

Baillie Gifford™

Baillie Gifford China Equities Fund

Fourth Quarter 2024

About Baillie Gifford

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	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

Portfolio Summary

The Fund aims to invest in an actively managed portfolio of Chinese market stocks. We invest on a long-term (5 year) perspective, and have a strong preference for growth. We are looking for significant upside in each stock that we invest in. The process is driven by rigorous, fundamental, bottom-up analysis undertaken by our dedicated Emerging Markets Team. The fund managers draw on this analysis, as well as insights gleaned from discussion with all of Baillie Gifford's global investors, to produce a portfolio that typically holds 40-80 stocks.

Fund Facts

K Class Ticker	BGCDX
Institutional Class Ticker	BGCBX
Launch Date	July 07, 2021
Size	\$2.6m
Benchmark	MSCI China All Shares Index
Stocks (guideline range)	40-80
Current Number of Stocks	54
Active Share	68%*
Annual Turnover	22%**
Style	Growth

*Relative to MSCI China All Shares 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.

China Portfolio Construction Group

Name	Years' Experience
Linda Lin*	14
Sophie Earnshaw	14

*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, 2024



Gross Expense Ratio	
Share Class – K	11.17%
Share Class – Institutional	11.25%
Net Expense Ratio	
Share Class – K	0.87%
Share Class – Institutional	0.95%

Benchmark: MSCI China All Shares 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, 2025. *Not annualized.*

The MSCI China All Shares Index captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips, P-chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the MSCI China All Shares Index.

Source: Baillie Gifford & Co, Bank of New York Mellon, MSCI. Share Class launch date: July 2, 2021. NAV returns in US dollars.

Stock Level Attribution

Quarter to December 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Shenzhen Megmeet Electrical	1.37
Pop Mart	0.66
China Merchants Bank	0.30
Sunny Optical Technology	0.27
Anker Innovations Technology	0.25

Bottom Five Contributors

Asset Name	Contribution (%)
Xiaomi Corporation	-0.78
Zhongji Innolight	-0.43
China Construction Bank	-0.36
Proya Cosmetics	-0.35
PDD Holdings	-0.33

One Year to December 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Meituan	1.56
Pop Mart	1.31
Shenzhen Megmeet Electrical	1.24
Brilliance China Automotive	0.93
China Merchants Bank	0.75

Bottom Five Contributors

Asset Name	Contribution (%)
Guangzhou Kingmed Diagnostic	-1.12
PDD Holdings	-0.99
Xiaomi Corporation	-0.94
Sanhua Intelligent Controls	-0.84
Sinocera	-0.82

Source: Revolution, MSCI, Baillie Gifford China Equities Fund relative to MSCI China All Shares 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 bailliegiifford.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

Chinese equity markets rallied at the start of the quarter as government authorities delivered a coordinated package of monetary, fiscal, and regulatory policy which pointed to an inflection point in China's economic outlook. While sentiment improved and we have seen a slight pick-up in areas such as property and auto sales, there is still a long way to go to see a sustainable change in household sentiment. These remain critical determining factors in China's economic and market environment. Boosting domestic demand has been elevated to the government's number one priority.

Empirically, China's A-share market's performance is correlated with explicit government spending, as the latter drives aggregate demand, and the investor outlook on the economy and policies. The economy finally seems to have some central government support, with the Political Bureau of the Central Committee of the Communist Party of China meeting and Central Economic Work Conference in December pointing to significantly more stimulus in 2025. Macro-economic policy has been dialed up to a more proactive fiscal policy, moderately accommodative monetary policy and strengthened extraordinary counter-cyclical adjustments.

The combination of pro-growth economic policy and emerging tailwinds of regulatory support underpins improving sentiment. Under the ideological framework of 'new quality productive forces,' Beijing is betting on transformative breakthroughs in frontier technologies such as semiconductors, electric vehicles, artificial intelligence, and advanced manufacturing. Balancing this, however, is an uncertainty surrounding United States (US) President-elect Donald Trump's policies towards China. This brings implications for China's economy via exports to the US, will have an impact on the required scale of domestic stimulus and adds an urgency to China's domestic innovation efforts in critical sectors.

Performance

Over the quarter, the Fund marginally underperformed the MSCI China All Shares index. While the funds positioning in industrials contributed to performance, this was offset by strong performance of financials, a sector in which the fund is significantly underweight. At a stock level, among the top contributors to performance were Shenzhen Megmeet, Pop Mart and Sunny Optical.

Shenzhen Megmeet makes power supply and electric automation products for both industrial and consumer electronics clients. The company recently announced that it had been selected as a supplier to graphics chip-maker Nvidia which contributed to the strong share price.

Pop Mart is a character-based entertainment company. Its product line is strong and growing, aimed directly at the younger generations, a cohort with increasing consumption power and radically different tastes from their elders. This has contributed to strong operational results both domestically and overseas.

