Baillie Gifford™

Baillie Gifford Multi Asset Growth Fund

31 March 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Top-down, macroeconomic and research-led approach Active management with a flexible approach to asset allocation
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 Fund is actively managed. When constructing the portfolio, we consider the associated returns and risks prospects for each asset class; consequently, asset allocation does vary over time depending on where we see the best opportunities. The Fund can invest in a wide range of different asset classes including, but not limited to, listed equities; developed market government and corporate bonds; emerging market debt; property; commodities; infrastructure and absolute return funds.

Fund Facts

Fund Launch Date	08 December 2015
Fund Size	£608.4m
Index	UK Base Rate

Fund Manager

Name	Years' Experience
Scott Lothian	24
James Squires*	18
Felix Amoako-Kwarteng	13
Nicoleta Dumitru	11

*Partner

Fund Objective

To achieve (after deduction of costs):

- an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate
- a positive return over rolling three-year periods
- annualised volatility of returns over rolling five-year periods that is below 10%

There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

The manager believes these are appropriate targets given the investment policy of the Fund and the approach taken by the manager when investing.

There is no guarantee that these objectives will be achieved over any time period and actual results may differ from these objectives, particularly over shorter time periods.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	1.1	2.7	-2.1	0.4
Index (%)*	1.3	5.1	2.5	1.7
Target (%)**	2.2	8.6	6.0	5.2

Source: FE, Revolution. 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.
*UK Base Rate.
**Target refers to Target Benchmark: UK Base Rate (as stated in sterling) +3.5% per annum over rolling five year periods.

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 (%)	-9.3	19.8	0.7	-9.2	2.7
Index (%)*	0.7	0.1	0.2	2.4	5.1
Target (%)**	4.2	3.6	3.7	5.8	8.6

Source: FE, FE, Revolution. 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.
*UK Base Rate.
**Target refers to Target Benchmark: UK Base Rate (as stated in sterling) +3.5% per annum over rolling five year periods.

Delivered Volatility

	%
Class B2-Acc	9.3

Annualised volatility, calculated over five years to 31 March 2024.
Source: Moody's Analytics UK Limited

Market environment

Markets' confidence in a 'soft landing' continued into the start of 2024: equity markets rose, credit spreads tightened, and government bonds sold off as a result. Guidance from major central banks on potential rate cuts later this year, encouraging macro data, favourable updates on inflation, and the continued 'AI' frenzy were the dominant themes. All served to fuel that confident sentiment throughout what was, ultimately, a relatively benign opening quarter.

In market parlance, the term 'immaculate disinflation' – a scenario whereby price rises slow to target levels without causing undue strife elsewhere in the economy – came to the fore. This was positive for risk assets such as equities; less so for fixed income markets which no longer priced in as many rate cuts this year as was the case in January. The US 10-year yield, having briefly touched 5% in 2023 and starting the year at below 4%, rose back towards 4.4% by the end of March.

Our central macroeconomic case is for a continuation of this market environment, with growth remaining robust, thereby allowing higher interest rates to cool inflation gradually, as recessionary fears abate. We expect the Fed to begin a gradual easing cycle, which will be supportive for asset prices and general household net worth. This clearly comes with no guarantees, however, and we are acutely aware that such a 'soft landing' requires most things to continue to go right.

The most probable alternative scenario, in our opinion, is one of stickier developed market inflation, leading to weaker growth in 2025 and an increased risk of recession. This scenario would impact equity and credit markets negatively and highlights the virtues of maintaining a well-diversified portfolio.

Away from the US, we have a below-consensus-growth outlook for China, which will continue to be impacted negatively by the ongoing challenges in its local property market. Similarly, the Euro Area is hampered by poor demographics and low productivity, despite a strong savings surplus and the possibility of a consumer-led recovery. Elsewhere, Japan is experiencing a structural break higher in inflation, in part fuelled by wage growth, which should – all else being equal – lead to policy normalisation. In the UK, better recent macro data has also pushed expectations of rate cuts further out into the future. While inflation has eased, the rate of decline will slow, and the challenges of low growth and twin deficits persist.

Performance

Having started 2024 with a relatively cautiously positioned portfolio, the Fund benefited from the rather calm start to the year. We reduced exposure to traditional fixed income markets - government bonds and investment grade credit - in a timely manner, and maintained allocations to several asset classes which delivered the highest returns over the period. Our structured finance and emerging market bond exposures continued their good run; and, after a difficult 2023, high yield credit also contributed positively.

