

Baillie Gifford™

Baillie Gifford U.S. Discovery 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

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	53
Active Share	95%*
Annual Turnover	16%**
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*	23
Svetlana Viteva	12

*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	6.90%
Share Class – Institutional	6.90%

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

Benchmark: Russell 2500 Growth

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 March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
Freshpet	0.72
JFrog	0.59
Aerovironment	0.55
Axon Enterprise	0.54
ShockWave Medical	0.54

Bottom Five Contributors

Asset Name	Contribution (%)
SUPER MICRO COMPUTER	-1.43
Schrodinger	-0.86
Liveramp Holdings	-0.65
TransMedics	-0.64
Digimarc	-0.59

One Year to March 31, 2024

Top Five Contributors

Asset Name	Contribution (%)
JFrog	1.74
CyberArk Software	1.54
Aerovironment	1.36
Twist Bioscience	1.36
Freshpet Inc	1.10

Bottom Five Contributors

Asset Name	Contribution (%)
Novocure	-2.88
SUPER MICRO COMPUTER	-1.77
Staar Surgical	-1.34
Ambarella	-1.29
Pacira BioSciences	-1.00

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

The broader stock market performed strongly in the first quarter of 2024 as artificial intelligence exuberance and global economic strength helped push stock prices higher. However, smaller companies continue to underperform their larger equivalents. The increasing expectation of 'higher for longer' interest rates and ongoing concerns about the debt levels of small caps have pushed the relative valuation gap to larger companies to become its largest since the turn of the millennium.

In this environment, the portfolio rose in absolute terms but underperformed the benchmark as it continued to exhibit sensitivity to interest rate expectations. It also suffered due to some idiosyncratic developments at some of the top portfolio holdings. Bad news continues to be harshly punished although companies executing very well are similarly well rewarded. There is little in between in these fickle market conditions. With a number of company Chief Executive Officers (CEOs) sharing confident comments about an improving business environment this quarter, we remain optimistic that the market will normalise and the fundamental progress shown across the portfolio will be rewarded in superior returns over the long term.

Performance

Shockwave Medical, Axon and Freshpet were three of the top contributors to performance this quarter. Shockwave's stock price rose sharply this quarter due to a combination of strong quarterly results and the news that Johnson & Johnson was in talks to acquire the company. Shockwave has developed a device which uses pressurised sound waves to remove calcified plaques that can block arteries without more invasive surgery. It beat consensus estimates for revenues in the fourth quarter, growing 40% year on year despite an ongoing pre-authorisation issue with certain insurers and weakness in China. The recent successful launch of its more powerful C2+ device evidences its ability to continue to innovate to sustain its growth. Its Javelin product for, hard-to-reach plaques will follow later this year.

Axon, the law enforcement solutions provider, also saw its stock price rise after an impressive set of financial results announced in February. The successful launch of its Taser 10 product and increasing adoption of its software solutions spurred top-line growth of 29% year-on-year with software revenues growing at over 40%. Axon continues to

expand internationally and to new customer types, such as federal law enforcement. The change in revenue mix from hardware to software is also driving margins higher as it scales. Its recent acquisitions of integrated crime prevention platform, Fusus, and drone system developer, Sky-Hero, help expand its addressable market further.

Freshpet is the leading provider of fresh and healthy refrigerated food for dogs and cats in the United States. The company continues to benefit from owners wanting to provide healthier organic food for their pets. Its stock price also rose after announcing strong results in February, with revenues up 25% year-on-year. Freshpet's focus on cost discipline is also paying off, with reduced logistics spending translating to margin expansion and profits far ahead of consensus estimates. With its dominant position and brand, it expects this to continue across 2024 as shown in its improved guidance.

