

Baillie Gifford American Fund

Shareholder Rights Directive Annual Disclosure
for the period 01 January 2024 to 31 December 2024



This disclosure is produced to meet our obligation to provide enhanced reporting under the Shareholder Rights Directive (SRD) requirements. It is not marketing material. This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients.

Our Investment Strategy

We aim to deliver outstanding investment performance by identifying the exceptional growth businesses in America and owning them for long enough that the advantages of their business models and strength of their cultures become the dominant drivers of their stock prices.

An exceptional growth business is a company with a special culture addressing a large market opportunity and possessing an edge that will allow it to deliver high future returns. These opportunities are rare, especially when we demand a clear distinction between our view of the opportunity and that implied by the market price. We run concentrated portfolios as we do not want to dilute the impact of such companies in the name of diversification. We do not attempt to predict or control for short-term price changes; looking beyond the immediate environment is a central part of our process.

How We Make Investment Decisions

The full investment team has input in to the portfolio construction process through portfolio review meetings, which occur approximately every 7 weeks. Investment decisions are taken by the team's fund managers at implementation meetings and discussions. We aim to invest in a concentrated portfolio of companies which we believe individually have the potential to produce a 2.5x return over the next 5 years; holding sizes reflect the potential upside for an investment and the likelihood of it being realised.

We do not seek consensus in the decision-making process and believe it is necessary to be prepared to back individual portfolio manager judgement when strength of conviction merits it. Even if only one of the managers wants to buy a stock then we will take a holding if the stock fits our investment philosophy and any key questions have been answered. Controversial ideas can be the most rewarding and this is particularly powerful when the potential gains are so much larger than losses.

We employ a structured framework to monitor portfolio risk exposures across three key pillars: Sources of Demand, Growth Categories and Quantitative Maturity Levels.

Our process is oriented around owning future outliers, including through periods of weakness. We consider selling stocks only when we can no longer see a likely enough path to sufficient upside from the current share price, or when an idea we have higher conviction in requires funding. We are wary of prematurely reducing holdings in successful stocks and we consider price moves in the context of evolving growth opportunities.

Key Material Medium to Long Term Risks

Fundamental risk - the permanent loss of capital and the risk of missing out on companies which subsequently post strong returns. We therefore place significant emphasis in our investment management process on understanding the fundamentals of the companies in which we invest, including environmental, social and governance factors (ESG), which may impact the sustainability of future growth.

Portfolio risk - a failure to maintain an appropriate level of diversification at the strategy level. A series of investment guidelines are in place which, coupled with recent enhancements to our portfolio construction approach, are intended to ensure that there is a sufficient level of diversification.

Liquidity risk - a failure to maintain appropriate level of liquidity at the strategy level. We have a series of guidelines that ensure the strategy remains sufficiently liquid to enable positions to be exited or client cash flows to be managed with minimal impact.

Portfolio Composition

We are bottom-up, growth investors with a long-term horizon. We back our judgement, running a concentrated portfolio (usually between 30-50 stocks) with low turnover.

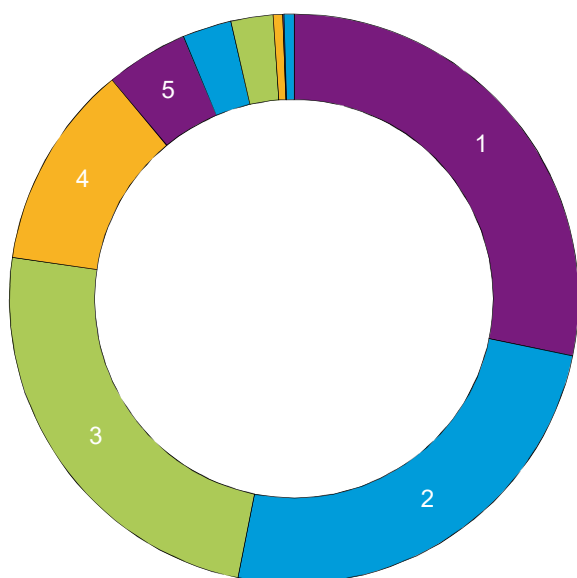
The team aims to outperform by harnessing the asymmetry of returns inherent in equity markets. We believe we will maximise our chances of achieving this aim by identifying the exceptional growth businesses in America and owning them for long enough that the advantages of their business models and cultural strengths become the dominant drivers of their stock prices.