Listed equities, to which we added during the quarter, also fared well. The asset class delivered the highest positive contribution to performance over the period, with growth-oriented stocks leading the way. As was the case throughout 2023, a small number of mega-cap stocks again powered this rally, with the likes of Nvidia and Amazon providing stellar returns. Our underlying Baillie Gifford growth-equity funds benefited from meaningful stakes in these companies.

As one might expect within a diversified portfolio which has exposure to different underlying risks, some of the asset classes faced challenges over this short period. We took the opportunity offered by temporary price weakness to make additions to particular infrastructure stocks, as well as broadening out the number of companies to which we have exposure in that asset class. Despite a rally towards the end of the quarter, our commodity holdings disappointed: the metals held - copper and aluminium - were generally stable in price terms over the three-month period but, in contrast, the rare earth miners saw significant weakness, compounding the share price falls of 2023. That said, we retain the position given our positivity about the longer-term decarbonisation theme and the role that these companies will play.

Overall, we can reflect on the opening three months of the year as being a low-volatility period with risk markets' hot streak continuing. Just as trees do not grow all the way to the sky, stock market momentum will not persist ad infinitum. We are mindful of the famous Chuck Prince quote about carrying on dancing while the music is still playing, and continually test the portfolio against adverse scenarios which could endanger the performance of unprepared investors.

Positioning

We have made meaningful additions to several of those asset classes for which we currently have higher, long-term return expectations, thereby enabling us to build what we believe to be an exciting and robust portfolio for the remainder of 2024 and beyond.

Within infrastructure, we took new positions in two UK water companies and broadened out the operational renewables basket, in the process making our infrastructure allocation the largest in the Fund. This reflects our optimism and confidence in the fundamentals of this asset class which, despite being out of favour over the last year or so, has been an important positive contributor to the Fund's returns over the longer term. We are excited to be able to add to companies and funds which we have known for years, at valuations which are significantly discounted relative to their history.

Also, we have initiated positions in novel ideas, stemming from in-house research. For example, in commodities, we took a position in EU carbon credits which had fallen to €50 in price for the first time since 2021, and down from a recent peak of nearly €100. This afforded us a great opportunity for entry after a few years of watching from the sidelines. Given their critical importance in Europe's decarbonisation plans, from here, we anticipate double-digit annualised returns over the coming years, although we are aware that will not be a steady path.

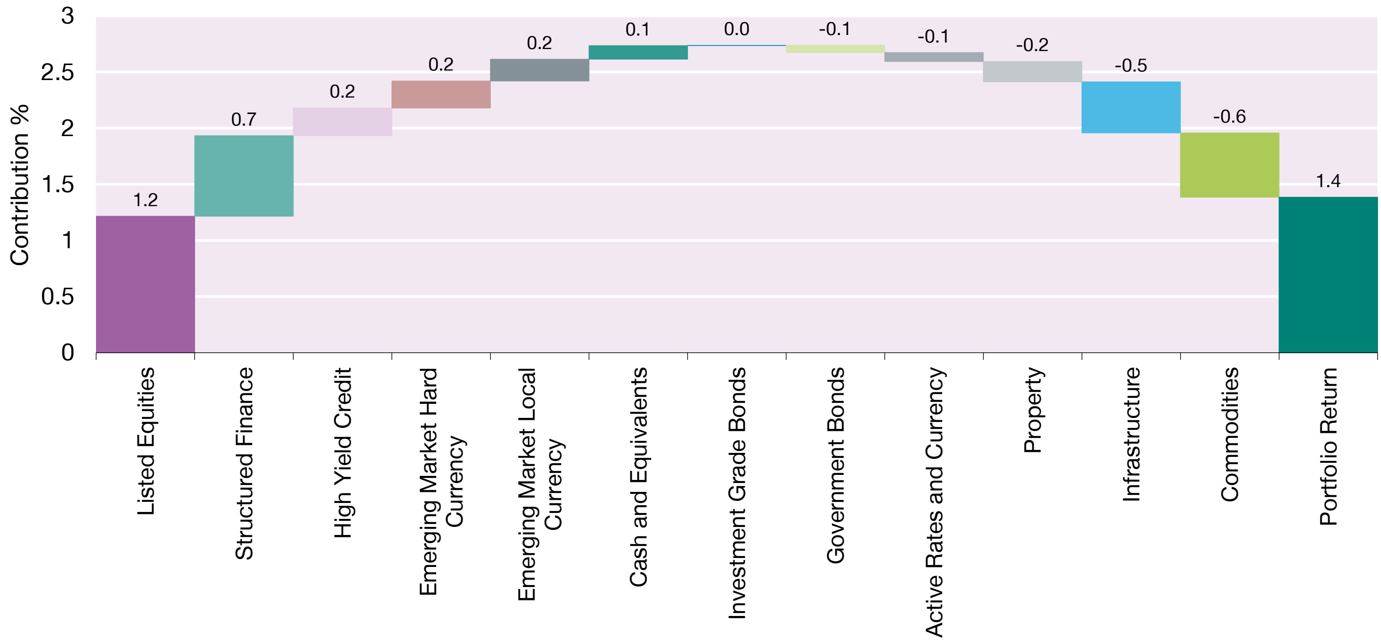
Also, having previously held Egyptian T-bills in our multi-asset funds, we have reallocated to these instruments within emerging market local currency bonds following a substantial devaluation of the Egyptian pound. What gives us confidence here is an enormous upfront payment made by the United Arab Emirates for the development of land on Egypt's Mediterranean coast, and the signing of an expanded IMF programme. Our central case expectation over the short term for the T-bills is a healthy return well in excess of the broader asset class.