The key detractors to performance last quarter were Schrodinger, LiveRamp and TransMedics. Schrodinger is a drug discovery software provider. Its stock price fell in February after it announced lower-than-expected software revenues amidst an ongoing tightening of budgets across its customer base. Guidance for 2024 was also lowered due to it removing drug discovery milestone payments from the figures, which it receives through successful partnerships with pharma customers, due to their unpredictability. Despite the lowered expectations, its average contract value for its largest customers continues to grow and it is steadily advancing its own pipeline of drugs providing significant potential upside.

LiveRamp is the developer of an online customer identifier platform. As technology company Google phases out third-party cookies from its browser, LiveRamp's software provides an alternative for advertisers and is increasingly entrenched as the provider of choice. This comes with a significant revenue upside over the next few years. Its stock price fell despite, the company growing revenues by 10% in the fourth quarter and posting several large customer wins, strong customer retention and increased sales force productivity. The company expects its positive earnings to further inflect over 2025 and 2026 as the removal of cookies gains steam.

TransMedics has developed organ care systems which help store and transport human organs without the limits of cold storage. The company's

stock price fell slightly in the quarter after a strong run of performance since its November results announcement. This was despite strong fourth quarter results where revenues grew 159% from the year earlier and 22% from the last quarter. Liver transplants are still driving demand, followed by the heart and lungs. The company also raised guidance for 2024 as it expects an expansion of cases from the National Organ Program and through the increased use of its own logistics network. TransMedics plays a role in less than 20% of liver and heart transplants in the US, so the growth runway remains substantial.

Notable transactions

We decided to sell Teladoc, the US telehealth platform, after losing conviction in the management team. We bought Confluent, which offers a platform for businesses to access and utilise their real-time data. Its platform could become a crucial service for companies as they utilise additional data integration in their operations and customer services.

Market Outlook

The relative valuation discount of small caps to large caps remains large and widened further this quarter. We expect this, alongside the changing rate environment and improving market sentiment to become tailwinds for the portfolio over the medium term.

More important, however, are the powerful structural trends that deliver growing addressable markets for portfolio companies. These span across enterprise software, next-generation treatments and in the utilisation of generative AI. With many companies meeting clear operational milestones or maturing into profitability over the next two years, we remain resolutely confident in the outlook for the portfolio from here.

Transactions from 01 January 2024 to 31 March 2024.

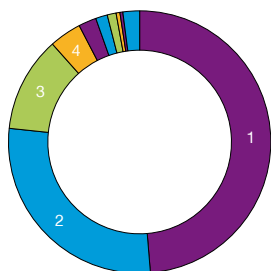
New Purchases

Stock Name	Transaction Rationale
Confluent	We have taken a holding in the infrastructure software provider Confluent. The company helps businesses take advantage of their data by making it easy for it to flow between different systems and allowing real-time processing. The desire to get value and insights out of data ought to drive demand for this solution across businesses of all sizes and from all industries. Over time, a solution like Confluent's has the potential to become the backbone of how data flows within a company, powering applications and use cases ranging from real-time monitoring of business operations to data integration. This should translate into substantial revenue growth for the next few years, and coupled with operational leverage at scale, this should deliver attractive profitability.
RxSight	RxSight is a medical technology company which has developed the world's first adjustable intra-ocular lens. The lens allows doctors to customise patients' visual acuity after a cataract surgery, enabling better vision without glasses. The distinct patient benefits and ability to achieve those without the side effects of existing premium lenses have enabled RxSight to reveal the latent demand beyond the premium intra-ocular sense market. We like the growth opportunities this technology has unlocked and the early evidence of traction with cataract surgeons in the US. Its small US market share (<6%) leaves a long runway for growth. Additional growth opportunities include geographic expansion and other uses for this surgery, including refractive lens exchange.

Complete Sales

Stock Name	Transaction Rationale
Teladoc	Teladoc is a virtual healthcare provider that we initially invested in in 2017. Our investment hypothesis assumed that Teladoc would grow substantially and establish itself as a critical provider of clinical services across several different conditions and various patient populations. While we remain excited about the potential for a technology-driven disruption in healthcare, enabling more efficient and effective delivery of healthcare, we've lost conviction in the ability of the management team to deliver that vision. Its growth has substantially slowed following the COVID-19 pandemic as they have struggled to integrate and cross-sell the multiple solutions it acquired during that time. We decided to sell the holding and recycle the capital elsewhere.

