

Baillie Gifford™

Baillie Gifford UK Equity Core 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 active, bottom-up, growth investors and aim to generate positive, market-beating long-term investment returns through investing in UK equities. We believe there are some tremendously exciting British businesses that are true world leaders in their fields with enviable competitive positions. Our goal is to identify these companies and invest in them as stewards of our client's capital for periods of five years and longer, as we believe that share prices will ultimately follow fundamentals over the long term.

How We Make Investment Decisions

First and foremost, all members of the UK Equity team are responsible for carrying out fundamental, company specific research. Ideas are raised at our six-weekly 'Prospects Meeting' and over the intervening weeks, analysts will write deliberately succinct research reports which are circulated to the wider team. The reports follow a set structure, answering five key questions which focus the author on critical issues they are accompanied by a Devil's Advocate piece written by another member of the team to ensure that 'group think' is avoided.

The weekly stock discussions have a formal agenda and are the setting for the team to debate freely and form a view on individual stocks. Different perspectives are heard, and ideas robustly challenged.

The lead manager takes the final decision as to what investments are held and in what size. Importantly though, all of our specialist UK Equity strategies are the collective responsibility of the team, and performance-orientated incentives are based on all of the assets managed by the team. This helps to ensure a sense of ownership, enthusiasm and team engagement, whilst avoiding the pitfalls and constraints of consensus 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 an 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.

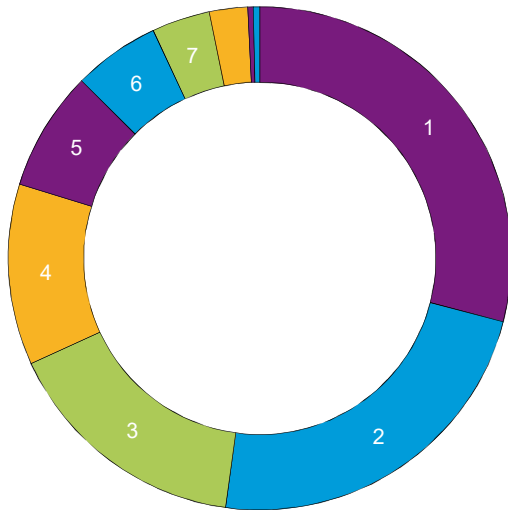
Portfolio Composition

The Fund is actively managed and aims to invest in the best, high quality, growth companies which are principally based in the UK and are capable of growing their earnings faster than the market average. As long-term investors, our typical investment time horizon is five years and turnover is very low. The portfolio comprises 45-65 companies and is substantially differentiated from the benchmark, the FTSE All-Share Index.

Top Ten Holdings

Asset Name	% of Portfolio
Rio Tinto	4.8
AstraZeneca	4.6
Bunzl	4.4
RELX	3.9
Legal & General	3.8
Diageo	3.5
Marks & Spencer	3.5
Prudential	3.4
Unilever	3.3
Auto Trader	3.2

Sector Analysis of Total Assets



	%
1 Industrials	29.3
2 Financials	23.3
3 Consumer Discretionary	16.1
4 Consumer Staples	11.7
5 Health Care	7.8
6 Basic Materials	5.6
7 Technology	3.8
8 Real Estate	2.5
9 Energy	0.3
10 Cash	-0.4

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

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	5

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	0.07
Implicit transaction costs	-0.06

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	Ashtead Group plc, Bodycote plc, EnQuest PLC, Marks and Spencer Group plc, Rio Tinto Group
Social	Bodycote plc, Marks and Spencer Group plc, Rio Tinto Group
Governance	Auto Trader Group plc, Bellway p.l.c., Bodycote plc, Breedon Group plc, Diploma PLC, Exscientia, Hargreaves Lansdown plc, Hiscox Ltd, Howden Joinery Group Plc, IG Group Holdings plc, Informa plc, Intermediate Capital Group plc, James Fisher and Sons plc, Just Group plc, Keller Group plc, Legal & General Group Plc, Marks and Spencer Group plc, Persimmon Plc, Prudential plc, Rio Tinto Group, Sabre Insurance Group plc, St. James's Place plc
Strategy	Diageo plc, Diploma PLC

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies	56	25
Resolutions	1106	26
		5

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
Abcam Plc ADR	Annual 17/05/23 Resolution(s): 18	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Burberry	AGM 12/07/23 Resolution(s): 13	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Hargreaves Lansdown	AGM 08/12/23 Resolution(s): 11-13, 15, 16, 18-20, 22	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Melrose Industries	AGM 08/06/23 Resolution(s): 17	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Molten Ventures	EGM 14/12/23 Resolution(s): 1	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.
Rio Tinto	AGM 06/04/23 Resolution(s): 21	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
St. James's Place	AGM 18/05/23 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% opposition.

Company	Meeting Details	Voting Rationale
Trainline Plc	AGM 29/06/23 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% opposition.
Unilever	AGM 03/05/23 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.

Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
Howden Joinery Group	AGM 04/05/23 Resolution(s): 2	We opposed the remuneration report due to concerns over the long-term performance targets. This resolution is significant because we opposed remuneration.
Melrose Industries	AGM 08/06/23 Resolution(s): 18	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.
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.
Standard Chartered	AGM 03/05/23 Resolution(s): 3	We opposed the resolution to approve the remuneration report because we have concerns with how the company is choosing to calculate pension contribution and variable incentives. This resolution is significant because we opposed remuneration.

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.