Sunny Optical designs and manufactures optical-related products and is the global number one producer of vehicle lens sets. After a challenging 2023, its operational performance has bounced back, supported by the stable growth of the global auto market and continued adoption of new energy vehicles and smart auto technologies.

Among the top detractors from performance were not owning Xiaomi, a consumer electronics manufacturer that is a large index constituent which performed well, alongside poorer performance from Beigene and Zhongji Innolight.

Beigene is a leading cancer drug development company caught in a battle between strong operational performance and the challenges its Chinese identity brings in the current geopolitical environment. It was a top performer over the previous quarter, and one we believe requires a long-term approach.

Zhongji Innolight is a new purchase for the portfolio. It manufactures optical transceivers which are crucial components in artificial intelligence (AI) chip training clusters used in data centers. The investment case is based on the growth in global AI-related capital expenditure (capex) and datacenter build-out, as well as the potential uptick in Chinese AI capex. We recognize this will bring a cyclical element to short-term share price performance but prefer to focus on the long-term opportunity.

Notable Transactions

The Fund made reductions to companies whose share prices have performed well but where we see rising geopolitical challenges. This includes consumer electronics manufacturer, Anker Innovations, industrial company Zhejiang Sanhua, immune-oncology company Beigene and auto-glass manufacturer Fuyao Glass. In contrast, the Fund added to companies benefiting from China's domestic environment, increasing exposure to ecommerce company PDD, buying new holdings in Haidilao, a hot-pot restaurant and three semiconductor companies: AMEC, Naura and Zhongji Innolight.

Market Outlook

China has long-term challenges: a declining population, the need to shift the economy from investment to consumption while balancing local government debts and issues in the property sector, and its rising position in global economics and politics will bring inevitable strains. Despite this, China's rising global competitiveness has become increasingly apparent, making remarkable progress in industrial and manufacturing capabilities, transforming from a producer of cheap, low-quality goods to a major economic power leading in a number of globally critical areas.

While macro-economic challenges are much talked about, it is also worth remembering the real-world forces that haven't changed and which we would argue, can be far more impactful: renewable energy costs will continue to fall, battery chemistry will improve, factories will become more automated; Gen Z will become the major consumption force. We could go on. We believe it is these structural trends which will deliver the opportunity for growth that drive returns over the long term.

There is no shortage of companies with growth potential in China. If you take all companies in the MSCI ACWI forecast to grow 20% a year over the next three years, almost one-third are from China. That's a significant anomaly given that China represents less than 3% of that index. Market valuations are attractive while the operational results of companies in the fund show how a combination of scale, efficiency and innovation can support significant growth. The main constraints to market performance therefore likely stem from ongoing weaker consumer sentiment and geopolitical headwinds. We expect consumer confidence to pick up in 2025 as the government pours more stimulus into the economy but expect geopolitics to add a degree of volatility to markets.

Transactions from 01 October 2024 to 31 December 2024.

