

Baillie Gifford Long Term Global Growth Investment Fund

30 September 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 58 partners with average 20 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Investment Proposition

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

Fund Facts

Fund Launch Date	10 April 2017
Fund Size	£1874.3m
IA Sector	Global
Active Share	90%*
Current Annual Turnover	19%
Current number of stocks	39
Stocks (guideline range)	30-60

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

Fund Manager

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

*Partner

Fund Objective

To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2.5% per annum over rolling five-year periods. Prior to 1st July 2023, to outperform (after deduction of costs) the FTSE All-World index, as stated in Sterling, by at least 2.5% per annum over rolling five-year periods.

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

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

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	-1.4	28.0	-5.0	15.1
Index (%)*	0.6	20.4	8.8	10.8
Target (%)**	1.2	23.5	11.5	13.6
Sector Average (%)***	0.2	16.2	4.5	8.5

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

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

Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund.

This adjustment will affect relative performance, either positively or negatively.

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

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

***IA Global Sector.

Discrete Performance

	30/09/19- 30/09/20	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24
Class B-Acc (%)	93.9	21.3	-38.1	8.4	28.0
Index (%)*	5.7	22.7	-3.6	10.9	20.4
Target (%)**	8.3	25.7	-1.2	13.7	23.5
Sector Average (%)***	7.2	23.2	-8.9	7.8	16.2

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

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

Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund.

This adjustment will affect relative performance, either positively or negatively.

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

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

***IA Global Sector.

Market environment

Market sentiment continued to fluctuate in recent months, with ongoing debate around the pace and quantum of interest rate cuts. At the backend of the quarter, the Federal Reserve announced a 50-basis point cut – the first in over four years. Instead of being swayed by the fluctuations of the market in response to news, we maintain our concentration on ensuring that the fund consistently demonstrates robust operational performance and expanding opportunities.

Performance

Among the largest contributors to performance over the quarter were Meituan, Adyen and Samsara.

Meituan's share price increased by approximately 50% in the third quarter, propelling its market capitalisation to over \$190 billion. Operational performance exceeded market expectations, with revenues growing 21% year-on-year. Platform users and merchants continued to grow, reaching highs of c.750 million and c.15 million respectively. This robust growth reflects Meituan's dominant position in China's food delivery and local services market, as well as its successful expansion into new verticals such as grocery delivery and ride-hailing.

A top detractor last quarter, Adyen rebounded as solid performance and strategic positioning helped drive the share price during the third quarter. Revenues increased 24% year-over-year, as the company reported robust growth across its Digital, Unified Commerce, and Platforms segments in the first half of 2024, showcasing strength in multiple areas of the business.

Samsara's share price rise this quarter reflects the company's strong financial performance. Reported revenue growth of 37% year-over-year topped market expectations. The company achieved a major milestone by surpassing \$1 billion in Annual Recurring Revenue, demonstrating robust customer adoption and expansion. A key driver of Samsara's success has

been its AI-powered safety features which significantly improve fleet safety, reducing costs for customer.

Among the largest detractors to performance over the quarter were Moderna, Dexcom, and ASML.

Moderna reported revenue of \$241 million, compared to \$344 million in the same period in 2023. The market remains focused on demand for COVID-19 vaccines which continues to drive the share price over the short-term. We recently reviewed our investment thesis for Moderna and will monitor the company's commercialisation strategy and the effectiveness of recent board changes as the company works toward achieving breakeven.

Dexcom saw a 40% drawdown after the company revised its full-year guidance down by \$200-300 million. Revenue growth for the quarter also slowed to 15% year-on-year following four consecutive quarters of growth in excess of 20%. We have engaged with management to better understand the revised guidance and what steps are being taken to rectify sales efforts. Taking a step back from recent results, unfortunately with over 500 million people suffering from diabetes globally, there is no shortage of patients who would benefit from access to Dexcom's technology, and the company has made significant progress to date.

