

## Baillie Gifford Managed Fund

30 September 2024

### About Baillie Gifford

<b>Philosophy</b>	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
<b>Partnership</b>	100% owned by 58 partners with average 20 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 Fund seeks to produce long-term capital growth by investing in equities, bonds and cash. The equity portfolio is managed on a regional basis, with our specialist regional teams selecting what they consider to be the best growth stocks in their respective areas. The bond portfolios comprise both corporate bonds chosen by our Credit team and government bonds and currency positions selected by the Global Bond team. The Fund also actively allocates between equities, bonds and cash based on our prevailing view on the long-term attractiveness of each asset class.

### Fund Facts

Fund Launch Date	01 April 1987
Fund Size	£5030.5m
IA Sector	Mixed Investment 40-85% Shares
Active Share	81%*
Current Annual Turnover	18%

\*Estimate relative to a weighted composite of representative indices.

### Fund Manager

Name	Years' Experience
Steven Hay	30
Iain McCombie*	30

\*Partner

### Definitions

**IA Sectors** are provided by the Investment Association. These sectors break up the universe of available funds to help investors navigate the large number of available products.

**Active Share** is a measure of the Fund's overlap with the benchmark. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

**Turnover** is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. **The Annual Turnover** is then calculated as the sum of the monthly turnover figures for the 12-month period.

**Periodic Performance** is a method of evaluating how a fund is doing over time. It compares a fund's performance in each period to its performance in past periods. It also looks at the performance of the fund to the performance of an index or its peers.

**Discrete Performance** is a method of evaluating the degree to which a fund performs compared against its benchmark on a given date.

**Credit ratings** measure the creditworthiness of a bond issuer, such as a company or government. It tells you how likely the issuer is to pay back the money borrowed when they issued the bond. A higher rating means the issuer is considered more reliable and less likely to default on their debt, while a lower rating indicates a higher risk of not getting the invested money back. Baillie Gifford uses a blend of credit ratings from two agencies, Moody's and S&P. Where there is no official rating for a bond issuer, Baillie Gifford will rate these internally. The ratings scale from highest to lowest (AAA, AA, A, BBB, BB, B, CCC, CC and C).

**Duration** is a measure of how sensitive the price of a bond (or other debt instrument) is to a change in interest rates. In general, the higher the duration, the more a bond's price will drop in response to a rise in interest rates.

## Fund Objective

To achieve capital growth over rolling five-year periods.

The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

## Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	2.8	16.0	-3.9	5.6
Sector Median (%)*	1.7	13.8	2.6	4.7

Source: FE. Total return net of charges, in sterling.

Share class returns calculated using 10am prices.

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.

\*IA Mixed Investment 40-85% Shares Sector median.

## Discrete Performance

	30/09/19- 30/09/20	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24
Class B-Acc (%)	26.9	16.5	-28.2	6.4	16.0
Sector Median (%)*	-0.5	16.8	-9.6	5.1	13.8

Source: FE. Total return net of charges, in sterling.

Share class returns calculated using 10am prices.

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## Market environment

On 18 September, the US Federal Reserve joined the procession of central banks that cut rates this summer. In its first change in four years, the Fed reduced rates by 0.5 per cent.

The news was welcomed by the market. Just six weeks before, global markets panicked at weak US jobs data, worries over the Middle East, and the divergent tactics of the Fed and the Bank of Japan. The Nikkei index (a stock market index for the Tokyo Stock Exchange) suffered its largest single-day fall this century, but by mid-August markets had generally recovered.

Although inflation in the US continues to moderate downward, a different story is playing out elsewhere. UK inflation rose slightly in August, but we believe the Bank of England will continue cutting interest rates further. Japanese central bankers unwound their 17-year-long negative interest rate policy after the largest wage hikes in over a decade.

Geopolitical events also continue to influence markets. From the crisis in the Middle East to the US election and the release of huge economic stimulus to revive growth in China.

## Performance

The Fund delivered a positive absolute return over the quarter, outperforming the comparator benchmark.

The holdings DSV, M&S and Aurora Innovation were among the notable contributors to returns this quarter. Danish freight forwarder DSV agreed to acquire German logistics firm DB Schenker. The deal would make DSV the largest freight forwarder in the world. Shares rose sharply on the news.

