperformance targets for funds are set in relation to B class shares. Share class-specific data and RAG ratings are shown in the report's **Appendices**.

01
Quality of Service

How we carried out the assessment

With the aid of client feedback, we considered the quality of investment management and client servicing that Baillie Gifford provided to our funds, as well as that of other service providers. We reviewed measures covering a broad range of clients. These included consumer scores from a third-party researcher, Anova Consulting Group, which conducted satisfaction interviews across a range of clients and consultants, and the results of a service study by Citywire, which allowed wealth managers to share their experiences of Baillie Gifford and other asset managers. We also reviewed the findings from a Boring Money survey, which asked retail fund investors what they thought about value, ownership and investment intentions. Furthermore, we referred to an additional survey collating responses from discretionary fund managers and investment advisors on various topics. We considered qualitative and quantitative fund ratings from agencies, platforms and consultants. We also looked at formal reviews of the service we provide to clients and those delivered by other service providers.

How did we do?

Results from client surveys

At Baillie Gifford, existing clients' interests are paramount. So, it is pleasing that data across client surveys indicates overall satisfaction levels generally remain high. Some of the strengths noted were Baillie Gifford's resolve in its investment approach and its high levels of client service and communication. This aligns with Baillie Gifford's beliefs on the merits of active investment management, putting clients' interests first and the unlimited liability partnership ownership structure, which we see as a key strength. A recurring theme, though, is the impact that short-term underperformance of many of the funds has had on clients and particularly those who have invested in our funds more recently. This has impacted scoring both in absolute terms and when compared to the peer groups used for comparison in the client surveys.

Results from the Anova survey were mixed. The 'net promoter score' (the willingness of clients to recommend Baillie Gifford to others) was lower than in previous years and fell below the benchmark, with short-term investment performance having a meaningful impact on scores. However, a majority of clients were net promoters, and another significant proportion was neutral, with very few net detractors. In addition, the overall satisfaction score remained high and continues to reflect well on Baillie Gifford and its levels of client service during a challenging year. It was pleasing to see increased satisfaction levels in areas highlighted for improvement in last year's survey, such as reporting and communication, where the firm has taken steps to address clients' needs.

Results from Citywire's survey of intermediaries in the UK showed an uptick in positive ratings for Baillie Gifford across most categories. Overall scoring remained strong, although the firm's position relative to other asset managers fell. Baillie Gifford's highest scores came in salesperson product knowledge, salesperson client knowledge, product offering and promptness of information. The latter reflects the enhanced client reporting and website offering delivered during the year. Salesperson contact (particularly timing of contact) was rated lower, as was market crisis communication. The firm is considering how best to incorporate feedback for more reporting on drivers of short-term performance into its future reporting.

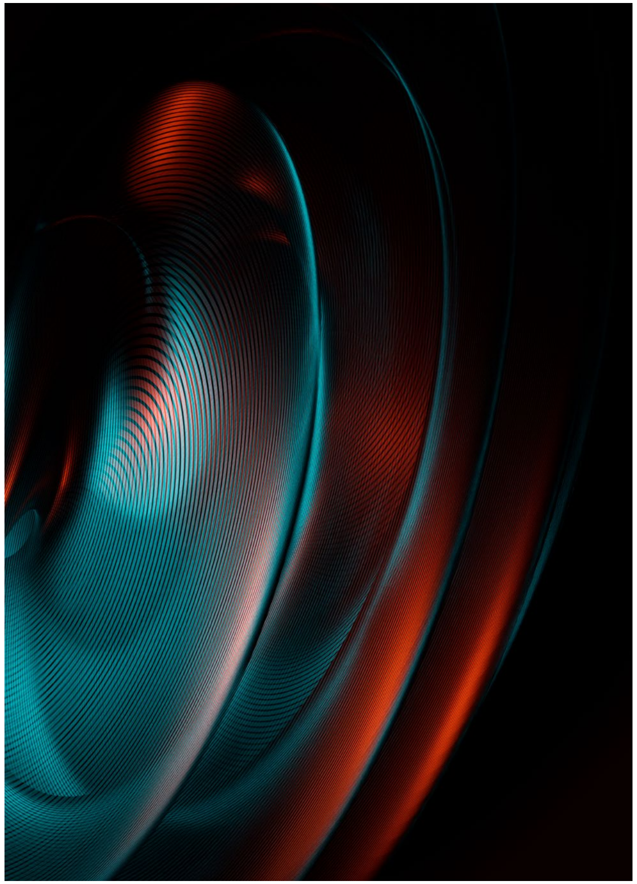
The Boring Money Fund Investor Tracker showed a fall in Baillie Gifford's overall value rating (12-month rolling average) from retail investors. This overall rating is an average across Boring Money's six pillars of value which include quality of service, performance, and fees among others. Baillie Gifford's overall value rating was significantly impacted by the performance returns category, and scoring dropped in relation to peers. Most retail investors surveyed invest in our funds via platforms, so they experience the firm's quality of service indirectly through that platform. Nonetheless, our funds were rated by respondents for transparency of product aims, which we view as particularly important where funds carry an increased risk of more volatile returns.

Baillie Gifford values its clients' feedback. Teams within the firm are reflecting on information gathered from the surveys and developing plans to continue to evolve and improve the service provided to clients.

Review of the investment process and supporting operations

We drew comfort on the robustness of the investment process and supporting operations from:

- the positive findings of an operational risk assessment performed by an external consultant that judged Baillie Gifford to be a well-organised business
- the unqualified opinion of the annual internal controls audit conducted by PricewaterhouseCoopers
- metrics indicating investment in people resource during the year
- the detail in the due diligence report that Baillie Gifford provides to institutional clients upon request.



Fund administration and other service providers

Baillie Gifford administers our funds in-house, where the teams aim to provide the highest quality service, with fund operations carried out efficiently and accurately. Baillie Gifford's management team reviews data monthly and the board receives at least quarterly updates on fund operations and reporting from risk and compliance teams. The funds' depositary provides regular feedback on the administration team's delivery of regulatory data and query resolution, and the external auditor provides feedback on the financial statements prepared for the funds and the financial reporting process and controls. The service delivered was determined to be of good quality, and the teams continue to enhance processes and develop systems to improve service levels further.

In evaluating the quality of service provided by third-party service providers, such as the funds' depositary, custodian and overseas tax agents, we reviewed the results of Baillie Gifford's third-party oversight programme. No issues were highlighted, and fees paid were proportionate to the service levels provided.

Conclusion

We concluded that a good quality of service is offered to investors and rated this green for all funds. However, we recognise that short-term performance did impact our investors' perception of the value delivered. This is addressed in the following section of the report.

02
Performance

How we carried out the assessment

We considered whether the funds met their investment objectives. Most funds have a target benchmark, usually an index plus an outperformance target. So, we looked at the performance of the funds (after all the fees were deducted) relative to the applicable index and target benchmark. We evaluated performance over the time period specified (three or five years) in the fund's investment objective. We recommend that investors view this as the minimum holding period. For newer funds that have not reached this milestone, we looked at the fund's performance since launch, while being mindful that the intention is to invest for the longer term and that shorter-term returns are of limited value in assessing how well a fund has performed.

We follow a reasonably mechanical approach as a starting point when assessing the performance of the funds and RAG-rating the outcomes (i.e. rating as red, amber or green). If a fund beats its outperformance target, we rate it green. If a fund fails to beat the index, we rate it red. And if performance falls somewhere in between, we rate it amber. Where funds have comparators instead of outperformance targets or additional objectives relating to, for example, delivery of income, reduced volatility or carbon intensity targets, these are reviewed too.

As an active investment manager, Baillie Gifford recognises that the portfolio holdings of an actively managed fund will differ from the target benchmark, and there will be periods when funds produce better or worse relative returns. We have taken this into account by considering how the funds performed in relation to a peer group selected by Fitz Partners, a fund data specialist. It helped with our analysis of performance and the costs incurred by the funds. In addition, we have compared performance against the relevant Investment Association sector. While performance relative to peers provides a useful context in determining our overall value conclusions, the performance RAG ratings are determined simply by whether the fund has met its objective.

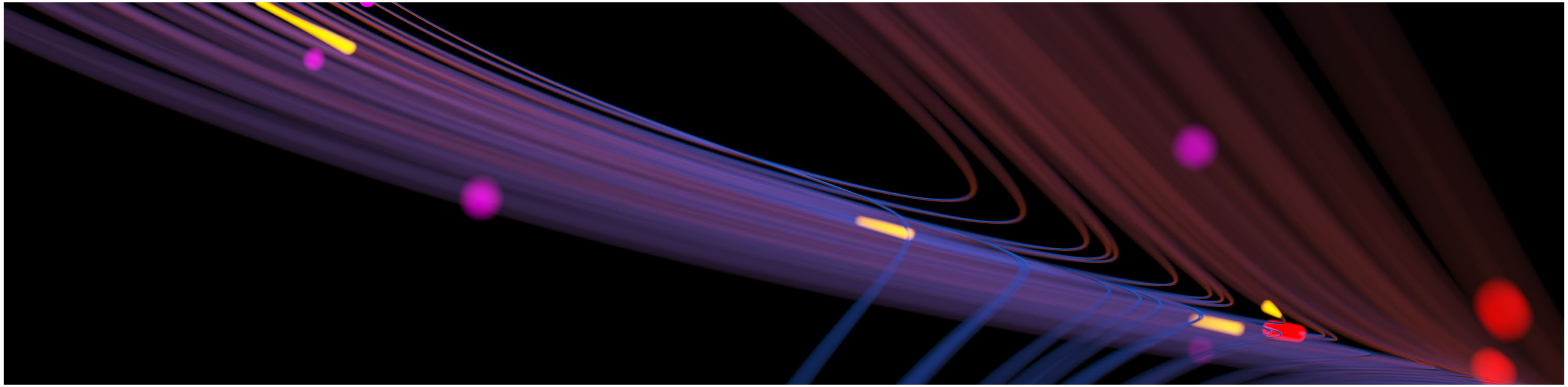
When we feel funds are underperforming, we ask members of the relevant strategy groups to attend meetings with the sub-group of the board that performs the value assessment. At this, they discuss the reasons for underperformance, explaining any actions being taken and answering questions from the sub-group. The sub-group reports its findings to the board, providing another opportunity for discussion and challenge.

For funds with a stated policy of positively impacting the social and environmental challenges facing the world, we reviewed commentary from the relevant strategy groups to determine whether the investment teams' activities aligned with these policies. Baillie Gifford reports on these activities to clients annually by strategy and publishes them on the website. Links to these reports are found in the **Summary by fund** section.

Fund performance v investment objective*

Note: three new funds are not shown as the performance time period is too short to be meaningful.

*Fund performance (B class shares, 10am dealing prices) compared to the index and target benchmark noted in the investment objective of the fund for the period stated in the investment objective (five years for equity, balanced and multi-asset funds; three years for bond funds). Where a fund does not have an index or target noted in the investment objective, a comparator has been used. Where a fund has been launched within the last three or five years (depending on fund type), performance since launch has been used. Performance figures were sourced from Revolution, FE and relevant index providers. For our legal notices and disclosures please see **page 87** or visit **www.bailliegifford.com/disclaimers**. You should be aware that past performance is not a guide to future performance.



How did we do?

Performance review to 31 March 2024

In this year's assessment, the performance of many of our growth-oriented funds continued to suffer in challenging market conditions. Seven of our funds were rated green for performance, four were rated amber, and 20 were rated red. Three newer funds (Baillie Gifford Climate Optimism Fund, Baillie Gifford Global Alpha Paris-Aligned Fund and Baillie Gifford Sustainable Multi Asset Fund) were not rated as the period since launch was too short to be meaningful. More details are provided below and in the investment commentaries in the **Summary by fund** section. We also asked the investment manager to provide more information on fund performance and answers to our questions are included in the section **Q&A with Baillie Gifford on fund performance**. RAG ratings for individual share classes are noted in the report's **Appendices**.

While most of our funds delivered positive absolute returns over the 12 months to 31 March 2024, many underperformed their benchmark over that period. Further, the disappointing performance of 2022 and 2023, when the inflationary environment and geopolitical tensions drove market sentiment, impacting how Baillie Gifford's growth investing style performed, continues to affect the funds' longer-term returns.

In the year to 31 March 2024, the market backdrop changed fundamentally from that seen during the preceding decade when loose monetary policy coupled with decent global growth supported financial market returns. Despite inflation receding from its peak in 2022, interest rates rose well into 2023. A shift in sentiment towards the end of 2023 saw the rate hiking cycle paused and gave investors hope that a move towards stability had begun. Beyond the developed world, despite a relaxing of Covid-19 measures, the Chinese economy struggled with issues in the property sector and low consumer confidence. This impacted the share prices of Chinese companies and hindered the performance of funds with Chinese exposure.

However, there was some good news as the continued breakthroughs in artificial intelligence boosted the US stock market. This amplified the phenomenon of the so-called 'Magnificent Seven' – NVIDIA, Meta, Apple, Alphabet, Microsoft, Amazon and Tesla. The stellar returns of these seven companies boosted the performance of the NASDAQ index and, to a lesser degree, the S&P 500. The funds with high exposure to those names, performed strongest over the period.

Our fixed income funds performed well over the 12 months, each beating their respective comparator benchmarks. After a difficult 2022, our multi-asset funds delivered a positive absolute return, with allocations to diverse areas such as structured finance, listed equities and emerging market government bonds delivering positive contributions.

All the funds rated red for performance in last year's assessment were rated red again this year, the exceptions being Baillie Gifford British Smaller Companies Fund and Baillie Gifford Investment Grade Long Bond Fund which have closed since last year's assessment (as detailed in the section **Actions to enhance value and choice for investors**. An additional four funds underperformed this year, giving a total of 20 funds rated red in this year's assessment.

For the majority of funds rated red, the disappointing performance of 2022 and 2023 is a significant drag on annualised five-year underperformance against indices. The most significant factor in relative returns during 2022 and 2023 was the market rotation out of 'growth stocks' that Baillie Gifford's investment teams favour, leading to share price contraction, as market sentiment responded to the sharp increases in interest rates.

Actions taken by the investment manager

As those global market conditions arose, the investment teams reviewed their portfolios to assess the fundamentals of the companies held and to re-evaluate the growth case for every investment. Some changes were made to portfolios where the fundamentals of companies were no longer compelling, and the teams took advantage of market weakness to take holdings in companies that they had been monitoring closely. Long-term growth opportunities have remained the investment teams' priority.

Emerging from this period of extreme volatility, Baillie Gifford's investment risk function focused on enhancements to risk frameworks and guidelines and has been working closely with the investment teams. Investment teams have also reflected and made adaptions here and there where there was opportunity to further enhance the rigour of the investment process.

Baillie Gifford aims to add value to investors by continuing to hold companies with strong fundamentals that the investment teams believe will be true growth outliers over the long term. To drift from that style at this stage would be to deviate from the role that we seek in clients' diversified portfolios and would risk missing the opportunity now at hand. Having kept portfolios under close review through the market developments of the past couple of years, the investment teams are satisfied with how the funds are positioned and excited by the opportunities they see for growth.

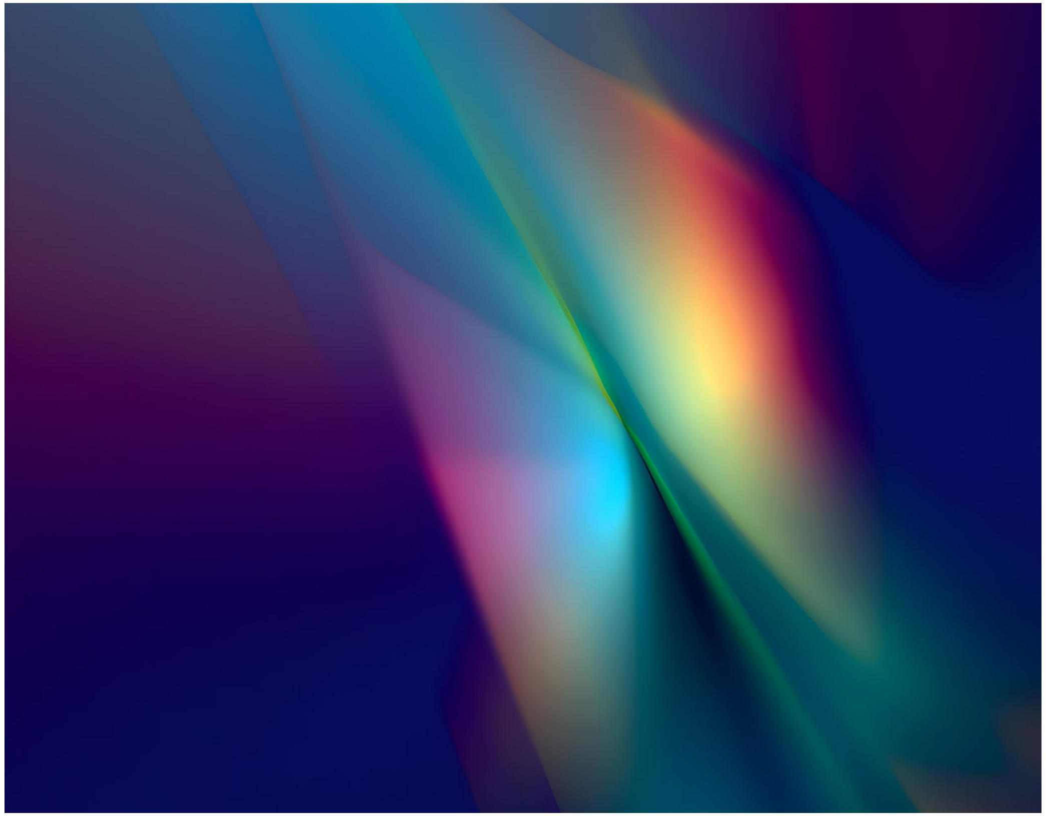
Share class performance

Ratings for A class shares for this criterion may be lower than those of B class shares in the same fund as the A class share management fee is higher. This is due to the fee structure agreed with clients, which incorporates a rebate payment. The ratings of other share classes may also vary depending on when they were launched.

Conclusion

While seven funds achieved their performance objectives and are rated green, 24 funds did not and are rated red or amber following a challenging three-year period that has weighed on longer-term returns. Market sentiment towards growth stocks waned in 2022 and 2023 and market conditions have remained problematic. This was reflected in the contracted valuations and share price volatility seen in many of the companies Baillie Gifford's investment teams think have substantial growth opportunities. Having analysed portfolios, investment teams are satisfied with the underlying fundamentals of their holdings and, more importantly, are optimistic about the growth opportunities open to holdings. This is reflected in an uptick in positive returns delivered in the year to 31 March 2024.

Performance RAG ratings are shown in the **Summary by fund** section and **Appendices**.



03
Costs

How we carried out the assessment

We reviewed every cost component of the funds' ongoing charges figures (OCF). The largest is the management fee, which covers the investment management services that Baillie Gifford provides. The management fee includes the cost of investment management and other costs, including administration and registration (or transfer agency) services, which the firm also provides. We do not charge performance fees or entry and exit charges. The funds incur other costs, such as custodian, depositary and audit fees. We looked at all of them to determine whether they were reasonable for the services provided.

OCF = **Management fee** + **Custody fee** + **Depositary fee** + **Other fees**

How did we do?

We believe that Baillie Gifford's fees for investment management services are reasonable and provide good value. For more details on its approach to determining fair and competitive fee rates, please refer to **How Baillie Gifford sets management fees** on the next page.

While the B class fee rates offer all holders of our funds access to institutional pricing, we also offer a range of other share classes in our funds that are suitable for different types of investors. We offer lower pricing structures to clients that provide a service we would otherwise have to perform or pay a third party for.

Fee rates do not take profit margins into account. Baillie Gifford does not seek to maximise revenue or profits on a per-fund basis through its fee arrangements, nor does it calculate the margin on individual strategies, funds or geographies. The firm believes that building long-lasting client relationships at fair prices is much more valuable than seeking to maximise the profitability of a given strategy.

There were no changes in the funds' management fee rates this year.

We consider the fees paid to the funds' other service providers appropriate for their service level. The firm recently negotiated reduced tax agency fees for the funds. This consolidated services that had previously been provided by several local tax agents into one overall service agreement with a single provider across all jurisdictions.

As noted in section 5, **Comparable market rates**, the fees charged to the funds are very competitive when compared to their respective peer groups.

Conclusion

We have rated this green for all funds as fee levels overall are fair and competitive. They remain low for the funds and appropriate for the level of service provided.

Upcoming changes to OCFs

From 1 July 2024, the funds' OCFs will increase to reflect a change in approach to certain costs previously paid by Baillie Gifford & Co Limited which will now be paid by the funds instead. For most funds, we expect the increase to add less than 0.01% to the existing OCF, in absolute terms. The four new cost categories to be charged to the funds are:

- costs incurred processing instructions from investors to buy and sell shares in a fund,
- directors' insurance,
- legal fees incurred on behalf of the funds, and
- fees for a third party to provide a pricing calculation contingency service.

