

Baillie Gifford Global Discovery 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

The universe of smaller companies is vast- perhaps 50,000 globally - and exciting because it may contain the winning companies of the future. Global Discovery aims to produce superior long-term returns by investing in a portfolio of these smaller, immature companies with significant growth potential.

The opportunity for superior returns arises because:

- We routinely observe that it is the less mature, more entrepreneurial companies that shape the evolution of an industry. It is striking how little innovation originates directly from large businesses and how often bigger corporations are bad at dealing with change. Size and market dominance often create a formidable barrier to competition, but the cultural baggage and management dislocation that inevitably builds can be a significant impediment to the necessary evolution of a business.
- Smaller companies are, therefore, interesting not because they are small but rather because the stage of development of their business can offer significant upside potential with regards to profit growth and, ultimately, share price appreciation.
- Bottom-up research is at its most valuable when assessing immature businesses. The businesses are often simpler and yet it is typically during this early stage that the market's understanding of a company's growth potential is at its least developed.
- Inefficiencies and valuation anomalies are more common further down the market cap scale.
- Our style of investment is well suited, first, to identifying interesting businesses early in their development and, subsequently, backing them with a long-term investment horizon and the ability to look through short-term volatility.

We focus our new idea generation on investment opportunities in companies with a market cap of \$10bn and below.

How We Make Investment Decisions

The Global Discovery team comprises three full time portfolio managers, one senior investment analyst and two investment analysts. Team members are generalists and there are no geographical or sector constraints on what stocks the team can consider - we want our horizons to be as broad as possible.

Stocks under consideration for inclusion in the portfolio are discussed by the Global Discovery Team. The Head of the Team, has ultimate decision-making responsibility, supported by two co-managers. However, we actively encourage an environment that gives individual analysts a high degree of influence and, at the portfolio level, accommodates for tentative, individually higher risk stock ideas. Once purchased, each holding's operational performance and valuation are continually monitored. In addition, the team conducts a regular, collaborative, formal portfolio review.

We believe that size is a fairly poor guide to the immaturity. Consequently, we would expect some of the companies held to grow to \$10bn and beyond. Should this occur, we would not look to sell the holding on size reasons alone, instead preferring to sell based on our assessment of a company's fundamentals and valuation.

Global Discovery holdings will, by their nature, offer a wide range of potential outcomes. We aim to embrace this uncertainty and believe it is important that the portfolio is:

- adequately diversified by name and thematic influence; and
- sufficiently broad so as to be open to the inclusion of new ideas.

Hence, the portfolio consists of c.80-125 stocks, with holding sizes typically 0.75% - 3% at time of purchase determined purely by investment merit.

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.

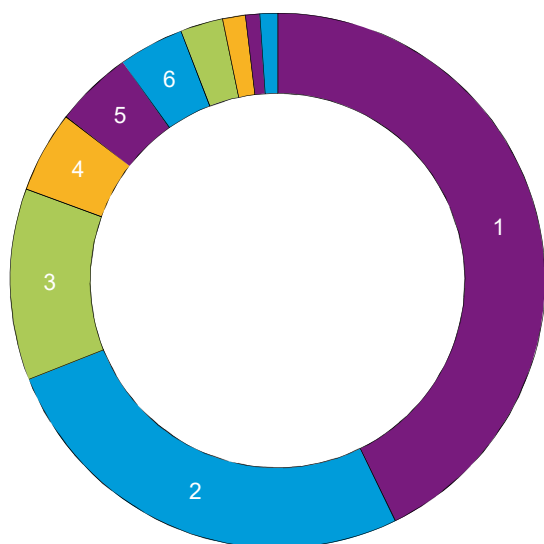
Portfolio Composition

The Fund invests in companies that offer significant growth prospects with an emphasis on companies operating in industries with potential for structural change and innovation. The Fund's holdings will, by their nature, offer a wide range of potential outcomes. We aim to embrace this uncertainty and believe it is important that the portfolio is adequately diversified by name and thematic influence; and sufficiently broad so as to be open to the inclusion of new ideas. The Fund has a bias towards smaller companies.

