

# Baillie Gifford™

## Baillie Gifford Emerging Markets Equities Fund

### Third 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

We invest with 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 analysis undertaken by our dedicated Emerging Markets Team. The Team draws 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 60-100 stocks.

#### Fund Facts

K Class Ticker	BGKEX
Institutional Class Ticker	BGEGX
Launch Date	April 04, 2003
Size	\$4,605.1m
Benchmark	MSCI Emerging Markets Index
Stocks (guideline range)	60-100
Current Number of Stocks	71
Active Share	70%*
Annual Turnover	14%**
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 Emerging Markets 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.

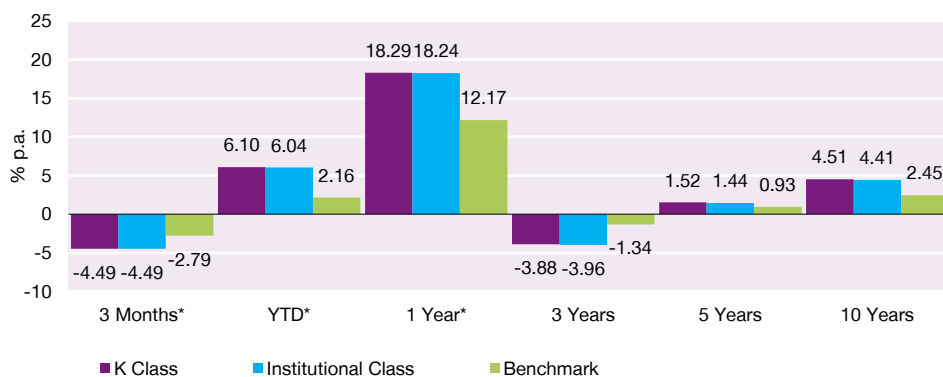
#### Emerging Markets Team

Name	Years' Experience
Andrew Stobart	32
Mike Gush*	20
Ben Durrant	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](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 September 30, 2023



Gross Expense Ratio	
Share Class – K	0.83%
Share Class – Institutional	0.91%
Net Expense Ratio	
Share Class – K	0.83%
Share Class – Institutional	0.91%

Benchmark: MSCI Emerging Markets 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.

*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 Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the MSCI Emerging Markets 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 September 30, 2023

### Top Five Contributors

Asset Name	Contribution (%)
Petrobras	0.66
MercadoLibre	0.36
Accton Technology	0.33
Ozon	0.31
Brilliance China Automotive	0.23

### Bottom Five Contributors

Asset Name	Contribution (%)
TSMC	-0.32
LG Chemical	-0.28
PDD	-0.24
B3 S.A.	-0.24
Samsung	-0.24

One Year to September 30, 2023

### Top Five Contributors

Asset Name	Contribution (%)
Petrobras	1.59
MercadoLibre	1.04
First Quantum Minerals	0.48
Samsung Electronics	0.47
SK Hynix	0.43

### Bottom Five Contributors

Asset Name	Contribution (%)
Silergy	-0.60
Meituan	-0.57
SEA	-0.42
JD.com	-0.40
Banco Bradesco	-0.40

Five Years to September 30, 2023

### Top Five Contributors

Asset Name	Contribution (%)
Petrobras	6.35
MercadoLibre	2.77
First Quantum Minerals	2.06
Mediatek	1.88
Reliance Industries	1.57

### Bottom Five Contributors

Asset Name	Contribution (%)
Sberbank	-2.16
CNOOC	-2.14
Harbour Energy	-1.92
Lufax Holding	-0.98
SEA	-0.94

Source: Revolution, MSCI, Baillie Gifford Emerging Markets Equities Fund relative to MSCI Emerging Markets 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

There are three key reasons for optimism about the current investment environment: the macroeconomic conditions in emerging markets (“EM”), the microenvironment for our companies and the valuations we’re being asked to pay.

Developed markets have a real problem with inflation which is not the case in emerging markets, where inflation is relatively benign overall, once a few extreme outliers are removed. We have seen much stronger fiscal discipline over the last three years in emerging markets than in developed markets. In many ways, the emerging economies have been the more orthodox actors. Every major EM currency, except for the Chinese Yuan and the Turkish Lira, have now outperformed the United States Dollar (“USD”) since the start of Covid. Most emerging economies are expected to grow by at least double the rate of developed markets this year, in gross domestic product terms. We believe the overall environment is supportive.

## Performance

We do not draw conclusions from shorter term performance and continue to focus on longer term performance numbers.

