

# Baillie Gifford™

## Baillie Gifford International Growth Fund

### Fourth Quarter 2023

#### About Baillie Gifford

<b>Philosophy</b>	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
<b>Partnership</b>	100% owned by 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

#### Portfolio Summary

The Baillie Gifford International Growth Fund aims to produce good long-term performance by investing in a committed portfolio of international growth stocks constructed with little regard for the index. We are growth investors and invest in companies that have the potential to grow substantially more quickly than the market. We conduct our research with a five-year time horizon;  
The Baillie Gifford International Growth Fund is a genuinely active portfolio with a correspondingly low rate of turnover.

#### Fund Facts

K Class Ticker	BGEKX
Institutional Class Ticker	BGESX
Launch Date	March 06, 2008
Size	\$3,001.2m
Benchmark	MSCI ACWI ex US Index
Stocks (guideline range)	50+
Current Number of Stocks	54
Active Share	92%*
Annual Turnover	10%**
Style	Growth

Launch date refers to the longest running share class of the fund. This is earlier than the K and Institutional share class launch date.

\*Relative to MSCI ACWI ex US 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.

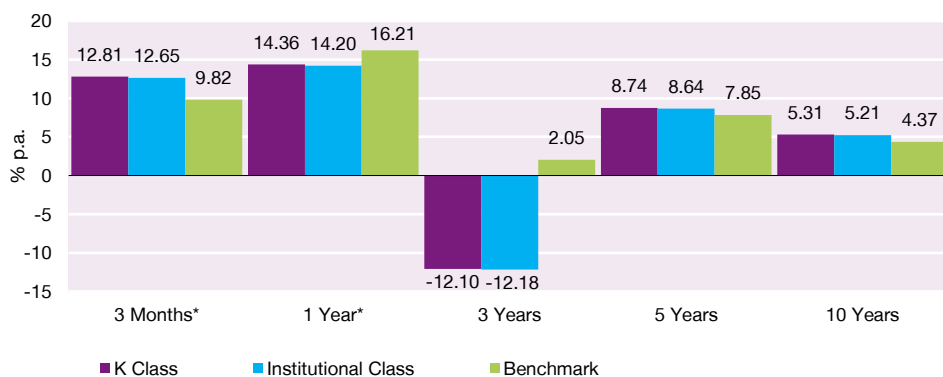
#### International Growth Portfolio Construction Group

Name	Years' Experience
Thomas Coutts*	24
Brian Lum	17
Julia Angeles*	15
Lawrence Burns*	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](http://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	0.60%
Share Class – Institutional	0.68%
Net Expense Ratio	
Share Class – K	0.60%
Share Class – Institutional	0.68%

Benchmark: MSCI ACWI ex US 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](http://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.*

Returns are based on the above noted share class from April 28, 2017. Prior to that date returns are calculated based on the oldest share class of the Fund adjusted to reflect the current share class fees where these fees are higher. \*Not annualized.

\*\*MSCI EAFE Index benchmark data used until November 22, 2019, MSCI ACWI ex USA thereafter. The above figures have been chain-linked for performance purposes.

*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 MSCI ACWI ex USA 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, excluding the United States. 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 ex US Index.

Source: Baillie Gifford & Co, Bank of New York Mellon, MSCI. Share Class launch date: April 28, 2017. NAV returns in US dollars.

## Stock Level Attribution

Quarter to December 31, 2023

### Top Five Contributors

Asset Name	Contribution (%)
Adyen	1.47
MercadoLibre	0.94
ASML	0.86
PDD Holdings	0.72
Atlas Copco	0.56

### Bottom Five Contributors

Asset Name	Contribution (%)
argenx	-1.33
Meituan	-0.92
Genmab	-0.68
HelloFresh	-0.62
Wuxi Biologics	-0.49

One Year to December 31, 2023

### Top Five Contributors

Asset Name	Contribution (%)
Spotify Technology	2.94
MercadoLibre	2.85
Ferrari	1.64
ASML	1.25
PDD Holdings	1.02

### Bottom Five Contributors

Asset Name	Contribution (%)
Meituan	-2.49
Genmab	-1.57
Delivery Hero	-1.15
M3	-1.02
Adyen	-0.92