Sector Analysis (%)



1	Technology	48.69
2	Health Care	27.98
3	Industrials	11.76
4	Consumer Staples	3.96
5	Consumer Discretionary	2.19
6	Financials	1.45
7	Telecommunications	1.09
8	Basic Materials	0.47
9	Real Estate	0.36
10	Cash	2.05

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	6.19
2 AeroVironment	5.33
3 TransMedics Group	4.17
4 Freshpet	3.96
5 JFrog	3.84
6 Sprout Social	3.61
7 LiveRamp	3.40
8 Novanta	3.34
9 Varonis Systems	3.16
10 Twist Bioscience	2.90

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

Portfolio Characteristics

Number of holdings	53
Number of countries	3
Number of sectors	9
Number of industries	18
Active Share	95%*
Annual Turnover	16%**

*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	1	Companies	None	Companies	None
Resolutions	4	Resolutions	None	Resolutions	None

As long-term investors, the sustainability of our holdings is of paramount importance

The Environmental, Social and Governance (ESG) Voting analysts are currently analysing the first 'mini' AGM season for companies with December year ends. The 'main' voting season will be later this year in June

Baillie Gifford will publish its 2023 Investment Activities Stewardship Report in April 2024

Company Engagement

Engagement Type	Company
Environmental	CS Disco, Inc., Calix, Inc., CyberArk Software Ltd., EverQuote, Inc., HashiCorp, Inc., LiveRamp Holdings, Inc., MP Materials Corp., NovoCure Limited, Schrödinger, Inc., Sprout Social, Inc., Tandem Diabetes Care, Inc., TransMedics Group, Inc., Twist Bioscience Corporation
Governance	Calix, Inc., Chegg, Inc., CyberArk Software Ltd., Digimarc Corporation, EverQuote, Inc., HashiCorp, Inc., LiveRamp Holdings, Inc., NovoCure Limited, Schrödinger, Inc., Sprout Social, Inc., TransMedics Group, Inc., Veeco Instruments Inc.

Votes Cast in Favour

Companies	Voting Rationale
Twist Bioscience Corp	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.

List of Holdings

Asset Name	Fund %
Axon Enterprise	6.19
AeroVironment	5.33
TransMedics Group	4.17
Freshpet	3.96
JFrog	3.84
Sprout Social	3.61
LiveRamp	3.40
Novanta	3.34
Varonis Systems	3.16
Twist Bioscience	2.90
BlackLine	2.77
Zuora	2.62
Veeco Instruments	2.55
Exact Sciences	2.49
HashiCorp	2.28
Schrödinger	2.19
Appian	2.13
ShockWave Medical	2.09
CyberArk	2.08
Progyny	1.92
CarGurus	1.88
Upwork	1.87
Quanterix Corporation	1.86
Doximity	1.85
Xencor	1.77
Ambarella	1.76
IPG Photonics	1.65
Pacira BioSciences	1.63
STAAR Surgical	1.59
Trupanion	1.45
Digimarc	1.38
Bandwidth	1.38
EverQuote	1.37
Confluent	1.14
Cardlytics	1.14
Novocure	1.14
Calix	1.09
Sutro Biopharma	1.07
Tandem Diabetes Care	1.02
Beam Therapeutics	0.88
Stratasys	0.79
Fiverr International	0.76
Denali Therapeutics	0.63
QuantumScape Corporation	0.63
Aehr Test Systems	0.56
Adaptimmune Therapeutics	0.49

Asset Name	Fund %
MP Materials	0.47
Chegg	0.42
Redfin	0.36
RxSight, Inc	0.27
CS Disco	0.23
Amwell	0.20
Expensify	0.18
Cash	2.05
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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