That said, we'd note that some of the near-term performance detractors have included Samsung SDI, TSMC and SEA Ltd.

SEA Ltd, an information technology services company, in particular has been volatile. The stock had been performing well at the beginning of the year as it pivoted to profitability which was well taken by the market. Thereafter, the shares fell on the back of results where management indicated that they would be reinvesting profits back into the business going forward. That seems eminently sensible to us. They have become a self-sustaining business and now, given the market is both early and competitive, there is little reason to post large profits simply to please the short-term whims of the market.

Semiconductor company TSMC also detracted from performance during the period. Despite the share price being weaker of late, we remain happy holders of TSMC. It's striking to us that despite weaker profits as a result of the semiconductor cycle globally, the commitment to capital expenditure is unwavering and the company continues to invest tens of billions of dollars per annum, even on a lower base of profits. There are few, if any, others that can match this and this suggests that the company is positioning itself extremely well for the inevitable cyclical upturn when it comes.

Samsung SDI, a Korean technology business, has seen a weaker share price, but we don't see any deterioration in operational results. The operating profit increased by 58.5% year-over-year, and we remain confident in the prospects for the company.

Offsetting positive impacts in the Fund have come from companies in the energy sector, such as in Petrobras, the oil and natural gas company. The investment in Petrobras is driven not just by the oil price, but by an expectation of moderate production growth. This is combined with the eventual realisation by the market that even in a decarbonising world, there is a place for one of the world's lowest cost, least-carbon intensive major oil assets.

MercadoLibre, the Latin America e-commerce company, has also been a top performer on a quarter and year-to-date basis. We remain enthused about their operational performance, continuing to deliver 30%+ year-on-year revenue growth. The business continues to become stronger competitively, as the breadth of their e-commerce marketplace enables more services for consumers and merchants.

Brilliance China (“Brilliance”), a Chinese automotive manufacturing company, was another top contributor to performance over the quarter. The company relisted in the fourth quarter of 2022 after a suspension period. In turn, the share price was at depressed level at relisting. In January and July 2023, Brilliance declared two special dividend payouts to shareholders totalling 1.92 Hong Kong Dollar (HK\$) per share, while the share was trading around 4 HK\$ on average. While a 60%+ quarterly return is encouraging, the future case for Brilliance does rely on decisions of next year's special dividend payment and its new management team's operational execution.

## Notable transactions

We have made relatively few changes to the Fund during the quarter and turnover remains low. This reflects the fact that we are broadly happy with the shape of the Fund and feel it is well positioned to perform well over the long run. We retain a balance of growth drivers, both structural and cyclical, and the resultant portfolio is one that displays strong growth characteristics.

We have made some modest additions to some of the existing holdings in China, including Baidu.com and KE Holdings, noting the negative sentiment feels overdone, yet we continue to balance this with the geopolitical risks.

Elsewhere, in India we have taken a holding in WNS. WNS provides business process outsourcing services for a variety of industries, such as operating call centres and processing insurance claims. This is a difficult business that requires exceptional execution over time. In our experience, execution in these companies is tightly correlated with corporate culture. Chief Executive Officer (CEO) Keshav Murugesh took over as CEO in 2010. He led the company through a difficult time initially and has instilled a strong culture. The financial results have been exceptional: WNS has compounded revenues at 10% in USD over the last decade and earnings even faster. The recent developments

in artificial intelligence (AI), and the media buzz surrounding them, have led to a sharp correction in the share price. We believe that AI tools will ultimately be implemented by the likes of WNS rather than replace them, and the current valuation offers an attractive entry point into this successful company.

Transactions from 01 July 2023 to 30 September 2023.

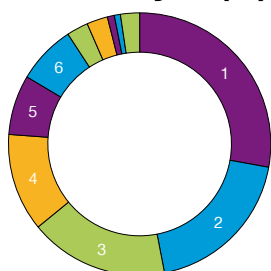
### New Purchases

Stock Name	Transaction Rationale
WNS (Holdings)	WNS provides business process outsourcing services for a variety of industries, such as operating call centres and processing insurance claims. This is a difficult business that requires exceptional execution over time. In our experience, execution in these companies is tightly correlated with corporate culture. CEO Keshav Murugesh took over as CEO in 2010. He led the company through a difficult time initially and has instilled a strong culture. The financial results have been exceptional: WNS has compounded revenues at 10% in USD over the last decade and earnings even faster. The recent developments in AI, and the media buzz surrounding them, have led to a sharp correction in the share price. We believe that AI tools will ultimately be implemented by the likes of WNS rather than replace them, and the current valuation offers an attractive entry point into this successful company.