Based on our research, we understand that it is standard practice in the industry to charge such costs to the funds, and this will align with Baillie Gifford's approach to other fund ranges. However, Baillie Gifford & Co Limited will continue to cover administration, accounting, transfer agency and registration costs as part of each fund's management fee rather than adding charges to the funds, which remains unusual among our peers.

How Baillie Gifford sets management fees

Baillie Gifford & Co, as investment manager of the funds, sets management fees that we, the board of Baillie Gifford & Co Limited, review and approve on a regular basis. We thought it useful to explain Baillie Gifford's approach to setting fees for clients and how this relates to the management fees charged to the funds.

Principles

Baillie Gifford's approach to setting fees supports its ambition to have mutually beneficial and long-lasting client relationships. The firm aims for management fees to be low enough that most of the targeted outperformance accrues to clients, not Baillie Gifford.

At the same time, fees must be sufficient to allow the firm to invest in talented and well-resourced investment teams, high-quality client service, and robust operations and controls. Getting this balance right helps the firm deliver long-term value to its clients.

Baillie Gifford strives for simplicity and fairness. This is transparent for clients and easier for the firm to administer. It sets fees centrally at the investment strategy level, which applies across all geographies and client types.

Fund pricing

Baillie Gifford's focus is on setting fee scales that offer immediate value for money to investors in the funds, regardless of how large an investment they make. B class management fee rates are set at or below the entry-level fees for larger institutional clients in the same investment strategy. Fees are set at this level from the inception of each fund, providing immediate benefits to investors.

The firm considers the value it delivers to all clients invested in a particular strategy. The approach to value differs by product type. For instance, the B class shares in the UK fund range are charged a 'flat' management fee, whereas investment trusts managed by Baillie Gifford have a tiered scale according to the size of the trust. This difference reflects the differing structures of these products, and the activities involved in servicing investors in each. Similarly, institutional clients are charged on a tiered fee scale.

Investors in the funds benefit from this simple and transparent approach to strategy fee setting. The firm keeps strategy scales under ongoing review, with changes to strategy fee scales reflected in B class management fees, whether the fund has grown or not. As a result, over the past decade, B class management fees have been lowered 24 times.

24

Number of reductions to management fees (B class) in the last 10 years

04
Economies of scale

How we carried out the assessment

Economies of scale happen when funds grow and, as a result, we may be able to renegotiate fees with service providers, including the investment manager.

We considered:

- whether savings could have been achieved because of economies of scale
- if there were savings, whether they had been passed on to the funds through fee reductions
- management fee rates, referencing changes in the funds' sizes over recent years
- fee rates for funds with a large proportion of retail clients in the context of fee scales that Baillie Gifford offers to institutional clients

We then discussed the fee-setting process with the firm's fees group and how it passed economies of scale on to investors in the funds.

How did we do?

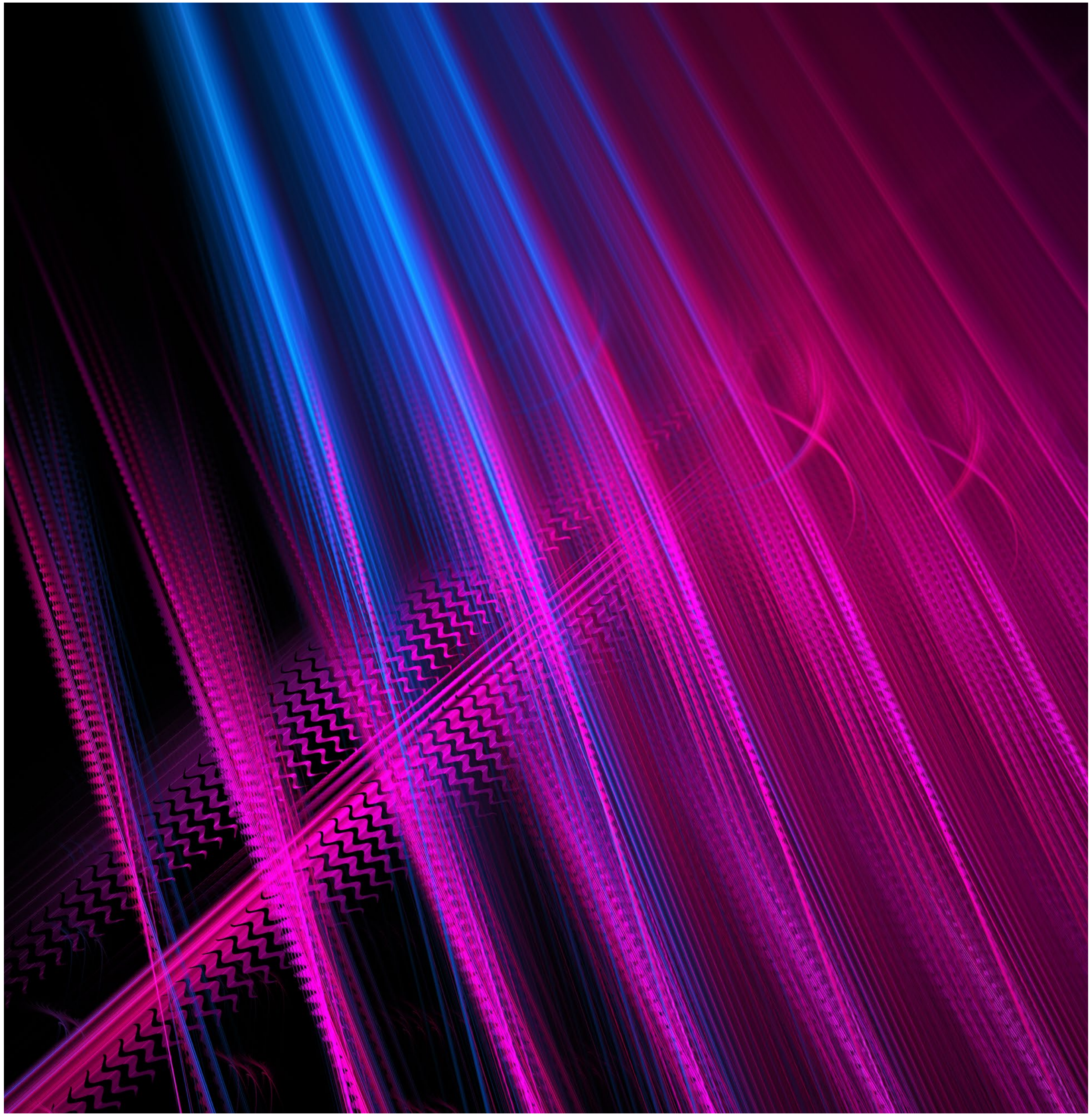
As noted in section 3, **Costs**, Baillie Gifford charges a management fee to the funds. When it sets fee rates, the focus is on offering immediate value for money to clients, regardless of the amount they have invested. This means setting 'day one' B class fee rates for small, individual investors at or below the entry-level fees for larger institutional clients in the same investment strategy, providing an immediate economies-of-scale benefit. This approach means that the funds' shareholders benefit from Baillie Gifford's cross-market and investment vehicle approach to strategy fee setting. The firm keeps strategy scales under ongoing review. Where Baillie Gifford believes it should improve its value proposition for a particular strategy, it reflects changes to fee scales in the funds' fee rates.

The firm does not quantify economies of scale in relation to individual funds. This aligns with a collegiate culture of sharing resource across investment and client service teams. Baillie Gifford aims to offer compelling value in fee rates from the point of launching a new fund. B class fee rates are not tiered (automatically reducing as a fund grows), rather they are subject to periodic review, on a rolling basis across all Baillie Gifford's strategies. While this approach may be unconventional, it supports the firm's long-term investment aims (a vital part of the value proposition to investors). It also helps Baillie Gifford offer consistently low fees across its range of funds.

We believe that headline B class fee rates represent excellent value. In most cases, these headline fee rates sit between the first and second tiers of the institutional fee scales. Fixed fee rates such as these are simple and transparent, and the firm believes investors also value them.

We continue to monitor fees on an ongoing basis to ensure they are fair and reasonable. In addition, we subsidise fees charged to new funds, capping the 'other' expenses at appropriate levels until the funds have reached sufficient scale. This ensures that initial investors do not suffer by paying proportionately higher expenses.

We also review other charges and the service provided and renegotiate fee rates with providers where we believe it is appropriate. For example, as noted in section 3, **Costs**, tax agency fees were renegotiated in the year. We will continue to monitor costs and renegotiate with providers periodically.



Conclusion

We have rated this green for all funds as management fee levels remain fair, reasonable and competitive. All charges are monitored on an ongoing basis and fees are renegotiated with service providers where appropriate.

05
Comparable market rates

How we carried out the assessment

One of Baillie Gifford's core beliefs is that it should keep costs appropriately low and transparent, including maintaining fees at fair and reasonable levels. We are mindful that costs should not be looked at in isolation and that levels we deem fair and reasonable may not be the lowest when considering whether the funds delivered value. We looked at the cost of our funds compared to others offering a 'comparable service' by using data provided by Fitz Partners. Fitz Partners calculated ongoing charges figures (OCFs) from the latest available audited accounts for the same independently selected peer groups considered in the assessment of performance.

Fitz Partners constructed the peer groups for the funds by benchmarking B class shares against peers' corresponding 'clean' (also referred to as 'unbundled') share classes falling under the same Fitz Classification and Morningstar Category.

The peer groups of funds share similar underlying assets and investment area focus (a 'fee-centric' approach provided by Fitz classifications) and objectives (a 'performance-centric' approach provided by Morningstar Categories). By considering only comparable share classes, it is possible to construct an independent peer group that is relevant in terms of the aimed investor, assets and objectives.

How did we do?

The costs of our funds are low. Of the 34 funds, 31 rank in the first quartile (lowest costs) compared to the peer group in Fitz Partners' analysis. Two funds were in the second quartile when compared to the peer group and one fund was the median of its small peer group.

In this year's assessment, the funds' OCFs no longer include the costs associated with holding closed-ended funds. This aligns with changes in regulatory guidance and the approach of peers. This resulted in an improved standing for Baillie Gifford Diversified Growth Fund among its peer group, as the Fund has a higher level of closed-ended fund holdings relative to peers.

Conclusion

All funds are rated green, bar Baillie Gifford Sterling Aggregate Bond Fund which is rated amber. Due to the investment objective of the Fund, its peer group is small and the Fund is the median of that group, resulting in an amber rating.

We are satisfied that our funds compare very favourably to others regarding cost.

Costs of funds compared to Fitz Partners peer group*

31 Funds in **first quartile** (lowest costs)

2 Funds in **second quartile**

1 Fund in **third quartile**

0 Funds in **fourth quartile** (highest costs)

*Source: Fitz Partners. We have shown how expensive B class shares of our funds are in relation to comparable share classes of funds in peer groups independently selected by Fitz Partners. Fitz Partners have calculated the OCFs from the latest available audited financial statements of the funds as at 31 March 2024.

06
Comparable services

How we carried out the assessment

Baillie Gifford provides investment management services to a wide range of clients. We considered which received comparable services and decided that the firm's range of Irish open-ended funds, Canadian master trusts, US mutual funds, the US group trust and some investment trusts that Baillie Gifford manages have similar investment objectives and policies to the equivalent UK funds. In addition, we included institutional clients for whom the firm manages money. These are larger clients, such as pension funds, which ask Baillie Gifford to manage money on their behalf. We compared the B class management fee rates and investment terms of our funds to those offered to the other fund ranges and clients to make sure they were appropriate, with any differences being justifiable.

How did we do?

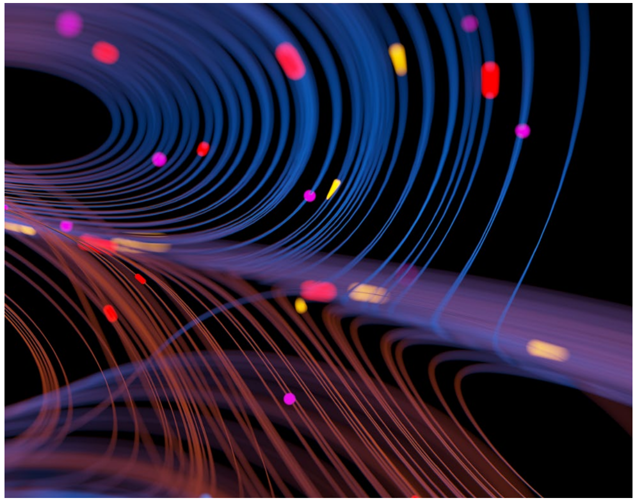
As noted in section 3, **Costs**, the firm sets management fee rates centrally at the strategy level across geographies and client types. A fees group within Baillie Gifford reviews these rates. The purpose of the fees group is to ensure fee-related matters for funds and institutional clients are considered and coordinated globally and in the interests of all clients. The B class management fee rates charged to the funds are determined in relation to strategy-tiered fee scales, equivalent to either the first tier or else a blend of the first two tiers.

This means that investors in our funds benefit from Baillie Gifford's cross-market and investment vehicle approach to strategy fee setting. The headline B class rates are generally in line with those of other pooled investment vehicles offered by Baillie Gifford, allowing for differences in product structure and client service activities.

In addition, fee rates match the first tier or a blend of the first two tiers of the strategy's institutional client fee scale. However, they include additional services, such as the daily pricing of funds, administration, accounting and registration services not used by institutional clients. Institutional clients' entry levels differ and depend on the investment strategy but are generally between £30m and £60m. Clients who invest more than these levels in a fund can benefit from tiered fee rates via a client-specific fee arrangement.

Conclusion

We have rated this green for all funds as B class management fee rates align with the fee rates offered to investors in comparable pooled investment vehicles and entry-level rates charged to institutional clients managed by Baillie Gifford, allowing for differences in service levels and the structure of investment vehicles.



07 Classes of shares

How we carried out the assessment

Our value assessment is based on our B class shares, which are best suited to individual investors. These can be purchased directly from Baillie Gifford & Co Limited or, for example, through an independent financial advisor or platform. We also reviewed data for other share classes. The other share classes we offer have different management fee rates and minimum investment levels and are designed primarily for distributors of our funds and institutional investors. The funds' prospectuses note each fund's share classes and management fees. Copies of each fund's prospectus may be obtained from the Baillie Gifford website or by contacting the Client Relations Team using the details on **page 86** of this report.

We considered whether the differences in fee rates are justified.

How did we do?

We charge different management fees to different share classes because we use other companies to help distribute and market our funds. We consider sharing the revenues from fees with these companies if they provide us with a service or benefit that we would otherwise provide or pay a third party to carry out on our behalf. When setting an appropriate fee rate for a share class, we consider the nature of the firm's relationships with these companies. We take several factors into account, including the size or potential size of investment in the fund, the access afforded to markets, the marketing services provided and strategic partnerships. For each relationship, we agree on a proportion of fee revenue, up to a set maximum, based on the overall benefit it provides.

We aim to keep costs fair, reasonable and transparent for clients. Apart from our A class shares, the management fees for these other share classes are lower than those charged for B class shares. The lower fees are a recognition of the tasks the other company carries out, which Baillie Gifford would ordinarily carry out. Our C class shares do not charge a management fee. However, they are only available to institutional clients wishing to have an investment management agreement with Baillie Gifford and are charged separately for the investment services they receive.

While Baillie Gifford has not actively promoted A class shares for several years, there are a small number of legacy holders of the shares. The A class class shareholdings represented approximately 0.3% of assets under management across our fund range at the end of March 2024. We pay a rebate to investors in this share class. In most cases, the rebate is equivalent to the difference between the management fee rates for A class and B class shares, meaning that in those cases, we receive no more than the B class rate for managing the funds.

The firm encourages clients still investing indirectly in the A class shares to contact their financial adviser or provider. They should evaluate if A class shares are the best fit or if switching to the lower cost B class share would be advantageous.

Two platform providers facilitated large-scale switches of A class holders to the B class this year, significantly reducing the number of A class holders.

Our funds' share classes

Share class	Description	Management fee rate
B	Our primary retail share class. Best suited to individual investors who purchase our funds through, for example, an independent advisor or platform	A standard management fee that matches the first tier, or a blend of the first two tiers, of the strategy's institutional client fee scale
A	Legacy retail share class, pre the Retail Distribution Review (RDR), with a limited number of shareholders remaining	A higher management fee than the equivalent B class, from which rebates are paid to advisors
C	Institutional share class available to clients who have a separate investment management agreement with Baillie Gifford	Nil management fee as clients pay a management fee separately to Baillie Gifford
G, H, J, K, L, P, W, Y	Share classes catering for clients with different types of relationships with Baillie Gifford	Varies depending on the nature of the relationship with Baillie Gifford and less than B class shares

Conclusion

We have rated all the funds green as we are satisfied that the reasons for the differences in management fee rates between the different share classes are justifiable and appropriate. We believe investors hold shares in the lowest-cost share class available via their chosen investment route. But we encourage any still investing indirectly in our A class shares to contact their financial adviser and consider switching to the lower cost B class shares.

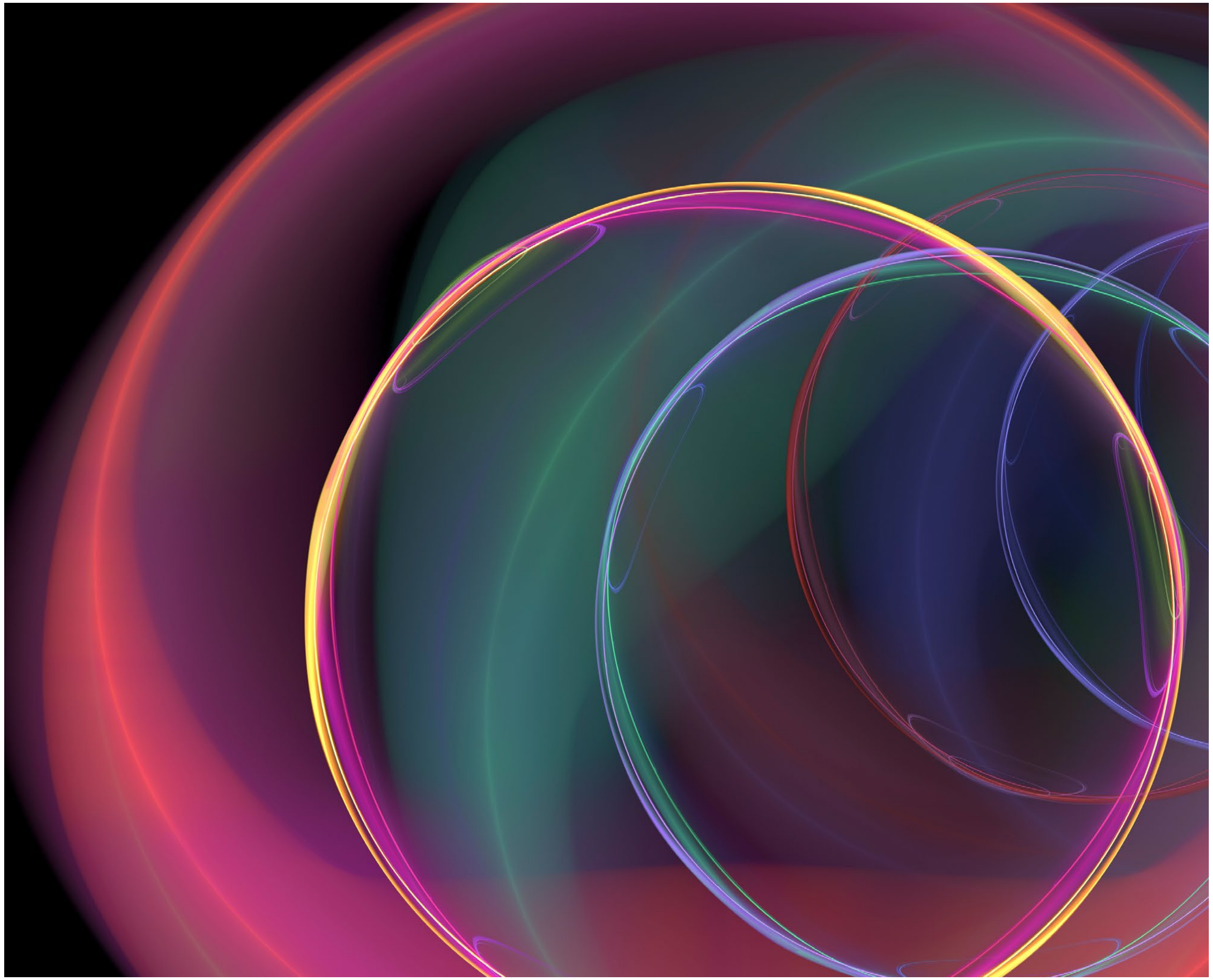
Overall conclusion of value assessment

The value assessment concludes that all funds have delivered value.

We observed that Baillie Gifford aims to deliver overall value for investors in the funds over the long term, keeping costs fair and reasonable and providing high levels of client service. While performance has disappointed during a difficult period for growth investing, we are satisfied that action has been taken by investment teams to review their portfolios in light of the changed market sentiment and, where appropriate, have taken steps to enhance the investment process. We have heard from investment teams that the types of companies held by the funds are the right ones to achieve outperformance in the long term.