UK high street retailer M&S is proving, so far, to be a strong turnaround story. The company has been investing in price and quality in its food business, which is taking share from competitors and its home and clothing business has been performing much better. Markets have recognised M&S' progress, with the stock re-entering the FTSE100 Index this quarter. In the words of the CEO: "We are becoming more relevant, to more people, more of the time." At an early stage of the turnaround, we remain excited for the opportunity for further growth.

Aurora Innovation's share price doubled within the period. The company develops autonomous driving systems for trucks and passenger vehicles. In August, we participated in an equity raise to finance Aurora's plans to launch its driverless commercial trucking service in Texas by the end of the year. An asset-light approach and pay-per-mile revenue model could lead to extremely attractive returns for this business, which is pursuing a massive overland freight market.

Elsewhere, China's economic stimulus announcement boosted the share price of food delivery firm Meituan. European investment firm Prosus, which holds a large stake in Chinese tech giant Tencent, also benefitted.

Moderna, ASML and Samsung Electronics detracted from returns in the third quarter of 2024. US biotech Moderna delivered disappointing commercial progress with its respiratory vaccines and reduced its research spending, narrowing the number of drug candidates it can pursue through trials. Still, Moderna's mRNA<sup>1</sup> platform has shown itself to be adaptable to Covid-19 mutations, while its cancer technology has shown meaningful survival improvement. We believe potential from new cancer treatments and combination respiratory vaccines is under-recognised at the current share price.

ASML makes lithography machines used in the manufacture of semiconductors. The Dutch company's shares were weak after announcing second-quarter results. Guidance was also below expectations. Despite the US imposing harsher restrictions on trade with China, ASML retains its position as a critical player in the semiconductor supply chain. It remains a top contributor to returns over the five years to end September 2024.

Samsung Electronics also performed poorly this quarter. The market has lost patience with the Korean company's slow progress in high bandwidth memory (HBM). HBM chips are used in artificial intelligence (AI), and softening sentiment towards AI hasn't helped the company's share price. There are also concerns over lessening demand for Samsung's core DRAM<sup>2</sup> products. Semiconductor manufacturing is a cyclical industry, but looking long term, if AI does become commonplace, then we will all have to buy new phones, tablets and laptops, which will benefit ASML, Samsung Electronics and other chipmakers.

Fixed income exposures delivered a marginally positive absolute return over the quarter. Within that, high yield and investment grade corporate bonds and our duration positioning contributed positively. Duration positioning reflects holdings in developed and emerging market (EM) government bonds. We remain slightly long duration with the overweight coming from a range of EM bonds. Foreign currency movements were unhelpful and partially offset these returns.

We remain positive on the return opportunities for fixed income relative to cash. Yields remain at attractive levels and the economic environment should be supportive. Our central case is that the outlook is fairly

<sup>1</sup> Messenger ribonucleic acid

<sup>2</sup> Dynamic random access memory

benign and that rate cuts will be driven by lower inflation.

### Notable transactions

Turnover remains low but as part of our ongoing assessment of the forward-looking hypothesis for companies held in the fund, some didn't meet our return expectations. We therefore sold US gene-sequencing company 10X Genomics and European luxury conglomerate Kering, among other stocks. Competition has impacted 10X Genomics, and Kering's flagship Gucci brand has underperformed peers. In the case of the latter, we think it will take longer to turn this around than management believes.

It's a different story for NVIDIA. The chipmaker's stock has appreciated nearly 2,500 per cent over the past five years.<sup>3</sup> After another impressive quarter, we trimmed the stock again. We are enthusiastic about the company, but it competes in a cyclical sector and competition is increasing.

We used the proceeds from these sales and reductions to buy businesses including Lineage and SharkNinja. Lineage is a US company providing temperature-controlled transportation and storage. It is growing by acquiring local cold storage businesses and integrating them into its network, the world's largest. Lineage's customers benefit from its scale through access to better transport, more storage and advanced technology.

US-based SharkNinja makes household appliances from hoovers to hair straighteners. It nurtures strong partnerships with suppliers and vendors, such as Walmart, that help it capture the high end of the lower-budget market. We're particularly excited by its approach to research and development. SharkNinja aims to release up to 25 unique products a year, a pace that we think will outstrip competitors.

We also bought Sony, a business we've been eyeing for a while but whose valuation has been too high to generate the growth we target. If SharkNinja invented the air fryer, Sony gave people the Playstation. It is unique among Japanese companies in developing lucrative hardware and intellectual property. This combination gives Sony the opportunity to cross-sell its world-class suite of games, music, content and characters inside the 'Sonyverse'. Its share price has recently declined, which allowed us to add it to the Fund.