Top Ten Holdings

Asset Name	% of Portfolio
Alnylam Pharmaceuticals	7.0
Ocado	4.9
Zillow Group Inc Class C	3.9
MarketAxess Holdings	3.4
Oxford Nanopore Technologies PLC	3.1
Schrodinger	3.0
Exact Sciences	2.9
Aerovironment	2.8
Staar Surgical	2.8
Upwork Inc	2.7

Sector Analysis of Total Assets



	%
1 Health Care	42.7
2 Information Technology	26.2
3 Industrials	11.6
4 Consumer Staples	4.9
5 Financials	4.7
6 Real Estate	3.9
7 Consumer Discretionary	2.6
8 Communication Services	1.4
9 Materials	0.8
10 Cash	1.1

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

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	6

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	0.07

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	AeroVironment, Inc., Akili, Inc., Ambarella, Inc., Appian Corporation, Axon Enterprise, Inc., BlackLine, Inc., Collectis S.A., Codexis, Inc., DLocal Limited, Ilika plc, JFrog Ltd., MP Materials Corp., MercadoLibre, Inc., Nanobiotix S.A., New Horizon Health Limited, NovoCure Limited, Progyny, Inc., QuantumScape Corporation, Sutro Biopharma, Inc., Twist Bioscience Corporation
Social	Chegg, Inc., M3, Inc., MP Materials Corp.
Governance	AbCellera Biologics Inc., Adaptimmune Therapeutics plc, AeroVironment, Inc., Akili, Inc., Alnylam Pharmaceuticals, Inc., BlackLine, Inc., C4X Discovery Holdings plc, Collectis S.A., Ceres Power Holdings plc, Chegg, Inc., Codexis, Inc., Exact Sciences Corporation, Expensify, Inc., Fiverr International Ltd., IPG Photonics Corporation, JFrog Ltd., Kingdee International Software Group Company Limited, M3, Inc., MP Materials Corp., MarketAxess Holdings Inc., New Horizon Health Limited, NovoCure Limited, NuCana plc, Pacira BioSciences, Inc., QuantumScape Corporation, STAAR Surgical Company, TransMedics Group, Inc., Twist Bioscience Corporation, Xero Limited, Zai Lab Limited, Zuora, Inc.

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies	91	28
Resolutions	908	40
		10
		23

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
Abcellera Biologics Inc	Annual 15/06/23 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% opposition.
Adicet Bio Inc	Annual 01/06/23 Resolution(s): 1.001	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Aerovironment	Annual 29/09/23 Resolution(s): 6	We supported the shareholder proposal seeking declassification of the board of directors because we believe that, absent a compelling, company-specific reason otherwise, annual elections are best practice as they facilitate greater accountability of directors to shareholders. This resolution is significant because we identified a material E, S or G issue which resulted in Baillie Gifford not supporting management.
Ambarella	Annual 21/06/23 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% opposition.
Axon Enterprise Inc	Annual 31/05/23 Resolution(s): 1C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Blackline	Annual 10/05/23 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% opposition.

Company	Meeting Details	Voting Rationale
Cardlytics Inc	Annual 23/05/23 Resolution(s): 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Chegg	Annual 07/06/23 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% opposition.
Codexis	Annual 13/06/23 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.
Genmab	AGM 29/03/23 Resolution(s): 7.A-7.C	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Hua Medicine	AGM 29/06/23 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.
iRobot	Special 12/10/23 Resolution(s): 2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
ITM Power	AGM 29/09/23 Resolution(s): 2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
JFrog Ltd	Annual 15/05/23 Resolution(s): 1.3, 6	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.
LivePerson Inc	Annual 05/10/23 Resolution(s): 1a, 1b	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Liveramp Holdings Inc	Annual 15/08/23 Resolution(s): 2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Nanobiotix ADR	Special 01/09/23 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.
New Horizon Health Limited	AGM 09/06/23 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.
Novocure Ltd	Annual 07/06/23 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% opposition.

