

Baillie Gifford™

Baillie Gifford European 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 bottom-up, growth-orientated, long-term investors. We back our judgement, running reasonably concentrated portfolios and focus on being long-term co-owners of businesses, typically with an investment horizon of 5-10 years. We want to identify Europe's outliers, the rare companies which can go on to dominate stock market returns. These companies typically have large growth opportunities, the potential to expand their profit margins, an enduring ability to maintain competitive advantages over other companies and exhibit a high degree of alignment with us as shareholders as well as its broader stakeholders. Ultimately, we are exploiting the lack of imagination and short-termism in the market rather than waiting for valuations of slower growing companies to re-rate. The aim of our investment process is to produce above average long-term returns by managing a committed portfolio which is significantly different from its benchmark and that should add considerable value for clients over the long-term.

How We Make Investment Decisions

Our investment process is patient and repeatable, and provides the foundation for high conviction, bottom up stock-picking. It is designed to identify stocks with the potential to generate asymmetric returns and to own them for the long-term. We believe that diverse teams generally make better decisions than individuals, but that large teams can suffer from indecision and hesitancy. All members of our European team are responsible for researching stocks and every investor contributes to the generation of new ideas, stock research and stock discussions, which occur on a weekly basis. In addition, the team has a dedicated ESG Analyst who is responsible for working collaboratively with the investment managers, providing ESG research reports that both challenge and contribute to the investment decision making process. The Europe ex UK strategy is managed by three decision makers whose job it is to take the team's research output and translate this into a high conviction portfolio. In order to mitigate group-think and encourage dissent, we seek to back individual convictions, meaning that we do not require consensus for ultimate decision making.

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.

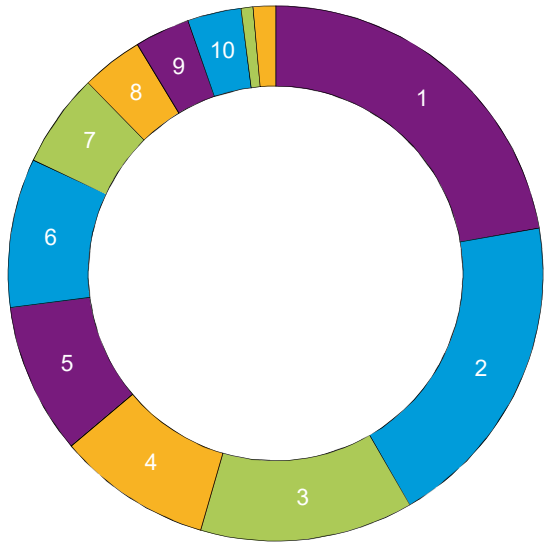
Portfolio Composition

The Fund aims to produce long-term returns by investing in a concentrated portfolio of European stocks, constructed with little regard for the index. The Fund adopts a long-term time horizon of five years and beyond and positioning is based on bottom up stock selection. We are growth investors and invest in companies that have the potential to grow sustainably over the long-term.

Top Ten Holdings

Asset Name	% of Portfolio
Ryanair	5.3
Prosus N.V.	5.1
Schibsted B	4.7
Topicus.Com Inc	4.2
Atlas Copco B	4.2
ASML	4.1
Avanza Bank Holding	3.7
Kingspan Group	3.6
IMCD Group NV	3.6
Allegro.eu	3.3

Geographic Analysis of Total Assets



	%
1 Netherlands	22.3
2 Sweden	19.3
3 France	12.9
4 Switzerland	9.3
5 Ireland	9.1
6 Germany	9.0
7 Norway	5.7
8 Denmark	3.7
9 Poland	3.3
10 Italy	3.2
11 Luxembourg	0.7
12 Cash	1.3

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

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	17

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	0.04
Implicit transaction costs	0.05

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	Adyen N.V., CRISPR Therapeutics AG, DSV A/S, IMCD N.V., Nexans S.A., Prosus N.V., Ryanair Holdings plc, Topicus.com Inc., Wizz Air Holdings Plc
Social	Adyen N.V., DSV A/S, Kering SA, Kingspan Group plc, Ryanair Holdings plc, Wizz Air Holdings Plc
Governance	ASML Holding N.V., Adyen N.V., Allegro.eu SA, Beijer Ref AB (publ), CRISPR Therapeutics AG, Compagnie Financière Richemont SA, DSV A/S, Dassault Systèmes SE, Delivery Hero SE, Eurofins Scientific SE, Evotec SE, Hemnet Group AB (publ), IMCD N.V., Kering SA, Kingspan Group plc, Kinnevik AB, Mettler-Toledo International Inc., Nexans S.A., Sartorius Stedim Biotech S.A., Schibsted ASA, Soitec SA, Wizz Air Holdings Plc
Strategy	Ryanair Holdings plc, Schibsted ASA