### Complete Sales

Stock Name	Transaction Rationale
CATL	We have decided to sell the remaining holding in Chinese manufacturer CATL. We are concerned about the amount of capacity addition the sector has attracted at a time when there are early signs that demand may be pushed out. The level of cyclicality that this disinflationary industry may exhibit could easily shock the market negatively despite headline multiples appearing relatively attractive.
Meituan	Meituan is a Chinese on-demand food delivery platform. The original investment case was based on the company's potential to be a leading membership-based ecosystem for both food delivery and local services. While they are the dominant player in food delivery, the Chinese online platform market remains highly competitive. We think there will be a tough battle for the grocery delivery market, which may consume time and capital. Within the delivery market, we remain concerned about the overhang of regulation, which may negatively impact the margin potential for Meituan. We, therefore, decided to sell the remaining holding to fund ideas elsewhere.
Ozon	OZON is the second largest e-commerce company in Russia and has the most recognised e-commerce brand. Starting up as an online bookseller in 1998, OZON successfully developed an online marketplace business, which is notable for the deep and diversified assortment of goods, while also investing heavily in order to offer its merchants and consumers an excellent and differentiated service. Following Russia's invasion of Ukraine in February 2022, trading in OZON ADRs on NASDAQ was suspended. There has been increasing rhetoric in Russia recently about new government laws which could see minority shareholders of Russian companies being disadvantaged. We took advantage of buying interest to sell the holding in OZON.

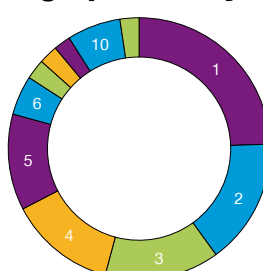
**Sector Analysis (%)**



1	Information Technology	27.84
2	Consumer Discretionary	19.12
3	Financials	17.14
4	Energy	12.07
5	Communication Services	7.38
6	Materials	7.25
7	Consumer Staples	2.66
8	Industrials	2.58
9	Real Estate	0.87
10	Health Care	0.75
11	Cash	2.35

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	China	24.45
2	South Korea	15.56
3	India	14.17
4	Brazil	13.20
5	Taiwan	11.87
6	Mexico	4.87
7	Thailand	2.48
8	South Africa	2.35
9	Indonesia	2.08
10	Others	6.61
11	Cash	2.35

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 TSMC	9.44
2 Samsung Electronics	7.11
3 Petrobras	5.60
4 MercadoLibre	4.03
5 Reliance Industries	3.92
6 Tencent	3.68
7 Alibaba	3.47
8 HDFC Bank	2.64
9 SK Hynix	2.43
10 First Quantum Minerals	2.28

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

**Portfolio Characteristics**

Number of holdings	67
Number of countries	16
Number of sectors	10
Number of industries	30
Active Share	70%*
Annual Turnover	14%**

\*Relative to MSCI Emerging Markets 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 14	Companies None	Companies 1
Resolutions 159	Resolutions None	Resolutions 1

The strategy continues to ensure our Environmental, Social and Governance (ESG) research is focused on issues that are material to the investment case and companies' term-growth prospects.

We met with the new Head of Governance at Petrobras to understand their priorities and hear updates on their governance and compliance systems.

Company Engagement

Engagement Type	Company
Environmental	Copa Holdings, S.A., JD.com, Inc., Li Ning Company Limited, PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras, Raizen S.A., Zijin Mining Group Company Limited
Social	BeiGene, Ltd., JD.com, Inc., Li Ning Company Limited, PT Bank Rakyat Indonesia (Persero) Tbk, PTT Exploration and Production Public Company Limited, Zijin Mining Group Company Limited
Governance	Alibaba Group Holding Limited, Allegro.eu SA, B3 S.A. - Brasil, Bolsa, BalcAo, BeiGene, Ltd., China Merchants Bank Co., Ltd., Copa Holdings, S.A., Coupang, Inc., Fomento Economico Mexicano, S.A.B. de C.V., HDFC Life Insurance Company Limited, JD.com, Inc., PTT Exploration and Production Public Company Limited, Petroleo Brasileiro S.A. - Petrobras, Raizen S.A., Taiwan Semiconductor Manufacturing Company Limited, Zai Lab Limited, Zijin Mining Group Company Limited



