

Baillie Gifford™

Baillie Gifford Health Innovation Equities Fund

First Quarter 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

Portfolio Summary

The strategy aims to invest in companies that have the potential to bring substantial improvements to human health and healthcare systems. The team believe such companies are best positioned to deliver attractive investment returns over the long term. The team recognise that such companies often lie at the intersection of the different disciplines, driven by the convergence of technologies and it is therefore critical that the scope is not limited to the traditional definition of the healthcare sector. The team's ambition extends beyond generating attractive returns for the Fund's investors, they also want to play a part in speeding up the healthcare revolution.

Fund Facts

K Class Ticker	BGHDX
Institutional Class Ticker	BGHBX
Launch Date	December 28, 2021
Size	\$16.2m
Benchmark	MSCI ACWI Index
Stocks (guideline range)	25-50
Current Number of Stocks	37
Active Share	100%*
Annual Turnover	12%**
Style	Long-term growth stockpicking

*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

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

**The Turnover figure presented is based on internal calculation methods and differs to the financial statements which are calculated in accordance with the requirements of N-1A.

Health Innovation Team

Name	Years' Experience
Julia Angeles*	16
Marina Record	16
Rose Nguyen	11

*Partner

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This information and other information about the Fund can be found in the prospectus and summary prospectus. For a prospectus and summary prospectus, please visit our website at bailliegifford.com/usmutualfunds Please carefully read the Fund's prospectus and related documents before investing. Securities are offered through Baillie Gifford Funds Services LLC, an affiliate of Baillie Gifford Overseas Ltd and a member of FINRA.

Fund Performance as of March 31, 2024



Gross Expense Ratio	
Share Class – K	2.69%
Share Class – Institutional	2.69%
Net Expense Ratio	
Share Class – K	0.65%
Share Class – Institutional	0.65%

Benchmark: MSCI ACWI Index

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at bailliegifford.com/usmutualfunds.

The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

*Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time. The net expense ratios for this fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses) through April 30, 2024. *Not annualized.*

The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the MSCI ACWI Index.

Source: Baillie Gifford & Co, Bank of New York Mellon, MSCI. Share Class launch date: Dec 23, 2021. NAV returns in US dollars.

Stock Level Attribution

Quarter to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
ShockWave Medical	2.85
Apple	0.78
Edwards Lifesciences	0.66
Tesla Inc	0.37
Alk-Abello	0.36

Bottom Five Contributors

Asset Name	Contribution (%)
10X Genomics	-1.82
Alnylam Pharmaceuticals	-1.67
Wuxi Biologics	-1.59
NVIDIA	-1.24
Genmab	-0.79

One Year to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
ShockWave Medical	1.41
Apple	0.66
Ascendis Pharma	0.47
Tesla Inc	0.32
Recursion Pharmaceuticals	0.27

Bottom Five Contributors

Asset Name	Contribution (%)
Wuxi Biologics Cayman	-3.51
Moderna	-2.96
Genmab	-2.95
Alnylam Pharmaceuticals	-2.69
Illumina	-2.67

Source: Revolution, MSCI, Baillie Gifford Health Innovation Equities Fund relative to MSCI ACWI Index.

The performance data quoted represents past performance and it should not be assumed that transactions made in the future will be profitable or will equal the performance of the securities mentioned. For the most recent month-end performance please visit our website at bailliegifford.com/usmutualfund. A full list of holdings is available on request. The composition of the Fund's holdings is subject to change.

All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices. Attribution is shown relative to the benchmark therefore not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Market environment

In the first quarter of 2024, the Health Innovation portfolio rose in absolute terms as optimism improved across the healthcare sector. After a prolonged period of adjustment following the pandemic, strong funding activity and positive commentary from company management teams suggest the sector is through the worst, although performance continues to be dominated by the obesity drug developers, Eli Lilly and Novo Nordisk. Companies in the portfolio continue to make progress which should be increasingly rewarded as confidence in the sector picks up.

The broader global equity market had its strongest first quarter in five years as artificial intelligence enthusiasm and the resilience of the global economy drove stock prices and valuations higher, particularly in the United States (US).

Performance

The portfolio's largest contributors to performance included Shockwave, Edwards Lifesciences, and ALK-Abello. Shockwave, the developer of devices which remove calcified plaques from arteries, saw its stock price hit a new high as it announced strong quarterly results and news broke that it is in talks to be acquired by the pharmaceutical giant Johnson & Johnson. Its fourth quarter revenues beat sell-side estimates, growing 40% year-on-year, with sales outside of the US increasing rapidly, despite weakness in China. It has product launches to come this year to expand its market further, such as its C2+ device which can remove more challenging lesions due to the stronger pulses it emits.