We funded these positions by reducing the duration exposure – that is, the interest rate sensitivity - of the portfolio during the first quarter of 2024. As well as reducing the net government bond exposure (through the use of futures), we also reduced investment grade credit and emerging market bonds, by trimming the allocation to internally-managed funds. Both of these asset classes had seen our long-term return expectations retreat at the end of last year, and these observations informed the reductions which we made.

The Fund ended the quarter full of potential, with a variety of return sources over the next few years. The key long-run themes of decarbonisation and technological progress combine well with nearer-term and cyclical opportunities, the result being a well-diversified portfolio with a very healthy return expectation if our central economic case plays out, and which shows resilience in a downturn scenario. While we remain wary of lofty valuations in many markets, we are less cautious than at the turn of the year and far more willing to add risk where it will be best rewarded.

Asset Class Contributions to Performance

Quarter to 31 March 2024



% Ave. Exposure	16.9	13.2	4.1	8.0	6.1	5.6	3.4	7.9	-3.8	10.8	18.3	5.5
% Return	7.1	5.4	5.2	2.8	4.9	1.3	1.4	-0.8	-0.1	-2.3	-3.6	-10.1

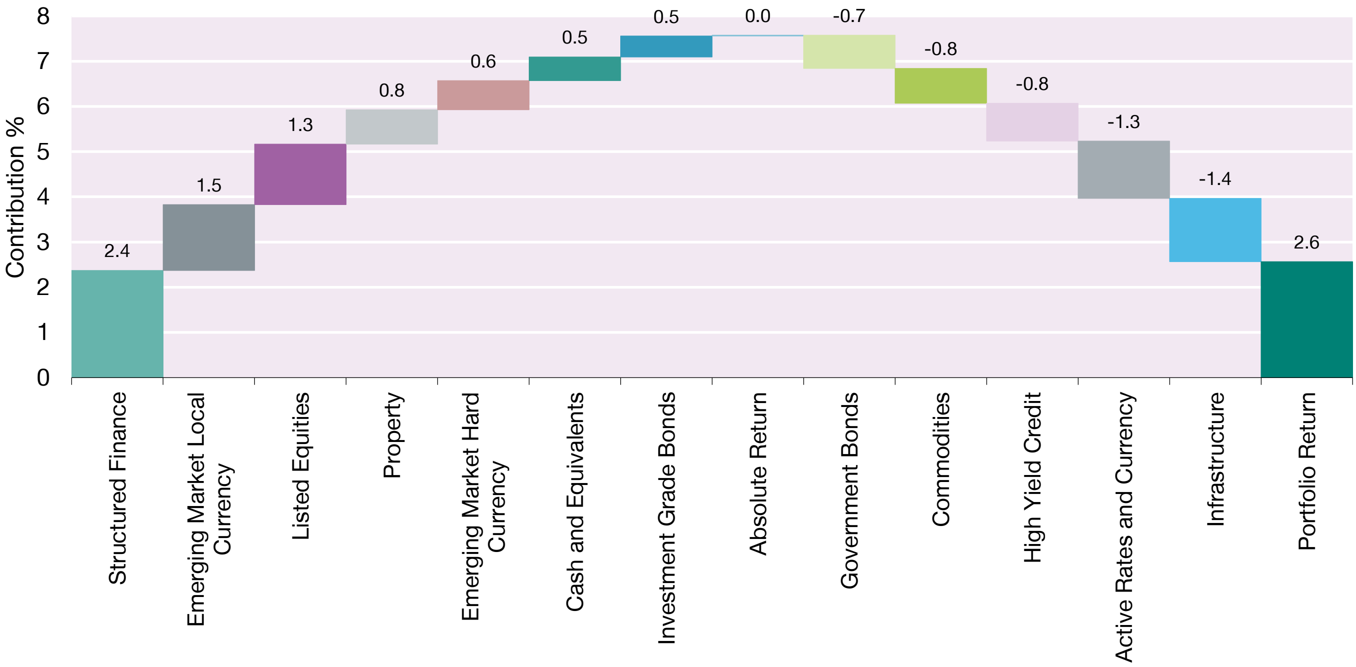
Source: Revolution, gross of fees in sterling. Totals may not sum due to rounding.