### Market Outlook

We have managed the Fund through various economic cycles over 37 years. We know from experience that what matters most is building a fundamentally strong

portfolio of growing businesses. Looking ahead, there's a lot on the horizon, from the US election to the UK's upcoming budget and the expectation of more central bank action. In this environment, we believe that being discerning and differentiated matters more than ever. Our active approach and bottom-up expertise give us confidence that the Fund is well-positioned for long-term value creation.

For further reading:

[Managed Fund: navigating the bond landscape](#)

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<sup>3</sup> Calculated in pound sterling

Transactions from 01 July 2024 to 30 September 2024.

## New Purchases

Stock Name	Transaction Rationale
ICICI Bank	India's largest private sector bank, ICICI, has been conservatively managed, focusing on asset quality rather than volume growth in recent years. The company is well placed to benefit from an uptick in credit demand as it is strongly capitalised while its main (public sector) competitors are capital constrained and struggling with bad debts. We see ICICI as a highly attractive investment in a country where political reform could unleash vast domestic growth.
Instalco	In its ten-year lifespan, Instalco has become a key player in consolidating the Nordic technical installation industry. Its shares have seen a spectacular run since listing in 2017 but have experienced recent weakness due to a challenging construction and mergers and acquisitions (M&A) backdrop. There is still a long runway for further consolidation and we think that the M&A environment will improve in time. The valuation is appealing for a company capable of generating attractive organic growth which it can supplement with the growth it acquires through its consolidation efforts. Based on these attractions, we took a new holding for the portfolio.
Lineage	We have taken a new holding in Lineage Logistics, which specialises in temperature-controlled transportation and storage. The cold storage sector is fragmented owing to its local nature and high set-up costs. Lineage acquires and integrates businesses, increasing their efficiency through automation and technology. As Lineage's network grows, so does its value to customers. Better transport, storage availability and technology enable Lineage to be a supply chain partner to its customers rather than just a warehouse supplier. This offering becomes increasingly difficult to replicate as it expands. Lineage can carry on its disciplined business acquisition for years, contributing to attractive revenue and profit growth.
SharkNinja	SharkNinja is a household appliance company known for manufacturing and selling popular vacuum cleaners, kitchen appliances, and other home products under the Shark and Ninja brand names. SharkNinja's culture and global research and development capability help it to rapidly innovate its products in response to consumer trends. Aided by this capability, the company aims to launch 20-25 truly new products per year. SharkNinja's integrated approach to product development creates a momentum that competitors may find increasingly difficult to replicate. We believe a mixture of product innovation, efficient supply chain, strong distributor relationships and innovative marketing gives SharkNinja the opportunity to grow substantially, and much more than the current share price implies.
Sony	Globally, Sony is the only Japanese company producing both hardware and intellectual property (IP) for multiple content-related businesses, namely, games, music, and films. By successfully combining hardware and gaming IP, Sony created the world's leading game console platform—the PlayStation. Sony is also one of the largest players worldwide in the recorded music, music publishing, and film industries. We expect all of Sony's content-related businesses to grow over the long term. Moreover, the company can create exciting synergies among its gaming, music, and film businesses by offering the same IP in various forms, be it a game character in a film or a song in a game. Furthermore, Sony can enhance its hardware and content products with Artificial intelligence (AI) to provide content consumers with a more personalised and engaging experience. Apart from the content-related businesses, Sony holds a leading position in high-end image sensors for mobile phones and autos, which are expected to benefit from the growth of AI and autonomous driving. We believe Sony's current valuation fails to capture its strong competitive position in the above-mentioned long-term growth areas. Therefore, we decided to take a holding.
The Ensign Group	The Ensign Group is a healthcare services company operating skilled nursing facilities, rehabilitative care services, home health, hospice, and assisted living services across the United States. Skilled nursing is fragmented and we think that Ensign will grow by steadily consolidating the sector, acquiring new operations and turning them around while continuing to drive operational improvements in existing homes. The company's strong, founder-initiated culture underpins its decentralized operating model, encouraging local leaders to grow and improve their clusters. The company's long-standing belief in nurturing leadership produces a steady stream of capable leaders to take on new acquisitions and transparency between facilities and clusters spreads best-practice. This effective culture both underwrites excellence at existing operations and facilitates the company taking on new ones. We think this could deliver double-digit revenue growth for several years with expanding margins via a combination of operating leverage and offering increasingly specialised services. These attractions look far from recognised in the share price.