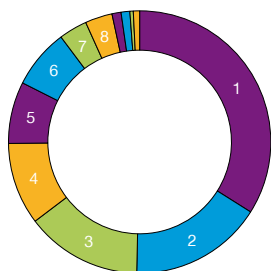
New Purchases

Stock Name	Transaction Rationale
Advanced Micro-Fabrication	Advanced Micro-Fabrication Equipment, or AMEC, is one of China's leading semiconductor production equipment suppliers. Its product quality is evidenced by a customer list which includes the world's leading foundry, TSMC. The company is quickly narrowing the technological gap with its global competitors' offerings. As Chinese authorities focus on increasing domestic self-sufficiency, and local sourcing becomes more critical for mainland chip foundries, we expect AMEC to do especially well. Indeed, it has both the financial heft and organisational skill to invest large sums in Research and Development (R&D) productively, which is helping it broaden its range of front-end chip fabrication equipment profitably. Given the weakness in the broader Chinese market, the company has seen its valuation de-rate over the past three years, but its operational outlook is still strong. With the scope for renewed enthusiasm by mainland investors, we believe this to be an opportune time to take a new holding for the Fund.
Haidilao	Haidilao is one of the leading Chinese restaurant chains, specialising in Hot Pot cuisine. This business has the potential for future strong growth, driven by both new store openings and higher average customer spending. Its brand has been proven over a number of years and it has a reputation for delivering a superior customer experience that makes it a 'go to' eating destination for hot pot. These factors combine with a very low valuation given the poor sentiment towards Chinese consumption stocks. In short, we believe that the 'market' is giving us an opportunity to invest in a high quality growing franchise at a very attractive price.
Horizon Robotics	Horizon Robotics is the largest autonomous vehicle chip designer and software provider in China. It delivered approximately 2.2 million chips last year and is growing at a double digit rate. The penetration of level 3 autonomous driving is only around 10% in China but increasing rapidly, whilst there is a longer term possibility that China approves level 4 driving or above. In addition to chip sales, Horizon also has the potential to monetize its software via licensing to third parties. This could also add meaningfully to growth. The company is led by its visionary founder, Dr Yu, and its significant and consistent investment in research and development has resulted in a strong lead within this industry. This is a company that we have known for a long time and have owned privately in some of our funds. We have decided to buy a holding at Initial Public Offering (IPO) as we believe that the valuation does not reflect the company's long term growth potential, its edge or the quality of its exceptional management team.
Naura	Naura is a leading etch and deposition equipment manufacturer in China and a company that is strongly aligned with Beijing's long term goal of self-sufficiency in semiconductors. It operates in a segment of the semiconductor industry that remains dominated by foreign competitors such as Applied Materials. Its technological and innovation capability appears to be accelerating and, as such, we believe it is likely to benefit from growth in the overall market in addition to significant share gain. Growth in the overall market is likely to be driven by artificial intelligence and high performance computing and, in etch and deposition specifically, via increasing intensity of equipment use at lower semiconductor nodes. If successful, we should expect profit and cash flow to grow faster than revenue as the company benefits from significant operating leverage. The company was established in 2001 by Beijing Electronics Holdings and, although it is an State Owned Enterprise (SOE), it has a strong track record of good capital allocation and significant investment in research and development. We do not believe the valuation adequately reflects the opportunity on offer and have therefore decided to take a holding.
Zhongji Innolight	Zhongji Innolight manufactures optical transceivers. Its products are a crucial component in Artificial Intelligence (AI) chip training clusters and are used in hyperscale datacentres and in the training of large language models. The company is likely to continue benefiting from growth in global AI-related capex and datacentre build out. In addition, we believe the potential uptick in Chinese AI-capex is on the horizon and should lead to even stronger growth for the company going forward. Its technological edge has been verified by leading global customers such as Amazon and Google. Indeed, Innolight has a strong first mover advantage and a close working relationship with its customers which helps it retain its technological lead. Whilst pricing is generally deflationary, Innolight has a history of delivering significant technological upgrades with the launch of its new products and thereby an ability to benefit from better pricing, margins and returns. We do not believe the current valuation factors in the long term growth for the company and therefore have decided to take a holding.

Complete Sales

Stock Name	Transaction Rationale
Brilliance China Automotive	<p>It has been a wild ride in Brilliance. Our original investment thesis - that Brilliance represented an attractive way to play BMW's growth in China as the German company's local joint venture partner - was badly undermined by the suspension of the shares in 2021, following the revelation of serious failures in governance and internal controls relating to debt guarantees that had been made to the company's state-owned parent. Since then, we have engaged with the company and the board to ensure that they implement the necessary remedial measures and improvements to permit a relisting; this was achieved in late 2022, and since then the shares have rebounded very strongly, supplemented by the payout of large special dividends. While we were pleased to have some reward for our patience, we no longer have much faith in the company's capital allocation, and have sold the shares.</p>
Guangdong KinLong	<p>Kinlong is the largest door and window hardware supplier in China. We bought the company in the expectation that it could displace traditional distributors within the building materials market. It benefited from the largest direct sales network and a leading ecommerce site. However, the downturn in China's real estate market has impacted the demand for its products to a much greater degree than we initially expected, whilst the company has been much slower to take share from competitors than we had hoped. As such, its operational performance has been weak. In the last month, the shares have appreciated by approximately 40% after stimulus measures were announced by Beijing. Whilst a stabilisation in the real estate industry is now much more likely, we believe that the appreciation in the company's shares has largely factored this in, whilst absolute growth will remain somewhat challenging. We have decided to sell the shares.</p>

Sector Analysis (%)



1	Consumer Discretionary	33.95
2	Communication Services	16.41
3	Industrials	14.32
4	Information Technology	10.14
5	Consumer Staples	7.62
6	Financials	7.33
7	Materials	3.49
8	Health Care	3.35
9	Real Estate	1.12
10	Utilities	1.08
11	Energy	0.42
12	Cash	0.77

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 Tencent	12.39
2 Meituan	6.68
3 Alibaba	5.38
4 Kweichow Moutai	4.82
5 CATL	3.78
6 Ping An Insurance	3.76
7 China Merchants Bank	3.56
8 PDD Holdings	3.41
9 Midea	2.81
10 BYD Company	2.64

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

Portfolio Characteristics

Number of holdings	54
Number of countries	1
Number of sectors	11
Number of industries	32
Active Share	68%*
Annual Turnover	22%**

*Relative to MSCI China All Shares 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	15	Companies	None	Companies	None
Resolutions	107	Resolutions	None	Resolutions	None