Five Years to December 31, 2023

### Top Five Contributors

Asset Name	Contribution (%)
ASML	8.40
MercadoLibre	5.28
Ferrari	4.76
M3	2.48
Atlas Copco	1.87

### Bottom Five Contributors

Asset Name	Contribution (%)
Rolls-Royce	-1.70
Nidec	-1.55
Kering	-1.24
Wuxi Biologics	-1.16
Umicore	-1.03

Source: Revolution, MSCI, Baillie Gifford International Growth Fund relative to MSCI ACWI ex US 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](http://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

During the fourth quarter, global risk assets rallied, and international equity markets were no exception. Previous concerns about upcoming recessions have eased, and inflation has decreased. Additionally, the prospects for developed market central banks to begin to reduce policy interest rates have improved. However, the growth of the Chinese economy, which has not met earlier expectations, may still be hindered by its housing sector. The ongoing wars in Europe and the Middle East continue to pose threats to global stability with no end in sight.

## Performance

Against this backdrop the fund outperformed the benchmark. Holdings in Adyen, MercadoLibre and ASML contributed positively to performance.

Dutch payments platform business Adyen's third quarter results and capital markets event were the cause of its recent share price strength. Revenues accelerated from the first half of the year, growing 26%. This assuaged market concerns that revenue was slowing due to increased competition, particularly in the United States (US) market. We believe that the US payments market is subject to similar trends as other regions. Complexity comes from changes in technology, regulation, customer needs, payment methods, and merchant needs around cost savings and performance. Adyen's single platform solves this complexity.

MercadoLibre, Latin America's largest e-commerce business, enjoyed a strong 2023 and continues to make excellent progress. Its third quarter results exceeded even the most optimistic expectations. Gross merchandise volume, revenue, and operating profit grew 32%, 40%, and 130%, respectively. Operating margins rose from 11 to 18%, driven to a large extent by gross margin improvement. However, competition is not irrelevant. E-commerce platform Temu - operated by online platform company PDD, which the fund also holds - entered Mexico in May. This is something we will monitor closely, as we have monitored prior competitor entries, which MercadoLibre management has successfully navigated.

As long-term investors, we look beyond semiconductor inventory cycles and capacity utilization rates. We believe the recent announcement that the manufacturer of advanced lithography equipment, ASML's Chief Executive Officer (CEO) Peter Wennink and Chief

Technology Officer (CTO) Martin van den Brink will retire in April is of greater importance. This was not a surprise to us. Over the past five years, given the tenure of Wennink and van den Brink, we have been engaging with ASML regarding their succession planning. Christophe Fouquet will become the new CEO. The company has also appointed a Chief Customer Officer, Jim Koonmen. Both have been with ASML for 15 years or more, and we believe they are well-suited to continue to drive ASML forward.

The Fund's holding in Argenx was a significant detractor to performance. Other detractors included Meituan and Genmab.

Shares in Belgian biotechnology company Argenx reacted negatively when lead product VYVGART failed to show benefit in two phase III trials. Since its launch in 2021, VYVGART has already been annualizing at over \$1 billion in sales for the treatment of one autoantibody-mediated disease. Given the broad potential applications of VYVGART, Argenx is developing it for numerous other indications and prioritizing which diseases to target next. Not all trials will succeed, as we have witnessed this quarter. Management aims to have VYVGART either commercially available or in clinical development for 15 indications by 2025. Whilst the market remains cautious, we see the opportunity for significant value creation as the Argenx strategy unfolds.

Chinese on-demand delivery giant Meituan is making extraordinary operational progress. During the summer, food delivery orders reached a daily peak of 78 million, the company's highest on record and double that of three years ago. Reported revenue growth was 22% year-on-year in the last quarter. Management continues to invest in the business and expects to increase marketing expenses and significantly expand its local business development teams in lower tier cities. We believe that over time, Meituan's leading position in China's local services market will be difficult to challenge, given its strong core competency and infrastructure.

Genmab is a biotech company based in Denmark that specializes in developing antibody-based drugs for solid tumors and blood cancers. In 2023 their partner, Johnson & Johnson, is expected to generate over \$10 billion from sales of blood cancer drug, DARZALEX, for which Genmab receives a royalty. The performance of Genmab's share price is currently dominated by whether Johnson & Johnson decides to opt-in to continue clinical development for Genmab's next-generation DARZALEX. Early data presented at the American

Society of Haematology has been mixed, and definitive head-to-head data versus DARZALEX is expected to be presented in 2024.