Votes Cast in Favour

Companies	Voting Rationale
Alibaba Group Holding, Anker Innovations 'A', CATL 'A', Delhivery Ltd, Geely Automobile Holdings, HDFC Bank, HDFC Life Insurance Co Ltd, Midea Group 'A', Naspers, Raizen, Reliance Industries Ltd, Tech Mahindra, Ultratech Cement Ltd, WNS (Holdings) ADR	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
Raizen	AGM 07/26/23	1	We abstained on the request to separately elect a board member, as no minority shareholders have nominated a director for election.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
Moscow Exchange	We did not vote in order to ensure that there is no risk of breaching sanction regulations.
Moscow Exchange	We submitted no vote to avoid the risk of breaching sanctions.

Asset Name	Fund %
TSMC	9.44
Samsung Electronics	7.11
Petrobras	5.60
MercadoLibre	4.03
Reliance Industries	3.92
Tencent	3.68
Alibaba	3.47
HDFC Bank	2.64
SK Hynix	2.43
First Quantum Minerals	2.28
Bank Rakyat Indonesia	2.08
Tata Consultancy Services	2.04
Hyundai Motor Company	1.86
Grupo Financiero Banorte	1.82
Ping An Insurance	1.78
Naspers	1.74
Baidu.com	1.61
PTT Exploration and Production	1.50
B3	1.49
Tech Mahindra	1.44
China Merchants Bank	1.35
Banco Bradesco	1.25
Accton Technology	1.23
Coupang	1.20
Mediatek	1.20
LG Chem	1.15
HDFC Life Insurance	1.15
Walmex	1.12
Haier Smart Home	1.11
Shenzhou International	1.05
FEMSA	1.05
Midea	1.00
Anker Innovations	0.99
JD.com	0.95
UltraTech Cement	0.94
Samsung SDI	0.94
Copa Holdings	0.92
Cemex	0.89
Jio Financial Services Limited	0.87
KE Holdings	0.87
Raizen	0.83
SEA Limited	0.80
Credicorp	0.80
Zijin Mining	0.77
Silergy	0.75
Lundin Mining	0.73

Asset Name	Fund %
Mint Group	0.70
Ping An Bank	0.65
Delhivery	0.64
FirstRand	0.61
Allegro.eu	0.60
Brilliance China Automotive	0.54
WNS Global Services	0.52
BeiGene	0.51
KGHM Polska Miedz	0.50
Doosan Bobcat	0.50
SCB X	0.50
Kweichow Moutai	0.49
Tencent Music Entertainment Group	0.48
Geely Automobile	0.48
Kuaishou Technology	0.43
Li Ning	0.41
NAVER Corp	0.38
Fabrinet	0.26
Zai Lab	0.23
Valeura Energy	0.22
Lufax Holding	0.15
Norilsk Nickel	0.00
Sberbank	0.00
Moscow Exchange	0.00
Cash	2.35
<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.

As at March 2022, three Russian holdings have been valued at zero by our Fair Value Pricing Committee due to the ongoing issues in the Russian market: Moscow Exchange, Norilsk Nickel, Sberbank.

## 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 Emerging Markets Equities Fund are Investment Style Risk, Growth Stock Risk, Long-Term Investment Strategy Risk, Market Disruption and Geopolitical Risk, Government and Regulatory Risk and Emerging Markets 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. The value of investments could be adversely affected by events such as war, public health crises and changes in economic and political conditions in the US and elsewhere. This could prevent the Fund from implementing its investment strategies and increase exposure to other risks. Governmental and regulatory authorities in the US and elsewhere have intervened in markets and may do so again in the future. The effects of these actions can be uncertain and could restrict the Fund in implementing its investment strategies. Some non-US markets have had little regulation which could increase risk of loss due to fraud or market failures. Governmental and regulatory authorities may adopt or change laws that could adversely impact the Fund. The Fund focuses on investments in emerging markets, meaning it may offer less diversification and be more volatile than other funds. Investing in emerging markets can involve additional market, credit, currency, liquidity, legal or political risks than investing in more developed markets. Other Fund risks include: Asia Risk, China Risk, Conflicts of Interest Risk, Currency Risk, Equity Securities Risk, Environmental, Social and Governance Risk, Focused Investment Risk, Frontier Markets Risk, Geographic Focus Risk, Information Technology Risk, Initial Public Offering Risk, Large-Capitalization Securities Risk, Liquidity Risk, Market 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 Emerging Markets 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.

## 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  
bailliegifford.com**

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