

Baillie Gifford™

Baillie Gifford U.S. Discovery Fund

Fourth Quarter 2023

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 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

Fund Facts

K Class Ticker	BGUKX
Institutional Class Ticker	BGUIX
Launch Date	May 05, 2021
Size	\$2.3m
Benchmark	Russell 2500 Growth Index
Stocks (guideline range)	40-75
Current Number of Stocks	52
Active Share	96%*
Annual Turnover	11%**
Style	Growth

*Relative to Russell 2500 Growth Index. Source: Baillie Gifford & Co, Russell.

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.

Portfolio Summary

The Baillie Gifford US Discovery Fund invests in a portfolio of 40-75 high potential, immature smaller companies in the United States which each strive to disrupt established industries or build entirely new ones. Through bottom-up stock selection, our aim is to identify these companies early on in their development and own them over the long term as they strengthen their competitive edge and grow. We believe that approaching investment with a genuine long-term perspective, accepting a degree of uncertainty and backing robust innovation and entrepreneurial management gives us the best chance of achieving our goal of identifying the companies that have the potential to be the big winners of tomorrow and to capture long term capital appreciation.

US Discovery Team

Name	Years' Experience
Douglas Brodie*	22
Svetlana Viteva	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 December 31, 2023



Gross Expense Ratio	
Share Class – K	6.90%
Share Class – Institutional	6.90%
Net Expense Ratio	
Share Class – K	0.82%
Share Class – Institutional	0.82%

Benchmark: Russell 2500 Growth 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.

The Russell 2500™ Growth Index measures the performance of the small to mid-cap growth segment of the US equity universe. It includes those Russell 2500™ companies with higher growth earning potential as defined by FTSE Russell's leading style methodology. The Fund is more concentrated than the Russell 2500 Growth Index. *Not annualized.

Source: Baillie Gifford & Co, Bank of New York Mellon and MSCI. Share Class launch date: May 5, 2021 . NAV returns in US dollars.

Stock Level Attribution

Quarter to December 31, 2023

Top Five Contributors

Asset Name	Contribution (%)
Twist Bioscience	1.21
TransMedics	1.05
CyberArk Software	0.70
Varonis Systems	0.70
EverQuote	0.65

Bottom Five Contributors

Asset Name	Contribution (%)
Cardlytics	-0.78
Appian	-0.72
Staar Surgical	-0.56
Aehr Test Systems	-0.37
Quanterix	-0.26

One Year to December 31, 2023

Top Five Contributors

Asset Name	Contribution (%)
Axon Enterprise	1.50
Twist Bioscience	1.44
CyberArk Software	1.30
Varonis Systems	1.07
Liveramp	0.98

Bottom Five Contributors

Asset Name	Contribution (%)
Novocure	-3.48
Ambarella	-1.14
Trupanion	-1.10
Staar Surgical	-1.04
Chegg	-0.92

Source: Revolution, Russell, Baillie Gifford U.S. Discovery Fund relative to Russell 2500 Growth 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

Investors' consideration of the macro environment has dominated returns for much of the fourth quarter. We've observed portfolio valuations be highly sensitive to increasing United States (US) Treasury yields during October and their subsequent fall in November and December, following the release of better-than-expected US inflation data and a possible path towards US Federal Reserve rate cuts in 2024. While we can be sanguine about inflation finally falling, we maintain that the market's focus on the relatively short-term macro is not the environment we'd choose.

From our analysis, the small-cap asset class is now distinctly undervalued relative to large caps. Within the portfolio, we have numerous holdings where we feel the market's reduced time horizons have led to a mispricing of a company's long-term worth. These features will ultimately pass. As shocks work through the system, we will return to an environment more attuned to business fundamentals. Yet, for the time being, we're excited by the opportunities available to us.

Performance

Over the quarter, holdings in Twist Bioscience, Transmedics, and EverQuote were among the largest positive contributors to relative performance. Twist Bioscience (Twist) has developed a scalable, low-cost production platform for synthetic DNA – a key component in many health and life science processes from next-generation sequencing (NGS) to antibody libraries for drug discovery. Over the fourth quarter, the market responded favorably to results which outperformed expectations. Sales grew at around 17%, powered by demand from NGS and synthetic biology clients. 2024 looks exciting for Twist; it has previously invested in a larger and more efficient production facility ('Factory of the Future') to increase capacity, and simultaneously, it has several exciting product launches, including 'Express Genes' for NGS, which cuts order times from ten to five days. Meanwhile, its 2024 guidance implies that the core business will be within touching distance of being earnings before interest, taxes, depreciation, and amortization (EBITDA) positive. Shares in Transmedics, a medical technology company that transforms organ transplant therapy for end-stage organ failure patients, increased by around 60% in November with the company's quarterly results. These reported robust top-line growth, with revenues increasing by 159% year-over-year (YoY). Encouragingly, there is strong growth across all three organ products (liver, heart, lung). These results reassured investors concerned that Transmedics could not maintain its impressive historical growth rates. EverQuote, the comparison platform for US consumer insurance products, also contributed to relative performance. The insurance market has been challenging for the last couple of years, with providers having to manage rising claim costs