Average exposure includes all futures positions shown at their average net exposure.

Active Rates and Currency exposure includes the net unrealised profit or loss of open positions in the Fund.

The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

One Year to 31 March 2024



% Ave. Exposure	12.3	9.4	12.7	7.6	6.3	8.3	5.6	1.4	11.5	5.2	7.1	-0.9	11.5
% Return	20.1	17.3	13.4	8.2	14.1	5.1	9.2	1.6	-3.4	-14.6	-3.3	-1.3	-13.0

Source: Revolution, gross of fees in sterling. Totals may not sum due to rounding

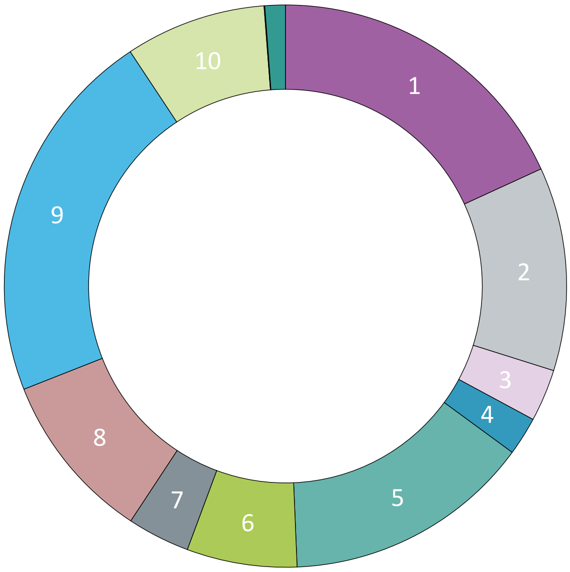
Average exposure includes all futures positions shown at their average net exposure.

Active Rates and Currency exposure includes the net unrealised profit or loss of open positions in the Fund.

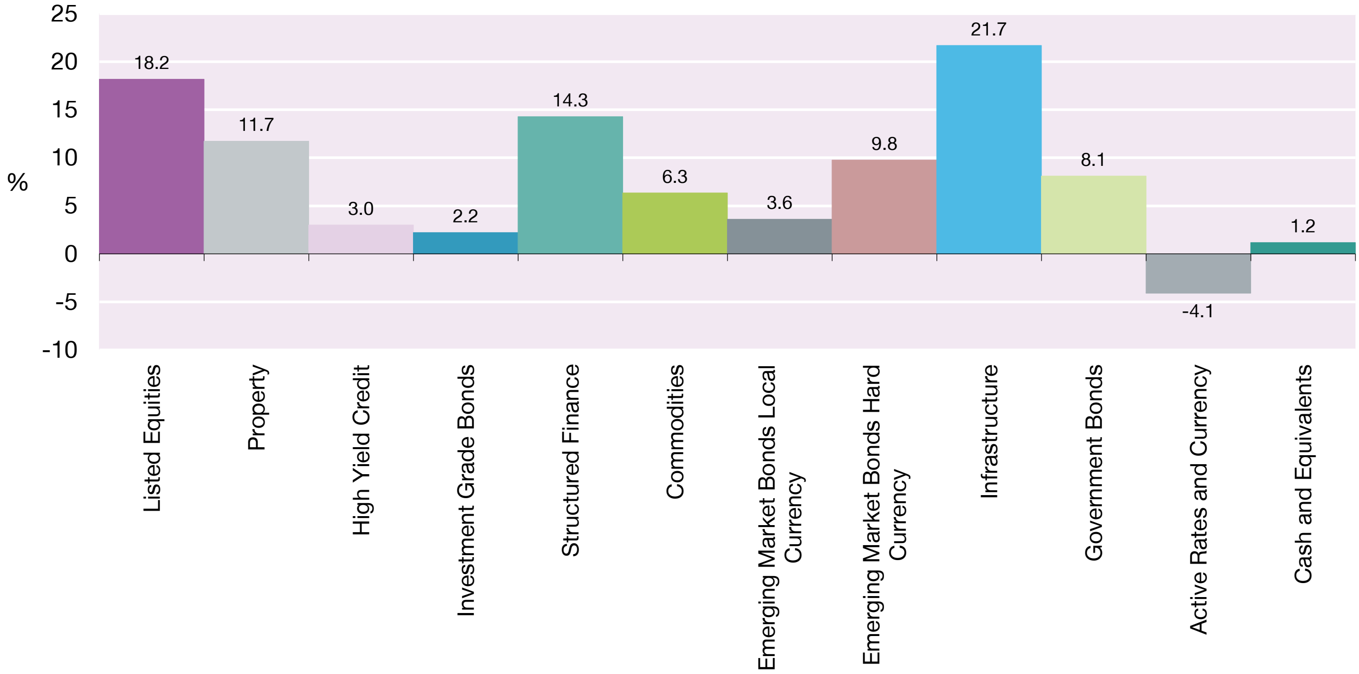
The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