**Notable transactions**

During the quarter, we initiated new positions in the e-commerce platform Shopify, Atlassian, a software company, and Soitec, a semiconductor materials business. We added to holdings in Wise, a cross-border money transfer business, and TSMC, the world's largest semiconductor foundry. We exited positions in Adevinta, the online classified company, and the media company Schibsted. We also reduced the holding size of the cloud-based website development company, Wix.com, the luxury group Kering, Ferrari, the Italian luxury car manufacturer, ASML, and the music streaming service Spotify.

Transactions from 01 October 2023 to 31 December 2023.

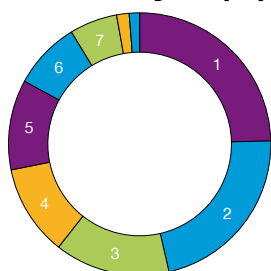
### New Purchases

Stock Name	Transaction Rationale
Atlassian	We have taken a new holding in Atlassian for your portfolio. Atlassian is a software company that provides collaborative software development and project management tools. As software and teamwork become increasingly crucial to all businesses, Atlassian's market is expanding rapidly. The company has a distinctive business model, with the majority of its sales being directly through their website and via a growing number of resellers. The two founders are still heavily involved: they bring an ownership mindset and continue to shape the business for long-term value creation. The impact of Generative Artificial Intelligence is an open question that we will continue to explore. We like the unique corporate culture and consider Atlassian's prospects exciting.
Shopify	We have taken a new holding in Shopify for your portfolio. Shopify makes it easy for businesses to sell products and services online. Their core web store can be integrated with third-party websites, social media platforms, and major e-commerce platforms. Shopify principally monetises its services by taking a commission on its customers' revenue. This means that it grows not just by attracting new merchants but also by their subsequent success. Importantly, Shopify is led by a founder Chief Executive Officer (CEO) focusing on culture, a respected technological track record and a genuinely long-term perspective. We are excited by the long-term prospects for Shopify to grow and meaningfully increase its profitability.
Soitec	We have added the semiconductor materials business Soitec to your portfolio. Based in France, Soitec plays a crucial role in the microelectronics industry and potentially the continuation of the broad interpretation of Moore's Law. It offers unique and competitive solutions for miniaturizing chips, improving their performance, and reducing their energy usage. It specializes in Silicon on Insulator technology, which involves embedding a very thin layer of insulator material into a raw silicon wafer, creating a substrate. These engineered substrates are then patterned and cut into chips to make circuits for electronic components.

### Complete Sales

Stock Name	Transaction Rationale
Adevinta	We have sold your holding in the global classified advert specialist Adevinta following a non-binding proposal from a consortium led by private equity groups to acquire the company.
Oatly	Oatly has not delivered on our initial expectations. Operational execution has disappointed, and the business has not scaled as originally hoped. We have, therefore, exited your position.
Schibsted	We have sold your holding in Schibsted, the Norwegian media company, following the announcement of its discussions with a private equity led consortium regarding a potential offer for all shares of global classified advert specialist Adevinta, in which Schibsted is a significant shareholder.

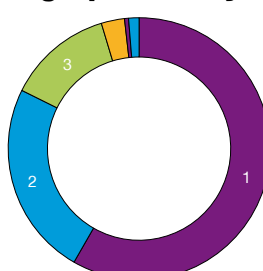
**Sector Analysis (%)**



1	Consumer Discretionary	24.63
2	Information Technology	21.77
3	Financials	14.21
4	Health Care	11.22
5	Industrials	11.13
6	Communication Services	8.34
7	Consumer Staples	5.88
8	Materials	1.54
9	Cash	1.28

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.

