

# **BAILLIE GIFFORD**

Baillie Gifford Investment Funds ICVC

---

Interim Report and Financial Statements (Unaudited)

*for the six months ended 30 June 2023*



---

**Contents**

|   |     |
|---|-----|
| About The Company*  | 1   |
| Statement of Authorised Corporate Director's Responsibilities | 4   |
| Baillie Gifford Climate Optimism Fund*                        | 5   |
| Baillie Gifford Diversified Growth Fund*                      | 17  |
| Baillie Gifford Long Term Global Growth Investment Fund*      | 39  |
| Baillie Gifford Multi Asset Growth Fund*                      | 53  |
| Baillie Gifford Positive Change Fund*                         | 77  |
| Baillie Gifford Sustainable Multi Asset Fund*                 | 91  |
| General Information   | 111 |
| The Group's Funds   | 118 |

---

\*Collectively these comprise the Authorised Corporate Director's Report as required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

## About the Company

Baillie Gifford Investment Funds ICVC (Investment Company with Variable Capital) ('the Company') is an umbrella UK Open-Ended Investment Company ('OEIC') under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001. An OEIC is a collective investment vehicle in which your funds are pooled with those of other investors and spread across a portfolio of companies, thus reducing risk.

At 30 June 2023 the Company offered six sub-funds, and the range may be varied in the future. Each sub-fund is valued on a daily basis and is subject to different charging structures and subscription limits. All shares are single priced. Details of the sub-funds and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus and the Instrument of Incorporation were last revised on 30 June 2023. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

The Company is registered in Great Britain, registered number IC000719, and the address of its Head Office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. The operation of the Company is governed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Financial Conduct Authority's Investment Funds Sourcebook ('FUND'), collectively referred to as the 'Regulations', its Instrument of Incorporation and its Prospectus.

The Company's shareholders are not liable for its debts beyond the amount subscribed. Each sub-fund is classed as a non-UCITS retail scheme under COLL and an Alternative Investment Fund ('AIF') under FUND.

The ACD has, in respect of Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund, made an election into the Tax Elected Fund ('TEF') regime and these sub-funds may therefore pay both dividend and non-dividend distributions. No such election has been made in respect of Baillie Gifford Climate Optimism Fund, Baillie Gifford Long Term Global Growth Investment Fund, Baillie Gifford Positive Change Fund, nor Baillie Gifford Sustainable Multi Asset Fund and these sub-funds will therefore only pay

dividend distributions. Future sub-funds launched may or may not be TEFs and the tax treatment will vary accordingly.

Any comments expressed in this report should not be taken as a recommendation or advice.

### **Alternative Investment Fund Managers Directive ('AIFMD')**

---

The Directive, as implemented in the UK, creates a regulatory and supervisory framework for alternative investment fund managers. The scope of the Directive captures the management and the marketing of all non-UCITS funds; the Fund, a UK authorised non-UCITS retail scheme, is therefore within its remit and is deemed to be an AIF. Ongoing disclosure under AIFMD is made in the annual report and financial statements.

### **Amendments to the Investment Objective and Policy of Baillie Gifford Long Term Global Growth Investment Fund**

---

With effect from 30 June 2023 the Investment Objective of the Baillie Gifford Long Term Global Growth Investment Fund was amended to reflect a change of target benchmark to MSCI ACWI Index. In addition the Investment Policy has been amended to increase the minimum market capitalisation, at the time of purchase, from US\$2 billion to US\$4 billion.

### **Amendment to Investment Objective of Baillie Gifford Positive Change Fund**

---

With effect from 30 June 2023 the Investment Objective of Baillie Gifford Positive Change Fund was amended to add a second non-financial objective to better communicate the sub-fund's existing aim of both achieving a financial return and contributing to a more sustainable and inclusive world through the sub-fund's investments.

## About the Company cont.

### Assessment of Value for the Sub-Funds

Under COLL 6.6.20R (1), Baillie Gifford & Co Limited, the ACD of the Company, must conduct an assessment at least annually for each UK authorised sub-fund it manages, of whether the payments out of the sub-funds set out in the prospectus are justified in the context of the overall value delivered to shareholders. This assessment of value must, as a minimum, consider seven criteria, namely: quality of service, performance, authorised fund manager costs, economies of scale, comparable market rates, comparable services and classes of shares. The latest report as at 31 March 2023 is available on the website at [www.bailliegifford.com](http://www.bailliegifford.com).

