

Baillie Gifford China Fund

Shareholder Rights Directive Annual Disclosure
for the period 01 January 2023 to 31 December 2023



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 are long-term, active, growth investors focused on identifying those companies that can grow their earnings, faster than the market over the long-term. Stock prices are wildly unpredictable in the short-term, however, ultimately, share prices do reflect the earnings capability of a company over the long-term. So, when we find a company that has the potential to grow its profits significantly over time, we must invest with the patience that allows a good decision to prove its worth. To this end, we ask clients to judge us over a 5 year plus time frame, over which period our aim is to outperform the MSCI China All Shares Index, after fees.

How We Make Investment Decisions

All investment ideas, whether existing holdings or new ideas, are discussed weekly stock meeting. This is the opportunity to challenge and explore the research, drawing on the collective experience of the team. The three decision makers for the Fund are based in Edinburgh. The strategy is further supported by two investors who feed additional China insights and research, including on-the-ground perspectives from our Shanghai team.

The decision as to whether to buy or sell a stock is taken by a portfolio construction group, which is made up of three experienced investment managers. They typically meet on a monthly basis to discuss portfolio construction. Stock weightings are determined by a combination of the conviction in the investment case, the scale and probability of the relative expected return and the context of the holding in relation to the rest of the portfolio.

Our sell discipline is triggered if a company no longer meets our growth hurdle, if the investment case no longer stands up to scrutiny, if the valuation no longer leaves sufficient upside or if there are significantly better ideas elsewhere.

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 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.

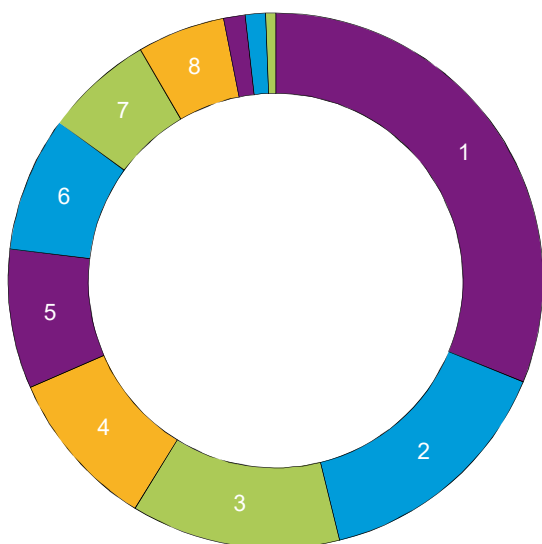
Portfolio Composition

The Fund aims to invest in an actively managed portfolio of Chinese market stocks. We invest on a long-term (5 year) perspective, and have a strong preference for growth. We are looking for significant upside in each stock that we invest in. The process is driven by rigorous, fundamental, bottom-up analysis undertaken by our dedicated Emerging Markets Team. The fund managers draw on this analysis, as well as insights gleaned from discussion with all of Baillie Gifford's global investors, to produce a portfolio that typically holds 40-80 stocks.

Top Ten Holdings

Asset Name	% of Portfolio
Tencent	9.2
Alibaba Group Holding	6.8
Kweichow Moutai 'A'	5.5
PDD Holdings Inc	5.2
Meituan	3.0
Zijin Mining Group Co Ltd 'H'	2.9
Sanhua Intelligent Controls 'A'	2.8
Ping An Insurance	2.7
China Merchants Bank 'H'	2.7
BeiGene HK Line	2.4

Sector Analysis of Total Assets



	%
1 Consumer Discretionary	31.5
2 Industrials	15.2
3 Communication Services	12.8
4 Information Technology	9.8
5 Health Care	8.5
6 Consumer Staples	8.2
7 Financials	6.6
8 Materials	5.4
9 Real Estate	1.3
10 Utilities	1.2
11 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	11

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	0.06
Implicit transaction costs	-0.11