and complex pricing dynamics. This has reduced providers' budgets for customer acquisition, negatively affecting growth opportunities for EverQuote. Shares have rallied in anticipation of a better outlook for 2024. This has been corroborated by nine of EverQuote's top ten auto insurers indicating plans to increase customer acquisition. Having been patient with the business over the last couple of years, we hope that will be rewarded.

Over the quarter, holdings in Cardlytics, Staar Surgical, and Appian were among the largest negative contributors to relative performance. Cardlytics operates a white-labelled platform for banks to provide personalised retail offers to clients. Shares fell sharply in mid-November after the business's third-quarter results were released. The company reported solid progress for the period, with revenues growing over 20% YoY and making significant improvements to deliver EBITDA breakeven over the quarter. However, the market responded poorly to issued guidance being below expectations. Cardlytics said the cautious guidance reflected ongoing macro uncertainty, with the trajectory of inflation and interest rates remaining unclear. Management did clarify that even with the reduced revenue guidance, they are still targeting positive annual EBITDA for 2024, which would be the first time this has been delivered. Having reduced the position on share price strength in the third quarter, we're continuing to evaluate the company's progress from here. Staar Surgical develops and sells implantable lenses for vision corrective procedures. Following an underwhelming commercial roll-out in the US, the business has restated its long-term growth expectations. It targets 15-20% top-line growth over the next three years, which we believe is conservative, especially in the second half when adoption hopefully ramps. Its most recent results, however, have been below that guidance (13% growth YoY). Staar has said a challenging economic environment is prompting people to hold off on elective procedures. We're content to remain patient. The business is profitable, and given our conviction in the product's superiority, we believe it will ultimately be successful in the US. Appian, the enterprise automation software provider, has had a period of decent execution – sales are up 16% YoY, cloud platform sales are up 24%, and more clients are spending over \$1 million. However, shares have fallen on disappointment in near-term guidance, which Appian has blamed on lengthened sales cycles prompted by macro uncertainty. We believe this period may ultimately benefit the proposition as it becomes more powerful with the current focus on organizational efficiency.

Notable transactions

During the quarter we made a new purchase in QuantumScape, a pioneer in solid-state battery manufacturing company. There was also complete sales of Everbridge and LendingTree.

Transactions from 01 October 2023 to 31 December 2023.

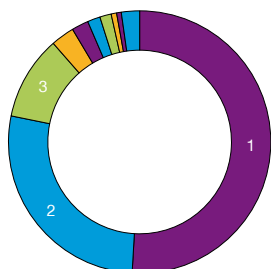
New Purchases

Stock Name	Transaction Rationale
QuantumScape	Quantumscape is a leader in the development of next-generation, solid-state lithium-metal batteries. This technology has the potential to unlock significant improvements in the range, charging time, and safety of electric vehicles. Crucially, Quantumscape's design is also suitable for traditional mass-manufacturing processes. A lack of practicality and cost-effectiveness has held back many other 'breakthroughs' in the battery industry. With significant support from Volkswagen and several other notable automotive partners, there is strong alignment for adopting this technology in the latter half of this decade. Having followed the business for several years and having been intrigued by its potential, we have bought a small position for the fund.

Complete Sales

Stock Name	Transaction Rationale
Everbridge	We sold the holding in Everbridge, a provider of critical event management tools to corporations, as we had decreased confidence in the company's ability to deliver superior growth in the future. Management change, salesforce disruption, and a maturing product offering have combined to restrict the company's delivered growth of Everbridge, regarding revenue and profits. While some efforts have been taken to address these challenges, we think their impacts will persist, limiting customer growth and new companies signing up to Everbridge.
LendingTree	Our case for Lending Tree was based on its potential to be an important intermediary for households looking for a wide range of financial products. While they have made some progress, they have not fulfilled the potential we saw in the model, and acquisitions have increased the business's risk profile. Given our investment thesis had been undermined, we sold the holding.