### Sub-fund Cross-holdings Table

| Sub-fund                                     | Cross-holding   | Number of Shares | Value of Shares<br>£'000 |
|--|---|------------------|--------------------------|
| Baillie Gifford Diversified Growth Fund      | Baillie Gifford Long Term Global Growth Investment Fund | 3,150,713        | 33,744                   |
| Baillie Gifford Sustainable Multi Asset Fund | Baillie Gifford Positive Change Fund                    | 2,970,731        | 7,929                    |

At 30 June 2023 no other sub-funds had any cross-holdings.

## About the Company cont.

### **Authorised Corporate Director ('ACD')/Alternative Investment Fund Manager ('AIFM')**

Baillie Gifford & Co Limited  
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179)  
Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN  
Telephone: 0800 917 2113  
Fax: 0131 275 3955

### **Directors of the ACD**

#### Executive

M J C Wylie (Chairman)  
E Delaney  
C M Fraser  
L B S Haddow  
D S McGowan  
A J Telfer

#### Independent Non-Executive

K B M Bolsover  
D R Buckley

### **Investment Adviser**

Baillie Gifford & Co  
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 142597)  
Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

### **Depositary**

NatWest Trustee and Depositary Services Limited  
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No. 794152)  
Trustee & Depositary Services  
House A, Floor 0  
175 Glasgow Road  
Gogarburn  
Edinburgh EH12 1HQ

### **Registrar**

Baillie Gifford & Co Limited  
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179)  
Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

### **Auditor**

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

*Baillie Gifford & Co Limited, the Authorised Corporate Director of the OEIC, is wholly owned by Baillie Gifford & Co. We only provide information about our products and do not provide investment advice.*

## Statement of Authorised Corporate Director's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') requires the Authorised Corporate Director to prepare financial statements for each interim and annual accounting period which give a true and fair view of the financial position of the Company and of its revenue and expenditure and of its net gains and losses on the property of the Company for the period. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of UK Authorised Funds issued in 2014;
- follow generally accepted accounting principles and applicable accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland";
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- take reasonable steps for the prevention and detection of fraud and irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and the Regulations.

The Interim Report and Financial Statements were approved by the Authorised Corporate Director and signed on its behalf by:

*M J C Wylie, Chairman*  
*C M Fraser, Director*  
*Baillie Gifford & Co Limited*  
*31 August 2023*



# **BAILLIE GIFFORD**

## Baillie Gifford Climate Optimism Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Climate Optimism Fund

## Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All-World Index, as stated in sterling, by at least 2.5% per annum over rolling five-year periods.

## Investment Policy

The Fund will invest at least 90% in shares of companies that, in the ACD's opinion, have the potential to or already contribute to the substantial reduction, over the long term, of greenhouse gas emissions and/or remove greenhouse gases through their activities. Such companies will undertake one or more of the following activities: (1) create alternatives to current emission-intensive activities and processes; (2) provide the infrastructure or technology to enable or support the companies that create such alternatives; or (3) facilitate removal of greenhouse gases from the atmosphere. The Fund will be actively managed and will invest in companies in any country and in any sector which, typically at the time of initial purchase, have a market capitalisation of more than US\$1 billion. The Fund will be concentrated, typically comprising between 20-40 holdings.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in company shares.

As returns are not available for all of the past five years we've used the comparative index in their place to calculate the indicator.

The indicator does not take into account the following relevant material risks:

Over shorter time periods the Fund's share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

The Fund's ESG investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

The limitations of third party data, which may be backward looking or estimated, may impact on the Fund's ability to achieve its non-financial considerations.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

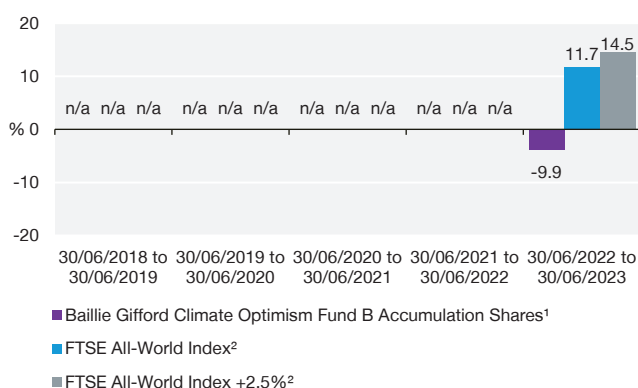
Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

For a more details explanation of the risks, please see the "Risk Warnings" section of the prospectus.



# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the annual management charge of 0.50%. There are not five full years of performance shown as the Fund was launched on 14 September 2021. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the FTSE All-World Index (the 'Index') by at least 2.5% per annum (the 'target return') over rolling five-year periods. For the six months to 30 June 2023 the return on B Accumulation Shares was -3.8%<sup>3</sup> compared to the Index of 7.9%<sup>2</sup> and the target return of 9.2%<sup>2</sup>. We fully appreciate that this is disappointing. While periods of underperformance are inevitable given our style of investment, none of us enjoy these. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. We look forward to reporting to you on more meaningful performance time periods over the years to come.

## Market Environment

Market conditions have not been conducive to positive returns for the type of companies we hold in the Climate Optimism portfolio in the period under review, or indeed since we launched it in late 2021. The unexpectedly strong rising interest rate environment has particularly affected the share prices of the long duration, high growth companies we look to own, as investors have grown uncertain, and time horizons have shortened. Elsewhere, our investments in China, a key enabler of climate solutions, have been challenged by geopolitical tensions. However, we believe the country remains a fertile hunting ground for exciting investment ideas, albeit tempered by the possible impacts of trade barriers and shifting policy frameworks. We are still confident that over the long term, those companies driving change – disrupting existing industries and creating new ones – will create the most value. In the last five years, the number of companies making net zero commitments has gone up twenty-fold. This is a very strong underpinning to our fundamental hypothesis that the companies driving rapid decarbonisation will see commensurate financial success.

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Revolution and FTSE, total return in sterling terms. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 113. You should be aware that past performance is not a guide to future performance. <sup>3</sup>Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated.

## Investment Report cont.

The companies that can drive costs down fastest through scale and research and development should benefit most from this growing market and, despite the rise of protectionist trade policy, they still are critical participants in the supply chain. Examples of this include the technology partnerships between battery manufacturer CATL and the likes of Rivian and Ford.

### Performance

---

Performance compared to global equities has been poor in the period under review, at 11.7% behind index and 13.0% behind target. Besides the high-level challenges to growth companies, we have seen some holdings struggle to hit targets as hard-pressed consumers reduce spending, for example on more expensive meat substitutes, or investors grow impatient for near-term positive cashflows in still early-stage companies. We have also suffered in relative terms from the extremely strong returns of companies such as NVIDIA and Apple that are not climate solutions providers and therefore out of scope for this strategy. We encourage investors to continue to take the long view and show patience as the Fund's investment thesis unfolds over much longer periods.

### Notable Transactions

---

Portfolio changes in the past six months included two new buys and one complete sale.

We took new positions in Befesa, which operates plants that recycle toxic zinc dust - an unavoidable by-product of recycling steel; and Rivian, a US based manufacturer of electric vehicles (EV). Both have critical roles to play in decarbonisation and potentially large upside. Rivian has been trading at levels that we think entirely fail to look beyond its current heavy investment phase.

We also added to some holdings where the opportunity presented itself – Joby Aviation is progressing fast towards operational deployment of its electric aircraft, and Wolfspeed has a growing opportunity as a provider of silicon carbide products which dramatically improve EV efficiency.

These purchases were funded by sales or reductions of companies where we have grown less confident in their climate impact, such as Pinduoduo and Zoom. We also sold ITM Power, a manufacturer of electrolyzers for the production of green hydrogen as we have become less confident about its competitive edge.

*Baillie Gifford & Co, 6 July 2023*

## Principal Holdings as at 30 June 2023

| Investment                        | Percentage of total Fund |
|-----------------------------------|--------------------------|
| Allkem                            | 9.05                     |
| Tesla Inc                         | 8.91                     |
| Prysmian                          | 7.79                     |
| Solaredge Technologies Inc        | 7.55                     |
| CATL 'A'                          | 7.45                     |
| Vestas Wind Systems               | 5.20                     |
| LONGi Green Energy Technology 'A' | 4.97                     |
| Neoen                             | 4.84                     |
| Sungrow Power Supply              | 4.70                     |
| Tomra Systems AS                  | 4.31                     |