Edwards Lifesciences also had a strong quarter. The company has developed a range of medical implants for the heart that can be delivered in a less intrusive manner than incumbent treatments, improving patient recovery times and outcomes. In February, it announced the early approval of its Evoque device, which can replace the heart's tricuspid valve. The device will launch this year in the US and Europe to further strengthen a fast-growing area of its business, alongside its mitral valve treatments. The bulk of its revenues today are from its transcatheter aortic valve replacements (TAVR), which continue to grow at over double-digit rates year-on-year, despite their mature market penetration.

Allergy immunotherapy treatment company ALK-Abello's stock price continued to perform well following consecutive quarters of strong tablet sales in Europe. Alongside strong demand, the company has importantly also delivered operating margin growth that is expected to continue as its clinical trial and research costs stabilise. Its tablet portfolio includes the majority of common respiratory allergies such as dust mite, grass and tree pollen. The key opportunity is expanding their use to an underpenetrated patient population in the coming years. ALK-Abello believes that under 10% of allergy sufferers are aware of the treatment options available today.

The key detractors to performance last quarter included 10X Genomics, Alnylam Pharmaceuticals and WuXi Biologics. In January, 10X Genomics, a life science and diagnostics company, announced disappointing results which caused the stock price to fall. Demand has been weaker for the Chromium single-cell sequencing devices and related consumables it sells, amid widespread industry weakness as its customer base tightens spending. These devices show how different cells in the body behave. However, its spatial biology Xenium device has had a very successful launch, with over 250 instruments now shipped. The company is looking to refocus its efforts on growing the single-cell business after some commercial missteps in this area over the last year. This should be aided by the release of an improved GEM-X chemistry which cuts costs for its customers.

Despite its robust drug pipeline and continued financial progress, the early-stage therapeutics company Alnylam's stock price fell last quarter due to changes they announced to their pivotal HELIOS-B trial. The trial is assessing the use of its drug, Vutrisiran, in treating ATTR cardiomyopathy, a potentially fatal genetic heart disorder. Vutrisiran is approved for ATTR polyneuropathy, a related condition, but success in HELIOS-B could multiply its addressable patient population tenfold. Alnylam lengthened the trial by three months and split the patient population to assess its use as a lone therapy and alongside the existing standard of care, tafamidis. The market reacted badly to this news, as changes at this late stage are unusual. However, the management team believe these changes will better highlight the superior efficacy of its drug. We await the results announcement in June but have conviction in the company's gene silencing technology and broader pipeline.

WuXi Biologics, the Chinese contract research and development organisation, saw its stock price fall further this quarter after the announcement of a bipartisan bill in the US to limit US taxpayer money benefitting certain Chinese companies. WuXi Biologics was not named in the bill, but its Chief Executive Officer Chris Chen and its sister company WuXi Apptec were. This could have significant implications for the company's partnerships with US companies. The bill's potential impact will take time to become evident and the company continues to execute and take share impressively. We will continue to monitor the situation closely.

Notable transactions

We made four new purchases in the quarter, Inspire Medical and Insulet which develop devices for sleep apnoea and diabetes delivery respectively, the oncology pioneer BioNTech, and Twist Bioscience, the manufacturer of synthetic DNA. All four holdings were bought at stark discounts to recent valuation highs.

We sold the monitoring technologies company Masimo, Teladoc, the telehealth company and oncology company Novocure having lost faith that all three merit a place in a portfolio of the most innovative companies in healthcare.

Market Outlook

Innovation across healthcare continues to advance strongly, despite the difficult market environment. Whether it be the increase in drug developer research and developments (R&D) budgets, new drugs approved, or clinical trial starts, these metrics demonstrate the health of the industry and provide a strong backdrop for its long-term prospects. Advancing technologies continue to bring a more data-driven era of personalised medicine closer. In the short term, industry revenues and profits are finally picking back up, improving market confidence, and resetting growth expectations higher.

We believe recent market uncertainty continues to mask the true potential of the companies in the Fund. The fundamentals, in the form of revenue growth, earnings growth and investment in R&D, remain strong. As the companies' drug pipelines continue to advance, and their devices and services evidence a differentiated value proposition to patients they should be well-placed to deliver compelling long-term growth.

Transactions from 01 January 2024 to 31 March 2024.