Asset Allocation at Quarter End

		Weight (%)
1	Listed Equities	18.2
2	Property	11.7
3	High Yield Credit	3.0
4	Investment Grade Bonds	2.2
5	Structured Finance	14.3
6	Commodities	6.3
7	Emerging Market Bonds Local Currency	3.6
8	Emerging Market Bonds Hard Currency	9.8
9	Infrastructure	21.7
10	Government Bonds	8.1
11	Active Rates and Currency	0.0
12	Cash and Equivalents	1.2
	Total	100.0



Asset Class Exposures at Quarter End

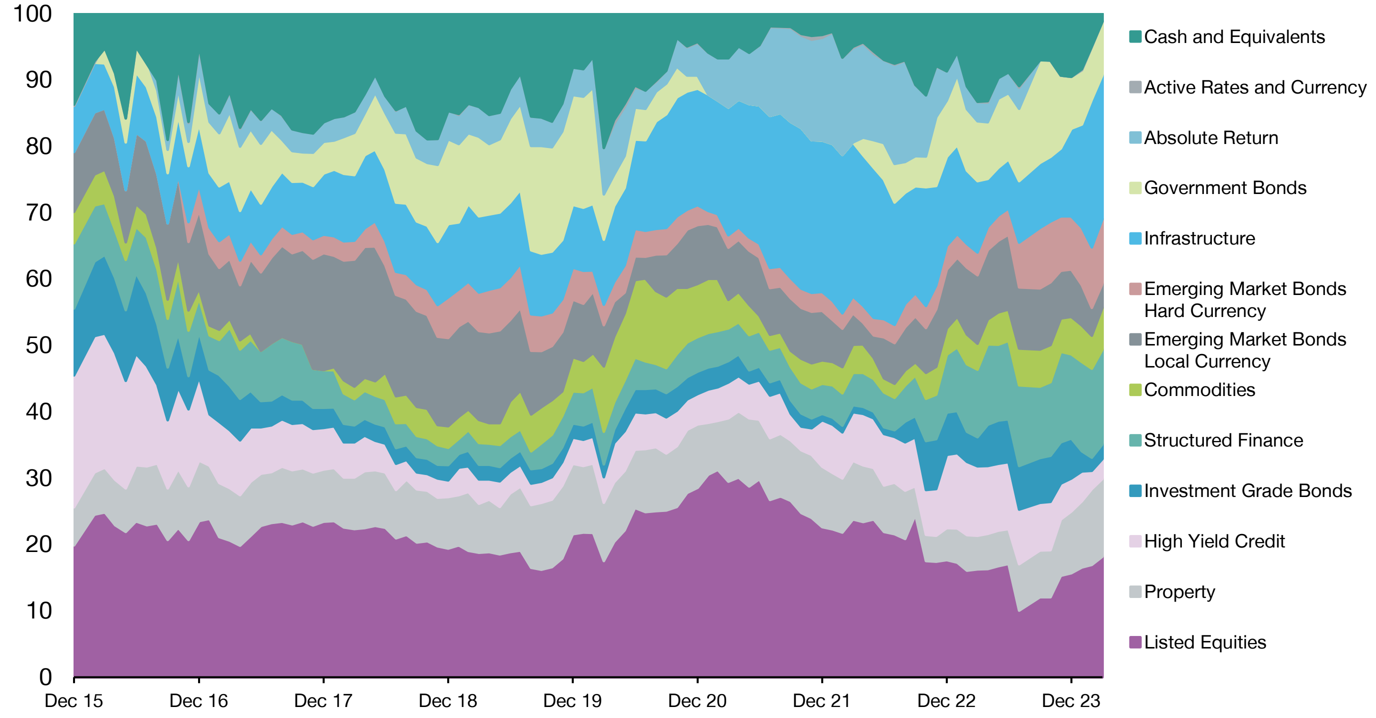


Source: Baillie Gifford.