**Geographic Analysis (%)**



1	Europe (ex UK)	58.28
2	Emerging Markets	24.05
3	Developed Asia Pacific	13.01
4	UK	2.87
5	North America	0.50
6	Cash	1.28

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	MercadoLibre	7.01
2	ASML	6.50
3	Ferrari	4.90
4	Spotify	4.47
5	Adyen	4.13
6	Atlas Copco	3.96
7	TSMC	3.62
8	L'Oréal	3.55
9	argenx	3.42
10	Genmab	3.12

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	22
Number of sectors	8
Number of industries	25
Active Share	92%*
Annual Turnover	10%**

\*Relative to MSCI ACWI ex US 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 8	Companies None	Companies 1
Resolutions 76	Resolutions None	Resolutions 1

Our research this quarter included work on the implications of responsible supply chain regulations developing in various markets relevant to our holdings

We engaged with the management team at Adyen, one of your holdings, and are encouraged that they are applying a consistent approach to their growth opportunity, advantages, and cultural differentiation in their US business

Our long-standing Stewardship Principles focus on value creation, purposeful boards, focused remuneration policies, stakeholders, and sustainable business practices

Company Engagement

Engagement Type	Company
Environmental	Mobileye Global Inc., Tencent Holdings Limited
Social	AIXTRON SE, M3, Inc., Tencent Holdings Limited
Governance	AIXTRON SE, ASML Holding N.V., Adyen N.V., Atlassian Corporation, CyberAgent, Inc., Elastic N.V., HDFC Bank Limited, Kering SA, Kinnevik AB, Nidec Corporation, Sartorius Aktiengesellschaft, Sea Limited, Shopify Inc., Temenos AG, Tencent Holdings Limited, WuXi Biologics (Cayman) Inc.
Strategy	Nidec Corporation, Sartorius Aktiengesellschaft



Votes Cast in Favour

Companies	Voting Rationale
Ambu, AutoStore Hdgs, CyberAgent Inc, Elastic, GMO Payment Gateway, Ganfeng Lithium Gp, Wisetech Global Ltd, Wix Com	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

Company	Meeting Details	Resolution(s)	Voting Rationale
AutoStore Hdgs	EGM 10/27/23	5	We abstained on the non-executive remuneration due to concerns that the two-year vesting period attached to the equity grants may affect the independent judgement of non-executive directors.

Votes Withheld

We did not withhold on any resolutions during the period.

Asset Name	Fund %
MercadoLibre	7.01
ASML	6.50
Ferrari	4.90
Spotify	4.47
Adyen	4.13
Atlas Copco	3.96
TSMC	3.62
L'Oréal	3.55
argenx	3.42
Genmab	3.12
PDD Holdings	3.07
Tencent	2.97
AIA	2.79
Wix.com	2.35
Kering	2.32
WiseTech Global	2.24
Vestas Wind Systems	2.06
Meituan	1.96
EXOR	1.91
Sartorius Group	1.80
Ocado	1.75
SMC	1.74
Aixtron	1.68
Elastic	1.45
Zalando	1.35
Umicore	1.33
Nidec Corporation	1.24
Delivery Hero	1.24
M3	1.22
Wise	1.13
Coupang	1.13
Nu Holdings	1.12
VAT Group	1.00
NIO	0.94
Temenos	0.92
Xero	0.89
Ambu	0.87
WuXi Biologics	0.79
Hong Kong Exchanges & Clearing	0.75
Atlassian	0.75
Mobileye	0.71
Kinnevik	0.68
SEA Limited	0.63
SBI Holdings	0.62
Prysmian	0.61
HDFC Bank	0.60

Asset Name	Fund %
HelloFresh	0.59
Soitec	0.57
AutoStore	0.51
Shopify	0.50
GMO Payment Gateway	0.49
SolarEdge	0.30
CyberAgent	0.28
Ganfeng Lithium	0.21
Cash	1.28
<b>Total</b>	<b>100.00</b>

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 International Growth Fund are Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, and Non-U.S. 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 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. Non-U.S. securities are subject to additional risks, including less liquidity, increased volatility, less transparency, withholding or other taxes and increased vulnerability to adverse changes in local and global economic conditions. There can be less regulation and possible fluctuation in value due to adverse political conditions. Other Fund risks include: Asia Risk, China Risk, Conflicts of Interest Risk, Currency Risk, Emerging Markets Risks, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment Risk, Geographic Focus 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, Service Provider Risk, Settlement 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 International Growth 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.

## Legal Notices

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.

**Principal Office: Calton Square, 1 Greenside Row,  
Edinburgh EH1 3AN, Scotland  
Telephone: +44 (0)131 275 2000  
baillieghifford.com**

**780 Third Avenue, 43rd Floor, New York, NY 10017  
Telephone: (212) 319 4633**