Baillie Gifford™

Baillie Gifford Long Term Global Growth Investment Fund

31 March 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 57 partners with average 21 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Investment Proposition

The LTGG Team is structured such that every investor can contribute meaningfully to the generation of new ideas, stock research and stock discussions. We want to bring cognitive diversity, creativity and imagination to the research process. Once a stock has been fully researched and discussed, the decision makers are responsible for making the ultimate decision on its inclusion (or otherwise) in the portfolio. Their decisions place an emphasis on backing enthusiasm rather than achieving a full consensus. The LTGG portfolio is deliberately concentrated so the bar is high for any stock to be included in the portfolio. Stocks will typically enter the portfolio as small positions. Thereafter, the bias is towards hold discipline and running winners with a belief that asymmetric returns will drive investment performance.

Fund Facts

Fund Launch Date	10 April 2017
Fund Size	£2034.6m
IA Sector	Global
Active Share	91%*
Current Annual Turnover	17%
Current number of stocks	39
Stocks (guideline range)	30-60

*Relative to MSCI ACWI Index from 30 June 2023, previously FTSE All World Index. Source: Baillie Gifford & Co, MSCI.

Fund Manager

Name	Years' Experience
Mark Urquhart*	28
John MacDougall*	24
Michael Pye	11
Gemma Barkhuizen	7

*Partner

Fund Objective

To outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2.5% per annum over rolling five-year periods. Prior to 1st July 2023, to outperform (after deduction of costs) the FTSE All-World index, as stated in Sterling, by at least 2.5% per annum over rolling five-year periods.

The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Global Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	10.3	26.9	-1.7	14.9
Index (%)*	9.3	21.1	10.6	12.1
Target (%)**	10.0	24.2	13.4	14.9
Sector Average (%)***	7.8	16.7	7.2	10.2

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class returns calculated using 10am prices, while the Index is calculated close-to-close.
Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively.
*MSCI ACWI Index from 30 June 2023, previously FTSE All World Index.
**MSCI ACWI Index plus at least 2.5% per annum over rolling five-year periods from 30 June 2023; previously FTSE All World Index plus at least 2.5% per annum over rolling five-year periods.
***IA Global Sector.

Discrete Performance

	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Class B-Acc (%)	18.5	78.5	-10.3	-16.7	26.9
Index (%)*	-6.2	39.6	12.8	-0.9	21.1
Target (%)**	-3.9	43.1	15.6	1.6	24.2
Sector Average (%)***	-6.0	40.6	8.4	-2.7	16.7

Source: FE, Revolution, MSCI. Total return net of charges, in sterling.
Share class returns calculated using 10am prices, while the Index is calculated close-to-close.
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**MSCI ACWI Index plus at least 2.5% per annum over rolling five-year periods from 30 June 2023; previously FTSE All World Index plus at least 2.5% per annum over rolling five-year periods.
***IA Global Sector.

Market environment

Market sentiment has grown increasingly positive about the widespread adoption of Artificial Intelligence (AI) applications across various sectors, boosting certain segments of the global economy and supporting many of the technological growth companies we have identified in the portfolio. Recognising these significant technological trends, which provide multi-decade opportunities, is part of the LTGG team's core investment philosophy.

Performance

Among the largest contributors to performance over the quarter were **Nvidia, Spotify and ASML**

NVIDIA's share price nearly doubled this past quarter, fuelled by its continuous breakthroughs in AI technology. We saw NVIDIA's CEO Jensen Huang showcase innovations at their technology conference, GTC. Huang said, "accelerated computing has reached the tipping point" and demand is surging across industries and countries. This has translated into record quarterly revenues of $22bn, an increase of over 250% from a year ago, and earnings per share rose nearly 8x over the same period. A new GPU chip named Blackwell was unveiled, which is 2x more powerful for training AI models, and has 5x more inference capability.

Spotify's share price this quarter has been buoyed by the focus on profitability and continued user growth, with their monthly active users up to 600mn, up over 20% since last year. Spotify is making headway on efficiency initiatives, which included an executive team reshuffle and headcount reduction. We think the large, growing and engaged user base is Spotify's most distinctive asset. Spotify are providing better podcast distribution, making audiobooks free to paying subscribers and increasing prices, which are positive steps to improving profitability and cash generation.