Total may not sum due to rounding

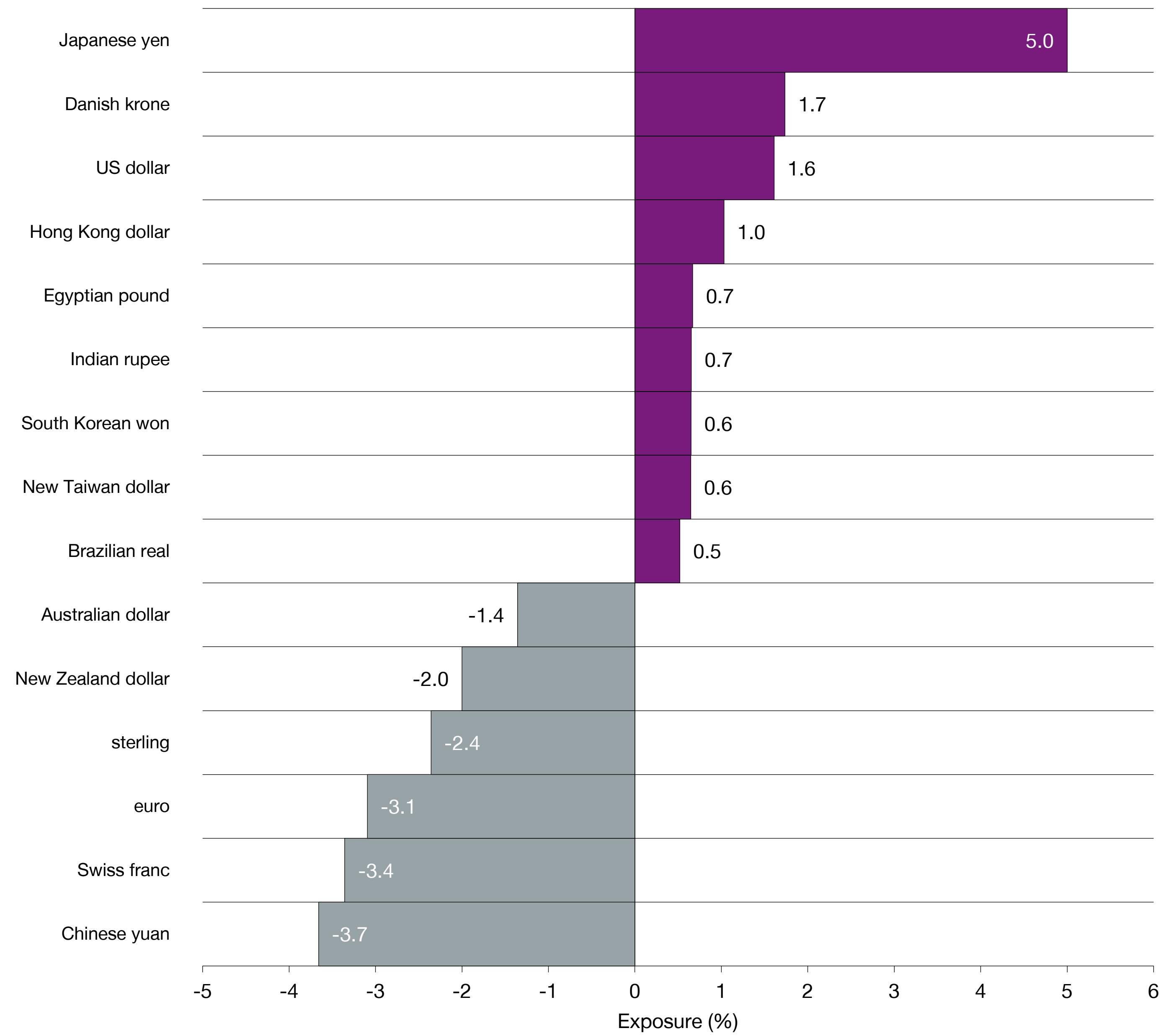
Any difference between the weight of an asset class (as shown in the Asset Allocation at Quarter End table above) and its exposure relates to future positions, as do any negative exposures. The weight shown against Active Rates and Currency reflects the net unrealised profit or loss of open positions in the Fund. In other asset classes, any negative exposures relate to futures positions

Changes in Asset Allocation Since Launch of the Fund† (%)



† 08 December 2015

Net Currency Exposures at Quarter End



Source: Baillie Gifford & Co. Only includes relative currency positions greater than +/- 0.5%.

The chart shows material currency positions in the Fund relative to the sterling denominated index.