Sector Analysis (%)



1	Technology	50.92
2	Health Care	27.28
3	Industrials	10.36
4	Consumer Staples	2.90
5	Consumer Discretionary	2.07
6	Financials	1.57
7	Telecommunications	1.41
8	Basic Materials	0.67
9	Real Estate	0.57
10	Cash	2.24

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	Axon Enterprise	5.38
2	TransMedics Group	4.58
3	AeroVironment	4.29
4	CyberArk	4.20
5	LiveRamp	3.65
6	Sprout Social	3.64
7	Novanta	3.30
8	JFrog	3.08
9	Twist Bioscience	3.06
10	Varonis Systems	2.98

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

Portfolio Characteristics

Number of holdings	52
Number of countries	3
Number of sectors	9
Number of industries	18
Active Share	96%*
Annual Turnover	11%**

*Relative to Russell 2500 Growth Index. Source: Baillie Gifford & Co, Russell.

**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	2	Companies	1	Companies	None
Resolutions	14	Resolutions	1	Resolutions	None

The engagement meetings this quarter have focussed on corporate governance.

Our recent research has included several companies related to the energy transition.

Company Engagement

Engagement Type	Company
Environmental	AeroVironment, Inc., Ambarella, Inc., American Well Corporation, Appian Corporation, Axon Enterprise, Inc., Bandwidth Inc., BlackLine, Inc., CarGurus, Inc., JFrog Ltd., NovoCure Limited, Progyny, Inc., QuantumScape Corporation, Sutro Biopharma, Inc., Twist Bioscience Corporation, Varonis Systems, Inc., Xencor, Inc.
Governance	AeroVironment, Inc., Bandwidth Inc., BlackLine, Inc., Expensify, Inc., NovoCure Limited, QuantumScape Corporation, Varonis Systems, Inc., Xencor, Inc., Zuora, Inc.

Votes Cast in Favour

Companies	Voting Rationale
Fiverr Intl, Freshpet Inc	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Fiverr Intl	Annual 10/25/23	2	We opposed the resolution which sought authority to increase the authorised share capital because the potential dilution levels are not in the interests of shareholders and specific need for such an increase was not demonstrated.

Votes Abstained

We did not abstain on any resolutions during the period.

Votes Withheld

We did not withhold on any resolutions during the period.

Asset Name	Fund %
Axon Enterprise	5.38
TransMedics Group	4.58
AeroVironment	4.29
CyberArk	4.20
LiveRamp	3.65
Sprout Social	3.64
Novanta	3.30
JFrog	3.08
Twist Bioscience	3.06
Varonis Systems	2.98
Freshpet	2.90
Schrödinger	2.85
Zuora	2.65
BlackLine	2.63
Exact Sciences	2.62
Veeco Instruments	2.34
Upwork	2.22
Quanterix Corporation	2.11
Ambarella	2.08
Appian	1.96
HashiCorp	1.96
IPG Photonics	1.94
CarGurus	1.94
Doximity	1.89
Progyny	1.85
EverQuote	1.85
Pacira BioSciences	1.84
Digimarc	1.80
Xencor	1.66
Trupanion	1.57
Calix	1.41
STAAR Surgical	1.28
ShockWave Medical	1.20
Fiverr International	1.19
Novocure	1.07
Bandwidth	1.06
Stratasys	0.94
Tandem Diabetes Care	0.83
Sutro Biopharma	0.79
Cardlytics	0.75
Beam Therapeutics	0.71
CS Disco	0.69
QuantumScape Corporation	0.68
Denali Therapeutics	0.68
MP Materials	0.67
Chegg	0.65

Asset Name	Fund %
Redfin	0.57
Teladoc	0.48
Aehr Test Systems	0.40
Amwell	0.38
Adaptimmune Therapeutics	0.26
Expensify, Inc.	0.25
Cash	2.24
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.

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 an investment in the Baillie Gifford U.S. Discovery Fund are Small- and Medium- Capitalization Securities Risk, Growth Stock Risk, Investment Style Risk, Long-Term Investment Strategy Risk, Geographic Focus Risk and Non-Diversification Risk. The shares of small- and medium-capitalization companies can be more volatile than larger companies. This can be more evident during market downturns as they may have potentially reduced liquidity and shorter operating histories. 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 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 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 focuses on investments in the US, meaning it may offer less diversification and be more volatile than other funds. The Fund may have a smaller number of holdings with larger positions in each relative to other mutual funds. Other Fund risks include: Conflicts of Interest Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment 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 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 U.S. Discovery 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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