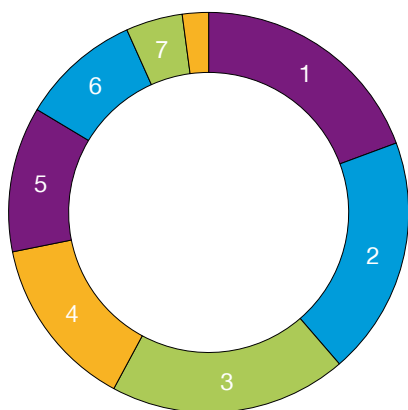
## Complete Sales

Stock Name	Transaction Rationale
10X Genomics	We held 10X Genomics with the view that it could support a step change in single-cell analysis, driving the next generation of gene sequencing. We have been disappointed by 10X's progress since our purchase. Sales of its single-cell analysis Chromium machine have stalled, and while consumables revenue remains appealing, customers view 10X tests as expensive for the value provided. Competition is intensifying, particularly in spatial analysis, an earlier stage area for 10X. The growth opportunity is exciting here, but we are not convinced 10X's offering is compelling enough to capture a sufficiently large part of this market. We have, therefore, decided to sell the holding to fund other portfolio ideas.
Galaxy Entertainment	We sold the holding in Galaxy Entertainment, as we believe the company's growth outlook has deteriorated, and it is unlikely to meet our initial expectations. Using the proceeds, we invested in companies with more exciting structural growth opportunities.
HDFC Bank	In July 2023, HDFC Bank merged with HDFC Corp, the leading provider of home loans in India, which had been a long-standing holding in your portfolio. The rationale for the merger included the opportunity for significant cross-selling to customers across different parts of the group, a reduction in funding costs and a steady improvement in financial returns. We have become increasingly concerned about the risks around the deal, including cultural differences across different parts of the bank, managing the complexities of such a large transaction, a tougher competitive environment, particularly for bank deposits, and the likelihood that HDFC Bank relaxes its credit quality standards in the quest for higher yield. We feel the risks for this investment are skewed to the downside given still lofty expectations. We sold the holding.
Kering	We have struggled to gain faith in growth at Kering rebounding. The appointment of fresh management to stabilise Gucci feels sensible but unlikely to be revolutionary. The brand faces an unenviable balance between retaining high net-worth clients, who were alienated by its previous creative director, while also speaking to a new generation of younger luxury consumers whose spend is rising fastest. Other brands in the portfolio remain sub-scale and capital allocation has lost effectiveness in recent years. The impending retirement of Chairman and CEO François-Henri Pinault heightens our concern around the group's future direction. We have therefore sold the shares and redeployed the capital into higher-conviction names.

Fund Name	Update
Baillie Gifford Managed Fund	<p>The fixed income portion of the Managed Fund remains close to its neutral allocation of 50% global government bonds and 50% global corporate bonds. Within government bonds, the fund remains overweight in emerging markets and within corporate bonds, we are slightly overweight high yield bonds. Our corporate bond positioning remains broadly unchanged from last quarter given that credit spreads (the additional yield on offer for lending to companies rather than countries) remain near historically low levels, but the total compensation available from high yield bonds remains attractive.</p> <p>In government bonds, our central view is that interest rate cuts in the United States will allow emerging market economies to take a more dovish stance - that is, enact more interest rate cuts than expected - and therefore can outperform developed market bonds. The Fund opened a short US government bond position which will benefit from yields not falling as fast in the US as elsewhere. Our core positions in emerging markets are high yielding government bonds from countries including Brazil and South Africa, alongside idiosyncratic positions such as in Turkish Lira. We're positive on Türkiye due to its economic turnaround post-May 2023 elections, with significant policy shifts towards business-friendly reforms and orthodox economic management, leading to improved competitiveness.</p> <p>In corporate credit, while valuations are stretched, we continue to find attractive opportunities in the new issuance market within high yield. However, we are taking care not to chase any extra yield on offer without enhanced due diligence. For example, we participated in a new issue for the Italian cosmetics brand Kiko Milano. We believe the company is well positioned for growth and shares common characteristics with other Italian companies where we've successfully invested in high yield debt before, including a strong founder family and support from a private equity team with a proven track record.</p>

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## Geographic Exposure



		%
1	North America	19.4
2	UK	19.3
3	Europe (ex UK)	19.2
4	Overseas Bonds	14.0
5	Developed Asia Pacific	11.8
6	Emerging Markets	9.7
7	UK Bonds	4.6
8	Cash & Derivatives	2.1

A negative cash position may sometimes occur due to obligations awaiting settlement.