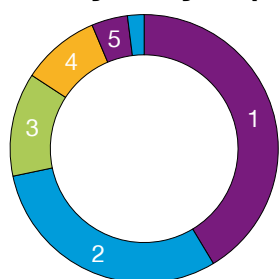
New Purchases

Stock Name	Transaction Rationale
BioNTech	We decided to take a position in BioNTech, a leading oncology-focused biotechnology company. We believe the combination of deep cancer expertise from the founders' decades of experience, its strong balance sheet of over \$16bn in cash, and its access to new technologies, through internal development and partnerships, materially increases the company's chance of success. The market's focus on its declining COVID-19 vaccine revenues has left its valuation depressed, undervaluing the breadth and depth of its drug pipeline. We took the opportunity to add it to the portfolio.
Inspire Medical Systems	Inspire offers a revolutionary way of addressing obstructive sleep apnoea (OSA). Its implant stimulates a nerve to push the tongue forward and clear the throat. It is used as an alternative to pressurised masks worn while sleeping, which can have low compliance rates. With only 50k devices implanted today and an estimated 6m severe OSA patients alone in the US, there is potential to grow the number of procedures at over 20% per year for the next 10 years. Inspire has made clear progress in unlocking this market by evidencing the implant's effectiveness, making the procedure easier, improving awareness and establishing reimbursement, and it is now working to unlock surgeon capacity to boost procedure numbers further. Its stock price has halved since June due to the perceived impact of the obesity drugs despite these having no effect in treating OSA due to tongue collapse, which Inspire's devices treat. This has provided an attractive entry point to take a position in the company.
Insulet	We took a new position in Insulet which has developed the only fully disposable and automated insulin delivery pump on the market. Its easy-to-use, compact tubeless pump connects to a continuous glucose monitoring device to administer insulin in a more efficient way than alternatives. This has led it to take share rapidly against competitors. We believe that Insulet can expand its share in type 1 diabetes patients, but its largest opportunity will be its increased adoption by the 2.8m insulin-intensive type 2 diabetes sufferers in the US where pumps are less than 5% penetrated. Our base case has the company growing its revenues at over 20% per year over the next five years, as well as expanding margins as it scales. Its stock price remains depressed due to fears that obesity drugs will limit its addressable market. This presented an attractive valuation opportunity to take an initial holding.
Twist Bioscience	Twist Bioscience manufactures DNA which is used in a number of applications such as in drug development, synthetic biology and clinical diagnostics. It makes synthetic DNA at a lower cost, at a higher throughput and with fewer errors than competitors. Its engineering-led approach can produce replicable success across various markets. Firstly, Twist has the potential to take share in the synthetic biology market through customer acquisition and new products and by the accelerated adoption of its sequencing products in the rapidly expanding diagnostics market. This can drive Twist's revenue growth higher, which combined with its recent capacity expansion, will lead to improved profitability over the next five years. Beyond this, the company also has compelling outlier potential in nascent markets such as in energy storage or its optimised antibodies for drug development.

Complete Sales

Stock Name	Transaction Rationale
Masimo	<p>We sold the holding in Masimo, a developer of non-invasive patient monitoring devices. This was after already reducing the holding earlier in the month to fund a new purchase in Inspire Medical. Masimo's core business of monitoring infrastructure for hospitals is high quality, but its sales had slowed due to budget tightening across its customer base. More concerning was the severe hit in demand for its premium audio business which it acquired in 2022. We have monitored the progress of this acquisition since its completion and have concluded that it has worsened the quality of the business overall. We have therefore reallocated the proceeds of the sale to companies where we have more conviction.</p>
Novocure	<p>We decided to sell the position in Novocure. The company's Tumour Treating Field (TTF) devices emit electric fields which can stop and reverse the progression of cancer. After disappointing results in phase three trials in lung and ovarian cancer last year, we have less conviction that its TTF technology can become a backbone of cancer treatments in the future as the oncology field continues to change rapidly. With the next key trial results not expected for some time, we decided to reallocate the proceeds to a higher conviction new idea.</p>
Teladoc	<p>We sold the holding in Teladoc, the virtual healthcare company, due to its worsening growth prospects and a lack of faith in its management team. The pandemic propelled Teladoc to be the dominant telemedicine provider in the US and entrenched relationships with health insurers and employers. However, the company has not been able to leverage its platform across primary and chronic care to demonstrate value in the way we would have hoped. The cross-selling of its services has disappointed, and alongside slowing growth for its BetterHelp mental health app, undermined our confidence that the management team have the skills to navigate the complex needs of its customer base in the face of increasing competition.</p>

Industry Analysis (%)



1	Biotechnology	41.36
2	Health Care Equipment & Supplies	30.35
3	Life Sciences Tools & Services	12.50
4	Health Care Technology	9.45
5	Pharmaceuticals	4.35
6	Cash	2.00

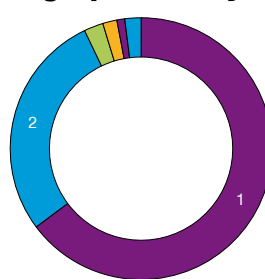
Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

Top Ten Holdings

Holdings	Fund %
1 ShockWave Medical	7.93
2 Moderna	6.79
3 Dexcom	5.77
4 argenx	5.63
5 Genmab	5.56
6 Edwards Lifesciences	5.22
7 Sartorius Group	4.57
8 Ambu	4.47
9 Exact Sciences	4.36
10 ALK-Abello	4.35

The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

Geographic Analysis (%)



1	North America	64.79
2	Europe (ex UK)	28.11
3	Developed Asia Pacific	2.38
4	Emerging Markets	1.75
5	UK	0.97
6	Cash	2.00

Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

Portfolio Characteristics

Number of holdings	36
Number of countries	7
Number of sectors	1
Number of industries	5
Active Share	100%*
Annual Turnover	12%**

*Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

**The Turnover figure presented is based on internal calculation methods and differs to the financial statements which are calculated in accordance with the requirements of N-1A.