Despite ASML reporting strong second quarter results with revenues of €6.2 billion, gross margin of over 50% and net income of over €1.5 billion, the company's share price dropped markedly. Market sentiment appears to be driven by increasing geopolitical headwinds following news of the Biden administration considering a wide-sweeping rule to clamp down on companies exporting chipmaking equipment to China. As we approach the US election, greater volatility amongst stocks linked to rising tariffs is likely. During such periods, we remain focused on the company's fundamentals which continue to progress in line with our thesis.

Notable transactions

During the quarter, we sold the position in luxury company, Kering. The sale was driven by scepticism of a turnaround at Gucci, concerns around the correlation between brands in the group with no material bright spots, and uncertainty around the group's future direction in light of the CEO's impending retirement.

Market Outlook

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

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 30 September 2024

Stock Name	Contribution (%)
Meituan	1.5
Samsara	0.7
Adyen	0.7
CATL	0.6
BeiGene	0.6
Sea Limited	0.6
Biontech	0.5
MercadoLibre	0.4
Microsoft	0.4
Alphabet	0.4
Moderna	-1.4
Dexcom	-1.3
ASML	-1.2
e.l.f. Beauty Inc	-1.1
Kering	-0.5
Atlassian	-0.4
Amazon.com	-0.4
Symbotic	-0.4
Rivian Automotive	-0.3
Cloudflare	-0.3

One Year to 30 September 2024

Stock Name	Contribution (%)
NVIDIA	4.7
Spotify	1.9
Adyen	1.3
Sea Limited	1.2
Netflix	1.0
Meituan	1.0
Intuitive Surgical	0.8
Samsara	0.8
Advanced Micro Devices Inc	0.6
MercadoLibre	0.6
Moderna	-1.6
Kering	-1.5
Atlassian	-1.5
Dexcom	-1.3
e.l.f. Beauty Inc	-0.9
Tesla Inc	-0.8
Symbotic	-0.6
Meta Platforms	-0.5
NIO Inc	-0.5
Alibaba	-0.4

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

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

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

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

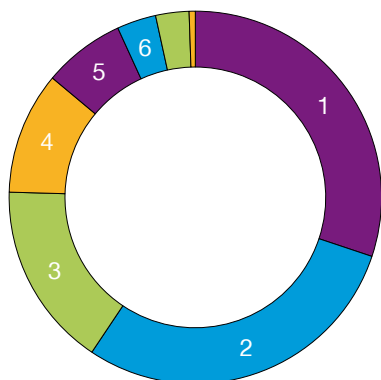
Transactions from 01 July 2024 to 30 September 2024.

There were no new purchases during the period.

Complete Sales

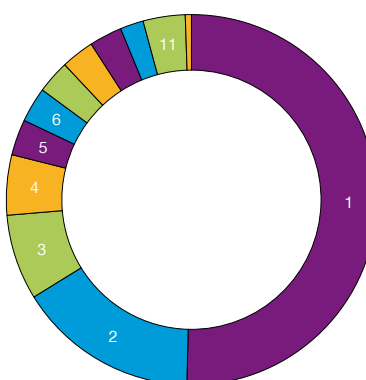
Stock Name	Transaction Rationale
Affirm Holdings	We made a complete sale of Affirm. There remains a long runway for Buy Now, Pay Later (BNPL) financing to continue gaining share from US credit cards, and Affirm's attractive unit economics suggest margins should expand with scale. That said, we are not convinced that Affirm can establish a sustainable competitive advantage, which will be necessary to defend high returns. Contrary to our original investment thesis, the BNPL industry has become more competitive during our holding period. With high competition for capital in a concentrated portfolio, we sold this small R&D holding we first purchased in 2021.
Kering	We have struggled to gain faith in growth rebounding. The appointment of fresh management to stabilise Gucci feels sensible but unlikely to be revolutionary. The brand faces an unenviable balance between retaining high net-worth clients, who were alienated by its previous creative director, while also speaking to a new generation of younger luxury consumers whose spend is rising fastest. Other brands in the portfolio remain sub-scale and capital allocation has atrophied in recent years. The impending retirement of Chairman and CEO François-Henri Pinault, who has architected the group's success over the past twenty years, heightens our concern around the group's future direction. We have therefore sold the shares and redeployed the capital into higher-conviction names.