Despite an uncertain few years for semiconductor equipment, **ASML** continues to operate extremely well, seeing a revenue increase of 30% over 2023. This was driven by increasing sales of DUV (Deep Ultraviolet) and EUV (Extreme Ultraviolet) lithography machine orders. ASML point to the global megatrends of the electronic industry to fuel growth across the semiconductor industry. In their full-year results, the long-term opportunity for ASML was conveyed by management's reiteration of their 2025 and 2030 revenue and gross margin goals, which aims for a doubling of sales and more than a 5% increase in margins.

Among the largest detractors from performance over the quarter were **PDD Holdings, Atlassian and Tesla**

PDD Holdings was one of the largest contributors to performance last quarter, so it is not surprising to see the share price come off slightly following a strong period of performance. However, it is worth restating the incredible operational progress, while PDD still continues to invest in its agricultural and supply chain technology. This quarter's results were strong, with a revenue increase of over 120% compared to this time last year. Although there is no disclosure of Temu's contribution, their ecommerce platform offered in the US, we think the domestic business has reached significant profitability.

For the first time, **Atlassian**'s quarterly revenue exceeded a billion dollars, which is over a 20% increase from the previous year. A key component of Atlassian's strategy is cloud migration, with the company anticipating strong growth going forward, but the market has been concerned about how much of this growth may be inorganic, due to some cloud revenues coming through Atlassian's acquisition of Loom. We think these concerns are overblown and the series of new products in the generative AI space are helping to further expand its offerings.

Tesla's share price continued to decline this quarter, due to reduced expectations for electric vehicle sales and intensifying competition in China. Despite this, it is important to highlight Tesla's remarkable achievement, with Model Y becoming the best-selling vehicle globally in 2023 with over 1.2 million units sold. In the most recent earnings, Tesla explained that by focussing on the next generation vehicle, a $25,000 electric car, they expected slower volume growth in 2024. We are cognisant that Tesla's intrinsic value is based on the company's ability to reach the long-term aims of selling 10-20 million cars per year, at an attractive margin with additional upside from energy and software businesses.

Notable transactions

During the quarter, we made four new purchases, electric truck manufacturer Rivian, Italian luxury company Moncler, robotics business Symbotic, and South American neo bank Nu Holdings. Over the quarter, we sold longstanding positions in Alibaba and NIO due to increased competition and lacking conviction in the long-term growth opportunity.

Market Outlook

Our outlook remains unchanged. We aim to invest in a concentrated portfolio of exceptional growth over the long term. We seek out companies that can grow to multiples of their current size, have a sustainable competitive advantage, are led by visionary and entrepreneurial management teams, and have a clear path to long-term profitability.

Stock Level Attribution

Top and Bottom Ten Contributors to Relative Performance

Quarter to 31 March 2024

Stock Name	Contribution (%)
NVIDIA	3.1
Spotify	0.8
Apple	0.8
ASML	0.8
Adyen	0.7
Amazon.com	0.4
Netflix	0.4
The Trade Desk	0.4
Advanced Micro Devices	0.4
SEA Llimited	0.3
PDD Holdings	-1.6
Atlassian	-1.0
Tesla Inc	-0.8
HDFC Bank	-0.5
Kering	-0.4
Roblox	-0.4
NIO	-0.4
Biontech	-0.4
BeiGene	-0.3
Meta Platforms	-0.3

One Year to 31 March 2024

Stock Name	Contribution (%)
NVIDIA	6.0
Amazon.com	1.5
Spotify	1.4
Netflix	1.1
PDD Holdings	1.1
Advanced Micro Devices	1.1
Cloudflare	0.9
Shopify	0.9
Intuitive Surgical	0.7
ASML	0.7
Kering	-2.3
Moderna	-2.1
Illumina	-1.7
Meituan	-1.6
CATL	-1.0
Biontech	-1.0
BeiGene	-0.9
Meta Platforms	-0.7
Microsoft	-0.7
NIO	-0.7

Source: Revolution. Baillie Gifford Long Term Global Growth Investment Fund relative to MSCI ACWI Index from 30 June 2023, previously FTSE All World Index.
Some stocks may only have been held for part of the period.
All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.
As Attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Transactions from 01 January 2024 to 31 March 2024.