We take a five-year view when investing in stocks and are not driven by short-term trends.

Top Ten Holdings

Asset Name	% of Portfolio
Amazon.com	8.2
The Trade Desk	8.0
Shopify 'A'	6.4
Meta Platforms Inc	5.7
Netflix Inc	5.3
Doordash Inc	5.0
Cloudflare Inc	4.6
NVIDIA	4.4
Duolingo Inc	3.5
Tesla Inc	3.2

Sector Analysis of Total Assets



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

Source: Baillie Gifford & Co.
Please note that totals may not add due to rounding.

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	20

Rolling One Year Turnover is calculated as the lesser of the sum of all purchases and the sum of all sales in each month divided by the monthly average market value, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon.

Transaction costs:	%
Explicit transaction costs	0.01
Implicit transaction costs	0.12

Explicit costs are directly observable and include broker commissions and transaction taxes and fees. Implicit costs are the indirect costs associated with buying and selling of securities. Specifically, implicit costs represent the differential between the actual transaction price (excluding taxes and commissions) and the mid-market price of the asset when the order to transact was transmitted to a third-party. Due to the methodology used, overall transaction costs may be 'negative' if individual securities are purchased below the prevailing mid-price or conversely sold above the mid-price. Current MiFID II guidance requires us to disclose these costs, even if they result in a negative figure (i.e. an implicit gain to the investor).

Our Governance and Sustainability Approach

We look beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on their long-term prospects, including material governance and sustainability factors which we believe will positively or negatively affect the financial returns of an investment. In keeping with our decentralised and autonomous culture, we are comfortable with our various investment strategies taking different approaches to reach the same goal of properly assessing and weighing up governance and sustainability considerations in the investment process. Further information regarding our approach is detailed in our Governance and Sustainability Principles and Guidelines available in the About Us section of our website.

Our Approach to Voting and Engagement

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource the responsibility of voting to third-party suppliers. We utilise research from proxy advisers for information only. Additionally, Baillie Gifford does not lend securities on behalf of our clients. Where a client chooses to lend securities, we may consider requesting that clients recall any securities on loan to enable us to vote if we deem a meeting to be significant or contentious.

We engage regularly with management and board members to identify and understand issues and to monitor performance. Analysts from the Governance and Sustainability team regularly join our investors for these meetings, in addition to meetings that they will arrange directly with company representatives to discuss specific issues. Further details of Baillie Gifford's approach to voting and engagement is outlined in our Governance and Sustainability Principles and Guidelines document available in the About Us section of our website.

Detailed below are the engagements and the most significant votes we have carried out.

Company Engagement

Engagement Type	Company
Environmental	Affirm, Inc., Amazon.com, Inc., Chewy, Inc., Insulet Corporation, Moderna, Inc., NVIDIA Corporation, Penumbra, Inc., Roku, Inc., Shopify Inc., Sprout Social, Inc., Tesla, Inc., The Trade Desk, Inc., Watsco, Inc.
Social	Amazon.com, Inc., Cloudflare, Inc., Insulet Corporation, Oddity Tech Ltd., Rivian Automotive, Inc., Samsara Inc., Tesla, Inc., The Trade Desk, Inc.