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	BYD Company Limited, Brilliance China Automotive Holdings Limited, Centre Testing International Group Co. Ltd., Contemporary Amperex Technology Co., Limited, Dongguan Yiheda Automation Co., Ltd, JD.com, Inc., Li Ning Company Limited, Medlive Technology Co., Ltd., Meituan, Midea Group Co., Ltd., Shenzhen Inovance Technology Co.,Ltd, Tencent Holdings Limited, Zijin Mining Group Company Limited
Social	BYD Company Limited, BeiGene, Ltd., JD.com, Inc., Li Ning Company Limited, Meituan, Minth Group Limited, SG Micro Corp, Sungrow Power Supply Co., Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited
Governance	Alibaba Group Holding Limited, BYD Company Limited, BeiGene, Ltd., Beijing United Information Technology Co.,Ltd., Brilliance China Automotive Holdings Limited, Centre Testing International Group Co. Ltd., China Merchants Bank Co., Ltd., Contemporary Amperex Technology Co., Limited, Dongguan Yiheda Automation Co., Ltd, Fuyao Glass Industry Group Co., Ltd., Guangzhou Kingmed Diagnostics Group Co., Ltd., JD.com, Inc., KE Holdings Inc., Kingdee International Software Group Company Limited, Kweichow Moutai Co., Ltd., LONGi Green Energy Technology Co., Ltd., Li Ning Company Limited, Medlive Technology Co., Ltd., Meituan, PDD Holdings Inc., SG Micro Corp, Silergy Corp., Tencent Holdings Limited, WuXi AppTec Co., Ltd., Yunnan Energy New Material Co., Ltd., Zhejiang Sanhua Intelligent Controls Co.,Ltd, Zijin Mining Group Company Limited
Strategy	BYD Company Limited, Brilliance China Automotive Holdings Limited, Zijin Mining Group Company Limited

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies 61	Companies 22	Companies 12
Resolutions 1386	Resolutions 40	Resolutions 27

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
BeiGene HK Line	AGM 15/06/23 Resolution(s): 6, 8, 9	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Brilliance China Automotive	AGM 20/06/23 Resolution(s): 2.B, 2.C, 4.A, 4.C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Dongguan Yiheda Automation Co 'A'	EGM 09/02/23 Resolution(s): 13	This proposal is a shareholder proposal by technicality only, as it was raised by a controlling shareholder and has been endorsed by the board of directors. As management is barred from adding agenda items once proxy materials have been released, it is not uncommon in China for a major shareholder to propose additional agenda items. They are usually presented with consent of and at the request of management. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Estun Automation 'A'	EGM 27/03/23 Resolution(s): 1-3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Estun Automation 'A'	AGM 19/05/23 Resolution(s): 8, 10	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Haier Smart Home 'H'	AGM 26/06/23 Resolution(s): 9	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Kingdee Int'l Software Group	AGM 18/05/23 Resolution(s): 7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Kingsoft Corp Ltd	AGM 24/05/23 Resolution(s): 5, 7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Li Ning	AGM 14/06/23 Resolution(s): 3.1B, 3.1C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Minth Group	AGM 31/05/23 Resolution(s): 16, 18	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Shenzhou International Group Holdings	AGM 30/05/23 Resolution(s): 8, 10	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Silergy	AGM 26/05/23 Resolution(s): 6	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Sunny Optical Technology	AGM 24/05/23 Resolution(s): 5, 7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Tencent	AGM 17/05/23 Resolution(s): 5	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Tencent	EGM 17/05/23 Resolution(s): 1A-7	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
China Merchants Bank 'H'	AGM 27/06/23 Resolution(s): 6	We opposed the auditor's reappointment due to the lack of disclosure around high level of non-audit fees, which raises concern over the independence and objectivity of the auditor. This resolution is significant because we opposed the election of auditors.