And, within the overall assessment, we have concluded:

- charges for the funds are justified in the context of the overall value delivered to investors
- where possible, economies of scale have been passed on to investors
- investors hold shares in the lowest-cost share class available to them.



Summary by fund

This section summarises the outcome of our review of each fund, our rating of each of the seven criteria and our overall conclusion. We note how the fund performed relative to its objectives and show data we used to help evaluate fund performance and costs. For certain funds, we note where improvements could be made and what action has been taken. An illustrative example is shown here.

Illustrative example

Performance

We compared the performance of the fund (after deduction of costs) as at 31 March 2024 to the index and target benchmark noted in the investment objective of the fund. Where a fund does not have an index or target noted in the investment objective, and where appropriate, we have shown the performance of the fund against its comparator. The performance figures shown are annualised returns for the period stated in the investment objective, five years for our equity, balanced and multi-asset funds and three years for our fixed income funds. Where a fund has been launched within the last three years, the performance since the launch of the fund is shown. Performance figures shown are for B class shares. The target return outperformance is compounded daily. Therefore, the index return plus the outperformance will not equal the target return. Performance figures for the other share classes in issue are noted in the **Appendices**.

Overall costs

We have shown the ongoing charges figures (OCF %) of the B class shares as at 31 March 2024 against the weighted average costs of comparable share classes of funds in a peer group independently selected by Fitz Partners. The fee data specialist calculates the OCFs from the latest available audited accounts of the funds. OCFs for the other share classes in issue are noted in the **Appendices**.

Illustrative example continued

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

£XXbn

Provided value

Did not provide value

Seven criteria

We used a RAG rating (red, amber, green) to evaluate each of the seven criteria. RAG ratings for B class shares are shown. RAG ratings for the other share classes in issue are noted in the **Appendices**.

Size of fund

The size of the fund as at 31 March 2024 in billions (bn) or millions (m) of pounds.

Conclusion

The board's overall conclusion based on its evaluation of the seven criteria of whether value has been delivered to investors in the fund (B class shares): either the fund provided value to investors, or the fund did not provide value. Overall conclusions for the other share classes in issue are noted in the **Appendices**.

Our equity funds

Baillie Gifford American Fund

Investment objective

The Fund aims 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.

Baillie Gifford commentary

The Fund delivered an annualised return of 12.1%[1] for the five years to 31 March 2024, compared to the index return of 15.7%[2] and the target benchmark of 17.3%[2].

Longer-term performance continues to be impacted by the recent challenging economic environment as highlighted in the executive summary and Q&A section.

However, the Fund's holdings have adapted well, as demonstrated by their strong execution over the last 18 months. Many are now self-sustaining while continuing to grow their businesses and invest for future growth. Furthermore, the portfolio is exposed to a breadth of long-term structural shifts, such as the development and deployment of artificial intelligence, which should help drive demand over the Fund's five-year investment horizon.

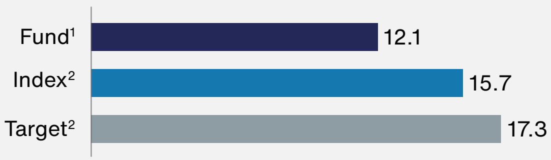
The largest detractor from relative performance over five years was Twilio, whose communications automation solution sales growth disappointed the market. The chief executive (CEO) change contributed to our reduced conviction in Twilio's growth potential and we sold the holding. The largest contributor to performance was Tesla, which delivered impressive vehicle, software and energy growth.

Over the 12 months to 31 March 2024, the Fund returned 37.2%[1] compared to the index return of 27.1%[2] and the target benchmark of 28.7%[2]. The Fund's holdings executed strongly over the 12-month period, showing strong growth and profitability compared to the wider market. NVIDIA was the Fund's largest contributor to returns, driven by an explosion in demand for its high-end microprocessors. We reduced the holding materially in March after this strong run, but it remains one of the Fund's higher-conviction holdings.

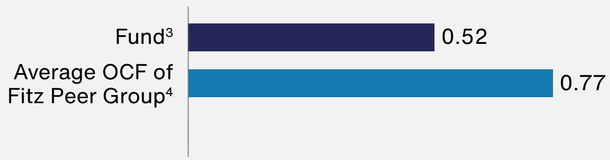
Moderna was the largest detractor from returns. Its revenues fell as it revised Covid-19 vaccine sales downwards. We think its technology could work against an array of diseases translating to a large growth opportunity.

We are enthused by the prospects for long-term growth given the extent of change underway and the markets' apparent short-term focus. More businesses stand to be disrupted as the IT revolution broadens into all corners of society, accelerated by the widespread adoption of artificial intelligence (AI). The best among them will adapt to this changing landscape and thrive, while lesser businesses fall away. This creates ideal conditions for patient, selective investors in exceptional growth companies.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]
£3.10bn
(As of 31 March 2024)

Costs and breakdown[3]
(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.00
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.52***
Average OCF of Fitz peer group[4]	**0.77**

Seven criteria
RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford China Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI China All Shares Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of -3.1%[1] for the five years to 31 March 2024, compared to the index return of -3.2%[6] and the target benchmark of -1.2%[6].

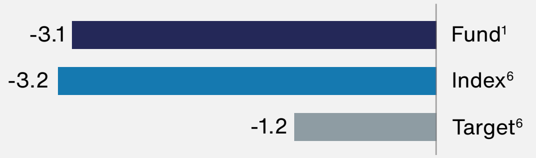
An inflection point in 2021 ended a positive period and ushered in three years in which Chinese stock markets have been impacted by domestic economic difficulties and rising geopolitical and regulatory risks. Despite many companies in the Fund delivering strong operational performance, the sharp reduction in valuations had a greater impact on returns. Stock picking in the industrials sector helped relative performance, particularly CATL, Zhejiang Sanhua and Zijin Mining which are related to China's leadership in the climate transition. Conversely, underweights in energy and financials hurt relative performance. Ping An Insurance was the largest detractor. These sectors are often state-dominated and offer limited growth, hence having limited representation in the Fund.

Over the 12 months to 31 March 2024, the Fund returned -25.7%[1] compared to the index return of -18.2%[2] and the target benchmark of -16.6%[2].

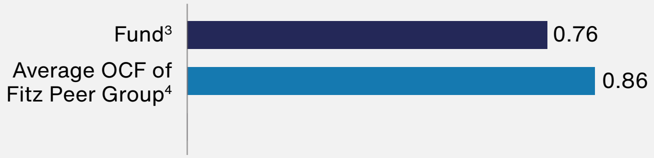
The extent of the drawdown and the persistence of negative sentiment and low confidence has provided a difficult backdrop. Stock markets were weak for much of the year, leading authorities to step in with a raft of policy measures aimed at shoring up sentiment prior to Chinese New Year. This led to a more recent rebound in stock markets, though it is likely the sustainability of any recovery is dependent on further stimulus and reforms. The Fund's underperformance was driven by weakness in various consumer and construction names including Li-Ning, Glodon and JD.com. This was partially offset by stock specific strength at Zijin Mining, Brilliance Auto and Midea.

After a challenging year, we are encouraged by the operational growth exhibited by companies held in the Fund, current low valuations and government support for 'new productive forces', including electric vehicles, new materials, the climate transition, digital development and industrial automation. These areas of secular and disruptive growth are well represented in the Fund.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£215m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.72
Custody Fee	0.02
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.76***
Average OCF of Fitz peer group[4]	**0.86**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Climate Optimism Fund

Investment objective

The Fund aims 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.

Baillie Gifford commentary

From inception in September 2021 to 31 March 2024 the Fund delivered an annualised return of -18.8%[1] compared to the index return of 8.6%[2] and the target benchmark of 11.3%[2]. The Fund has not yet reached the five-year track record that it should be judged against. We, therefore, consider this too short a time to infer anything meaningful.

The Fund launched during challenging market conditions, but the investment team remains focused on investing only in the companies that are meaningfully contributing to the decarbonisation of the global economy and that demonstrate a clear link between impact and financial returns.

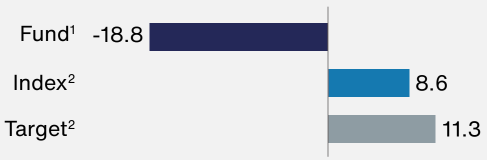
Against various headwinds over the past few years, the team continue to adopt a long-term mindset. As markets are increasingly forced to reflect the inevitability of change, the team believe that a company's scale of impact and influence will be closely linked to long-term returns for investors.

Over the 12 months to 31 March 2024, the Fund returned -21.2%[1] compared to the index return of 21.0%[2] and the target benchmark of 24.0%[2].

Ongoing volatility in global markets continues to hinder the share price progress of many of the companies in the Fund. While the businesses we invest in may be looking to alleviate some of the world's environmental challenges, a reversal in sentiment across markets led to lower valuations and weaker performance. However, the team remains confident and enthusiastic about the prospects for the companies in the Fund, which have attractive long-term fundamentals and positive pathways to meet their milestones, including CATL and Prysmian, whose manufacturing businesses (in batteries and sub-sea cables) are accelerating the net zero transition.

A fundamental transformation of the global economy is required to slow temperature rises and keep our planet habitable. The need for action creates a strong booster for companies that develop and implement the necessary solutions, creating exciting investment opportunities as disruptive and ambitious companies thrive. The team continue to have strong conviction that investors will be rewarded over the long term for owning companies that innovate and adapt to take advantage of the vast and increasingly inevitable growth opportunity this presents.

Performance (Since inception annualised % p.a.)



Overall costs

Size of fund[5]

£2.5m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.00
Depositary Fee	0.01
Other Fees	0.09[7]
Fund	**0.60***

Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

01. Quality of service
02. Performance (n/a, new fund)
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to page 26 of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on page 86 or visiting Baillie Gifford's website.

Baillie Gifford Developed Asia Pacific Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI Pacific Index, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 3.3%[1] for the five years to 31 March 2024, compared to the index return of 7.1%[2] and the target benchmark of 8.8%[2].

Japan has been the main driver of weak relative returns over the past five years, with the top three detractors all from this region. Shiseido, the Japanese skincare company, has suffered from weaker consumer demand in China post-Covid. However, we are optimistic about the long-term opportunity, as well as management's efforts to increase alignment with shareholders. Baillie Gifford Japanese Smaller Companies Fund has seen its investment style out of favour but the fund continues to focus on firms at the vanguard of innovation and is seeing exciting opportunities at attractive valuations. Pigeon, the child-care product firm, is a business we previously admired for its strong competitive position. However, recent evidence suggests this is being eroded so we sold the holding.

The top contributors come from a variety of regions. James Hardie Industries, an Australian company, is the world leader in fibre cement products. Management are excellent capital allocators who continue to reinvest for future growth. MS&AD Insurance is a leading Japanese insurance company with a strong domestic non-life business. It is taking on a variety of shareholder friendly measures which we believe bode well for the future.

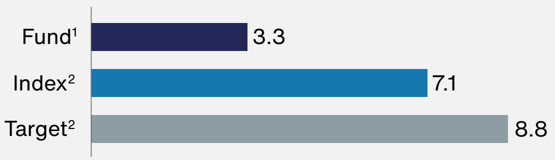
Over the 12 months to 31 March 2024, the Fund returned 2.4%[1] compared to the index return of 15.3%[2] and the target benchmark of 17.0%[2].

Once again, Japan was the main driver of weak relative performance, with Shiseido and Baillie Gifford Japanese Smaller Companies Fund among the top detractors. China-based exposure also affected performance.

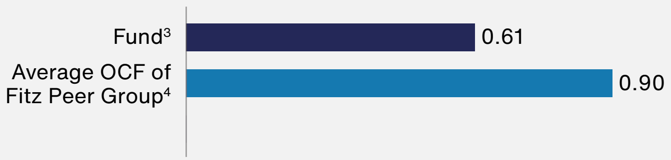
The top contributors were also MS&AD Insurance and James Hardie Industries.

For both time periods, much of the relative underperformance is attributable to Japan's strong cyclical rally – driven by the rebound in global economic activity post-Covid, and an exceptionally weak yen – which has bolstered the earnings of cyclical market constituents, such as autos, banks and resources. The Fund has limited exposure to these sectors, preferring to look through the cycle in favour of long-term structural growth opportunities. We maintain our belief that share prices follow fundamentals over longer time horizons, and this will ultimately be recognised by the market.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£94m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.55
Custody Fee	0.02
Depositary Fee	0.01
Other Fees	0.03
Fund	**0.61***

Average OCF of Fitz peer group[4]	**0.90**

Seven criteria
RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Emerging Markets Growth Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI Emerging Markets Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 3.5%[1] for the five years to 31 March 2024, compared to the index returns of 3.2%[2] and the target benchmark of 5.3%[2]. While below the target benchmark, the Fund outperformed the index in a period that has included a rotation from growth stocks, a European war and challenging economic conditions in China.

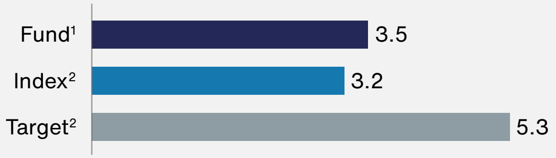
From this starting point, the Emerging Markets (EM) outlook looks promising. Many investors have begun questioning elevated developed market valuations despite stubbornly high inflation and record debt levels. It also feels significant that it's now cheaper to borrow money in EM, which hasn't happened since the 1990s. So, the perception of relative safety can now be added to the EM investment case.

Among the main long-term contributors to performance were Brazilian oil producer Petrobras, Latin American ecommerce company MercadoLibre and Taiwanese semiconductor manufacturer TSMC. This highlights the diversified drivers of the Fund's performance over the longer term.

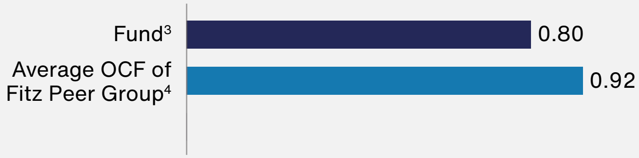
Over the 12 months to 31 March 2024, the Fund returned 8.4%[1] compared to the index returns of 6.3%[2] and the target benchmark of 8.4%[2]. While performance has been driven by a variety of sources, it is notable that artificial intelligence (AI) has led to strong positive contributions for leading-edge semiconductor companies such as TSMC, SK hynix and Samsung Electronics.

The Fund continues to be well diversified, with an array of holdings across geographies and sectors. Share prices have primarily reflected the robust operational performance of many of the companies in the Fund. With new ideas aplenty, there is intense competition for capital in the Fund.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£699m
(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.72
Custody Fee	0.05
Depositary Fee	0.01
Other Fees	0.02
Fund	**0.80***

Average OCF of Fitz peer group[4]	**0.92**

Seven criteria
RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to page 26 of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on page 86 or visiting Baillie Gifford's website.

Baillie Gifford Emerging Markets Leading Companies Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI Emerging Markets Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 4.5%[1] for the five years to 31 March 2024, compared to the index return of 3.2%[2] and the target benchmark of 5.3%[2]. While below the target benchmark, the Fund outperformed the index in a period that has included a rotation from growth stocks, a European war and challenging economic conditions in China.

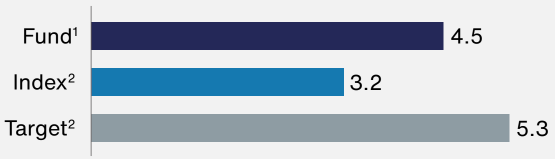
From this starting point, the Emerging Market's (EM) outlook looks promising. Many investors have begun questioning elevated developed market valuations despite stubbornly high inflation and record debt levels. It also feels significant that it's now cheaper to borrow money in EM, which hasn't happened since the 1990s. So, the perception of relative safety can now be added to the EM investment case.

Among the main long-term contributors to performance were Brazilian oil producer Petrobras, Latin American ecommerce company MercadoLibre and Taiwanese semiconductor manufacturer TSMC. This highlights the diversified drivers of performance in the Fund over the longer term.

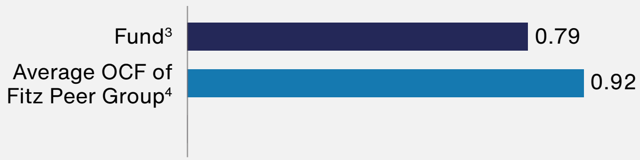
Over the 12 months to 31 March 2024, the Fund returned 4.6%[1] compared to index return of 6.3%[2] and the target benchmark of 8.4%[2]. While Chinese stocks have been a drag on performance, it is notable that artificial intelligence (AI) has led to strong contributions from leading-edge semiconductor companies such as TSMC, SK hynix and Samsung Electronics.

The Fund continues to be well diversified, with an array of holdings across geographies and sectors. Share prices have primarily reflected the robust operational performance of many of the companies in the Fund. With new ideas aplenty, there is intense competition for capital in the Fund.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£862m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.72
Custody Fee	0.05
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.79***
Average OCF of Fitz peer group[4]	**0.92**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford European Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI Europe ex UK Index, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

Baillie Gifford commentary

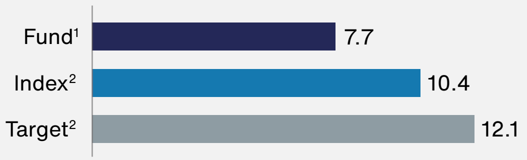
The Fund delivered an annualised return of 7.7%[1] for the five years to 31 March 2024, compared to the index return of 10.4%[2] and the target benchmark of 12.1%[2].

The Fund underperformed over the five-year period. The precipitous rise in interest rates placed disproportionate pressure on the valuation of European growth equities and indeed the share prices of companies held in the Fund, leading to a very poor 2022. Since then, a recovery in performance has been inhibited by many of the portfolio's companies experiencing cyclical demand weakness due to a hangover from the Covid-19 period.

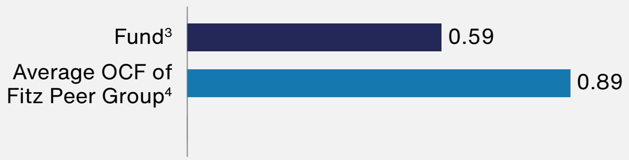
Over the 12 months to 31 March 2024, the Fund returned 6.3%[1] compared to the index return of 13.6%[2] and the target benchmark of 15.3%[2]. The Fund underperformed over the 12-month period. This was partly due to being exposed to small and mid-cap stocks at a time when many investors have concentrated their capital in Europe's largest companies due to the economic uncertainty. Detractors included Zalando, Wizz Air and Prosus.

We are disappointed by the underperformance delivered in recent years. We do believe, however, that our approach can deliver better results for clients in the coming, more settled environment. With valuations having reset, secular forces supporting our companies strengthening and Europe set to experience a cyclical upswing, we believe the Fund is well positioned.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£412m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.55
Custody Fee	0.02
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.59***
Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Global Alpha Growth Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 10.0%[1] for the five years to 31 March 2024, compared to the index return of 12.1%[2] and the target benchmark of 14.4%[2].

The majority of underperformance came in a relatively short window between November 2021 and October 2022 when growth equities were out of favour due to interest rates rising rapidly. The result has been widespread valuation contraction correlated to duration risk, followed by a reassessment of companies' ability to navigate higher rates. Companies such as Farfetch and Twilio were identified as vulnerable in this environment, and we have sold out of both. Furthermore, companies exposed to China, such as Naspers and Prudential, detracted from performance as the region continued to face economic and consumer weakness.

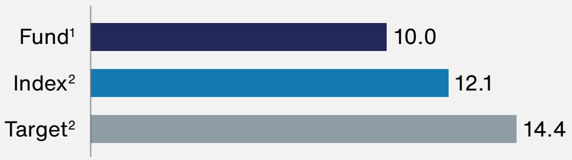
Despite this, we continue to be encouraged by the improving portfolio characteristics, and many companies have demonstrated strength through difficult times. Those that have proven to be adaptable, shifted focus towards profitability or benefited from pricing power, have performed well over the period, for example, Martin Marietta and CRH.

Over the 12 months to 31 March 2024, the Fund returned 19.4%[1] compared to the index return of 21.2%[2] and the target benchmark of 23.6%[2].

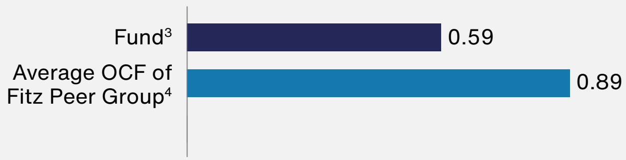
The Fund has delivered decent absolute returns, with continued strength coming from cyclical winners Martin Marietta and CRH, as well as companies that have demonstrated resiliency through a challenging market, such as Meta and DoorDash. However, the Fund is lagging the index primarily due to the underweight position held in NVIDIA. China also continues to be a challenging market, and companies that generate a proportion of sales from the region have seen dampened demand, such as Prosus, AIA and Pernod Ricard.

Over the long term, it is fundamentals that matter most to share prices, and in that regard, we look ahead with considered excitement. The Fund's growth outlook is strong – consensus aggregate earnings growth for the next three years is far superior to the market. Beneath the aggregate numbers, we see a portfolio of companies thriving in the current environment and exposed to diverse structural growth drivers.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£2.86bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.57
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.59***
Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Global Alpha Paris-Aligned Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index as stated in sterling, by at least 2% per annum over rolling five-year periods. The Fund also aims to have a carbon footprint† that is lower than that of the MSCI ACWI EU Paris-Aligned Requirements Index.