The bars represent net long and short currency positions held in the portfolio including:

— Exposures gained through unhedged investments in non-sterling assets, and;

— Active Currency: currency exposures which may be return-seeking or portfolio hedges.

Asset Name	Weight (%)	Exposure (%)
Listed Equities		
Baillie Gifford EM Lead Co Fund C Accum	6.3	6.3
Baillie Gifford Global Income Growth Fund C Acc	3.4	3.4
iShares MSCI EM UCITS ETF	2.7	2.7
Scottish Mortgage Investment Trust	1.9	1.9
Baillie Gifford American Fund C Accum	1.3	1.3
Baillie Gifford European Fund C Accum	0.9	0.9
Baillie Gifford Worldwide Japanese Fund C GBP Acc	0.8	0.8
GS Strategic Dividend 25 ETN (C)	0.5	0.5
Baillie Gifford UK Equity Alpha Fund C Accum	0.4	0.4
Total Listed Equities	18.2	18.2
Property		
Segro Plc	1.3	1.3
Prologis Inc REIT	1.3	1.3
Ctp N.V.	1.2	1.2
American Tower Corp REIT	1.2	1.2
Warehouses De Pauw	1.0	1.0
Equinix	1.0	1.0
Rexford Industrial Realty REIT	0.9	0.9
Unite Group	0.8	0.8
LondonMetric Property	0.6	0.6
Assura Group	0.6	0.6
Crown Castle International REIT	0.5	0.5
Montea NV	0.5	0.5
Target Healthcare Reit Plc	0.4	0.4
Sun Communities Inc REIT	0.4	0.4
Total Property	11.7	11.7
High Yield Credit		
Baillie Gifford US High Yield Credit	3.0	3.0
Total High Yield Credit	3.0	3.0
Investment Grade Bonds		
Baillie Gifford Investment Grade Bond Fund C Acc	2.2	2.2
Total Investment Grade Bonds	2.2	2.2
Structured Finance		
Aegon ABS Opportunity Fund Acc	3.5	3.5
Galene Fund	3.3	3.3
Plutus CLO Fund	3.1	3.1
Accunia European CLO Fund	1.0	1.0
HSBC Global Asset Backed High Yield Bond Fund	0.9	0.9
CADOG 12X E	0.4	0.4
BCCE 2019-1X E	0.4	0.4
BNPAM 2021-1X E	0.4	0.4
CONTE 6X ER	0.4	0.4
GLNBR 1X E	0.3	0.3
OHECP 2015-4X ER	0.3	0.3
OCPE 2022-5X E	0.2	0.2
Total Structured Finance	14.3	14.3
Commodities		
WisdomTree Aluminium ETC (c)	2.3	2.3
SparkChange Physical Carbon ETC	1.1	1.1
WisdomTree Copper ETC (c)	1.0	1.0
MP Materials	1.0	1.0
Lynas Corporation	0.9	0.9
Total Commodities	6.3	6.3
Emerging Market Bonds Local Currency		
Baillie Gifford Emerging Markets Bond Fund C Acc	3.0	3.0
Egypt T Bill 11/03/2025	0.6	0.6
Total Emerging Market Bonds Local Currency	3.6	3.6
Emerging Market Bonds Hard Currency		
BG Worldwide Sustainable EM Bond C USD ACC	9.0	9.0
Ukraine Float 01/08/2041 (USD)	0.7	0.7
Total Emerging Market Bonds Hard Currency	9.8	9.8
Infrastructure		
Terna	3.8	3.8
Eversource Energy	1.7	1.7
Iberdrola SA	1.5	1.5
NextEra Energy	1.4	1.4
United Utilities	1.3	1.3
Severn Trent	1.3	1.3
Orsted	1.0	1.0
3i Infrastructure	0.9	0.9
Renewables Infrastructure Group	0.9	0.9

Asset Name	Weight (%)	Exposure (%)
Enel SpA	0.9	0.9
Greencoat UK Wind	0.8	0.8
Octopus Renewables Infrastructure	0.8	0.8
RWE	0.8	0.8
John Laing Environmental Assets Group	0.7	0.7
Prysmian	0.7	0.7
EDP Renovaveis	0.6	0.6
NKT Holding AS	0.6	0.6
Nexans	0.5	0.5
Brookfield Renewable	0.5	0.5
Hydro One	0.4	0.4
WEC Energy Group	0.3	0.3
Fortis	0.3	0.3
Total Infrastructure	21.7	21.7
Government Bonds		
Canada Housing Trust No.1 3.65% 15/06/2033	2.3	2.3
Australia 1.75% 21/06/2051	2.2	2.2
Australia 3% 21/03/2047	2.2	2.2
US Treasury 3% 15/08/2052	0.7	0.7
US Treasury 2.875% 15/05/2052	0.7	0.7
Total Government Bonds	8.1	8.1
Total Active Rates and Currency	0.0	-4.1
Total Cash and Equivalents	1.2	1.2
Total	100.0	95.9

Totals may not sum due to rounding.