## Top Ten Equity Holdings

Stock Name	Description of Business	% of Portfolio
The Trade Desk	Advertising platform	1.6
Amazon.com	E-commerce, computing infrastructure, streaming and more	1.5
TSMC	Semiconductor manufacturer	1.4
Meta Platforms	Social media and advertising platform	1.2
Prosus	Portfolio of online consumer companies including Tencent	1.1
Shopify	Cloud-based commerce platform provider	1.0
ASML	Semiconductor equipment manufacturer	1.0
Netflix	Streaming platform	1.0
NVIDIA	Designer of Graphics Processing Units and accelerated computing technology	1.0
DoorDash	Provides restaurant food delivery services	1.0
<b>Total</b>		<b>11.8</b>



Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	35	Companies	14	Companies	1
Resolutions	491	Resolutions	19	Resolutions	1

Company Engagement

Engagement Type	Company
Environmental	ASML Holding N.V., BHP Group Limited, BYD Company Limited, Chewy, Inc., Experian plc, Kingspan Group plc, MS&AD Insurance Group Holdings, Inc., Moncler S.p.A., PT Bank Rakyat Indonesia (Persero) Tbk, Petroleo Brasileiro S.A. - Petrobras, Rio Tinto Group, Ryanair Holdings plc, Sony Group Corporation, Wizz Air Holdings Plc
Social	BHP Group Limited, BYD Company Limited, Experian plc, Marks and Spencer Group plc, MercadoLibre, Inc., PT Bank Rakyat Indonesia (Persero) Tbk, Samsara Inc., Sony Group Corporation
Governance	ASML Holding N.V., ASSA ABLOY AB (publ), BYD Company Limited, Bellway p.l.c., Block, Inc., Burberry Group plc, CRISPR Therapeutics AG, Chewy, Inc., Chugai Pharmaceutical Co., Ltd., Close Brothers Group plc, Compagnie Financière Richemont SA, DENSO Corporation, Diploma PLC, Experian plc, Exscientia plc, Ginkgo Bioworks Holdings, Inc., Guardant Health, Inc., Helical plc, Hong Kong Exchanges and Clearing Limited, IG Group Holdings plc, IntegraFin Holdings plc, Kainos Group plc, Keyence Corporation, LVMH Moët Hennessy - Louis Vuitton, Societe Europeenne, MS&AD Insurance Group Holdings, Inc., Meta Platforms, Inc., Mettler-Toledo International Inc., Moderna, Inc., Molten Ventures Plc, Moncler S.p.A., NVIDIA Corporation, Nakanishi Inc., ORIX Corporation, Olympus Corporation, Petroleo Brasileiro S.A. - Petrobras, Prosus N.V., Recursion Pharmaceuticals, Inc., Renishaw plc, Reply S.p.A., Rivian Automotive, Inc., Ryanair Holdings plc, Samsara Inc., Shiseido Company, Limited, Snowflake Inc., Soitec SA, Sony Group Corporation, Sugi Holdings Co.,Ltd., Techtronic Industries Company Limited, The Weir Group PLC, Tokyo Electron Limited, Wizz Air Holdings Plc, iFAST Corporation Ltd.
Strategy	ASML Holding N.V., Block, Inc., Coursera, Inc., Datadog, Inc., Epiroc AB (publ), Kingspan Group plc, MercadoLibre, Inc., Moderna, Inc., Nakanishi Inc., Olympus Corporation, PT Bank Rakyat Indonesia (Persero) Tbk, Rivian Automotive, Inc., Ryanair Holdings plc, Tencent Holdings Limited

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](#).