Baillie Gifford commentary

From inception in April 2021 to 31 March 2024, the Fund delivered an annualised return of -1.8%[1] compared to the index return of 9.2%[2] and the target benchmark of 11.5%[2]. The Fund has not yet reached the five-year track record it should be judged against. Therefore, we consider this too short a time to infer anything meaningful. As at the end of March 2024, the Fund's carbon footprint was 63.7 tonnes carbon-dioxide equivalent (tCO_2e)/\$m enterprise value (EV)[8] compared with the MSCI ACWI EU Paris-Aligned Requirements Index of 147.0 tCO_2e/\$m EV[8].

The majority of the Fund's underperformance came in a relatively short window between November 2021 and October 2022 when growth equities were out of favour due to interest rates rising rapidly. Companies such as Farfetch and Twilio were identified as vulnerable in this environment, and we have sold out of both. Furthermore, companies exposed to China, such as Naspers and Prudential, detracted from performance as the region continued to face economic and consumer weakness following the extended lockdown.

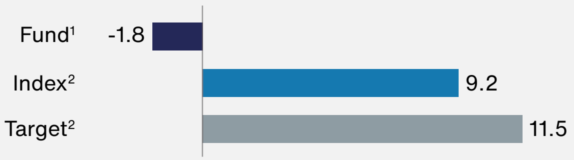
Despite this, we continue to be encouraged by improving portfolio characteristics, and many companies have demonstrated strength through difficult times, including Martin Marietta, Tesla and CRH.

Over the 12 months to 31 March 2024, the Fund returned 17.6%[1] compared to the index return of 21.2%[2] and the target benchmark of 23.6%[2].

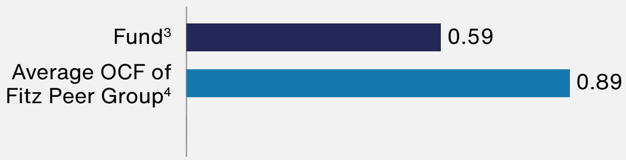
The Fund has delivered positive returns, with continued strength coming from cyclical winners Martin Marietta and CRH, as well as companies that have demonstrated resiliency through a challenging market, such as Meta and DoorDash. However, the Fund is lagging the index primarily due to the underweight position held in NVIDIA. China also continues to be a challenging market, and companies that generate a proportion of sales from the region have seen dampened demand, such as Prosus, AIA and Pernod Ricard.

Over the long term, it is fundamentals that matter most to share prices, and in that regard, we look ahead with considered excitement. The Fund's growth outlook is strong – consensus aggregate earnings growth for the next three years is far superior to the market. Beneath the aggregate numbers, we see a portfolio of companies thriving in the current environment and exposed to diverse structural growth drivers.

Performance (Since inception annualised % p.a.)



Overall costs



† The carbon footprint of the portfolio represents the aggregated greenhouse gas (GHG) emissions per million \$ invested and allows for comparisons of the carbon intensity of different portfolios. The terms 'weighted average greenhouse gas intensity' (WAGHGI) or 'weighted average greenhouse gas intensity by enterprise value including cash' (WAGHGI by EVIC) also refer to the same metric and have been referenced in previous reports. These terms may be used interchangeably.

Size of fund[5]

£332m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.57
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00[9]
Fund	**0.59***

Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance (n/a, new fund)
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to page 26 of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on page 86 or visiting Baillie Gifford's website.

Baillie Gifford Global Discovery Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the S&P Global Small Cap Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of -4.6%[1] for the five years to 31 March 2024, compared to the index return of 8.7%[2] and the target benchmark of 10.7%[2].

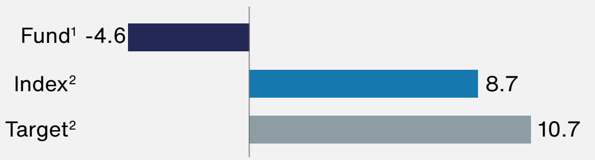
The Fund's long-term performance continues to be impacted by the significant changes in the investment environment. This has driven underperformance in the past three years, which overpowered strong performance at the start of the period. The early-stage companies the Fund invests in, where most of their profits are expected in the future, have been particularly affected by both the higher central bank interest rates and the 'risk off' market sentiment mentioned in the executive summary. Anything but clear evidence of earnings today has been punished harshly by markets. We believe the disruptive potential, scalable business models and financial resilience of companies in the Fund are deeply underestimated by the market.

Over the 12 months to 31 March 2024, the Fund returned -12.5%[1] compared to the index return of 13.8%[2] and the target benchmark of 15.7%[2].

The uncertainty about the direction and speed of future central bank rate changes continued to impact performance over the past twelve months. Additionally, the share prices of the Fund's healthcare companies were hit particularly hard due to several negative factors impacting the sector, including reduced research and development budgets and a tougher fundraising environment. This is clear in the Fund's top detractors, including biotechnology companies Alnylam Pharmaceuticals and Novocure. The strongest performance contributions were from enterprise software company JFrog and drone developer AeroVironment.

Despite the difficult performance period for the Fund, we are confident that the companies in the portfolio can deliver strong returns over the long term. We'd highlight three positives. First, the powerful structural trends that the portfolio companies are exposed to, such as next-generation treatments and artificial intelligence, provide expanding addressable markets. Second, profit growth across the portfolio is increasing, with many of the companies maturing into profitability. Last, smaller innovative businesses sit at a steep discount. These three positive factors may prove substantial, buoyed further by any improvement in the macroeconomic and market environment.

Performance (5-year annualised % p.a.)



Overall costs

Size of fund[5]

£565m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.75
Custody Fee	0.05
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.82***
Average OCF of Fitz peer group[4]	**0.93**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Health Innovation Fund

Investment objective

The Fund aims 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.

Baillie Gifford commentary

From inception in December 2020 to 31 March 2024 the Fund delivered an annualised return of -14.1%[1] compared to the index return of 10.9%[2] and the target benchmark of 13.7%[2]. The Fund has not yet reached its five-year track record, which we look forward to reporting in future periods.

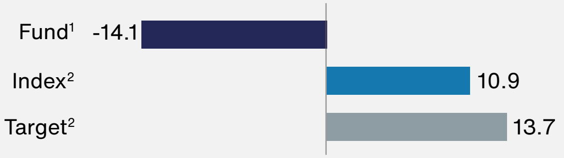
The Fund invests in companies pioneering new approaches to advance human health, which are often at an early stage in realising their significant opportunities. These types of innovative healthcare companies have been out of favour and severely affected by both central bank interest rate rises and the change in risk sentiment. The initial drop in valuations has been prolonged and exacerbated by the negative factors affecting the healthcare sector as it adjusts following the pandemic. Despite the difficult environment, the companies in the Fund continue to make progress in developing novel drugs, new devices, diagnostics and software that will improve patient and health system outcomes.

Over the 12 months to 31 March 2024, the Fund returned -11.0%[1] compared to the index return of 21.2%[2] and the target benchmark of 24.2%[2].

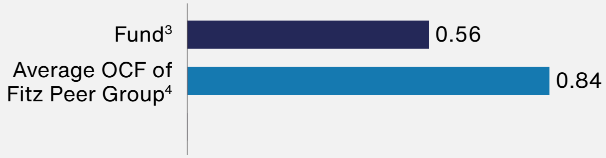
Negative factors affecting the healthcare sector during the period, such as a tightening of research and development (R&D) budgets across the industry, drug manufacturers destocking higher inventory levels and a tougher environment to raise capital, hit revenues and dragged share prices lower. Additionally, the market has reacted strongly to anything that raises uncertainty, such as potential regulation for research outsourcer WuXi Biologics or changes to key clinical trials, for drug developer Alnylam Pharmaceuticals. Companies in the portfolio that are delivering impressive profit growth or maturing into profitability have been rewarded by the market, such as device maker Shockwave Medical and immunotherapy leader ALK-Abelló.

The negative factors preventing growth are slowly receding as capital market activity picks up, R&D spending improves and demand starts to lift across the industry. This should support share prices. The companies in the Fund are showing their resilience, with forward revenue and earnings growth rates rising recently. With key clinical trial results to come, and many companies maturing into profitability while still investing in themselves, we believe the Fund is positioned well to deliver over the long term.

Performance (Since inception annualised % p.a.)



Overall costs



Size of fund[5]

£44m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.03
Depositary Fee	0.01
Other Fees	0.02
Fund	**0.56***
Average OCF of Fitz peer group[4]	**0.84**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford International Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI ex UK Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 10.3%[1] for the five years to 31 March 2024, compared to the index return of 12.4%[2] and the target benchmark of 14.7%[2].

The majority of underperformance came in a relatively short window between November 2021 and October 2022 when growth equities were out of favour due to interest rates rising rapidly. The result has been widespread valuation contraction correlated to duration risk, followed by a reassessment of companies' ability to navigate higher rates. Companies such as Farfetch and Twilio were identified as vulnerable in this environment, and we sold out of both. Furthermore, companies exposed to China, such as Naspers and Prudential, detracted from performance as the region continued to face economic and consumer weakness.

Despite this, we continue to be encouraged by the improving portfolio characteristics, and many companies have demonstrated strength through difficult times. Those that have proven to be adaptable, shifted focus towards profitability, or benefited from pricing power have performed well over the period, for example, Martin Marietta and CRH.

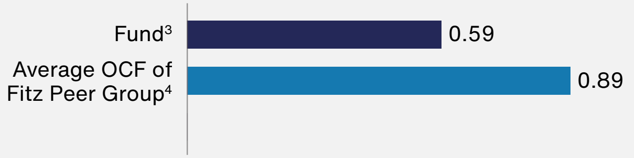
Over the 12 months to 31 March 2024, the Fund returned 19.5%[1] compared to index return of 21.7%[2] and the target benchmark of 24.1%[2].

The Fund has delivered decent absolute returns, with continued strength coming from cyclical winners Martin Marietta and CRH, as well as companies that have demonstrated resiliency through a challenging market, such as Meta and DoorDash. However, the Fund is lagging the index primarily due to the underweight position held in NVIDIA. China also continues to be a challenging market, and companies that generate a proportion of sales from the region have seen dampened demand, such as Prosus, AIA and Pernod Ricard.

Over the long term, it is fundamentals that matter most to share prices, and in that regard, we look ahead with considered excitement. The Fund's growth outlook is strong – aggregate earnings growth for the next three years (based on consensus) is far superior to the market. Beneath the aggregate numbers, we see a portfolio of companies thriving in the current environment and exposed to diverse structural growth drivers.

Performance (5-year annualised % p.a.)

Overall costs



Size of fund[5]

£1.34bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.57
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.59***

Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to page 26 of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on page 86 or visiting Baillie Gifford's website.

Baillie Gifford Japanese Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the TOPIX, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

Baillie Gifford commentary

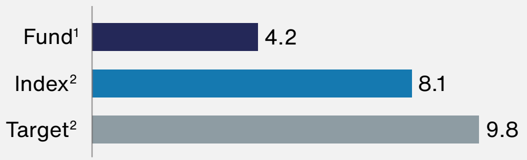
The Fund delivered an annualised return of 4.2%[1] for the five years to 31 March 2024, compared to the index return of 8.1%[2] and the target benchmark of 9.8%[2].

Long-term returns have been dented by a strong cyclical rally – driven by the rebound in global economic activity post-Covid, an exceptionally weak Japanese yen and inflation and interest rates rising. This has bolstered the earnings of cyclical market constituents, such as autos, banks, insurance, shipping and resources. The Fund has limited exposure to these sectors, preferring to look through the cycle in favour of structural growth opportunities.

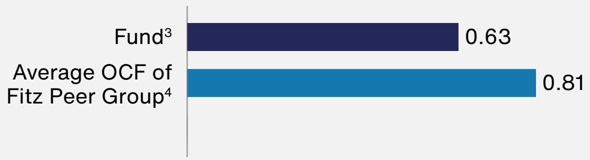
Over the 12 months to 31 March 2024, the Fund returned 8.4%[1] compared to the index return of 21.7%[2] and the target benchmark of 23.5%[2]. Renewed corporate reform initiatives, targeted at lowly rated stocks and Japan's abandonment of negative interest rates have accelerated some of the abovementioned trends. This has lifted the share prices of cyclical value stocks at the expense of the growth companies that the Fund is exposed to. Detractors included Shiseido, MISUMI and CyberAgent.

We are confident that the Fund is well-positioned to deliver strong returns, with an expectation of greater share price performance being delivered as fundamental growth begins to reassert itself.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£1.75bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.60
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.63***

Average OCF of Fitz peer group[4]	**0.81**

Seven criteria
RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Japanese Income Growth Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the TOPIX, as stated in sterling, by at least 1% per annum over rolling five-year periods through a combination of income and capital growth whilst maintaining a portfolio yield higher than the TOPIX.

Baillie Gifford commentary

The Fund delivered an annualised return of 4.4%[1] for the five years to 31 March 2024, compared to the index return of 8.1%[2] and the target benchmark of 9.2%[2]. The Fund delivered a portfolio yield of 2.5%[10], compared to 2.2%[10] for the target benchmark.

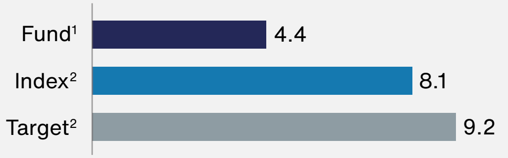
Long-term returns have been dented by a strong cyclical rally – driven by the rebound in global economic activity post-Covid, an exceptionally weak Japanese yen and inflation and interest rates rising. This has bolstered the earnings of cyclical market constituents, such as autos, banks, insurance, shipping and resources. The Fund has limited exposure to these sectors, preferring to look through the cycle in favour of structural growth opportunities.

Encouragingly, our preference for quality growth companies has resulted in a greater dividend yield during this period.

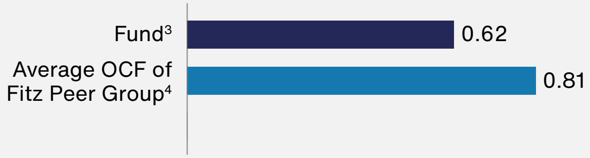
Over the 12 months to 31 March 2024, the Fund returned 8.9%[1] compared to the index return of 21.7%[2] and the target benchmark of 22.9%[2]. Renewed corporate reform initiatives, targeted at lowly rated stocks and Japan's abandonment of negative interest rates have accelerated some of the abovementioned trends. This has lifted the share prices of cyclical value stocks at the expense of growth companies. Detractors included Shiseido, POLA ORBIS and GMO Internet.

We are confident that the Fund is well-positioned to deliver strong returns, with an expectation of greater share price performance being delivered as fundamental growth begins to reassert itself.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£521m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.60
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.62***

Average OCF of Fitz peer group[4]	**0.81**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Japanese Smaller Companies Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI Japan Small Cap Index, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

Baillie Gifford commentary

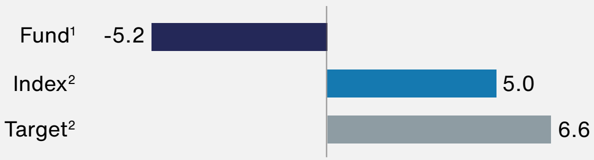
The Fund delivered an annualised return of -5.2%[1] for the five years to 31 March 2024, compared to the index return of 5.0%[2] and the target benchmark of 6.6%[2].

The Fund's long-term returns have been dented by a strong cyclical rally – driven by the rebound in global economic activity post-Covid, an exceptionally weak Japanese yen and inflation and interest rates rising. This has bolstered the earnings of cyclical constituents, such as transport, materials and energy. We have limited exposure to these sectors, preferring to look through the cycle in favour of structural growth opportunities. The weakness of smaller growth companies has severely impacted returns relative to the index, given the concentrated, high-conviction nature of the Fund.

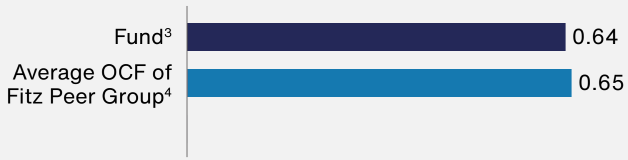
Over the 12 months to 31 March 2024, the Fund returned -14.7%[1] compared to the index return of 12.4%[2] and the target benchmark of 14.1%[2]. Renewed corporate reform initiatives, targeted at lowly rated stocks and Japan's abandonment of negative interest rates have accelerated some of the abovementioned trends. This has caused further weakness in smaller growth companies. Detractors included GMO Financial Gate, Raksul and LITALICO.

We are confident that the Fund is well-positioned to deliver strong returns, with an expectation of greater share price performance being delivered as fundamental growth begins to reassert itself.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£223m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.60
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.02
Fund	**0.64***
Average OCF of Fitz peer group[4]	**0.65**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Long Term Global Growth Investment Fund

Investment objective

The Fund aims 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.

Baillie Gifford commentary

The Fund delivered an annualised return of 15.0%[1] for the five years to 31 March 2024, compared to the index return of 12.1%[11] and the target benchmark of 14.8%[11].

The past five years have been marked by significant volatility and uncertainty. Despite this, companies that possess a culture of adaptability and the determination to continue developing their long-term competitive edges have demonstrated strong performance. This resilience is evident in the top performers of this period, including Tesla, NVIDIA, ASML, PDD Holdings, DexCom, Shopify and Amazon.

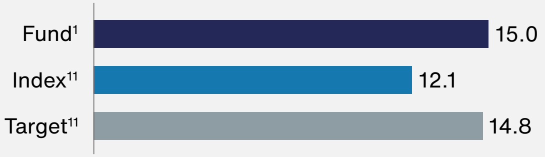
Some of the most significant underperformers were those that have been unable to align their operations with the unpredictable demand, such as Carvana and to an extent, Kering. A notable example of where we have seen a deterioration in culture translating into losing a strong competitive position has been Illumina, which led us to divest.

Over the 12 months to 31 March 2024, the Fund returned 26.9%[1] compared to the index return of 21.1%[11] and the target benchmark of 24.2%[11]. Continuous breakthroughs in AI have led to market recognition of its widespread potential. This has led to share price appreciation for NVIDIA and Advanced Micro Devices. Uncertainty surrounding interest and inflation rates forced market participants to focus on resilient profitability and growth, leading to strong share price performance from companies such as Amazon, Spotify and Netflix. Generally, companies held by the Fund have a higher proportion of net cash than the index as well as higher margins, free cash flow and earnings.

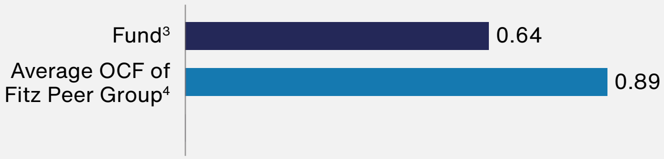
However, a negative outlook towards China has meant several holdings were among the largest detractors to one year performance including Meituan and CATL. In contrast, PDD Holdings was one of the strongest performance contributors, reflecting the importance of bottom-up fundamental analysis even amid broader downbeat sentiment. Reflecting this stock-specific approach, Kering, Moderna and Illumina were performance detractors for idiosyncratic reasons.

Our commitment to focusing on our holdings' long-term potential over five to ten years remains unwavering. Our philosophy and process remain unchanged. We seek to identify companies with multi-decade growth opportunities, managerial excellence, strong capital allocation and adaptability.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£2.04bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.62
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.64***
Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to page 26 of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on page 86 or visiting Baillie Gifford's website.

Baillie Gifford Pacific Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI AC Asia ex Japan Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

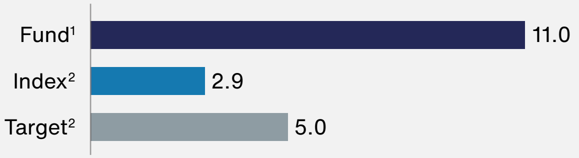
Baillie Gifford commentary

The Fund delivered an annualised return of 11.0%[1] for the five years to 31 March 2024, compared to the index return of 2.9%[2] and the target benchmark of 5.0%[2]. The Fund's outperformance was mostly a result of strong stock selection. The main contributors to performance include holdings in SEA and Li-Ning, as well as an underweight position in Alibaba relative to the index.

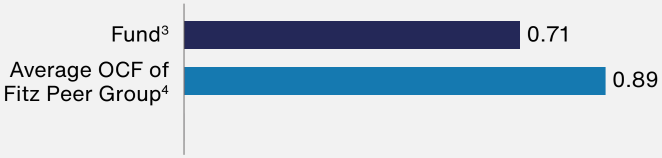
Over the 12 months to 31 March 2024, the Fund returned 8.1%[1] compared to the index return of 2.1%[2] and the target benchmark of 4.2%[2]. The Fund's performance recovered well after a challenging year in 2022. Stock selection in India and China, as well as an off-index Vietnam allocation, contributed to relative performance. More specifically, exposure to CNOOC, Tata Motors and Phoenix Mills were among the biggest contributors.