Company	Meeting Details	Voting Rationale
China Merchants Bank 'H'	AGM 27/06/23 Resolution(s): 9	We opposed the election of a director as despite not being independent, they will join the audit committee, contrary to our expectation for such a committee to be fully independent. This resolution is significant because we opposed the election of a director.
Geely Automobile Holdings	EGM 28/04/23 Resolution(s): 1, 3	We opposed two resolutions related to the 2023 Share Option Scheme due to concerns regarding eligible participants and because the potential dilution levels from requested awards is not in the interests of shareholders. This resolution is significant because we opposed remuneration.
Huayu Auto Systems 'A'	AGM 16/06/23 Resolution(s): 7	We opposed the resolution on related party transactions due to concerns with the fairness and risk of the transactions. This resolution is significant because it received greater than 20% opposition.
Kweichow Moutai 'A'	AGM 13/06/23 Resolution(s): 10, 10	We opposed the investment in the industrial development funds as we find that the proposed investment is a high-risk venture that lacks a clear strategic purpose and exposes the company to unnecessary risks. This resolution is significant because it received greater than 20% opposition.
Li Ning	AGM 14/06/23 Resolution(s): 7	We opposed the amendments to the articles of association because the provision to shorten meeting notification is not in the best interests of shareholders. This resolution is significant because it received greater than 20% opposition.
Li Ning	EGM 14/06/23 Resolution(s): 1, 2	We opposed the Share Option Scheme and Share Award Scheme due to the inclusion of single trigger change in control provisions and because the potential dilution levels are not in the interests of shareholders. This resolution is significant because we opposed remuneration.
Minth Group	AGM 31/05/23 Resolution(s): 19	We opposed the amendments to the articles of association because one amendment reduces the notice period for extraordinary general meetings, which is not in the best interests of foreign investors voting by proxy. This resolution is significant because it received greater than 20% opposition.
NetEase HK Line	AGM 15/06/23 Resolution(s): 4	We opposed the incentive plan due to the possibility for option repricing. This resolution is significant because we opposed remuneration.
PDD Holdings Inc	Annual 08/02/23 Resolution(s): 5	We opposed the election of the director who is the chair of the nomination committee because the board remains entirely male. We have previously engaged with the company on this issue and explained that we expected the gender diversity of the board to improve by this annual general meeting. We believe that diversity would bring different perspectives to the board which is ultimately important for the long-term prospects of the company. This resolution is significant because we identified a material E, S or G issue which resulted in Baillie Gifford opposing management.

Company	Meeting Details	Voting Rationale
Pop Mart International Group L	AGM 17/05/23 Resolution(s): 6-8	We opposed the ratification of the incentive plan, as we have concerns over several features of the scheme, including short-term vesting period, broad pool of participants and the lack of disclosure of performance metrics. This resolution is significant because we opposed remuneration.
Sanhua Intelligent Controls 'A'	AGM 19/05/23 Resolution(s): 9, 9	We opposed the re-appointment of the auditors due to concerns over a controversy involving the signing audit partner. This resolution is significant because we opposed the election of auditors.
WuXi AppTec 'H'	AGM 31/05/23 Resolution(s): 10	We opposed the remuneration for directors due to a significant increase in base salary for the CEO/Chair without an accompanying rationale. This resolution is significant because we opposed remuneration.
Yonyou 'A'	EGM 15/09/23 Resolution(s): 1-3	We opposed three resolutions to approve the employee share purchase plan due to shares being issued at a significant discount to current market price. This resolution is significant because we opposed remuneration.
Yunnan Energy New Material 'A'	AGM 24/03/23 Resolution(s): 12	We opposed the provision of financial assistance to the company's subsidiaries. We were concerned by the lack of disclosure regarding the financial assistance provided per entity and that amounts provided were disproportionate to the company's shareholding in those entities. This resolution is significant because it received greater than 20% opposition.

Significant Abstentions

Company	Meeting Details	Voting Rationale
Weichai Power 'H'	AGM 28/06/23 Resolution(s): 6	We abstained on a financial budget report due to a lack of disclosure. This resolution is significant because it received greater than 20% opposition.

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.