Governance	Affirm, Inc., Alnylam Pharmaceuticals, Inc., Amazon.com, Inc., Block, Inc., Chewy, Inc., CoStar Group, Inc., Datadog, Inc., Denali Therapeutics Inc., Ginkgo Bioworks Holdings, Inc., Guardant Health, Inc., Meta Platforms, Inc., Moderna, Inc., NVIDIA Corporation, Netflix, Inc., Oddity Tech Ltd., Penumbra, Inc., Pinterest, Inc., Recursion Pharmaceuticals, Inc., Rivian Automotive, Inc., Roblox Corporation, Roku, Inc., Samsara Inc., Shopify Inc., Snowflake Inc., Sprout Social, Inc., Tesla, Inc., The Trade Desk, Inc., Workday, Inc.
Strategy	Amazon.com, Inc., Block, Inc., Cloudflare, Inc., CoStar Group, Inc., Datadog, Inc., Denali Therapeutics Inc., DoorDash, Inc., Ginkgo Bioworks Holdings, Inc., Guardant Health, Inc., Insulet Corporation, Moderna, Inc., Oddity Tech Ltd., Rivian Automotive, Inc., Roblox Corporation, The Trade Desk, Inc.

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies	42	7
Resolutions	290	24
		3
		3

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
10X Genomics Inc Class A	Annual 11/06/24 Resolution(s): 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Amazon.com	Annual 22/05/24 Resolution(s): 10	We supported a shareholder resolution requesting a report on how the company's climate strategy is consistent with a 'just' transition. Amazon's pledge to reach net zero by 2040 suggests dramatic transformations are imminent. We believe they should carefully consider the impacts their climate strategy will have on stakeholders and any barriers to implementation. This is consistent with how we voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Amazon.com	Annual 22/05/24 Resolution(s): 11	We supported a shareholder resolution requesting a report on plastic use. Plastic pollution poses financial, operational and reputational risks to the company. While we continue to believe that Amazon are making progress, we think more could be done particularly with regards to how they influence their manufacturers in reducing their usage. We also believe the company lags peers who disclose total plastic use and reduction targets. Better addressing this issue will help position the company for long-term future growth. This is consistent with how we voted on this resolution at the 2023 AGM. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.

Company	Meeting Details	Voting Rationale
Amazon.com	Annual 22/05/24 Resolution(s): 12	We supported a shareholder resolution on freedom of association. In light of several recent high profile controversies, we believe that shareholders would benefit from a more thorough examination of the compliance of the company's policies and practices with international fundamental rights. This is consistent with how we have voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Amazon.com	Annual 22/05/24 Resolution(s): 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Amazon.com	Annual 22/05/24 Resolution(s): 7	We supported the shareholder resolution requesting an independent report on lobbying. We continue to believe that shareholders would benefit from an unbiased and independent view of this matter given the concern regarding a lack of disclosure and potential reputational risk when lobbying activities potentially contradict company public positions. Further, it would give insight into Amazon's influence and priorities with regards to its lobbying activities. This is consistent with how we have voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Amazon.com	Annual 22/05/24 Resolution(s): 8	We supported a shareholder resolution on gender/racial pay gap reporting. We have supported this resolution at Amazon for the last four years. We believe that women and minorities are underrepresented in leadership positions compared with the broader workforce, and reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay. We believe a diverse workforce supports future business growth. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Denali Therapeutics	Annual 31/05/24 Resolution(s): 1.002	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Guardant Health Inc	Annual 12/06/24 Resolution(s): 1b	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Meta Platforms Inc	Annual 29/05/24 Resolution(s): 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Meta Platforms Inc	Annual 29/05/24 Resolution(s): 5	We supported the shareholder resolution on equal voting rights as we believe this is in the best interests of long-term shareholders. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.