We remain positive on the Fund's future return potential, in both relative and absolute terms. Asia is growing faster than the rest of the world and the Fund aims to invest in the best growth companies within the region. Many of these companies are at the forefront of strong, structural trends globally and regionally. In addition to their strong growth potential, the average valuation of the holdings in the Fund remains attractive versus their fundamentals.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£2.98bn
(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.65
Custody Fee	0.04
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.71***

Average OCF of Fitz peer group[4]	**0.89**

Seven criteria
RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Positive Change Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The Fund also aims to contribute to a more sustainable and inclusive world through investing in companies whose products and/or services contribute to impact themes addressing critical social and/or environmental challenges, measured over at least a five-year period.

Baillie Gifford commentary

The Fund delivered an annualised return of 15.5%[1] for the five years to 31 March 2024, compared to the index return of 12.1%[2] and the target benchmark of 14.4%[2].

Stock selection drove performance with Tesla, Moderna and Dexcom among the top contributors.

The Fund's contributions to a more sustainable and inclusive world through its investments are detailed in the annual **Impact Report**.

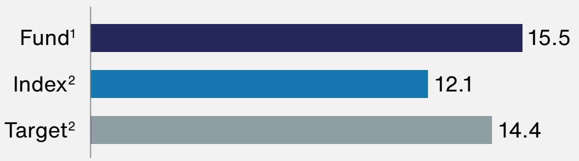
Over the 12 months to 31 March 2024, the Fund returned 7.0%[1] compared to the index return of 21.2%[2] and the target benchmark of 23.6%[2].

Nu Holdings, Duolingo and ASML were among the top contributors to performance over the 12 months. Nu Holdings and Duolingo both grew their customer bases significantly during the period, contributing strongly to financial inclusion and broadening access to high-quality education. Despite a challenging backdrop for the semiconductor industry, ASML delivered strong revenue growth and supported the proliferation of more affordable, energy-efficient smart devices.

Among the biggest detractors were Moderna, WuXi Biologics and Illumina. Moderna faced a challenging operating backdrop with Covid-19 revenues falling. We remain encouraged by the development pipeline of treatments, including personalised cancer vaccines. WuXi Biologics' share price suffered due to geopolitical tensions between China and the US. It continues to deliver operationally and enable innovation in healthcare. Illumina shareholders voted to oust the company chairman following a battle with an activist investor. However, it remains the market leader in gene sequencing, with new opportunities emerging for clinical applications.

Companies in the Fund are predominantly cash-generating businesses with low debt levels and the ability to fund their growth. The new macroeconomic environment has seen strong companies become stronger, as the increased cost of capital has allowed rational competition to take hold. The Fund is well-positioned to deliver strong returns and contribute to a more sustainable and inclusive world by tackling the biggest challenges of our time, such as the energy transition and demand for novel treatments to ease pressure on healthcare systems.

Performance (5-year annualised % p.a.)



Overall costs

Size of fund[5]

£2.27bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.52***
Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Sustainable Growth Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 8.4%[1] for the five years to 31 March 2024, compared to the index return of 12.1%[2] and the target benchmark of 14.4%[2].

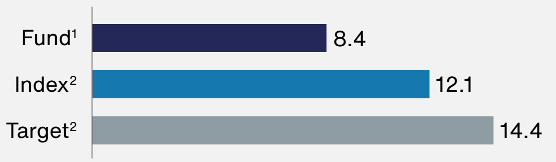
While most share prices have picked up from post-pandemic lows, many have failed to keep pace with expanding opportunity sets and some still reside at pre-pandemic levels. Recent underperformance cannot solely be blamed on market myopia, we also made investment mistakes. Positive returns from top contributors Tesla, Shopify and NVIDIA were offset by detractors such as First Republic Bank, US education platform Chegg and cloud communications platform Twilio.

Over the 12 months to 31 March 2024, the Fund returned 12.5%[1] compared to the index return of 21.2%[2] and the target benchmark of 23.6%[2]. Large cap stocks have outperformed small cap stocks over the past year. As long-term investors, we look for the growth potential of the future, so tend to avoid the very largest firms and instead invest in up-and-coming companies. This has been the main driver for our underperformance over the past 12 months.

If 2022 was a year of adaptation for the corporate world, with supply chains adjusting as economies emerged from lockdowns, then 2023 was a year of efficiency. Belts were tightened in response to a more capital-constrained environment. The prospect for 2024 was that it would be the year of recognition, in which those firms that had come through a difficult environment in a leaner, fitter state would be rewarded for their resilience. The Fund's holdings are perfectly capable of delivering strong earnings growth, not least following a period of discipline in which they have reduced headcounts and improved margins. We are optimistic that the earnings growth will, eventually, shine through in share prices.

See the latest **Sustainable Growth Sustainability Report**

Performance (5-year annualised % p.a.)



Overall costs

Size of fund[5]

£615m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.52***

Average OCF of Fitz peer group[4]	**0.89**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford UK and Worldwide Equity Fund

Investment objective

The Fund aims to outperform (after deduction of costs) a composite index comprising 60% UK and 40% overseas equities[12], as stated in sterling, by at least 1% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 6.0%[1] for the five years to 31 March 2024, compared to the index return of 7.2%[2] and the target benchmark of 8.3%[2].

The period in question has been an extraordinary one, comprising the Covid-19 pandemic, wars in Ukraine and the Middle East, and inflation and interest rate spikes. Although the Fund has produced a positive return over the period, it has underperformed the index.

The Fund's holdings in UK-based financial businesses St. James's Place (wealth manager), Hargreaves Lansdown (savings platform) and Prudential (Asian-focused life insurer) detracted from performance. The former two have faced challenges from increased competition and pressure on their fees. We have discussed these issues with the management teams of both companies and plan to engage further over the year ahead. Meanwhile, Prudential's shares have weakened due to the company's exposure to the Chinese economy, which has not recovered from the pandemic to the extent many had hoped.

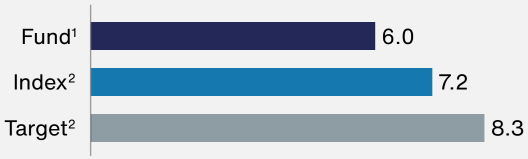
Elsewhere in the Fund, there were much stronger performance contributions from holdings in North American-based technology firms such as Tesla, Shopify and NVIDIA, along with European industrial businesses NIBE and IMCD.

Over the 12 months to 31 March 2024, the Fund returned 9.4%[1] compared to the index return of 11.6%[2] and the target benchmark of 12.8%[2]. The Fund was behind the index over the year, with St. James's Place and the Prudential among the main detractors. The holding in US biotech Moderna was also weak. Revenues from Moderna's Covid-19 vaccines have fallen faster than expected and the shares have suffered as a result. We took advantage of the share price weakness to add to the Fund's holding.

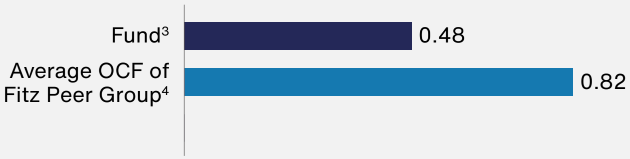
More positively, the Fund benefited from holdings in companies as diverse as NVIDIA, the designer of computer chips for artificial intelligence, retailer Marks & Spencer, and Babcock, a British engineering firm providing support services to the UK's military.

We are confident in the Fund's outlook, based on the underlying fundamentals of companies held. We believe they are more financially resilient, attractively valued and expected to grow faster than the broader market.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£394m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.45
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.48***

Average OCF of Fitz peer group[4]	**0.82**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford UK Equity Alpha Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 2% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of -0.2%[1] for the five years to 31 March 2024, compared to the index return of 5.4%[2] and the target benchmark of 7.6%[2].

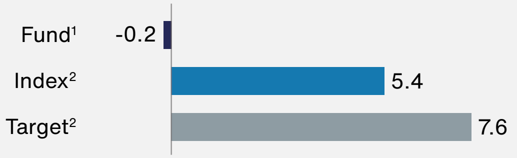
As outlined earlier in this report, it has been a volatile period for growth investors and share price returns have been disappointing. In addition, the Fund's benchmark index (the FTSE All-Share Index) is dominated by large oil companies and banks, which have benefited from a spike in oil prices, rising interest rates and a strong US dollar in recent years. The Fund does not hold these companies because the investment team looks to hold long-term winners: companies that the team believes can grow, are high quality and have the financial resilience to handle tough times.

Despite this, most companies in the Fund continue to make good operational progress and the Fund, in aggregate, has forecast sales and earnings growth well ahead of that of the index. We highlight this to help distinguish between the inevitable swings in share price sentiment and the hopefully, more meaningful operational outlook. In addition, many of the Fund's holdings have large market opportunities, strong competitive positions, and importantly, the cultural adaptability to succeed. We believe that having the nerve and patience to continue holding them over the long term is the key to realising their full potential.

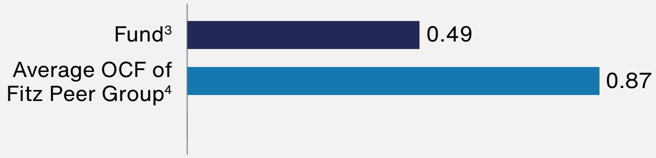
Over the 12 months to 31 March 2024, the Fund returned 4.2%[1] compared to the index return of 8.4%[2] and the target benchmark of 10.6%[2]. Macroeconomic events continued to drive volatility in the UK equity market. In terms of the Fund's holdings, the life sciences company, Abcam, and money transfer company, Wise, delivered strong returns. However, this was offset by weakness in Burberry's share price. While this is a challenging environment for the global luxury market, over time we expect the business to benefit from important strategic and operational changes that the management team has made to its distribution network, product and pricing architecture.

We remain enthusiastic about growth investing in our home market and as active investors, we believe we are well-positioned to uncover the hidden gems. We are confident that the businesses we invest in are very well-positioned to take advantage of a range of attractive structural growth opportunities over the next five years and beyond.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£534m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.47
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.49***

Average OCF of Fitz peer group[4]	**0.87**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford UK Equity Core Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 1% per annum over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 3.3%[1] for the five years to 31 March 2024, compared to the index return of 5.4%[2] and the target benchmark of 6.5%[2].

As outlined earlier in this report, it has undoubtedly been a volatile period for growth investors. In addition, the Fund's benchmark index (the FTSE All-Share Index) is dominated by large oil companies and banks, which have benefited from a spike in oil prices, rising interest rates and a strong US dollar in recent years. The Fund does not hold these companies because the investment team looks to hold long-term winners: companies that the team believes can grow, are high quality and have the financial resilience to handle tough times.

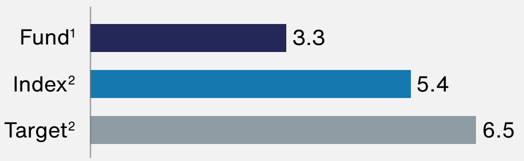
Holdings in the industrial rental equipment company, Ashtead, kitchen supplier, Howden Joinery and high-street retailer, Marks & Spencer all contributed to the Fund's positive absolute returns during the period. However, having an underweight exposure to AstraZeneca weighed on relative returns.

Despite the turbulent macroeconomic backdrop, many of the Fund's holdings have large market opportunities, strong competitive positions and, importantly, the cultural adaptability to succeed. We believe that having the nerve and patience to continue holding them over the long term is the key to realising their full potential.

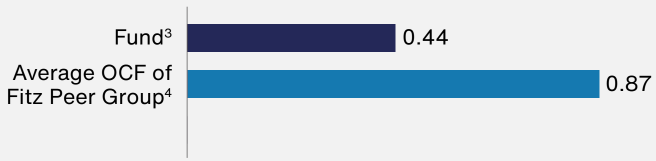
Over the 12 months to 31 March 2024, the Fund returned 6.4%[1] compared to the index return of 8.4%[2] and the target benchmark of 9.5%[2]. Macroeconomic events continued to drive volatility in the UK equity market. In terms of the Fund's holdings, Marks & Spencer delivered strong returns, reporting market share gains in its Clothing & Home, and Food divisions. However, this was more than offset by weakness in the share price of St. James's Place. The wealth manager has struggled following changes to its charging structure and a rise in complaints about service levels. We have discussed these issues with the senior management team at St James's Place and continue to monitor the situation closely.

We remain enthusiastic about growth investing in our home market and as active investors we believe we are well-positioned to uncover the hidden gems and back our regional champions. We are confident that the businesses we invest in are very well-positioned to take advantage of a range of attractive structural growth opportunities over the next five years and beyond.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£231m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.42
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.44***

Average OCF of Fitz peer group[4]	**0.87**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Our income funds

Baillie Gifford Emerging Markets Bond Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the J.P. Morgan GBI-EM Global Diversified Index unhedged in sterling by 0.6% per annum over rolling three-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 2.9%[1] for the three years to 31 March 2024, compared to the index return of 1.3%[2] and the target benchmark of 1.9%[2].

Over the 12 months to 31 March 2024, the Fund returned 4.1%[1] compared to the index return of 2.7%[2] and the target benchmark of 3.3%[2].

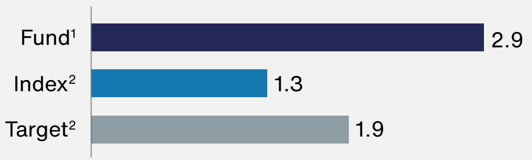
Factors in the past year in particular have strengthened the Fund's outperformance over three years. The Fund's overweight to BBB and BB-rated bonds was a driver of outperformance. Spreads available from emerging markets debt (otherwise known as the additional yield over US Treasuries) tightened and the primary beneficiaries of this were the higher-yielding, lower rated bonds. While the Fund's average credit rating remains in line with the benchmark index at BBB, the small overweight to credit risk has been positive.

At a country level, the Fund has benefited from its overweight position in Mexican rates. We recently saw Mexican CPI inflation fall to 4.4% and its central bank responded by cutting interest rates by 50 basis points to 11%. Our longstanding overweight to the Dominican Republic, which is only a very small issuer in the Fund's benchmark, also made a positive contribution to returns.

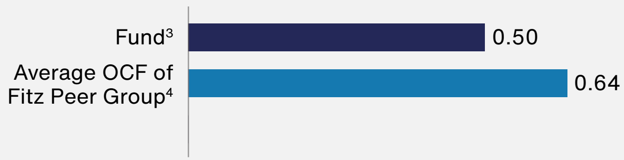
One detractor from returns was a short position in Chilean rates, which suffered as spreads over US Treasuries tightened. Mexico was also a contributor to returns from a currency perspective. Persistent high interest rates compared with other developed and emerging markets have supported the currency, along with the continued benefits of 'nearshoring' decisions from companies, which supports Mexican trade. Our small, long position in the Zambian kwacha detracted from returns overall, as the currency struggled against a backdrop of low copper prices and reduced mining output.

The Fund was subsequently closed in April 2024 following a review of client demand and future prospects for the Fund.

Performance (3-year annualised % p.a.)



Overall costs



Size of fund[5]

£91m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.40
Custody Fee	0.07
Depositary Fee	0.01
Other Fees	0.02
Fund	**0.50**

Average OCF of Fitz peer group[4]	**0.64**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

Baillie Gifford Global Income Growth Fund

Investment objective

The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 11.5%[1] for the five years to 31 March 2024, compared to the comparator index return of 12.1%[2]. Over the five-year period, the Fund delivered an annualised yield of 2.4%[13], compared to 2.0%[14] for the index, and an increase in income on B Income shares of 20.0%[15].

The Fund has delivered strong returns but slightly underperformed the index over the five-year period, with most of that underperformance coming in the last 12 months. The volatility of the Fund's returns has been below that of the index over the period.

Over the past five years, the underweight positioning in US equities has been a major headwind, which has been offset by strong security selection. Novo Nordisk and TSMC have been outstanding contributors to performance, while the lack of exposure to NVIDIA has been the strongest drag on relative performance.

In terms of income, we have delivered on our objective of delivering a higher yield than that of the index over the period.

Over the 12 months to 31 March 2024, the Fund returned 11.1%[1] compared to the comparator index of 21.2%[2] The net income from ordinary dividends remained unchanged year-over-year at 23.7p[16] per B Income share.

Global equity markets have been particularly strong over the past 12 months. They have also been very narrow, with a handful of US technology companies driving a large part of these returns. In such market environments, our performance typically lags the index as the Fund is less exposed to technology and cyclical companies. The top contributors over the period were Novo Nordisk and Fastenal.

The Fund is well-diversified and invests in long-term quality compounders: companies which we expect to deliver steady earnings and dividend growth over the next decade. It has a quality growth bias that provides resilience through the cycle while offering a higher yield than a global equity index.

Performance (5-year annualised % p.a.)

Overall costs

Size of fund[5]

£643m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.01
Fund	**0.53***

Average OCF of Fitz peer group[4]	**0.85**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford High Yield Bond Fund

Investment objective

The Fund aims to produce a combination of income and capital growth.

Baillie Gifford commentary

The Fund delivered an annualised total return of 0.3%[1] for the three years to 31 March 2024, compared to the comparator benchmark (Investment Association Sterling High Yield sector average) of 1.5%[2]. The annualised capital return in the period was -4.9%[17] and the Fund paid a quarterly stream of income. The Fund has a recommended minimum holding period of three years so this is the period over which we have judged performance.

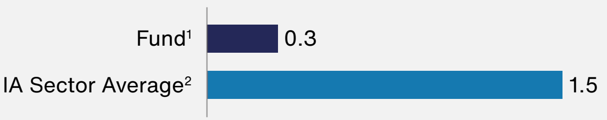
The Fund has delivered a high income level, but with yields rising in response to higher interest rates, the capital value of many bonds has fallen over the past three years. Real estate was one highly exposed sector, such as the Eastern European property company, CPI, whose bonds fell in price. In most cases, we remained confident that the Fund was lending to fundamentally sound businesses and prices would recover. The Fund did, however, hold a position in Silicon Valley Bank, which collapsed in March 2023.

During the year, another experienced investment manager joined the team, and the investment process was enhanced to place more emphasis on actively managing portfolio risk and macro factors, while maintaining a primary focus on detailed bottom-up research (investing according to the strength of conviction in the prospects and risks of each holding). The Fund's maximum number of holdings was also increased to provide further flexibility in risk concentrations in more volatile market conditions.

Over the 12 months to 31 March 2024, the Fund returned 14.0%[1] compared to the comparator benchmark of 10.8%[2]. In the past year, markets have gained confidence that economic growth remains resilient and the Fund has outperformed its benchmark. Notably, our patience with CPI was rewarded as its bonds rose in value against an improving backdrop for the sector. Multinational heavy-lifting rental company, Sarens, beat growth estimates and remained committed to debt reduction. And the Fund's holding in payment processing solutions provider, Paymentsense, added significant value as the company continued to grow strongly and successfully refinanced its bonds.

We believe the constructive backdrop for high yield bonds can continue, but high valuations leave the market vulnerable to bad news, should we see sticky inflation, recession or increased geopolitical risk. Therefore, we remain disciplined, recycling out of expensive bonds into better-valued opportunities where we are confident in our assessment of fundamental resilience.

Performance (3-year annualised % p.a.)



Overall costs

Size of fund[5]

£444m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.35
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.37***

Average OCF of Fitz peer group[4]	**0.64**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Investment Grade Bond Fund

Investment objective

The Fund aims to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt Index by 0.75% per annum over rolling three-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of -3.5%[1] for the three years to 31 March 2024, compared to the index return of -3.3%[18] and the target benchmark of -2.7%[18].

Rising interest rates in response to higher inflation in the past few years have led bond yields higher, resulting in negative returns. The Fund has underperformed its benchmark over three years as we underestimated the speed and scale of interest rate rises, with exposure to sensitive sectors such as real estate detracting from returns. Security selection has been positive since, partially offsetting this. So, too, has our exposure to subordinated financials – bonds with lower credit ratings which offer less protection but provide higher yields – where we have been responsive to changing market sentiment and taken advantage of valuation opportunities that arose.

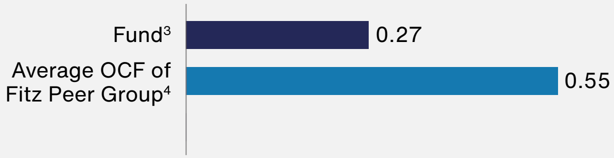
Over the 12 months to 31 March 2024, the Fund returned 6.9%[1] compared to the index return of 6.1%[2] and the target benchmark of 6.9%[2].

As markets have begun to factor in the prospect of interest rate cuts, with inflation seemingly under control, bond returns have been better in the past 12 months. The Fund has outperformed its index and met its target return over this period. As we gained more comfort that the economic backdrop would remain supportive, and cognisant of demand for bonds given yields remain high, we increased the risk in the Fund's portfolio a little. This has been rewarded as corporate bonds have continued to outperform safer government bonds, and higher-yielding bonds in the Fund have boosted returns.