Sector Exposure



		%
1	Consumer Discretionary	30.1
2	Information Technology	29.2
3	Communication Services	16.1
4	Health Care	10.6
5	Financials	7.1
6	Industrials	3.4
7	Consumer Staples	2.9
8	Cash	0.5

Geographic Exposure



		%
1	United States	50.4
2	China	15.8
3	Netherlands	7.5
4	Brazil	5.3
5	South Korea	3.1
6	Canada	3.1
7	Sweden	2.9
8	India	2.9
9	Singapore	2.9
10	France	2.0
11	Others	3.7
12	Cash	0.5

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

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	6.9
Amazon.com	E-commerce, computing infrastructure, streaming and more	6.4
Meituan	Chinese online services platform	4.6
PDD Holdings	Chinese e-commerce platform focused on social commerce	4.1
ASML	Semiconductor equipment manufacturer	4.1
The Trade Desk	Advertising platform	3.9
Intuitive Surgical	Surgical robots and consumables	3.9
Netflix	Streaming platform	3.5
Adyen	Online payments platform	3.4
MercadoLibre	Latin American e-commerce and fintech platform	3.3
Total		44.1

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	5	Companies	None	Companies	None
Resolutions	32	Resolutions	None	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	ASML Holding N.V., Contemporary Amperex Technology Co., Limited, Coupang, Inc., Moncler S.p.A., Symbotic Inc.
Social	Contemporary Amperex Technology Co., Limited, DexCom, Inc., MercadoLibre, Inc., Samsara Inc.
Governance	ASML Holding N.V., Advanced Micro Devices, Inc., Atlassian Corporation, BioNTech SE, DexCom, Inc., Hermès International Societe en commandite par actions, Intuitive Surgical, Inc., Moderna, Inc., Moncler S.p.A., NVIDIA Corporation, Rivian Automotive, Inc., Samsara Inc.
Strategy	ASML Holding N.V., Datadog, Inc., DexCom, Inc., MercadoLibre, Inc., Moderna, Inc., Rivian Automotive, Inc., Tencent Holdings Limited

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, [here](#).

Asset Name	Fund %
NVIDIA	6.9
Amazon.com	6.4
Meituan	4.6
PDD Holdings	4.1
ASML	4.1
The Trade Desk	3.9
Intuitive Surgical	3.9
Netflix	3.5
Adyen	3.4
MercadoLibre	3.3
Coupang	3.1
Shopify	3.1
Cloudflare	3.0
Spotify	2.9
Sea Limited	2.9
Samsara	2.8
Tesla Inc	2.5
Advanced Micro Devices	2.4
Workday	2.3
Atlassian	2.3
CATL	2.2
Hermès International	2.0
Nu Holdings	1.9
Moncler	1.9
BioNTech	1.8
HDFC Bank	1.8
BeiGene	1.7
Dexcom	1.7
Kweichow Moutai	1.7
Moderna	1.5
Roblox	1.5
Enphase Energy	1.5
Tencent	1.4
e.l.f. Beauty Inc	1.2
Titan Company Limited	1.1
Datadog	1.0
Rivian Automotive	1.0
Symbotic	0.7
Joby Aviation	0.4
Cash	0.5
Total	100.0

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

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

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

MSCI Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

This document contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Investment Advice Law (“Qualified Clients”).

The Fund’s share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients’ capital is at risk. Past performance is not a guide to future returns.

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

All information as at 30 September 2024 and source is Baillie Gifford & Co unless otherwise stated.