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies 44	Companies 15	Companies 4
Resolutions 902	Resolutions 28	Resolutions 4

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
adidas	AGM 11/05/23 Resolution(s): 5, 6	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
CRISPR Therapeutics AG	Annual 08/06/23 Resolution(s): 4.c, 5.a, 6.b-6.d, 10, 12c	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Evotec	AGM 20/06/23 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.
HelloFresh SE Ordinary	AGM 12/05/23 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.
Hypoport	AGM 02/06/23 Resolution(s): 4.1, 6, 9	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Wizz Air Holdings Plc	AGM 02/08/23 Resolution(s): 3, 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Zalando SE	AGM 24/05/23 Resolution(s): 6, 7.3	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
Adevinta	AGM 29/06/23 Resolution(s): 7	We opposed the remuneration report due to concerns with the use of discretion to allow long term awards to vest when the performance condition was not met. This resolution is significant because we opposed remuneration.
Auto1 Group SE	AGM 07/06/23 Resolution(s): 8	We opposed the remuneration policy due to concerns with the overall structure and stringency of the terms of the 2020 share option grant to the chief executive officer. This resolution is significant because it received greater than 20% opposition.
Auto1 Group SE	AGM 07/06/23 Resolution(s): 9	We opposed the amendment to the terms of the 2020 share option grant to the chief executive officer, due to concerns with the overall structure and appropriateness and stringency of operational targets. This resolution is significant because we opposed remuneration.
CRISPR Therapeutics AG	Annual 08/06/23 Resolution(s): 15	We opposed the request to authorise other business. We do not believe this is in the best interests of clients who vote by proxy. This resolution is significant because it received greater than 20% opposition.
CRISPR Therapeutics AG	Annual 08/06/23 Resolution(s): 6.e-7	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because it received greater than 20% opposition.
CRISPR Therapeutics AG	Annual 08/06/23 Resolution(s): 9	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 it received greater than 20% opposition.
HelloFresh SE Ordinary	AGM 12/05/23 Resolution(s): 8	We opposed an amendment to the articles of association to increase director terms from two to four years. We believe that the current provisions under the articles are appropriate and that this change is not in the best interest of shareholders. This resolution is significant because it received greater than 20% opposition.
Kering	MIX 27/04/23 Resolution(s): 4, 6	We opposed three resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal. This resolution is significant because we opposed remuneration.
Kering	MIX 27/04/23 Resolution(s): 5	We opposed three resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal. This resolution is significant because it received greater than 20% opposition.
Mettler-Toledo	Annual 04/05/23 Resolution(s): 3	We opposed the executive compensation resolution as we do not consider the stringency of the long-term targets to be appropriate. This resolution is significant because we opposed remuneration.

Company	Meeting Details	Voting Rationale
Richemont	AGM 06/09/23 Resolution(s): 6.1	We opposed the appointment of the chair of the remuneration committee due to ongoing concerns with executive variable remuneration practices which we do not believe are in the best long term financial interests of shareholders. Concerns include poor disclosure and a lack of responsiveness to previous shareholder dissent. This vote is significant as we identified a material E, S or G issue which led to us opposing management.
Richemont	AGM 06/09/23 Resolution(s): 9.3	We opposed the approval of executive variable remuneration due to ongoing concerns with remuneration practices which we do not believe are in the best long term financial interests of shareholders. Concerns include poor disclosure and a lack of responsiveness to previous shareholder dissent. This resolution is significant because we opposed remuneration.
Wizz Air Holdings Plc	AGM 02/08/23 Resolution(s): 2	We opposed the remuneration report due to concerns with the use of discretion during the year to change the performance metrics attached to the annual bonus which we did not consider to be reflective of the company's performance. This resolution is significant because it received greater than 20% opposition.
Wizz Air Holdings Plc	AGM 02/08/23 Resolution(s): 28	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 it received greater than 20% opposition.

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.