There are signs that a 'soft landing' is the most likely economic scenario, whereby inflation cools without a material growth slowdown. Corporate bond markets should be supported in this environment but we are mindful that valuations are reasonably expensive. While we expect benign conditions to prevail, current valuations leave the market vulnerable to bad news, such as sticky inflation, recession, or increased geopolitical risk. In this context, we are wary of the lowest-quality segments of the market. However, with yields high relative to recent history and the prospect of interest rate cuts, the Fund is well-positioned to produce attractive returns in the year ahead.

Performance (3-year annualised % p.a.)

Overall costs



Size of fund[5]

£965m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.25
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.27***

Average OCF of Fitz peer group[4]	**0.55**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Responsible Global Equity Income Fund

Investment objective

The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 12.4%[1] for the five years to 31 March 2024, compared with the comparator index return of 12.1%[2]. Over five years, the Fund delivered an annualised yield of 2.2%[13], compared to 2.0%[14] for the index.

The Fund delivered strong returns and slightly outperformed the index over the five years. The volatility of the Fund's returns was below that of the index over the period.

Over the five years, the underweight positioning in US equities has been a major drag on performance, which has been offset by strong security selection. Novo Nordisk and TSMC have been outstanding performance contributors, while the lack of exposure to NVIDIA has been the strongest drag on relative performance.

In terms of income, we have achieved our objective of delivering a higher yield than that of the MSCI ACWI Index over the period.

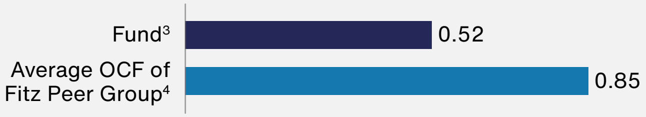
Over the 12 months to 31 March 2024, the Fund returned 12.8%[1] compared to the comparator index return of 21.2%[2]. The net income from ordinary dividends increased from 3.4p[16] to 3.5p[16] per B Income share. Global equity markets have been particularly strong over the past 12 months. They have also been very narrow, with a handful of US technology companies driving a large part of these returns. In such market environments, our performance typically lags as the Fund is less exposed to technology and cyclical companies. The top contributors over the period were Novo Nordisk and Fastenal.

The Fund is well-diversified and invests in responsible, long-term quality compounders: companies which are managed responsibly that we expect to deliver steady earnings and dividend growth over the next decade. It has a quality growth bias that provides resilience through the cycle while offering a higher yield than a global equity index.

See the latest **Responsible Global Equity Income Report**

Performance (5-year annualised % p.a.)

Overall costs



Size of fund[5]

£1.16bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.52***
Average OCF of Fitz peer group[4]	**0.85**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Sterling Aggregate Bond Fund

Investment objective

The Fund aims to outperform (after deduction of costs) an index comprising 50% of the FTSE Actuaries UK Conventional Gilts All Stocks Index and 50% of the ICE BofA Sterling Non-Gilt Index by 0.65% per annum over rolling three-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of -5.1%[1] for the three years to 31 March 2024, compared to the index return of -5.4%[2] and the target benchmark of -4.7%[2].

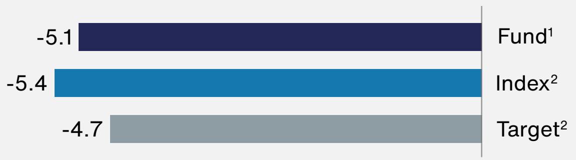
Rising interest rates in response to higher inflation in the past few years have led bond yields higher, resulting in negative returns. The Fund outperformed its index over the past three years but did not meet its target return. Asset allocation between corporate and government bonds made a positive contribution, with corporate bonds providing better returns. However, we underestimated the speed and scale of interest rate rises when selecting individual corporate bonds, and exposure to sensitive sectors such as real estate detracted from returns.

Over the 12 months to 31 March 2024, the Fund returned 3.8%[1] compared to the index return of 3.0%[2] and the target benchmark of 3.7%[2]. As markets have begun to factor in the prospect of interest rate cuts, with inflation seemingly under control, bond returns have been better in the past 12 months. The Fund has outperformed its index and exceeded its target return over this period. Overweight exposure to corporate bonds has continued to add value, as has security selection within corporate bonds. Higher-yielding overseas government bonds have also added value, relative to an underweight position in UK gilts.

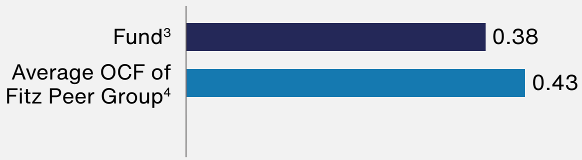
There are signs that a ‘soft landing’ is the most likely economic scenario, whereby inflation cools without a material growth slowdown. The timing and speed of interest rate cuts remains uncertain, but it is likely we have seen the peak, which should be supportive for bond prices. While we expect benign conditions to prevail, current valuations leave the market vulnerable to bad news, whether that be signs of sticky inflation, recession or increased geopolitical risk. In this context, we are wary of the lowest-quality segments of the market.

The Fund’s management fees and other costs totalling the OCF are below the mean of the Fitz peer group, shown below. However, the peer group is only comprised of three funds and the Fund is the median of that group so, in line with our established methodology, the Fund is rated amber for comparable market rates.

Performance (3-year annualised % p.a.)



Overall costs



Size of fund[5]

£150m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.35
Custody Fee	0.02
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.38***

Average OCF of Fitz peer group[4]	**0.43**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford’s website.

Baillie Gifford Strategic Bond Fund

Investment objective

The Fund aims to produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions.

Baillie Gifford commentary

The Fund delivered an annualised return of -2.1%[1] for the three years to 31 March 2024, compared to the comparator index[19] of -1.7%[2]. The Fund paid a monthly stream of income throughout the period. The Fund has a recommended minimum holding period of three years so this is the period over which performance is judged.

Rising interest rates in response to higher inflation in the past few years have led bond yields higher, resulting in negative returns. The Fund has underperformed the index over three years as we underestimated the speed and scale of interest rate rises, with exposure to sensitive sectors such as real estate detracting from returns.

Over the 12 months to 31 March 2024, the Fund returned 9.4%[1] compared to the comparator index[19] of 8.1%[2].

As markets have begun to factor in the prospect of interest rate cuts, with inflation seemingly under control, bond returns have been better in the past 12 months. The Fund's bond selection has been positive, leading to good returns relative to the comparator index. The Fund's allocation to insurance has also been helpful. We believed that life insurers would benefit from higher interest rates, leading to a large sector overweight position that has been rewarded. In addition, many of Fund's subordinated insurance bonds – ones with lower credit ratings that offer less protection but provide higher yields – purchased in periods of price weakness, have performed strongly as riskier assets have performed well.

Signs suggest that a 'soft landing' is the most likely economic scenario, whereby inflation cools without a material slowdown in growth. While this environment should support corporate bond markets, we are mindful that valuations are reasonably expensive. Although we expect benign conditions to prevail, current valuations leave the market vulnerable to bad news, whether that be signs of sticky inflation, recession or increased geopolitical risk. In this context, we are wary of the lowest-quality segments of the market but remain constructive on the medium-term outlook. Yields are high relative to recent history and with the prospect of interest rate cuts, the Fund is well-positioned to produce attractive returns in the year ahead.

Performance (3-year annualised % p.a.)

Overall costs

Size of fund[5]

£452m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.52***

Average OCF of Fitz peer group[4]	**0.71**

Seven criteria

RAG rating

- ✓ 01. Quality of service
- ✗ 02. Performance
- ✓ 03. Costs
- ✓ 04. Economies of scale
- ✓ 05. Comparable market rates
- ✓ 06. Comparable services
- ✓ 07. Classes of shares

Conclusion

✓ Overall rating **Provided value**

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Sustainable Income Fund

Investment objective

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

Baillie Gifford commentary

The Fund delivered an annualised capital return of 1.1%[17] (total return of 5.0%[1]) for the five years to 31 March 2024, compared to the UK CPI of 4.4%[2]. The Fund paid a monthly stream of income throughout the period.

The Fund's primary objective is to provide a sustainable income stream that keeps pace with inflation over time. UK CPI has been much higher than its long-term average in the past couple of years, and while the Fund's monthly income stream has grown at a steady pace since the Covid-19 pandemic shock, it has fallen short of this inflation spike. Over longer periods, we expect inflation to moderate and income growth to meet this objective. While the Fund's capital return is positive, it has also fallen short of inflation over the past five years. The main detractors have been the asset classes most sensitive to the rapid rise in interest rates – namely, bonds, property and infrastructure. Equities have delivered strong returns and made the greatest contribution to Fund performance.

Over the 12 months to 31 March 2024, the Fund delivered a total return of 6.4%[1] compared to the comparator benchmark (Investment Association Mixed Investment 40–85% Shares sector average) of 10.2%[2].

In the past year, performance has been in keeping with our long-term expectations, albeit capital returns are behind the current high inflation level. Again, equities have made the greatest contribution over this period. With interest rates stabilising, bonds have delivered better returns, particularly with investors now attracted by the high income levels on offer. Infrastructure has been the main detractor. The Fund holds a diversified range of essential infrastructure that has continued to provide resilient income, but capital values have been impacted by changes in expectations for long-term interest rates.

We expect to return to a more normal environment where, as interest rates stabilise and potentially begin to fall, the diversification benefits of various asset classes held by the Fund will become evident. We expect long-term growth in capital with less volatility than equity markets. Meanwhile, income growth should trend more in line with moderating inflation levels, providing a sustainable long-term income stream.

Performance (5-year annualised % p.a.)

Overall costs

Size of fund[5]

£154m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.02
Depositary Fee	0.01
Other Fees	0.03
Fund	**0.56***
Average OCF of Fitz peer group[4]	**1.05**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Our balanced and multi-asset funds

Baillie Gifford Diversified Growth Fund

Investment objective

The Fund aims to achieve (after deduction of costs):

- an annualised return over rolling five-year periods that is at least 3.5% more than UK Base Rate
- a positive return over rolling three-year periods
- annualised volatility of returns over rolling five-year periods that is below 10%

There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

Baillie Gifford commentary

The Fund delivered an annualised return of 0.9%[1] for the five years to 31 March 2024, compared to the target of 5.2%[2]. The annualised volatility of returns was 8.9%[20]. The Fund delivered an annualised return of -0.9%[1] over the past three years.

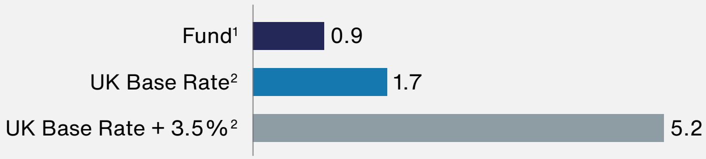
Most of the asset classes in our opportunity set contributed positively over the past five years, with a small number of detractors, a returns profile that is in keeping with our expectations. However, the effect of 2022's poor performance is still weighing on the Fund's longer-term numbers. Most asset classes sold off in 2022, with the onset of war in Ukraine and inflation and interest rates rising steeply, and growth assets were particularly out of favour.

Over five years, listed equities were the top performer, along with good diversifying asset classes such as emerging market bonds, infrastructure and structured finance, which were supported by a broadly positive environment for growth. Detractors included typically more defensive asset classes such as absolute return.

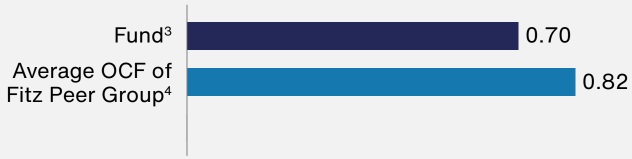
Over the 12 months to 31 March 2024, the Fund returned 3.2%[1] compared to the target of 8.6%[2]. We have seen good performance from some of the more idiosyncratic asset classes, such as structured finance, emerging market bonds and insurance-linked securities. The asset classes detracting from performance include those that are more sensitive to interest rate changes, such as government bonds and infrastructure. Within active currency, a long position in the Japanese yen has been a poor performer.

We maintain our enthusiasm around a wide variety of return sources over the coming years. Key long-term themes of decarbonisation and technological progress combine well with nearer-term and cyclical opportunities. The result is a well-diversified portfolio, which should benefit with good returns if our central economic case plays out, and which shows resilience in a downturn scenario. While we remain wary of the lofty valuations in many markets, we are less cautious than at the turn of the year and far more willing to add risk where it will be rewarded best.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£1.70bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.55
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.13
Fund	**0.70***
Average OCF of Fitz peer group[4]	**0.82**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Managed Fund

Investment objective

The Fund aims to achieve capital growth over rolling five-year periods.

Baillie Gifford commentary

The Fund delivered an annualised return of 6.3%[1] for the five years to 31 March 2024, compared to the peer group comparator benchmark (Investment Association Mixed Investment 40–85% Shares sector median) of 5.3%[2].

The period in question has been extraordinary, comprising the Covid-19 pandemic, wars in Ukraine and the Middle East, and inflation and interest rate spikes. Despite this, the Fund has achieved its investment objective with positive contributions from holdings in North American-based technology firms such as Tesla, Shopify and NVIDIA, Argentinian-listed ecommerce company MercadoLibre, and European industrial businesses IMCD and NIBE.

Notable detractors included food delivery services Delivery Hero, Takeaway.com and HelloFresh. This has proved to be a much less attractive industry to invest in than we had expected, and although we remain confident in the prospects for Delivery Hero, we have now sold out of the latter two stocks.

Over the 12 months to 31 March 2024, the Fund returned 10.2%[1] compared to the peer group comparator benchmark of 10.2%[2]. During the year, the Fund benefited from holdings boosted by the emergence and adoption of artificial intelligence (AI). Most notable among these was NVIDIA, the designer of AI chips, but also ASML, the Dutch business that makes the advanced tools required to manufacture these chips, and TSMC, the world's dominant manufacturer of the components themselves.

These strong performers were offset to an extent by weakness in the share prices of holdings in US biotech, Moderna and UK wealth manager, St. James's Place. Moderna's revenues from its Covid-19 vaccines have fallen faster than expected and the share price has suffered as a result. We took advantage of the share price weakness and added to the Fund's holding. St. James's Place has struggled following changes to its charging structure and a rise in complaints about service levels. We have discussed these issues with the senior management team and continue to monitor the situation closely.

Fixed income returns were broadly flat over the year, and our position in bonds made a small positive contribution to overall performance.

We are confident in the outlook for the Fund based on the underlying fundamentals of the companies held: they are more financially resilient, attractively valued and expected to grow faster than the broader market.

Performance (5-year annualised % p.a.)

Overall costs

Size of fund[5]

£5.80bn

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.40
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.00
Fund	**0.42***

Average OCF of Fitz peer group[4]	**0.63**

Seven criteria

RAG rating

01. Quality of service
02. Performance
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Multi Asset Growth Fund

Investment objective

The Fund aims to achieve (after deduction of costs)

- an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate
- a positive return over rolling three-year periods
- annualised volatility of returns over rolling five-year periods that is below 10%

There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

Baillie Gifford commentary

The Fund delivered an annualised return of 0.4%[1] for the five years to 31 March 2024, compared to the target of 5.2%[2]. The annualised volatility of returns was 9.1%[20]. The Fund delivered an annualised return of -2.1%[2] over the past three years.

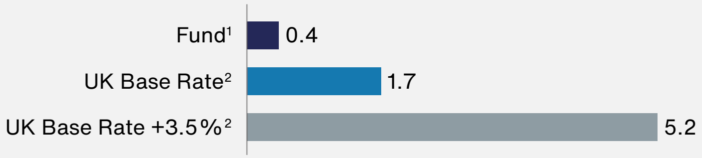
Most asset classes in our opportunity set contributed positively over the last five years, with a small number of detractors and a return profile that is in keeping with our expectations. However, the effect of the notably poor performance of 2022 still weighs on the Fund's longer-term numbers. While most asset classes sold off in 2022, with the onset of war in Ukraine and inflation and interest rates rising steeply, growth assets were particularly out of favour.

Over five years, listed equities were the top performer, supported by a broadly positive environment for growth, which was also helpful for diversifying asset classes such as emerging market bonds, infrastructure and structured finance. The largest detractors were the more defensive asset classes of absolute return and active currency.

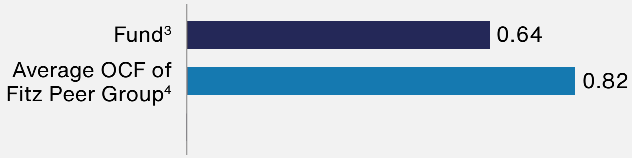
Over the 12 months to 31 March 2024, the Fund returned 2.7%[1] compared to the target of 8.6%[2]. We have seen good performance from structured finance, emerging market bonds and insurance-linked securities. The asset classes which detracted from performance include those more sensitive to changes in interest rates, such as government bonds and infrastructure. A long position in the Japanese yen within active currency also detracted.

We maintain our enthusiasm around a wide variety of return sources over the coming years. Key long-term themes of decarbonisation and technological progress combine well with nearer-term and cyclical opportunities. This results in a well-diversified portfolio with a very healthy return expectation if our central economic case plays out, and which shows resilience in a downturn scenario. While we remain wary of lofty valuations in many markets, we are less cautious than at the turn of the year and more willing to add risk where it will be best rewarded.

Performance (5-year annualised % p.a.)



Overall costs



Size of fund[5]

£611m

(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.01
Depositary Fee	0.01
Other Fees	0.12
Fund	**0.64***

Average OCF of Fitz peer group[4]	**0.82**

Seven criteria

RAG rating

- 01. Quality of service
- 02. Performance
- 03. Costs
- 04. Economies of scale
- 05. Comparable market rates
- 06. Comparable services
- 07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Baillie Gifford Sustainable Multi Asset Fund

Investment objective

The Fund aims to achieve (after deduction of costs)

- an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate
- a positive return over rolling three-year periods
- annualised volatility of returns over rolling five-year periods that is below 10%

The Fund also aims to have a carbon footprint that is lower than that of the Fund's stated carbon budget. The carbon budget is set in absolute terms and will decrease at a steady annual rate of 7% per annum. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

Baillie Gifford commentary

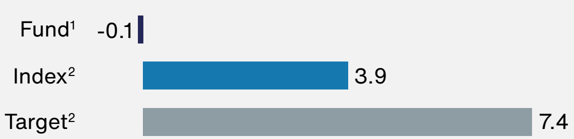
From inception in May 2022 to 31 March 2024, the Fund delivered a return of -0.1%[1] compared to the target of 7.4%[2]. The Fund has not yet reached the five-year track record it should be judged against. We, therefore, consider this too short a time to infer anything meaningful. The Fund's carbon footprint as of 31 March 2024 was below the budget, at 58.8 tonnes of carbon dioxide equivalent (tCO_2e)/$m enterprise value including cash (EVIC)[8] compared to the budget of 71.5 tCO_2e/$m EVIC[8].

Most asset classes contributed positively since the Fund's inception, and while there have also been some detractors, this return profile is broadly in keeping with our expectations.

Over the period, good diversifying asset classes such as emerging market bonds, insurance-linked securities and structured finance have all performed well, alongside listed equities, all aided by a broadly positive environment for growth. Detractors included infrastructure, impacted by higher-for-longer interest rate expectations – and more defensive asset classes of absolute return and active currency.

Over the 12 months to 31 March 2024, the Fund returned 5.1%[1] compared to the target of 8.6%[2]. Over this 12-month period, we have seen a return profile consistent with that noted above. There was good performance from some of the more idiosyncratic asset classes, such as structured finance, emerging market bonds and insurance linked securities, while government bonds and infrastructure have both detracted. Our active rates and currency overlay also delivered a negative return, where a long position in the Japanese yen has been a poor performer. We maintain our enthusiasm around a wide variety of return sources over the coming years. Key long-term themes of decarbonisation, which align with the Fund's sustainability objective, and technological progress, combine well with nearer-term opportunities. The Fund is well-diversified, and we are confident it will deliver against its objectives over the long term.

Performance (Since inception % p.a.)