Company	Meeting Details	Voting Rationale
Pacira BioSciences	Annual 13/06/23 Resolution(s): 1.002, 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Progyny	Annual 24/05/23 Resolution(s): 1.2, 1.3, 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Quanterix Corp	Annual 07/06/23 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% opposition.
Renishaw	AGM 29/11/23 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.
Schrodinger	Annual 15/06/23 Resolution(s): 1a-1c	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
ShockWave Medical Inc	Annual 13/06/23 Resolution(s): 1.001, 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Sprout Social	Annual 22/05/23 Resolution(s): 1c	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Staar Surgical	Annual 15/06/23 Resolution(s): 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Stratasys	Special 08/08/23 Resolution(s): 1B-1H	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Stratasys	Special 28/09/23 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.
Sutro Biopharma	Annual 08/06/23 Resolution(s): 1.002, 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Teladoc	Annual 25/05/23 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% opposition.
TransMedics Group	Annual 25/05/23 Resolution(s): 1c	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Twist Bioscience Corp	Annual 07/02/23 Resolution(s): 1.002, 1.001	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
Upwork Inc	Annual 09/06/23 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% opposition.
Zai Lab HK Line	AGM 20/06/23 Resolution(s): 14	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
Adicet Bio Inc	Annual 01/06/23 Resolution(s): 2	We opposed the resolution to amend the 2018 equity incentive plan due to the inclusion of several provisions which are below best practice, such as evergreen provisions, re-pricing, and cash buy-outs. This resolution is significant because we opposed remuneration.
Ambarella	Annual 21/06/23 Resolution(s): 3	We opposed executive compensation as we do not believe the long term performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.
Blackline	Annual 10/05/23 Resolution(s): 3	We opposed executive compensation due to concerns with the same metric being used within both the short term and long term variable compensation plans, and short performance periods within the long term plan. This resolution is significant because it received greater than 20% opposition.
Cardlytics Inc	Annual 23/05/23 Resolution(s): 3	We opposed executive compensation due to ongoing concerns with the structure of the annual bonus plan. Performance is calculated on a quarterly basis which we believe is incentivising a very short-term focus which is not in the best interests of long term shareholders. This resolution is significant because it received greater than 20% opposition.
Catapult Group Intl.	AGM 01/08/23 Resolution(s): 3	We opposed the remuneration report due to concerns with lack of disclosure and the short performance period under the long term plan. This resolution is significant because we opposed remuneration.
Collectis	MIX 22/12/23 Resolution(s): 6	We voted against this pro-forma resolution in line with management's recommendation. There is a legal obligation under the French Commercial Code for companies to propose retirement-account share purchase plans at a discount for employees. However, this plan is currently not included within the framework of the Company's existing employee stock-based compensation policy. This resolution is significant because we opposed remuneration.

Company	Meeting Details	Voting Rationale
Collectis ADR	Special 22/12/23 Resolution(s): 6	We voted against this pro-forma resolution in line with Management's recommendation. There is a legal obligation under the French Commercial Code for companies to propose retirement-account share purchase plans at a discount for employees. However, this plan is currently not included within the framework of the Company's existing employee stock-based compensation policy. This resolution is significant because we opposed remuneration.
Chinook Therapeutics	Annual 09/06/23 Resolution(s): 5	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.
Chinook Therapeutics	Special 02/08/23 Resolution(s): 2	We opposed the advisory vote on remuneration for the named executive officers related to the merger as the majority of the awards are single-trigger, and thus are not performance-conditioned. This resolution is significant because it received greater than 20% opposition.
Codexis	Annual 13/06/23 Resolution(s): 3	We opposed executive compensation due to concerns with overlapping metrics and performance targets across the short term and long term plans which results in executives being rewarded twice for the same performance. This resolution is significant because we opposed remuneration.
Cosmo Pharmaceuticals	AGM 26/05/23 Resolution(s): 7	We opposed the authority to grant options to the board as non-executive directors are eligible to participate. This resolution is significant because we opposed remuneration.
freee K.K.	AGM 28/09/23 Resolution(s): 3	We opposed the amendment to the restricted share plan proposal as it still includes independent outside directors. We do not believe granting restricted stock with a three year holding period is appropriate for independent outside directors, as it may compromise their independence. This resolution is significant because we opposed remuneration.
Hua Medicine	AGM 29/06/23 Resolution(s): 2C	We opposed the election of a non-executive director because he sits on six unrelated public boards and we are concerned about the sustainability of his commitments. This resolution is significant because we opposed the election of a director.
IPG Photonics Corp	Annual 23/05/23 Resolution(s): 6	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.
iRobot	Annual 26/05/23 Resolution(s): 3	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.