Futures positions are included at their net exposure weight in the portfolio exposure column, and cash includes collateral held to back all long futures positions. Therefore total portfolio exposure may not sum to 100%.

The weight shown against Total Active Rates and Currency reflects the net unrealised profit or loss of open positions in the Fund. Any difference between the weight of an asset class and its exposure relates to futures positions, as do any negative exposures.

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.

Fund Name	Update
Baillie Gifford Multi Asset Growth Fund	The current market environment offers many attractive investment opportunities across asset classes. Over the first quarter of 2024, we increased our allocation to those investments we believe offer the most attractive risk-adjusted returns, funding additions and new purchases from allocations elsewhere in the portfolio. Infrastructure is an asset class with one of the highest expected returns in our opportunity set. While investment markets responded positively to the changing narrative around interest rates at the start of the year, some infrastructure holdings, particularly regulated utilities, didn't participate in the rally. This divergence has rendered valuations in this sector particularly compelling and our largest additions were to regulated utilities. We also purchased two water utility holdings, Severn Trent and United Utilities, due to attractive valuations and the long-term outlook for both. These were funded through cash and the sale of three Chinese renewable developers. Listed equities was another asset class in which we added to over the quarter. We increased our exposure to emerging market equities through an internal fund, while also adding to growth-orientated equities. In property, despite the headwinds facing the likes of commercial property and shopping centres, several areas offer attractive long-term opportunities. These areas, including logistics, telecommunication towers, student accommodation and healthcare, are characterised by their continued strong growth and high occupancy rates. We added to a number of Real Estate Investment Trusts (REITS) where valuations are attractive, leverage is low and management teams are strong. Structured finance continues to be one of the largest asset classes within the portfolio given our view of the expected returns available and the attractive yields on offer. We added to mezzanine CLOs (collateralised loan obligations) funded by reducing the leveraged senior CLOs due to spreads tightening. Given mezzanine spreads are still very attractive and default rates remain low, we felt the risk and return prospects were better in this area. Within commodities, we have been researching investments within the theme of the 'green revolution'. During the quarter, we purchased a new holding in a carbon credits instrument, which sits alongside the exposure to aluminium, copper and rare earth miners. Over the course of the quarter, our view of duration changed and we started to reduce our bond positions to reflect this. Our reductions play into this view as the number of interest rate cuts the market expected seemed overly optimistic at the start of the year. With this in mind, we reduced our holding in the investment grade bond fund and sold two Canadian provincial bonds, which had rallied strongly on the changing narrative. In emerging markets, we reduced our allocation to local currency bonds in favour of hard currency due to the more attractive yields on offer. While we continue to reduce our local currency allocation as we seek to redistribute it to higher conviction ideas in the portfolio, we did take the opportunity to purchase an Egyptian treasury bill as the recent devaluation of the currency gave us an attractive entry point. We reduced our allocation to high yield credit during the quarter. We still retain an allocation to an internal high yield bond fund but we sold out of the Ashmore Asian High Yield Bond Fund. This is due to the ongoing economic issues in China weighing on some areas of credit markets so we decided to use the funds to invest in other more high-conviction ideas in the portfolio.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	5	Companies	None	Companies	1
Resolutions	33	Resolutions	None	Resolutions	1

The FCA published its Sustainability Disclosure Requirements (SDR) regulation at the end of 2023. This applies to UK-based investment funds and includes new fund-labelling and anti-greenwashing rules
In the US, the SEC finalised its climate disclosure for listed companies
Within the Fund, we made a small allocation to carbon credits. Changes by the EU to constrain their long-term supply provided an attractive entry point to an investment at the heart of the decarbonisation theme

Company Engagement

Engagement Type	Company
Environmental	Brookfield Renewable Corporation, Eversource Energy, Hydro One Limited, MP Materials Corp., Nexans S.A.
Governance	Accunia European CLO, EDP Renovaveis, S.A., Nexans S.A.

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.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	08 December 2015	GB00BY9C5Y31	BY9C5Y3	0.50	0.64
Class B-Inc	22 May 2017	GB00BY9C5J89	BY9C5J8	0.50	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.

This document contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

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.

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.

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 bailliegifford.com

Ref: 99812