Company	Meeting Details	Voting Rationale
Netflix Inc	Annual 06/06/24 Resolution(s): 1a	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Netflix Inc	Annual 06/06/24 Resolution(s): 4	We supported the shareholder proposal requesting a transparency report and ethical guidelines in relation to artificial intelligence. We believe that shareholders would benefit from additional transparency on this topic. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Netflix Inc	Annual 06/06/24 Resolution(s): 8	We supported a shareholder proposal to reduce the ownership threshold for shareholders to call a special meeting to fifteen percent. We believe that this lower threshold provides a reasonable balance between shareholder rights and protecting the company from misuse of the authority. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
NVIDIA	Annual 26/06/24 Resolution(s): 4	We supported the shareholder proposal on simple majority voting. We believe that supermajority voting requirements can lead to entrenchment and make it difficult to implement positive corporate government reforms. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Shopify 'A'	Annual 04/06/24 Resolution(s): 3-5	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Snowflake Inc	Annual 02/07/24 Resolution(s): 1b	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Snowflake Inc	Annual 02/07/24 Resolution(s): 4	We supported a shareholder resolution to declassify the board as we believe that annual election cycles at the company will allow for greater director accountability, and will allow shareholders to provide direct feedback through voting. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Tesla Inc	Annual 13/06/24 Resolution(s): 1a, 1b, 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Tesla Inc	Annual 13/06/24 Resolution(s): 6	We supported the shareholder resolution requesting a reduction in director terms. We are supportive of annual elections as it increases accountability to shareholders and works to reduce entrenchment. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.

Company	Meeting Details	Voting Rationale
Tesla Inc	Annual 13/06/24 Resolution(s): 7	We supported a shareholder resolution requesting the company adopt a majority voting standard and remove the supermajority voting standard. We are generally supportive of the removal of the supermajority provision as its presence makes the passing of other governance-positive amendments to bylaws improbable. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Tesla Inc	Annual 13/06/24 Resolution(s): 8	We supported the shareholder resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. We believe quantitative disclosure would help us understand and monitor the company's efforts. This is consistent with how we have voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
The Trade Desk	Special 14/11/24 Resolution(s): 1, 2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
Watsco Inc	Annual 03/06/24 Resolution(s): 1a	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.
YETI Holdings	Annual 07/05/24 Resolution(s): 1.001	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because Baillie Gifford swung the vote. This resolution is significant because it received greater than 20 per cent opposition.
YETI Holdings	Annual 07/05/24 Resolution(s): 1.002	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20 per cent opposition.

Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
10X Genomics Inc Class A	Annual 11/06/24 Resolution(s): 4	We opposed the executive compensation as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.
Amazon.com	Annual 22/05/24 Resolution(s): 17	We opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. The company continues to make demonstrable progress on health and safety. They continue to provide extensive disclosure and detailed safety metrics and continue to take pre-emptive action, investing in safety initiatives, tech, and programs. This is consistent with how we have voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.

Company	Meeting Details	Voting Rationale
Amazon.com	Annual 22/05/24 Resolution(s): 2	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls. This resolution is significant because we opposed the election of auditors.
Chewy	Annual 11/07/24 Resolution(s): 4	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders. This resolution is significant because we opposed remuneration.
Roku	Annual 06/06/24 Resolution(s): 2	We opposed the omnibus stock plan which sought to extend the evergreen provision because we have concerns with the potential dilution and the historic burn rate. In addition, we have concerns with the plan permitted the repricing of options without shareholder approval. This resolution is significant because we opposed remuneration.
Roku	Annual 06/06/24 Resolution(s): 3	We opposed executive compensation as we believe the salary amount for one named executive officer is particularly excessive. We are concerned that this does not provide for alignment between pay and company performance. This resolution is significant because we opposed remuneration.
Tesla Inc	Annual 13/06/24 Resolution(s): 9	We opposed the shareholder resolution requesting the company adopt a policy on freedom of association and collective bargaining. These rights are enshrined in the National Labor Relations Act and like any US company, Tesla must comply with the law and this is not a matter for company policy. This is consistent with how we have voted on this resolution previously. This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.

Significant Abstentions

There were no significant abstentions

Conflicts of Interest

Baillie Gifford maintains a firm-wide Conflicts Matrix, which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. Baillie Gifford's firm wide conflict of interest disclosure is available in the Important Disclosures area of our website

We recognise the importance of managing potential conflicts of interest that may exist when we engage with or vote at a company with whom we have a material business or personal relationship and the Governance and Sustainability team is responsible for monitoring these possible material conflicts of interest.

The Governance and Sustainability team's approach to dealing with conflicts of interest in relation to voting and engagement can be found in our Investment Stewardship Activities report which is available in the Governance and Sustainability area of our website.