Company	Meeting Details	Voting Rationale
Liveramp Holdings Inc	Annual 15/08/23 Resolution(s): 3	We opposed the advisory vote to approve executive compensation as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.
MarketAxess Holdings	Annual 07/06/23 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.
Nanobiotix ADR	Annual 27/06/23 Resolution(s): 33	We opposed the warrant plan as non-employee directors are eligible to participate, which we believe could compromise their independence. This resolution is significant because we opposed remuneration.
Ocado	AGM 02/05/23 Resolution(s): 2	We opposed the remuneration report due to concerns over the tranche of the VCP and the lowered targets, which we do not find sufficiently stretching. This resolution is significant because it received greater than 20% opposition.
Pacira BioSciences	Annual 13/06/23 Resolution(s): 3	We continue to oppose executive compensation as we continue to think that an annual performance period for the performance-based component of the long term incentive plan is not sufficiently long term. This resolution is significant because we opposed remuneration.
Stratasys	Special 08/08/23 Resolution(s): 11-10	We opposed the election of seven directors presented for election by Nano Dimension, as we are supporting all director nominees presented by the Company. This resolution is significant because we opposed the election of a director.
Teladoc	Annual 25/05/23 Resolution(s): 6	We opposed a shareholder resolution requesting certain bylaw amendments require shareholder approval. Teladoc Health's current requirements do not appear overly restrictive or out of line with peers. This resolution is significant because it received greater than 20% opposition.
Veeco Instruments	Annual 11/05/23 Resolution(s): 2	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.
Zai Lab HK Line	AGM 20/06/23 Resolution(s): 13	We opposed executive compensation due to retention awards granted during the year. We do not believe that these awards are justified or that they are in the best long term interests of shareholders. This resolution is significant because it received greater than 20% opposition.
Zillow Group Inc Class A	Annual 06/06/23 Resolution(s): 1.1	We opposed the election of a director as we believe the compensation, governance, and nomination committees should be 100% independent and do not feel that Ms. Bohutinsky is sufficiently independent. This resolution is significant because we opposed the election of a director.

Company	Meeting Details	Voting Rationale
Zillow Group Inc Class A	Annual 06/06/23 Resolution(s): 1.3	We opposed the election of a director as the number of commitments he has appears unsustainable. This resolution is significant because we opposed the election of a director.
Zuora Inc Class A	Annual 27/06/23 Resolution(s): 3	We opposed executive compensation due to concerns with practices including quarterly measurement of performance under the long term plan, replacement of underwater options and lowering of performance targets. This resolution is significant because we opposed remuneration.

Significant Abstentions

Company	Meeting Details	Voting Rationale
Aerovironment	Annual 29/09/23 Resolution(s): 1c	We abstained on the election of the chair of the nominating and corporate governance committee because we believe that the company's climate disclosures and targets are not ambitious enough. Demonstrating a high level of ambition on climate is linked to the investment case for this company. We will engage to encourage improvements in this area. This resolution is significant because we identified a material E, S or G issue which resulted in Baillie Gifford not supporting management.
Upwork Inc	Annual 09/06/23 Resolution(s): 3	We abstained on the advisory vote on compensation due to short performance periods under the long-term plan, overlapping metrics and targets between the short- and long-term plan, and concerns over quantum. 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.