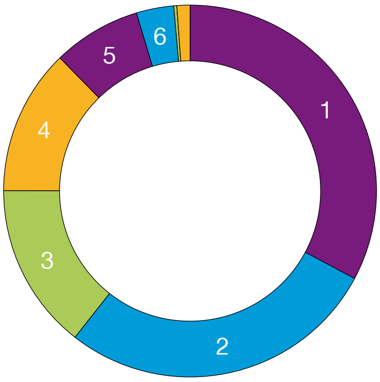
New Purchases

Stock Name	Transaction Rationale
Moncler	We have initiated a new holding in Moncler. The company's core winter-wear brand has deep luxury heritage which cannot be replicated, and it occupies a differentiated position at the intersection of luxury goods and high performance textiles. These characteristics afford the brand among the most attractive margin structures in the luxury goods industry. We believe this margin structure is defensible, given limited need for ongoing product development expense to support the core line, which does not face the same design risk plaguing many other luxury apparel brands today. While we perceive some risk around the recent Stone Island acquisition, we are reassured that the deal has clear strategic logic given the synergies in performance textiles and the benefits to increased scale in the luxury industry. We also take comfort in management's intention to apply the same growth playbook at Stone Island which they've used to excellent effect in core Moncler. Our blue sky case rests on the ability to materially expand the store footprint in underpenetrated markets outside Europe, while also increasing average selling price through successful execution of the transition away from wholesale channels.
Nu Holdings Ltd.	We have initiated a position in Nu Holdings, a founder-run digital bank operating in Brazil, Mexico and Colombia. After a decade of operation, the company has attracted over half of Brazil's adult population, mainly through organic customer acquisition. This demonstrates a strong product-market fit replicated across an increasingly broad product portfolio, different market segments and multiple geographies. Nu has achieved 40% underlying ROE in its core Brazilian market while continuing to grow rapidly. Nu leverages its digital business model with an 85% cost advantage over incumbent banks to undercut fees while offering superior customer experience, commanding the highest net promoter score of any consumer company in the world. Our 5x return requires Nu to continue gaining market share in its current geographies and products while successfully expanding into new areas and products for a 'second act' over ten years.
Rivian Automotive Inc	Rivian builds compelling EVs for the USA's largest vehicle segment where it faces limited and retreating competition. The market is worried about the company's cash burn rate, however, we see a clear path to breakeven due to the significant up-front investments Rivian has made in vertical integration (which are not yet visible). We are also excited about the upcoming and lower-priced R2 (which opens up a much larger addressable market). The company is led by a long term-oriented founder-owner who holds deep conviction in the inevitable electrification of the vehicle fleet. We believe Rivian has a small but growing chance of becoming one of the iconic brands of the EV era.
Symbotic	We purchased a new holding in Symbotic, a leading American warehouse automation company. The vast majority of warehouses are still largely manually operated and the industry is increasingly struggling with labour shortages, rising wages and high employee turnover. Symbotic's solution combines both hardware and software to control autonomous robots that move packages around the facility in preparation for delivery. The main initial customers are large supermarket chains like Walmart but the system will be applicable to many other end industries. The company has a large order backlog, is very efficient with only a small salesforce and we expect returns to improve over time as recurring revenues from software become a larger proportion of total sales.

Complete Sales

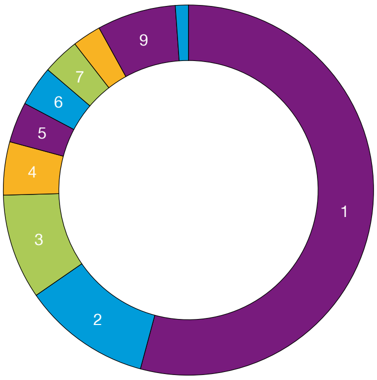
Stock Name	Transaction Rationale
Alibaba Group Holding	We have decided to sell Alibaba, a company we have held since 2014. Our initial excitement stemmed from the company's ability to help China leapfrog bricks-and-mortar retail to e-commerce dominance thus driving Alibaba to become the primary retail channel in China. Alibaba was able to do this by stimulating consumer demand with innovations such as Singles Day and harnessing the efforts of thousands of Chinese businesses to create an ecosystem that is faster, smarter, and more efficient. The company has since broadened its offering by expanding to cloud computing, digital media, entertainment, and payments. However, the e-commerce business continues to lose share to competitors while growth in the cloud has been anaemic. Although profitability in cloud computing has improved, Alibaba has decided against a spin-off to unlock value thereby eliminating a key reason to hold.
NIO Inc ADR	We have sold your holding in Nio. We have lost conviction that the company will successfully navigate an increasingly complex landscape, balancing brand positioning, technological differentiation, and market expansion amidst fierce competition and financial pressures. The company has never made an operating profit and is sub-scale in the world's most brutal market. Competition in the upper end of the market is clearly tougher than expected and we worry that a foray into the mass market will be even more difficult. We had hoped that Nio could build a strong brand in the premium end of the market which would lead to differentiation but this thesis has not played out in terms of volumes and will be even harder to achieve in the crowded mass market. Despite a strong balance sheet after capital injections from Chinese and Abu Dhabi government bodies, we worry that the cash will be squandered trying to compete in such a torrid environment.