Company Engagement

Engagement Type	Company
Environmental	PDD Holdings Inc., Ping An Insurance (Group) Company of China, Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited
Social	Guangzhou Kingmed Diagnostics Group Co., Ltd., PDD Holdings Inc., Ping An Insurance (Group) Company of China, Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited
Governance	Guangzhou Kingmed Diagnostics Group Co., Ltd., Horizon Robotics, Kweichow Moutai Co., Ltd., Ping An Insurance (Group) Company of China, Ltd., SG Micro Corp, Zijin Mining Group Company Limited
Strategy	Guangzhou Kingmed Diagnostics Group Co., Ltd., Horizon Robotics, Ping An Insurance (Group) Company of China, Ltd., Tencent Holdings Limited, Zijin Mining Group Company Limited

Votes Cast in Favour

Companies	Voting Rationale
Anker Innovations 'A', BYD Company 'H', CATL 'A', China Oilfield Services Ltd 'H', Haier Smart Home 'H', Kweichow Moutai 'A', Midea Group 'A', NAURA Technology Gp 'A' - Stock Connect, PDD Holdings Inc, Sanhua Intelligent Controls 'A', Shanxi Xinghuacun Fen Wine 'A' - Stock Connect, Sinocare 'A', Sungrow Power Supply 'A' - Stock Connect, Weichai Power 'H', Yifeng Pharmacy Chain 'A' - Stock Connect	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

We did not vote against any resolutions during the period.

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 %
Tencent	12.39
Meituan	6.68
Alibaba	5.38
Kweichow Moutai	4.82
CATL	3.78
Ping An Insurance	3.76
China Merchants Bank	3.56
PDD Holdings	3.41
Midea	2.81
BYD Company	2.64
NetEase	2.19
Zijin Mining	2.10
Shenzhen Megmeet Electrical	1.85
Haier Smart Home	1.77
Pop Mart International Group	1.69
Shenzhen Inovance Technology	1.60
Shenzhou International	1.53
Haidilao International	1.50
Anker Innovations	1.45
Fuyao Glass Industry	1.44
Sunny Optical Technology	1.43
Shandong Sinocera Functional Material	1.39
Proya Cosmetics	1.38
Centre Testing International	1.33
Advanced Micro-Fabrication Equipment	1.29
Hangzhou Robam Appliances	1.28
BeiGene	1.24
NAURA Technology Group	1.24
Huayu Auto Systems	1.22
Estun Automation	1.19
Weichai Power	1.18
KE Holdings	1.12
Zhejiang Sanhua Intelligent Controls	1.10
ENN Energy	1.08
Jiangsu Azure	1.06
Luckin Coffee	1.00
Kuaishou Technology	0.96
Silergy	0.95
SG Micro	0.94
Zhongji Innolight	0.91
Kingsoft	0.87
Li Ning	0.86
Kingdee International Software	0.84
Sungrow Power Supply	0.84
Yifeng Pharmacy Chain	0.84
Sinocare	0.78

Asset Name	Fund %
Minth Group	0.75
Guangzhou Kingmed Diagnostics Group	0.73
Yonyou	0.65
Medlive Technology	0.61
Shanxi Xinghuacun Fen Wine Factory Company	0.58
Horizon Robotics	0.45
China Oilfield Services	0.42
Dongguan Yiheda	0.39
Cash	0.77
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 China Equities Fund are: China Risk, Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk and Geographic Focus Risk. Investing in securities of Chinese issuers involves certain risks not typically associated with investing in securities of U.S. issuers, including more frequent trading suspensions and government interventions (including by nationalization of assets), currency exchange rate fluctuations or blockages, different financial reporting standards, custody risks, and potential adverse tax consequences. Investing in securities of Chinese issuers involves certain risks such as limits on use of brokers and foreign ownership. There can be a higher dependence on exports and international trade with the potential for increased trade tariffs, sanctions and embargoes. U.S. sanctions or other investment restrictions could preclude the Fund from investing in certain Chinese issuers or cause the Fund to sell investments at a disadvantageous time. Chinese securities can become illiquid quickly as Chinese issuers have the ability to suspend trading and have done so in response to market volatility and other events. 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 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 focuses on investments in China, meaning it may offer less diversification and be more volatile than other funds. Other Fund risks include: Conflicts of Interest Risk, Currency Risk, Emerging Markets Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment Risk, Government and Regulatory Risk, Information Technology Risk, Initial Public Offering Risk, Large-Capitalization Securities Risk, Liquidity Risk, Market Disruption and Geopolitical Risk, Market Risk, New and Smaller-Sized Funds Risk, Non-Diversification Risk, Non-U.S.

Investment Risk, Service Provider Risk, Settlement Risk, Small-and Medium-Capitalization Securities Risk, Underlying Funds 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 China 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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