Overall costs

Size of fund[5]

£370m
(As of 31 March 2024)

Costs and breakdown[3]

(OCF % compared to other funds)

Management Fee	0.50
Custody Fee	0.00
Depositary Fee	0.01
Other Fees	0.10[21]
Fund	**0.61***
Average OCF of Fitz peer group[4]	**0.82**

Seven criteria

RAG rating

01. Quality of service
02. Performance (n/a, new fund)
03. Costs
04. Economies of scale
05. Comparable market rates
06. Comparable services
07. Classes of shares

Conclusion

Overall rating
Provided value

* This is the OCF for B class shares at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Appendices

Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Our equity funds

Fund	Share Class	1-year return to 31 March 2024: Fund return %	1-year return to 31 March 2024: Index or comparator %	1-year return to 31 March 2024: Target benchmark %	5-year or since inception annualised return to 31 March 2024: Fund return %	5-year or since inception annualised return to 31 March 2024: Index or comparator %	5-year or since inception annualised return to 31 March 2024: Target benchmark %	OCF %*	Seven criteria – RAG rating: Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Overall value assessment
Fund: **Baillie Gifford American Fund** Index: S&P 500 Benchmark: S&P 500 +1.5%	A Acc	35.8 [1]	27.1 [2]	28.7 [2]	11.0 [1]	15.7 [2]	17.3 [2]	1.53 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	37.2 [1]	27.1 [2]	28.7 [2]	12.1 [1]	15.7 [2]	17.3 [2]	0.52 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	37.2 [1]	27.1 [2]	28.7 [2]	12.1 [1]	15.7 [2]	17.3 [2]	0.52 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	37.8 [1]	27.1 [2]	28.7 [2]	12.6 [1]	15.7 [2]	17.3 [2]	0.02 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W1 Acc	37.5 [1]	27.1 [2]	28.7 [2]	7.5 [22]	13.8 [22]	15.3 [22]	0.33 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W1 Inc	37.4 [1]	27.1 [2]	28.7 [2]	7.5 [22]	13.8 [22]	15.3 [22]	0.33 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W3 Acc	37.3 [1]	27.1 [2]	28.7 [2]	11.5 [22]	15.4 [22]	16.9 [22]	0.36 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W3 Inc	37.3 [1]	27.1 [2]	28.7 [2]	11.5 [22]	15.4 [22]	16.9 [22]	0.36 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W4 Acc	37.1 [1]	27.1 [2]	28.7 [2]	-0.9 [22]	16.5 [22]	18.0 [22]	0.52 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W4 Inc	37.1 [1]	27.1 [2]	28.7 [2]	-0.9 [22]	16.5 [22]	18.0 [22]	0.52 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford China Fund** Index: MSCI China All Shares Benchmark: MSCI China All Shares +2%	A Acc	-26.3 [1]	-18.2 [2]	-16.6 [2]	-3.8 [1]	-3.2 [6]	-1.2 [6]	1.50 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	-25.7 [1]	-18.2 [2]	-16.6 [2]	-3.1 [1]	-3.2 [6]	-1.2 [6]	0.76 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	B Inc	-25.7 [1]	-18.2 [2]	-16.6 [2]	-3.1 [1]	-3.2 [6]	-1.2 [6]	0.76 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Acc	-25.2 [1]	-18.2 [2]	-16.6 [2]	-2.4 [1]	-3.2 [6]	-1.2 [6]	0.03 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Inc	-25.2 [1]	-18.2 [2]	-16.6 [2]	-2.3 [1]	-3.2 [6]	-1.2 [6]	0.03 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Climate Optimism Fund** Index: FTSE All-World Benchmark: FTSE All-World +2.5%	B Acc	-21.2 [1]	21.0 [2]	24.0 [2]	-18.8 [22]	8.6 [22]	11.3 [22]	0.60 [3]	Green	○	Green	Green	Green	Green	Green	Green
	B Inc	-21.2 [1]	21.0 [2]	24.0 [2]	-18.8 [22]	8.6 [22]	11.3 [22]	0.60 [3]	Green	○	Green	Green	Green	Green	Green	Green
	C Acc	-20.8 [1]	21.0 [2]	24.0 [2]	-18.4 [22]	8.6 [22]	11.3 [22]	0.10 [3]	Green	○	Green	Green	Green	Green	Green	Green
	C Inc	-20.8 [1]	21.0 [2]	24.0 [2]	-18.4 [22]	8.6 [22]	11.3 [22]	0.10 [3]	Green	○	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Developed Asia Pacific Fund** Index: MSCI Pacific Benchmark: MSCI Pacific +1.5%	A Acc	1.5 [1]	15.3 [2]	17.0 [2]	2.4 [1]	7.1 [2]	8.8 [2]	1.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	2.4 [1]	15.3 [2]	17.0 [2]	3.3 [1]	7.1 [2]	8.8 [2]	0.61 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	2.4 [1]	15.3 [2]	17.0 [2]	3.3 [1]	7.1 [2]	8.8 [2]	0.61 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	2.9 [1]	15.3 [2]	17.0 [2]	3.8 [1]	7.1 [2]	8.8 [2]	0.05 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	2.9 [1]	15.3 [2]	17.0 [2]	3.9 [1]	7.1 [2]	8.8 [2]	0.05 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Emerging Markets Growth Fund** Index: MSCI Emerging Markets Benchmark: MSCI Emerging Markets +2%	A Acc	7.6 [1]	6.3 [2]	8.4 [2]	2.7 [1]	3.2 [2]	5.3 [2]	1.54 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	8.4 [1]	6.3 [2]	8.4 [2]	3.5 [1]	3.2 [2]	5.3 [2]	0.80 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	B Inc	8.4 [1]	6.3 [2]	8.4 [2]	3.5 [1]	3.2 [2]	5.3 [2]	0.80 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Acc	9.2 [1]	6.3 [2]	8.4 [2]	4.2 [1]	3.2 [2]	5.3 [2]	0.07 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Inc	9.2 [1]	6.3 [2]	8.4 [2]	4.3 [1]	3.2 [2]	5.3 [2]	0.07 [3]	Green	Amber	Green	Green	Green	Green	Green	Green

*This is the share class OCF at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs.
Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Fund	Share Class	1-year return to 31 March 2024: Fund return %	Index or comparator %	Target benchmark %	5-year or since inception annualised return to 31 March 2024: Fund return %	Index or comparator %	Target benchmark %	OCF %*	Seven criteria – RAG rating: Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Overall value assessment
Fund: **Baillie Gifford Emerging Markets Leading Companies Fund** Index: MSCI Emerging Markets Benchmark: MSCI Emerging Markets +2%	A Acc	3.8[1]	6.3[2]	8.4[2]	3.7[1]	3.2[2]	5.3[2]	1.53[3]	Green	Amber	Green	Green	Green	Green	Green	Green
	B Acc	4.6[1]	6.3[2]	8.4[2]	4.5[1]	3.2[2]	5.3[2]	0.79[3]	Green	Amber	Green	Green	Green	Green	Green	Green
	B Inc	4.6[1]	6.3[2]	8.4[2]	4.5[1]	3.2[2]	5.3[2]	0.79[3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Acc	5.4[1]	6.3[2]	8.4[2]	5.2[1]	3.2[2]	5.3[2]	0.06[3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Inc	5.4[1]	6.3[2]	8.4[2]	5.3[1]	3.2[2]	5.3[2]	0.06[3]	Green	Amber	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford European Fund** Index: MSCI Europe ex UK Benchmark: MSCI Europe ex UK +1.5%	A Acc	5.5[1]	13.6[2]	15.3[2]	6.8[1]	10.4[2]	12.1[2]	1.43[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	6.3[1]	13.6[2]	15.3[2]	7.7[1]	10.4[2]	12.1[2]	0.59[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	6.3[1]	13.6[2]	15.3[2]	7.7[1]	10.4[2]	12.1[2]	0.59[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	6.9[1]	13.6[2]	15.3[2]	8.3[1]	10.4[2]	12.1[2]	0.03[3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Global Alpha Growth Fund** Index: MSCI ACWI Benchmark: MSCI ACWI +2%	A Acc	18.4[1]	21.2[2]	23.6[2]	9.1[1]	12.1[2]	14.4[2]	1.44[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	19.4[1]	21.2[2]	23.6[2]	10.0[1]	12.1[2]	14.4[2]	0.59[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	19.4[1]	21.2[2]	23.6[2]	10.0[1]	12.1[2]	14.4[2]	0.59[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	20.1[1]	21.2[2]	23.6[2]	10.6[1]	12.1[2]	14.4[2]	0.02[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	20.2[1]	21.2[2]	23.6[2]	10.6[1]	12.1[2]	14.4[2]	0.02[3]	Green	Red	Green	Green	Green	Green	Green	Green
	L Acc	19.5[1]	21.2[2]	23.6[2]	-0.5[22]	9.1[22]	11.4[22]	0.53[3]	Green	○	Green	Green	Green	Green	Green	Green
	L Inc	19.5[1]	21.2[2]	23.6[2]	-0.5[22]	9.1[22]	11.4[22]	0.53[3]	Green	○	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Global Alpha Paris-Aligned Fund** Index: MSCI ACWI Benchmark: MSCI ACWI +2%	B Acc	17.6[1]	21.2[2]	23.6[2]	-1.8[22]	9.2[22]	11.5[22]	0.59[3]	Green	○	Green	Green	Green	Green	Green	Green
	B Inc	17.6[1]	21.2[2]	23.6[2]	-1.8[22]	9.2[22]	11.5[22]	0.59[3]	Green	○	Green	Green	Green	Green	Green	Green
	C Acc	18.3[1]	21.2[2]	23.6[2]	-1.2[22]	9.2[22]	11.5[22]	0.02[3]	Green	○	Green	Green	Green	Green	Green	Green
	C Inc	18.3[1]	21.2[2]	23.6[2]	-1.2[22]	9.2[22]	11.5[22]	0.02[3]	Green	○	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Global Discovery Fund** Index: S&P Global Small Cap Benchmark: S&P Global Small Cap +2%	A Acc	-13.1[1]	13.8[2]	15.7[2]	-5.3[1]	8.7[2]	10.7[2]	1.55[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	-12.5[1]	13.8[2]	15.7[2]	-4.6[1]	8.7[2]	10.7[2]	0.82[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	-12.5[1]	13.8[2]	15.7[2]	-4.6[1]	8.7[2]	10.7[2]	0.83[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	-11.8[1]	13.8[2]	15.7[2]	-3.9[1]	8.7[2]	10.7[2]	0.06[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	-11.9[1]	13.8[2]	15.7[2]	-3.9[1]	8.7[2]	10.7[2]	0.05[3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Health Innovation Fund** Index: MSCI ACWI Benchmark: MSCI ACWI +2.5%	B Acc	-11.0[1]	21.2[2]	24.2[2]	-14.1[22]	10.9[22]	13.7[22]	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	-11.0[1]	21.2[2]	24.2[2]	-14.1[22]	10.9[22]	13.7[22]	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	-10.6[1]	21.2[2]	24.2[2]	-13.6[22]	10.9[22]	13.7[22]	0.06[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	-10.6[1]	21.2[2]	24.2[2]	-13.6[22]	10.9[22]	13.7[22]	0.06[3]	Green	Red	Green	Green	Green	Green	Green	Green
	Y Acc	-10.9[1]	21.2[2]	24.2[2]	-13.9[22]	10.9[22]	13.7[22]	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green
	Y Inc	-10.9[1]	21.2[2]	24.2[2]	-13.9[22]	10.9[22]	13.7[22]	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green

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Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Fund	Share Class	1-year return to 31 March 2024: Fund return %	1-year return to 31 March 2024: Index or comparator %	1-year return to 31 March 2024: Target benchmark %	5-year or since inception annualised return to 31 March 2024: Fund return %	5-year or since inception annualised return to 31 March 2024: Index or comparator %	5-year or since inception annualised return to 31 March 2024: Target benchmark %	OCF % *	Seven criteria – RAG rating: Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Overall value assessment
Fund: **Baillie Gifford International Fund** Index: MSCI ACWI ex UK Benchmark: MSCI ACWI ex UK +2%	A Acc	18.5 [1]	21.7 [2]	24.1 [2]	9.4 [1]	12.4 [2]	14.7 [2]	1.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	19.5 [1]	21.7 [2]	24.1 [2]	10.3 [1]	12.4 [2]	14.7 [2]	0.59 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	19.5 [1]	21.7 [2]	24.1 [2]	10.3 [1]	12.4 [2]	14.7 [2]	0.59 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	20.2 [1]	21.7 [2]	24.1 [2]	10.9 [1]	12.4 [2]	14.7 [2]	0.03 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	20.2 [1]	21.7 [2]	24.1 [2]	10.9 [1]	12.4 [2]	14.7 [2]	0.02 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	G Acc	19.6 [1]	21.7 [2]	24.1 [2]	10.4 [1]	12.4 [2]	14.7 [2]	0.52 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Japanese Fund** Index: TOPIX Benchmark: TOPIX +1.5%	A Acc	7.5 [1]	21.7 [2]	23.5 [2]	3.3 [1]	8.1 [2]	9.8 [2]	1.47 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	8.4 [1]	21.7 [2]	23.5 [2]	4.2 [1]	8.1 [2]	9.8 [2]	0.63 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	8.3 [1]	21.7 [2]	23.5 [2]	4.2 [1]	8.1 [2]	9.8 [2]	0.63 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	9.0 [1]	21.7 [2]	23.5 [2]	4.8 [1]	8.1 [2]	9.8 [2]	0.02 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	9.0 [1]	21.7 [2]	23.5 [2]	4.9 [1]	8.1 [2]	9.8 [2]	0.02 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W1 Acc	8.6 [1]	21.7 [2]	23.5 [2]	4.4 [1]	8.1 [2]	9.8 [2]	0.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W1 Inc	8.5 [1]	21.7 [2]	23.5 [2]	4.4 [1]	8.1 [2]	9.8 [2]	0.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W3 Acc	8.5 [1]	21.7 [2]	23.5 [2]	2.8 [22]	6.6 [22]	8.2 [22]	0.48 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W3 Inc	8.5 [1]	21.7 [2]	23.5 [2]	2.8 [22]	6.6 [22]	8.2 [22]	0.48 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W6 Acc	8.5 [1]	21.7 [2]	23.5 [2]	4.4 [1]	8.1 [2]	9.8 [2]	0.48 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W6 Inc	8.5 [1]	21.7 [2]	23.5 [2]	4.4 [1]	8.1 [2]	9.8 [2]	0.48 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Japanese Income Growth Fund** Index: TOPIX Benchmark: TOPIX +1%	B Acc	8.9 [1]	21.7 [2]	22.9 [2]	4.4 [1]	8.1 [2]	9.2 [2]	0.62 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	8.9 [1]	21.7 [2]	22.9 [2]	4.4 [1]	8.1 [2]	9.2 [2]	0.62 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	9.6 [1]	21.7 [2]	22.9 [2]	5.0 [1]	8.1 [2]	9.2 [2]	0.03 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W4 Acc	9.2 [1]	21.7 [2]	22.9 [2]	4.6 [1]	8.1 [2]	9.2 [2]	0.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	W4 Inc	9.1 [1]	21.7 [2]	22.9 [2]	4.5 [1]	8.1 [2]	9.2 [2]	0.45 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Japanese Smaller Companies Fund** Index: MSCI Japan Small Cap Benchmark: MSCI Japan Small Cap +1.5%	A Acc	-15.4 [1]	12.4 [2]	14.1 [2]	-6.1 [1]	5.0 [2]	6.6 [2]	1.53 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	-14.7 [1]	12.4 [2]	14.1 [2]	-5.2 [1]	5.0 [2]	6.6 [2]	0.64 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	-14.7 [1]	12.4 [2]	14.1 [2]	-5.2 [1]	5.0 [2]	6.6 [2]	0.64 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	-14.2 [1]	12.4 [2]	14.1 [2]	-4.7 [1]	5.0 [2]	6.6 [2]	0.03 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	-14.1 [1]	12.4 [2]	14.1 [2]	-4.7 [1]	5.0 [2]	6.6 [2]	0.03 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Long Term Global Growth Investment Fund** Index: MSCI ACWI Index Benchmark: MSCI ACWI Index +2.5%	B Acc	26.9 [1]	21.1 [11]	24.2 [11]	15.0 [1]	12.1 [11]	14.8 [11]	0.64 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	B Inc	26.9 [1]	21.1 [11]	24.2 [11]	14.4 [22]	11.7 [11,22]	14.6 [11,22]	0.64 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	C Acc	27.7 [1]	21.1 [11]	24.2 [11]	15.7 [1]	12.1 [11]	14.8 [11]	0.02 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Inc	27.6 [1]	21.1 [11]	24.2 [11]	15.6 [1]	12.1 [11]	14.8 [11]	0.02 [3]	Green	Green	Green	Green	Green	Green	Green	Green

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Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Fund	Share Class	1-year return to 31 March 2024			5-year or since inception annualised return to 31 March 2024				Seven criteria – RAG rating							
		Fund return %	Index or comparator %	Target benchmark %	Fund return %	Index or comparator %	Target benchmark %	OCF % *	Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	**Overall value assessment**
Fund: **Baillie Gifford Pacific Fund** Index: MSCI AC Asia ex Japan Benchmark: MSCI AC Asia ex Japan +2%	A Acc	7.2[1]	2.1[2]	4.2[2]	10.1[1]	2.9[2]	5.0[2]	1.55[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	8.1[1]	2.1[2]	4.2[2]	11.0[1]	2.9[2]	5.0[2]	0.71[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	8.1[1]	2.1[2]	4.2[2]	11.0[1]	2.9[2]	5.0[2]	0.71[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	8.8[1]	2.1[2]	4.2[2]	11.7[1]	2.9[2]	5.0[2]	0.05[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Inc	8.8[1]	2.1[2]	4.2[2]	11.7[1]	2.9[2]	5.0[2]	0.05[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford Positive Change Fund** Index: MSCI ACWI Benchmark: MSCI ACWI +2%	B Acc	7.0[1]	21.2[2]	23.6[2]	15.5[1]	12.1[2]	14.4[2]	0.52[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	7.0[1]	21.2[2]	23.6[2]	15.5[1]	12.1[2]	14.4[2]	0.52[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	7.5[1]	21.2[2]	23.6[2]	16.1[1]	12.1[2]	14.4[2]	0.02[3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford Sustainable Growth Fund** Index: MSCI ACWI Benchmark: MSCI ACWI +2%	B Acc	12.5[1]	21.2[2]	23.6[2]	8.4[1]	12.1[2]	14.4[2]	0.52[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	12.5[1]	21.2[2]	23.6[2]	8.4[1]	12.1[2]	14.4[2]	0.52[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	13.1[1]	21.2[2]	23.6[2]	9.0[1]	12.1[2]	14.4[2]	0.02[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	J Acc	12.7[1]	21.2[2]	23.6[2]	10.9[22]	17.1[22]	19.5[22]	0.37[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	J Inc	12.7[1]	21.2[2]	23.6[2]	11.0[22]	17.1[22]	19.5[22]	0.37[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	Y Acc	12.5[1]	21.2[2]	23.6[2]	8.5[1]	12.1[2]	14.4[2]	0.47[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford UK and Worldwide Equity Fund** Index: Composite index comprising 60% UK and 40% overseas equities[12] Benchmark: Composite index comprising 60% UK and 40% overseas equities +1%[12]	B Acc	9.4[1]	11.6[2]	12.8[2]	6.0[1]	7.2[2]	8.3[2]	0.48[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	9.4[1]	11.6[2]	12.8[2]	5.1[22]	6.7[22]	7.8[22]	0.48[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	9.9[1]	11.6[2]	12.8[2]	6.5[1]	7.2[2]	8.3[2]	0.03[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford UK Equity Alpha Fund** Index: FTSE All-Share Benchmark: FTSE All-Share +2%	A Acc	3.4[1]	8.4[2]	10.6[2]	-1.0[1]	5.4[2]	7.6[2]	1.34[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	A Inc	3.4[1]	8.4[2]	10.6[2]	-1.0[1]	5.4[2]	7.6[2]	1.34[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	4.2[1]	8.4[2]	10.6[2]	-0.2[1]	5.4[2]	7.6[2]	0.49[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	4.3[1]	8.4[2]	10.6[2]	-0.2[1]	5.4[2]	7.6[2]	0.49[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	4.7[1]	8.4[2]	10.6[2]	0.3[1]	5.4[2]	7.6[2]	0.02[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Inc	4.7[1]	8.4[2]	10.6[2]	0.3[1]	5.4[2]	7.6[2]	0.02[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford UK Equity Core Fund** Index: FTSE All-Share Benchmark: FTSE All-Share +1%	B Acc	6.4[1]	8.4[2]	9.5[2]	3.3[1]	5.4[2]	6.5[2]	0.44[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	6.8[1]	8.4[2]	9.5[2]	3.7[1]	5.4[2]	6.5[2]	0.02[3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢

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Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Our income funds