Sector Exposure



		%
1	Information Technology	32.8
2	Consumer Discretionary	27.8
3	Communication Services	14.4
4	Health Care	12.7
5	Financials	7.7
6	Industrials	3.2
7	Materials	0.3
8	Cash	1.1

Geographic Exposure



		%
1	United States	54.2
2	China	11.2
3	Netherlands	9.2
4	France	4.6
5	Brazil	3.5
6	Sweden	3.5
7	Canada	3.2
8	South Korea	2.5
9	Others	6.9
10	Cash	1.1

As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading, and does not necessarily represent a bank overdraft.

Top Ten Holdings

Stock Name	Description of Business	% of Portfolio
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	8.4
Amazon.com	E-commerce, computing infrastructure, streaming and more	6.8
ASML	Semiconductor equipment manufacturer	5.2
PDD Holdings	Chinese e-commerce platform focused on social commerce	4.2
Adyen	Online payments platform	4.0
Dexcom	Continuous glucose monitoring technology for diabetes management	3.8
Spotify	Streaming platform for audible content	3.5
Cloudflare	Web infrastructure and cybersecurity provider	3.5
Intuitive Surgical	Surgical robots and consumables	3.5
The Trade Desk	Advertising platform	3.4
Total		46.2

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	1	Companies	None	Companies	None
Resolutions	12	Resolutions	None	Resolutions	None

The strategy continues to ensure that our Environmental, Social and Governance (ESG) research, integration and stewardship activities are focused on issues material to the investment case and our holdings' long-term growth prospects.

We have published our 2023 LTGG Stewardship Report. This is available on our website or from your Baillie Gifford contact.

We remain of the view that companies who align with ever-evolving societal and environmental expectations will likely have higher odds of success over our investment timeframe.

Company Engagement

Engagement Type	Company
Environmental	Advanced Micro Devices, Inc., Adyen N.V., Affirm Incorporated, Contemporary Amperex Technology Co., Limited, Intuitive Surgical, Inc., Kering SA, Sea Limited
Social	Contemporary Amperex Technology Co., Limited, Intuitive Surgical, Inc., Kering SA, Tesla, Inc.
Governance	ASML Holding N.V., Contemporary Amperex Technology Co., Limited, Datadog, Inc., Kering SA, Netflix, Inc., PDD Holdings Inc., Rivian Automotive, Inc., Roblox Corporation, Sea Limited, The Trade Desk, Inc., Workday, Inc.
Strategy	Amazon.com, Inc., PDD Holdings Inc.

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, here.

List of Holdings

Asset Name	Fund %
NVIDIA	8.4
Amazon.com	6.8
ASML	5.2
PDD Holdings	4.2
Adyen	4.0
Dexcom	3.8
Spotify	3.5
Cloudflare	3.5
Intuitive Surgical	3.5
The Trade Desk	3.4
Netflix	3.3
Shopify	3.2
Atlassian	3.0
Advanced Micro Devices	3.0
Workday	2.8
Meituan	2.8
Moderna	2.6
Coupang	2.5
Kering	2.3
Hermès International	2.3
MercadoLibre	2.3
Tesla Inc	2.2
Moncler	1.9
CATL	1.8
Sea Limited	1.8
HDFC Bank	1.6
BioNTech	1.5
Samsara	1.5
Roblox	1.4
BeiGene	1.3
Nu Holdings	1.3
Datadog	1.2
Tencent	1.1
Enphase Energy	1.1
Symbotic	1.0
Affirm	0.7
Joby Aviation	0.5
Rivian Automotive	0.5
Ginkgo Bioworks	0.3
Cash	1.1
Total	100.0

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	10 April 2017	GB00BD5Z0Z54	BD5Z0Z5	0.62	0.64
Class B-Inc	01 May 2019	GB00BD5Z1070	BD5Z107	0.62	0.64

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details. The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request.

MSCI	Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.
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Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients' capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 31 March 2024 and source is Baillie Gifford & Co unless otherwise stated.

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