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	3	Companies	1	Companies	None
Resolutions	35	Resolutions	1	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	Twist Bioscience Corporation
Governance	ALK-Abello A/S, Exscientia, Genmab A/S, Sartorius Aktiengesellschaft, WuXi Biologics (Cayman) Inc.

Votes Cast in Favour

Companies	Voting Rationale
Alk-Abello, Genmab, Sage Therapeutics Inc	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Alk-Abello	AGM 03/14/24	4	We opposed the remuneration report due to ongoing concerns with a lack of disclosure of performance targets.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

List of Holdings

Asset Name	Fund %
ShockWave Medical	7.93
Moderna	6.79
Dexcom	5.77
argenx	5.63
Genmab	5.56
Edwards Lifesciences	5.22
Sartorius Group	4.57
Ambu	4.47
Exact Sciences	4.36
ALK-Abello	4.35
Alnylam Pharmaceuticals	4.06
Illumina	3.39
Veeva Systems	3.26
10x Genomics	3.25
Ionis Pharmaceuticals	3.12
Ascendis Pharma	2.99
Doximity	2.87
ResMed	2.84
M3	2.38
Recursion Pharmaceuticals	1.97
STAAR Surgical	1.50
Insulet Corporation	1.45
Denali Therapeutics	1.41
WuXi Biologics	1.28
Inspire Medical Systems	1.17
Twist Bioscience	1.05
Exscientia	0.97
Health Catalyst	0.93
Relay Therapeutics	0.68
BioNTech	0.54
Zai Lab	0.47
Alector	0.45
Lyell Immunopharma	0.33
Sana Biotechnology	0.33
Vir Biotechnology	0.33
Sage Therapeutics	0.33
Abiomed CVR Line*	0.00
Cash	2.00
Total	100.00

Total may not sum due to rounding. The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.

*Abiomed was acquired in December 2022 by Johnson and Johnson. Holders received a cash allocation plus non-tradable contingent value rights (CVRs).

Important Information and Fund Risks

Past performance is not a guide to future returns. This document contains information on investments which does not constitute independent 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.

The Funds are distributed by Baillie Gifford Funds Services LLC. Baillie Gifford Funds Services LLC is registered as a broker-dealer with the SEC, a member of FINRA and is an affiliate of Baillie Gifford Overseas Limited.

All information is sourced from Baillie Gifford & Co unless otherwise stated. All amounts are in US dollars unless otherwise stated.

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. The most significant risks of investing in the Baillie Gifford Health Innovation Equities Fund are Investment Style Risk, Healthcare Industry Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, Non-Diversification Risk and Focused Investment Risk. The Fund is managed on a bottom up basis and stock selection is likely to be the main driver of investment returns. Returns are unlikely to track the movements of the benchmark. The healthcare industry is subject to regulatory action by a number of private and governmental agencies. The profitability of companies in the healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services, demand for medical products and services and product liability claims, among other factors. New products can be subject to regulatory approvals, which can be a long and costly process with no guarantee of success. Patent protection and the expiration of patents may affect a company's profitability. The prices of growth stocks can be based largely on expectations of future earnings and can decline significantly in reaction to negative news. The Fund is managed on a long-term outlook, meaning that the Fund managers look for investments that they think will make returns over a number of years, rather than over shorter time periods. The Fund may have a smaller number of holdings with larger positions in each relative to other mutual funds. The Fund's focus on a limited number of sectors or companies will create more risk and greater volatility than if the Fund were less focused. Other Fund risks include: China Risk, Conflicts of Interest Risk, Emerging Markets Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Geographic Focus Risk, Government and Regulatory Risk, Information Technology Risk, Initial Public Offering Risk, Liquidity Risk, Market Disruption and Geopolitical Risk, Market Risk, New and Smaller-Sized Funds Risk, Service Provider Risk, Small- and Medium-Capitalization Securities Risk and Valuation Risk.

For more information about these and other risks of an investment in the Fund, see "Principal Investment Risks" and "Additional Investment Strategies" in the prospectus.

Baillie Gifford Health Innovation Equities Fund seeks capital appreciation. There can be no assurance, however, that the Fund will achieve its investment objectives.

Any stock examples, or images, used in this presentation are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style.

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