Fund	Share Class	1-year return to 31 March 2024: Fund return %	Index or comparator %	Target benchmark %	3-year (bond funds), 5-year (equity funds) or since inception annualised return to 31 March 2024: Fund return %	Index or comparator %	Target benchmark %	OCF %*	Seven criteria – RAG rating: Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	**Overall value assessment**
Fund: **Baillie Gifford Emerging Markets Bond Fund** Index: J.P. Morgan GBI-EM Global Diversified Benchmark: J.P. Morgan GBI-EM Global Diversified +0.6%	A Inc	3.5 [1]	2.7 [2]	3.3 [2]	2.2 [1]	1.3 [2]	1.9 [2]	1.19 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	4.0 [1]	2.7 [2]	3.3 [2]	2.9 [1]	1.3 [2]	1.9 [2]	0.50 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	4.1 [1]	2.7 [2]	3.3 [2]	2.9 [1]	1.3 [2]	1.9 [2]	0.50 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	4.4 [1]	2.7 [2]	3.3 [2]	3.2 [1]	1.3 [2]	1.9 [2]	0.10 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford Global Income Growth Fund** Comparator Index: MSCI ACWI	A Acc	10.2 [1]	21.2 [2]	n/a	10.5 [1]	12.1 [2]	n/a	1.38 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	A Inc	10.2 [1]	21.2 [2]	n/a	10.5 [1]	12.1 [2]	n/a	1.38 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	11.1 [1]	21.2 [2]	n/a	11.5 [1]	12.1 [2]	n/a	0.53 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	11.1 [1]	21.2 [2]	n/a	11.5 [1]	12.1 [2]	n/a	0.53 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	11.7 [1]	21.2 [2]	n/a	12.0 [1]	12.1 [2]	n/a	0.03 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	C Inc	11.7 [1]	21.2 [2]	n/a	12.0 [1]	12.1 [2]	n/a	0.03 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	J Acc	11.2 [1]	21.2 [2]	n/a	16.2 [22]	17.1 [22]	n/a	0.38 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	J Inc	11.2 [1]	21.2 [2]	n/a	16.2 [22]	17.1 [22]	n/a	0.38 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	P Acc	11.2 [1]	21.2 [2]	n/a	10.3 [22]	12.5 [22]	n/a	0.48 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
	P Inc	11.2 [1]	21.2 [2]	n/a	10.3 [22]	12.5 [22]	n/a	0.48 [3]	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford High Yield Bond Fund** Comparator: Investment Association Sterling High Yield sector average	A Inc	13.3 [1]	10.8 [2]	n/a	-0.3 [1]	1.5 [2]	n/a	1.02 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	14.0 [1]	10.8 [2]	n/a	0.3 [1]	1.5 [2]	n/a	0.37 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	14.0 [1]	10.8 [2]	n/a	0.3 [1]	1.5 [2]	n/a	0.37 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	14.4 [1]	10.8 [2]	n/a	0.7 [1]	1.5 [2]	n/a	0.02 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Inc	14.5 [1]	10.8 [2]	n/a	0.7 [1]	1.5 [2]	n/a	0.02 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
Fund: **Baillie Gifford Investment Grade Bond Fund** Index: ICE BofA Sterling Non-Gilt Benchmark: ICE BofA Sterling Non-Gilt +0.75%	A Inc	6.1 [1]	6.1 [2]	6.9 [2]	-4.2 [1]	-3.3 [18]	-2.7 [18]	1.02 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Acc	6.9 [1]	6.1 [2]	6.9 [2]	-3.5 [1]	-3.3 [18]	-2.7 [18]	0.27 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	B Inc	6.9 [1]	6.1 [2]	6.9 [2]	-3.5 [1]	-3.3 [18]	-2.7 [18]	0.27 [3]	🟢	🔴	🟢	🟢	🟢	🟢	🟢	🟢
	C Acc	7.2 [1]	6.1 [2]	6.9 [2]	-3.2 [1]	-3.3 [18]	-2.7 [18]	0.02 [3]	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟢
	C Inc	7.2 [1]	6.1 [2]	6.9 [2]	-3.2 [1]	-3.3 [18]	-2.7 [18]	0.02 [3]	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟢

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Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Our income funds

Fund	Share Class	1-year return to 31 March 2024			3-year (bond funds), 5-year (equity funds) or since inception annualised return to 31 March 2024			OCF %*	Seven criteria – RAG rating							
		Fund return %	Index or comparator %	Target benchmark %	Fund return %	Index or comparator %	Target benchmark %		Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Overall value assessment
Fund: **Baillie Gifford Responsible Global Equity Income Fund** Comparator Index: MSCI ACWI	B Acc	12.9[1]	21.2[2]	n/a	12.4[1]	12.1[2]	n/a	0.52[3]	Green	Green	Green	Green	Green	Green	Green	Green
	B Inc	12.8[1]	21.2[2]	n/a	12.4[1]	12.1[2]	n/a	0.52[3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Acc	13.4[1]	21.2[2]	n/a	13.0[1]	12.1[2]	n/a	0.02[3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Inc	13.4[1]	21.2[2]	n/a	13.0[1]	12.1[2]	n/a	0.02[3]	Green	Green	Green	Green	Green	Green	Green	Green
	J Acc	13.0[1]	21.2[2]	n/a	16.9[22]	17.1[22]	n/a	0.37[3]	Green	Green	Green	Green	Green	Green	Green	Green
	J Inc	12.9[1]	21.2[2]	n/a	16.9[22]	17.1[22]	n/a	0.37[3]	Green	Green	Green	Green	Green	Green	Green	Green
	P Acc	12.9[1]	21.2[2]	n/a	11.0[22]	12.5[22]	n/a	0.47[3]	Green	Green	Green	Green	Green	Green	Green	Green
	P Inc	12.8[1]	21.2[2]	n/a	11.0[22]	12.5[22]	n/a	0.47[3]	Green	Green	Green	Green	Green	Green	Green	Green
	W6 Acc	12.9[1]	21.2[2]	n/a	9.9[22]	11.7[22]	n/a	0.37[3]	Green	○	Green	Green	Green	Green	Green	Green
	W6 Inc	13.0[1]	21.2[2]	n/a	9.9[22]	11.7[22]	n/a	0.37[3]	Green	○	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Sterling Aggregate Bond Fund** Index: 50% of the FTSE Actuaries UK Conventional Gilts All Stocks Index and 50% of the ICE BofA Sterling Non-Gilt Index Benchmark: 50% of the FTSE Actuaries UK Conventional Gilts All Stocks Index and 50% of the ICE BofA Sterling Non-Gilt Index +0.65%	B Acc	3.7[1]	3.0[2]	3.7[2]	-5.1[1]	-5.4[2]	-4.7[2]	0.38[3]	Green	Amber	Green	Green	Amber	Green	Green	Green
	B Inc	3.8[1]	3.0[2]	3.7[2]	-5.1[1]	-5.4[2]	-4.7[2]	0.38[3]	Green	Amber	Green	Green	Amber	Green	Green	Green
	C Acc	4.1[1]	3.0[2]	3.7[2]	-4.8[1]	-5.4[2]	-4.7[2]	0.04[3]	Green	Amber	Green	Green	Amber	Green	Green	Green
Fund: **Baillie Gifford Strategic Bond Fund** Index: 70% ICE BofA Sterling Non-Gilt Index and 30% ICE BofA European Currency High Yield Constrained Index	A Acc	8.9[1]	8.1[2]	n/a	-2.6[1]	-1.7[2]	n/a	1.02[3]	Green	Red	Green	Green	Green	Green	Green	Green
	A Inc	8.9[1]	8.1[2]	n/a	-2.6[1]	-1.7[2]	n/a	1.02[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	9.4[1]	8.1[2]	n/a	-2.1[1]	-1.7[2]	n/a	0.52[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	9.4[1]	8.1[2]	n/a	-2.1[1]	-1.7[2]	n/a	0.52[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	10.0[1]	8.1[2]	n/a	-1.6[1]	-1.7[2]	n/a	0.01[3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Inc	10.0[1]	8.1[2]	n/a	-1.6[1]	-1.7[2]	n/a	0.02[3]	Green	Green	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Sustainable Income Fund** Comparator: Investment Association Mixed Investment 40-85% Shares sector average	B Acc	6.4[1]	10.2[2]	n/a	5.0[1]	5.2[2]	n/a	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Inc	6.4[1]	10.2[2]	n/a	5.0[1]	5.2[2]	n/a	0.56[3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	6.8[1]	10.2[2]	n/a	5.4[1]	5.2[2]	n/a	0.06[3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Inc	6.8[1]	10.2[2]	n/a	5.4[1]	5.2[2]	n/a	0.06[3]	Green	Green	Green	Green	Green	Green	Green	Green
	H Acc	6.7[1]	10.2[2]	n/a	7.3[22]	7.3[22]	n/a	0.30[3]	Green	Green	Green	Green	Green	Green	Green	Green
	H Inc	6.7[1]	10.2[2]	n/a	7.3[22]	7.3[22]	n/a	0.30[3]	Green	Green	Green	Green	Green	Green	Green	Green
	J Acc	6.6[1]	10.2[2]	n/a	8.3[22]	9.0[22]	n/a	0.41[3]	Green	Red	Green	Green	Green	Green	Green	Green
	J Inc	6.6[1]	10.2[2]	n/a	8.3[22]	9.0[22]	n/a	0.41[3]	Green	Red	Green	Green	Green	Green	Green	Green
	P Acc	6.6[1]	10.2[2]	n/a	5.1[1]	5.2[2]	n/a	0.41[3]	Green	Red	Green	Green	Green	Green	Green	Green
	P Inc	6.7[1]	10.2[2]	n/a	5.1[1]	5.2[2]	n/a	0.41[3]	Green	Red	Green	Green	Green	Green	Green	Green

*This is the share class OCF at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs.
Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Performance returns and ongoing charges figures (OCFs)

Seven criteria – RAG rating

Our balanced and multi-asset funds

Fund	Share Class	1-year return to 31 March 2024: Fund return %	1-year: Index or comparator %	1-year: Target benchmark %	5-year or since inception annualised return to 31 March 2024: Fund return %	5-year: Index or comparator %	5-year: Target benchmark %	OCF %*	Seven criteria – RAG rating: Quality of service	Performance	Costs	Economies of scale	Comparable market rates	Comparable services	Classes of shares	Overall value assessment
Fund: **Baillie Gifford Diversified Growth Fund** Index: UK Base Rate Benchmark: UK Base Rate +3.5%	B Inc	3.4 [1]	5.1 [2]	8.6 [2]	0.9 [1]	1.7 [2]	5.2 [2]	0.70 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B2 Acc	3.2 [1]	5.1 [2]	8.6 [2]	0.9 [1]	1.7 [2]	5.2 [2]	0.70 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	3.8 [1]	5.1 [2]	8.6 [2]	1.5 [1]	1.7 [2]	5.2 [2]	0.15 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	4.0 [1]	5.1 [2]	8.6 [2]	0.8 [22]	1.8 [22]	5.3 [22]	0.15 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Managed Fund** Comparator: Investment Association Mixed Investment 40–85% Shares sector median	A Acc	9.3 [1]	10.2 [2]	n/a	5.2 [1]	5.3 [2]	n/a	1.53 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	A Inc	9.2 [1]	10.2 [2]	n/a	5.2 [1]	5.3 [2]	n/a	1.53 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B Acc	10.2 [1]	10.2 [2]	n/a	6.3 [1]	5.3 [2]	n/a	0.42 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	B Inc	10.3 [1]	10.2 [2]	n/a	6.3 [1]	5.3 [2]	n/a	0.42 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Acc	10.6 [1]	10.2 [2]	n/a	6.7 [1]	5.3 [2]	n/a	0.02 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	C Inc	10.7 [1]	10.2 [2]	n/a	6.7 [1]	5.3 [2]	n/a	0.02 [3]	Green	Green	Green	Green	Green	Green	Green	Green
	K Inc	10.3 [1]	10.2 [2]	n/a	6.4 [1]	5.3 [2]	n/a	0.34 [3]	Green	Green	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Multi Asset Growth Fund** Index: UK Base Rate Benchmark: UK Base Rate +3.5%	B Inc	2.8 [1]	5.1 [2]	8.6 [2]	0.4 [1]	1.7 [2]	5.2 [2]	0.64 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	B1 Acc	2.7 [1]	5.1 [2]	8.6 [2]	0.4 [1]	1.7 [2]	5.2 [2]	0.64 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Acc	3.1 [1]	5.1 [2]	8.6 [2]	0.9 [1]	1.7 [2]	5.2 [2]	0.14 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	C Inc	3.3 [1]	5.1 [2]	8.6 [2]	0.9 [1]	1.7 [2]	5.2 [2]	0.14 [3]	Green	Red	Green	Green	Green	Green	Green	Green
	J Acc	2.8 [1]	5.1 [2]	8.6 [2]	3.3 [22]	1.9 [22]	5.4 [22]	0.49 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	J Inc	2.9 [1]	5.1 [2]	8.6 [2]	3.3 [22]	1.9 [22]	5.4 [22]	0.50 [3]	Green	Amber	Green	Green	Green	Green	Green	Green
	P Acc	2.8 [1]	5.1 [2]	8.6 [2]	0.5 [1]	1.7 [2]	5.2 [2]	0.49 [3]	Green	Red	Green	Green	Green	Green	Green	Green
Fund: **Baillie Gifford Sustainable Multi Asset Fund** Index: UK Base Rate Benchmark: UK Base Rate +3.5%	B Acc	5.1 [1]	5.1 [2]	8.6 [2]	-0.1 [22]	3.9 [22]	7.4 [22]	0.61 [3]	Green	○	Green	Green	Green	Green	Green	Green
	B Inc	5.2 [1]	5.1 [2]	8.6 [2]	0.0 [22]	3.9 [22]	7.4 [22]	0.61 [3]	Green	○	Green	Green	Green	Green	Green	Green
	C Acc	5.4 [1]	5.1 [2]	8.6 [2]	0.3 [22]	3.9 [22]	7.4 [22]	0.12 [3]	Green	○	Green	Green	Green	Green	Green	Green
	C Inc	5.6 [1]	5.1 [2]	8.6 [2]	0.3 [22]	3.9 [22]	7.4 [22]	0.12 [3]	Green	○	Green	Green	Green	Green	Green	Green

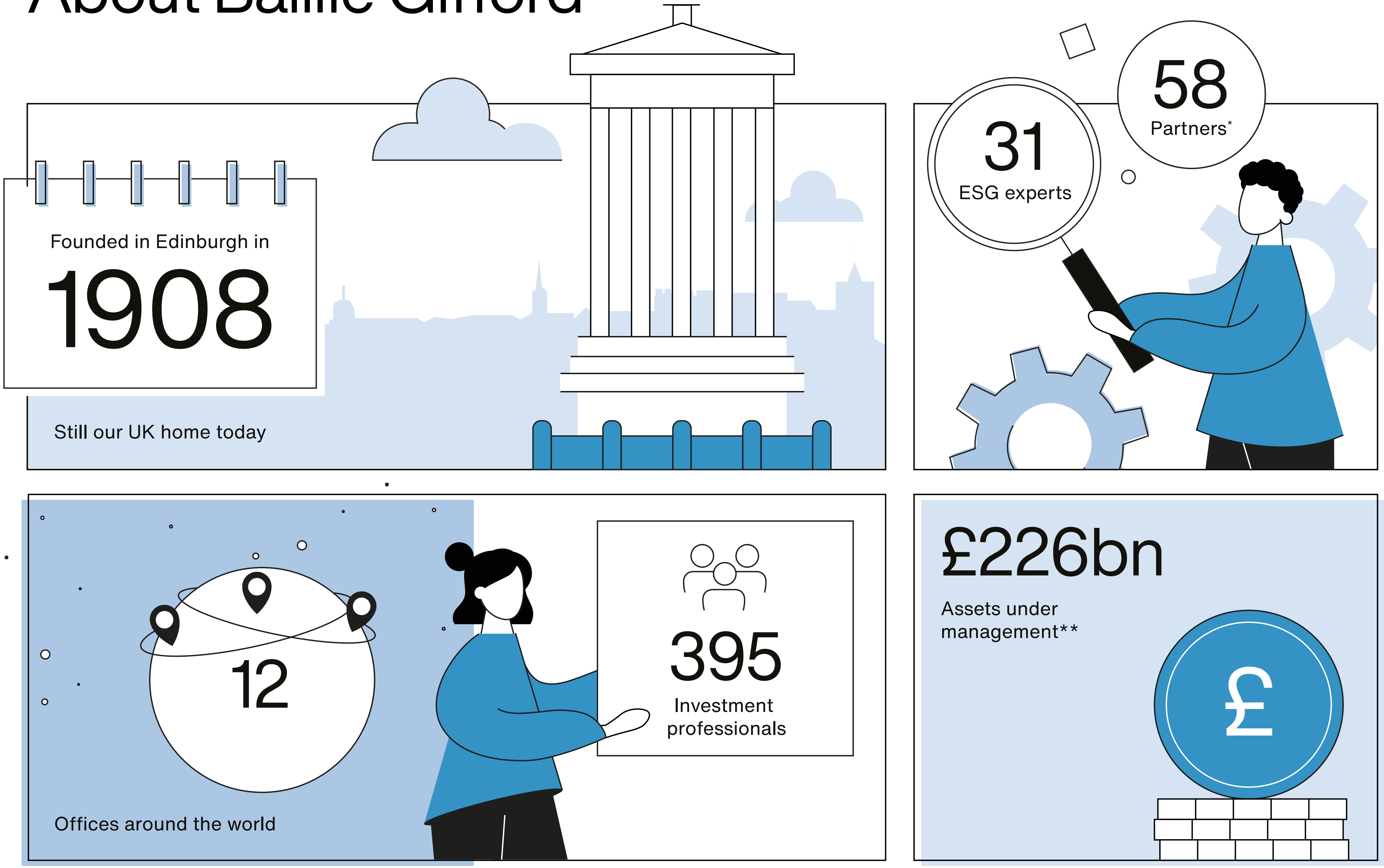
*This is the share class OCF at 31 March 2024. Please refer to **page 26** of this report for upcoming changes to OCFs. Current OCFs are available by contacting Client Relations using the details on **page 86** or visiting Baillie Gifford's website.

Sources

Sources

1	Revolution and FE. Performance (annualised) as at 31 March 2024, 10am dealing prices, total return.
2	Revolution, FE and relevant underlying index providers. Performance (annualised) as at 31 March 2024, total return in sterling terms.
3	Baillie Gifford & Co. Ongoing charges figure (OCF) as at 31 March 2024.
4	Fitz Partners. Weighted average OCF calculated using latest available audited accounts of the funds.
5	Baillie Gifford & Co. Fund size based on 10am dealing prices as at 31 March 2024.
6	Revolution, FE and MSCI. MSCI Golden Dragon Index to 2 May 2019, MSCI All China Index to 27 November 2019, MSCI China All Shares Index (target +2% per annum) thereafter. Performance (annualised) as at 31 March 2024, total return in sterling.
7	The Fund is newly launched and, to ensure initial investors do not pay disproportionately high costs, we have capped expenses excluding the management fee at 0.10%, until the Fund reaches a suitable size.
8	MSCI Barra. Tonnes of carbon dioxide equivalent per $1m of enterprise value, including cash.
9	The Fund is newly launched and, to ensure initial investors do not pay disproportionately high costs, we have capped expenses excluding the management fee, such that there is equivalence with Baillie Gifford Global Alpha Growth Fund until the Fund reaches a size of equivalence and a cap is no longer needed.
10	Factset, Style Analytics and Tokyo Stock Exchange, forecast dividend yield as at 31 March 2024, reweighted to 100% to exclude stocks without yield data.
11	Revolution, FE and MSCI. FTSE All-World Index to 30 June 2023, MSCI ACWI Index (target +2.5% per annum) thereafter. Performance (annualised) as at 31 March 2024, total return in sterling.
12	The composite index is calculated by Baillie Gifford & Co and comprises: 60% FTSE All-Share Index and 40% overseas indices. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index.
13	Baillie Gifford & Co Limited. B Income shares, net annualised historic yield over a rolling five-year period to the Fund's financial period end of 31 January 2024.
14	Factset and MSCI. Net annualised historic yield over a rolling five-year period to 31 January 2024.
15	Baillie Gifford & Co Limited. Annualised five-year increase in income on B Income shares at the Fund's financial year end of 31 January 2024.
16	Baillie Gifford & Co Limited, net income distribution.
17	Baillie Gifford & Co Limited. Performance (annualised) as at 31 March 2024, B Income shares, 10am dealing prices, capital return.
18	Revolution, FE and ICE. Target +0.5% per annum to 18 September 2022 then +0.75% thereafter. Performance (annualised) as at 31 March 2024.
19	The composite index is comprised of 70%: ICE BofA Sterling Non-Gilt Index and 30%: ICE BofA European Currency High Yield Constrained Index (hedged to GBP).
20	Revolution, annualised volatility, calculated over five years to 31 March 2024.
21	This Fund is newly launched and, to ensure initial investors do not pay disproportionately high costs, we have capped 'other expenses' such that there is equivalence with the 'other expenses' of Baillie Gifford Multi Asset Growth Fund until the Fund reaches a size of equivalence and a cap is no longer needed.
22	Performance shown since inception of the share class. Further details on individual share class performance may be obtained by contacting our Client Relations Team (contact details provided on **page 86**).

About Baillie Gifford



As at 31 March 2024.
*From 1 April 2024.
**As at 31 December 2023.

Directors of Baillie Gifford & Co Limited

Executive

Michael Wylie

Chairman

Evan Delaney

Colin Fraser

Lucy Haddow

Derek McGowan

Chris Murphy

Independent Non-Executive

Kate Bolsover

Dean Buckley

Chris Turpin

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Please remember investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in a fund and any income from it can fall as well as rise, and you may not get back the amount invested. Further details of the risks associated with investing in a fund, performance history and the full investment objective and policy can be found in the Prospectus, Key Investor Information Document (KIID) and Report and Accounts, which are available by contacting Client Relations or visiting Baillie Gifford's website.

Please also contact Client Relations if you would like a copy of this report (or any of the documents it references) in hard copy or an alternative accessible format.

Contact us at: Client Relations Team,
Baillie Gifford & Co Limited, Calton Square,
1 Greenside Row, Edinburgh EH1 3AN

Call Baillie Gifford's Client Relations Team on **0800 917 2113**. Your call may be recorded for training or monitoring purposes.

Visit Baillie Gifford's website at **bailliegifford.com**, or email us on **trustenquiries@bailliegifford.com**

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