Asset Name	Fund %	Asset Name	Fund %
<b>Equities</b>			
<b>UK</b>			
AstraZeneca	0.87	Molten Ventures	0.15
Marks & Spencer	0.83	Burberry	0.14
Bunzl	0.81	IntegraFin	0.14
Rio Tinto	0.75	Genus	0.13
Unilever	0.73	IG Group	0.13
Auto Trader	0.68	Hargreaves Lansdown	0.12
RELX	0.67	Cranswick plc	0.08
Inchcape	0.62	Kainos Group	0.08
Legal & General	0.60	Close Brothers	0.07
Diageo	0.59	Sabre Insurance Gp	0.06
Experian	0.58	Ocado	0.04
Just Group	0.58	Enquest	0.04
Howden Joinery Group	0.57	Melrose Industries	0.04
Standard Chartered	0.53	Exscientia Ltd ADR	0.01
Prudential	0.53	<b>Total UK</b>	<b>19.31</b>
Ashtead	0.52	<b>North America</b>	
Babcock International	0.50	The Trade Desk	1.64
Weir	0.49	Amazon.com	1.51
Lancashire Holdings	0.45	Meta Platforms Inc	1.19
Hikma Pharmaceuticals	0.45	Shopify 'A'	1.03
Informa	0.44	Netflix Inc	0.98
Rightmove	0.41	NVIDIA	0.97
St. James's Place	0.41	Doordash Inc	0.97
Volution Group	0.37	Tesla Inc	0.97
Intermediate Capital Group	0.36	Cloudflare Inc	0.63
Persimmon	0.33	Duolingo Inc	0.63
Bodycote	0.28	Workday Inc	0.53
Hiscox	0.27	Watsco Inc	0.48
Bellway	0.27	Sweetgreen	0.45
Keller	0.27	Moderna Inc	0.44
Diploma	0.25	Alnylam Pharmaceuticals	0.40
Games Workshop Group	0.24	Datadog	0.39
PageGroup	0.24	CoStar Group	0.39
Breedon Group	0.24	Roblox	0.39
Halma	0.23	Pinterest	0.36
Greggs	0.22	Affirm Holdings Inc Class A	0.33
Renishaw	0.20	Inspire Medical Systems	0.31
Shaftesbury Capital REIT	0.20	Aurora Innovation Class A Common	0.30
Wise Plc	0.19	Tempus Ai Inc	0.30
Trainline Plc	0.18	Samsara	0.30
Helical	0.17	Insulet	0.29
		Block Inc	0.28

Asset Name	Fund %	Asset Name	Fund %
Wayfair Inc	0.27	Lonza Group	0.42
Roku	0.25	Moncler	0.40
Chewy	0.24	Richemont	0.39
SharkNinja	0.22	Epiroc B	0.35
Denali Therapeutics	0.21	Dassault Systemes	0.35
Doximity Inc	0.21	Mettler-Toledo	0.33
Snowflake Inc	0.21	Assa Abloy 'B'	0.32
The Ensign Group	0.18	Royal Unibrew A/S	0.31
Guardant Health Inc	0.16	Avanza Bank Holding	0.29
Lineage Inc	0.15	Instalco	0.29
YETI Holdings	0.15	Camurus	0.25
Penumbra Inc	0.14	Beijer Ref	0.25
Oddity	0.12	LVMH	0.24
Coursera Inc	0.10	Vitec Software Group 'B'	0.22
Sprout Social	0.09	Wizz Air Holdings Plc	0.20
Rivian Automotive Inc	0.08	Dino Polska	0.18
Lemonade Inc	0.07	Kinnevik	0.17
Recursion Pharmaceuticals Inc	0.05	Genmab	0.15
Sana Biotechnology Inc	0.02	Eurofins	0.13
Ginkgo Bioworks Holdings Inc	0.01	AutoStore Hdgs	0.09
Abiomed CVR Line	0.00	CRISPR Therapeutics AG	0.09
<b>Total North America</b>	<b>19.36</b>	<b>Total Europe (ex UK)</b>	<b>19.20</b>
<b>Europe (ex UK)</b>		<b>Developed Asia Pacific</b>	
Prosus N.V.	1.09	Baillie Gifford Japanese Smaller Cos Fund C Acc	0.66
ASML	1.02	United Overseas Bank	0.59
Hypoport	0.95	Recruit Holdings	0.54
Kingspan Group	0.94	MS&AD Insurance	0.52
DSV	0.93	SoftBank Group	0.52
Schibsted B	0.91	James Hardie Industries	0.49
Nexans	0.79	Olympus	0.46
Atlas Copco B	0.79	Techtronic Industries	0.41
Ryanair	0.72	Shimano	0.39
IMCD Group NV	0.72	Hong Kong Exchanges & Clearing	0.38
Adyen NV	0.66	SMC	0.38
Allegro.eu	0.60	Fast Retailing	0.35
Reply Spa	0.57	SBI Holdings	0.33
Sartorius Stedim Biotech	0.57	Shiseido	0.32
EQT	0.57	Murata	0.31
Spotify Technology SA	0.54	BHP Group Ltd (Aus. listing)	0.29
EXOR	0.50	Tokyo Electron	0.28
Novo Nordisk	0.45	Nippon Paint	0.28
Soitec	0.44	Sony	0.27

Asset Name	Fund %	Asset Name	Fund %
Chugai Pharmaceutical	0.26	BYD Company 'H'	0.34
Cosmos Pharmaceutical	0.25	Nu Holdings Ltd.	0.32
Keyence	0.25	Kweichow Moutai 'A'	0.30
Unicharm	0.24	FEMSA ADR	0.26
AIA Group	0.23	Samsung SDI Co Ltd	0.25
IDP Education	0.22	Grupo Financiero Banorte	0.21
Nintendo	0.21	B3 S.A.	0.21
Technopro Holdings	0.19	Norilsk Nickel ADR	0.00
Xero Ltd	0.19	Mmc Norilsk Nickel	0.00
Cochlear	0.18	Sberbank Of Russia	0.00
Denso	0.16	<b>Total Emerging Markets</b>	<b>9.70</b>
Systemex Corp	0.15	<b>Total Equities</b>	<b>79.32</b>
REA Group	0.15	<b>Fixed Income</b>	
LY Corp	0.14	<b>UK Bonds</b>	
Nakanishi	0.14	Credit	3.10
Treasury Wine Estates	0.13	Government	1.49
Hoshizaki Corp	0.12	<b>Total UK Bonds</b>	<b>4.58</b>
CyberAgent Inc	0.12	<b>Overseas Bonds</b>	
Kobe Bussan Co Ltd	0.12	Credit	6.64
MonotaRO Co	0.11	Government	7.34
Sugi Holdings	0.11	<b>Total Overseas Bonds</b>	<b>13.98</b>
Asahi Group Holdings	0.10	<b>Total Fixed Income</b>	<b>18.57</b>
FANUC	0.09	<b>Cash &amp; Derivatives</b>	
iFAST Corp	0.06	Cash & Derivatives	2.11
free K.K.	0.06	<b>Total Cash &amp; Derivatives</b>	<b>2.11</b>
<b>Total Developed Asia Pacific</b>	<b>11.75</b>	<b>Total Fund</b>	<b>100.00</b>
<b>Emerging Markets</b>		Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.	
TSMC	1.41		
Tencent	0.96		
Samsung Electronics	0.65		
Meituan	0.51		
ICICI Bank Ltd	0.44		
Reliance Industries Ltd	0.43		
Petrobras Common ADR	0.41		
MercadoLibre	0.40		
Sea Ltd ADR	0.40		
Ping An Insurance	0.38		
First Quantum Minerals	0.38		
Jio Financial Services Ltd	0.36		
ICICI Prudential Life Insurance	0.36		
PDD Holdings Inc	0.35		
Bank Rakyat Indonesia	0.35		

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	01 April 1987	GB0006010168	0601016	0.40	0.43
Class B-Inc	01 April 1987	GB0006007909	0600790	0.40	0.43

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.

## Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. The specific risks associated with the Fund include:

- Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- 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.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at [bailliegifford.com](http://bailliegifford.com).

## Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The yields quoted are historic yields based on distributions paid by the Fund in the previous 12 months as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their distributions.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, [bailliegifford.com](http://bailliegifford.com).

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. The comparative index for this Fund is the median of The Investment Association Mixed 40-85% Shares Sector. As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

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

## Further Information

Any comments expressed in this report should not be taken as a recommendation or advice. This report does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary.

This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

## Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Fund does not offer capital protection.

## 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”).

**Singapore:** In Singapore the Fund is on the Monetary Authority of Singapore’s List of Restricted schemes. This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this information memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares in the Fund may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## Contact Us

For further information about the Fund or Baillie Gifford’s range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at [bailliegifford.com](http://bailliegifford.com) or email [enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com).

All information as at 30 September 2024 and source is Baillie Gifford & Co unless otherwise stated.

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