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases                 | Cost<br>£'000 | Largest Sales              | Proceeds<br>£'000 |
|-----------------------------------|---------------|----------------------------|-------------------|
| Wolfspeed Inc                     | 61            | Pinduoduo Inc ADR          | 86                |
| Befesa SA                         | 51            | Prysmian                   | 46                |
| LONGi Green Energy Technology 'A' | 33            | Tesla Inc                  | 24                |
| NIO Inc                           | 21            | Zoom                       | 21                |
| Tesla Inc                         | 12            | Solaredge Technologies Inc | 19                |
| Rivian Automotive Inc             | 9             | Allkem                     | 12                |
| Lilium N.V.                       | 5             | Neoen                      | 10                |
| Allkem                            | 4             | ITM Power                  | 4                 |
| Prysmian                          | 3             | Vestas Wind Systems        | 1                 |
| Joby Aviation Inc                 | 3             | Sungrow Power Supply       | 1                 |



## Portfolio Statement as at 30 June 2023

| Stock description                     | Holding | Market value £'000 | % of total net assets |
|---------------------------------------|---------|--------------------|-----------------------|
| <b>Australia - 12.89% (10.50%)</b>    |         |                    |                       |
| Allkem                                | 32,616  | 273                | 9.05                  |
| Fortescue Metals                      | 9,986   | 116                | 3.84                  |
| <b>Cayman Islands - 1.36% (0.77%)</b> |         |                    |                       |
| EHang Holdings Ltd ADR                | 3,436   | 41                 | 1.36                  |
| <b>China - 23.39% (28.49%)</b>        |         |                    |                       |
| CATL 'A'                              | 9,100   | 225                | 7.45                  |
| LONGi Green Energy Technology 'A'     | 48,220  | 150                | 4.97                  |
| NIO Inc                               | 13,709  | 104                | 3.45                  |
| Pinduoduo Inc ADR                     | 1,569   | 85                 | 2.82                  |
| Sungrow Power Supply                  | 11,200  | 142                | 4.70                  |
| <b>Denmark - 5.20% (5.85%)</b>        |         |                    |                       |
| Vestas Wind Systems                   | 7,523   | 157                | 5.20                  |
| <b>France - 4.84% (6.23%)</b>         |         |                    |                       |
| Neoen                                 | 5,891   | 146                | 4.84                  |
| <b>Germany - 0.69% (0.29%)</b>        |         |                    |                       |
| Lilium N.V.                           | 15,359  | 21                 | 0.69                  |
| <b>Israel - 7.55% (8.67%)</b>         |         |                    |                       |
| Solaredge Technologies Inc            | 1,080   | 228                | 7.55                  |
| <b>Italy - 7.79% (8.57%)</b>          |         |                    |                       |
| Prysmian                              | 7,295   | 235                | 7.79                  |
| <b>Luxembourg - 1.56% (0.00%)</b>     |         |                    |                       |
| Befesa SA                             | 1,554   | 47                 | 1.56                  |
| <b>Norway - 5.04% (5.33%)</b>         |         |                    |                       |
| Nel                                   | 23,246  | 22                 | 0.73                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                       | Holding | Market value £'000 | % of total net assets |
|---|---------|--------------------|-----------------------|
| Tomra Systems AS                        | 10,270  | 130                | 4.31                  |
| <b>UK - 0.00% (0.16%)</b>               |         |                    |                       |
| <b>United States - 28.56% (24.31%)</b>  |         |                    |                       |
| Beyond Meat Inc                         | 4,559   | 46                 | 1.52                  |
| ChargePoint Holdings Inc                | 7,719   | 53                 | 1.76                  |
| Enphase Energy Inc                      | 969     | 128                | 4.24                  |
| Ginkgo Bioworks Holdings Inc            | 43,068  | 63                 | 2.09                  |
| Joby Aviation Inc                       | 9,826   | 79                 | 2.62                  |
| Proterra Inc                            | 12,406  | 12                 | 0.40                  |
| QuantumScape Corp                       | 3,350   | 21                 | 0.69                  |
| Rivian Automotive Inc                   | 2,383   | 31                 | 1.03                  |
| Tesla Inc                               | 1,308   | 269                | 8.91                  |
| Wolfspeed Inc                           | 2,711   | 119                | 3.94                  |
| Zoom                                    | 763     | 41                 | 1.36                  |
| <b>Portfolio of investments</b>         |         | <b>2,984</b>       | <b>98.87</b>          |
| <b>Net other assets - 1.13% (0.83%)</b> |         | <b>34</b>          | <b>1.13</b>           |
| <b>Net assets</b>                       |         | <b>3,018</b>       | <b>100.00</b>         |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.  
Figures in brackets refer to 31 December 2022.

# Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                    | 31.12.21                      |
|---|-------------------------------|-----------------------------|-------------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 3,018                         | 3,114                       | 3,997                         |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 6                             | 6                           | 5                             |
| <b>Net asset value per share (pence)</b>                |                               |                             |                               |
| B Accumulation  | 73.73                         | 76.19                       | 99.36                         |
| B Income  | 73.72                         | 76.18                       | 99.36                         |
| C Accumulation  | 74.39                         | 76.68                       | 99.51                         |
| C Income  | 74.05                         | 76.33                       | 99.51                         |
| <b>Number of shares in issue</b>                        |                               |                             |                               |
| B Accumulation  | 4,089,073                     | 4,083,280                   | 4,019,455                     |
| B Income  | 1,000                         | 1,000                       | 1,000                         |
| C Accumulation  | 1,000                         | 1,000                       | 1,000                         |
| C Income  | 1,000                         | 1,000                       | 1,000                         |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Period to 31.12.21<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                             |                               |
| B Accumulation  | 0.00                          | 0.00                        | 0.00                          |
| B Income  | 0.00                          | 0.00                        | 0.00                          |
| C Accumulation  | 0.10                          | 0.35                        | 0.00                          |
| C Income  | 0.10                          | 0.35                        | 0.00                          |
| Yearly Highest and Lowest Prices                        | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Period to 31.12.21<br>(pence) |
| <b>Highest (financial period)</b>                       |                               |                             |                               |
| B Accumulation  | 86.93                         | 101.3                       | 119.2                         |
| B Income  | 86.92                         | 101.3                       | 119.2                         |
| C Accumulation  | 87.53                         | 101.5                       | 119.3                         |
| C Income  | 87.12                         | 101.5                       | 119.3                         |
| <b>Lowest (financial period)</b>                        |                               |                             |                               |
| B Accumulation  | 66.85                         | 69.38                       | 94.15                         |
| B Income  | 66.84                         | 69.38                       | 94.15                         |
| C Accumulation  | 67.39                         | 69.61                       | 94.18                         |
| C Income  | 67.09                         | 69.61                       | 94.18                         |

## Fund Information cont.

| Ongoing Charges Figures                    | 30.06.23<br>(%) | 31.12.22<br>(restated)<br>(%) | 31.12.21<br>(%) |
|--|-----------------|-------------------------------|-----------------|
| <b>Ongoing Charges Figures<sup>2</sup></b> |                 |                               |                 |
| B Accumulation                             | 0.60            | 0.60                          | 0.59            |
| B Income                                   | 0.60            | 0.60                          | 0.59            |
| C Accumulation                             | 0.10            | 0.10                          | 0.10            |
| C Income                                   | 0.10            | 0.10                          | 0.10            |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com). This is a newly launched fund and, to ensure initial investors do not pay disproportionately high costs, we have capped expenses excluding the management fee at 0.10%, until the Fund reaches a suitable size. Following an update, the Ongoing Charge Figures for the year ended 31 December 2022 have been restated.

You should be aware that past performance is not a guide to future performance.



## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |              | 30 June 2022 |              |
|---|--------------|--------------|--------------|--------------|
|   | £'000        | £'000        | £'000        | £'000        |
| Income  |              |              |              |              |
| Net capital gains/(losses)  |              | (106)        |              | (717)        |
| Revenue   | 14           |              | 8            |              |
| Expenses  | (8)          |              | (9)          |              |
| Net revenue before taxation   | 6            |              | (1)          |              |
| Taxation  | (1)          |              | (1)          |              |
| Net revenue after taxation  |              | 5            |              | (2)          |
| Total return before distributions   |              | (101)        |              | (719)        |
| Distributions   |              | -            |              | -            |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>(101)</b> |              | <b>(719)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |              | 30 June 2022 |              |
|--|--------------|--------------|--------------|--------------|
|  | £'000        | £'000        | £'000        | £'000        |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>3,114</b> |              | <b>3,997</b> |
| Amounts receivable on issue of shares  | 7            |              | 3            |              |
| Amounts payable on cancellation of shares                                    | (2)          |              | (3)          |              |
|  |              | 5            |              | -            |
| Dilution adjustment  |              | -            |              | -            |
| Change in net assets attributable to shareholders from investment activities |              | (101)        |              | (719)        |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>3,018</b> |              | <b>3,278</b> |

## Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 30 June 2023

|  | 30 June 2023 | 31 December 2022 |
|--|--------------|------------------|
|  | £'000        | £'000            |
| <b>Assets:</b>                                 |              |                  |
| Fixed assets:                                  |              |                  |
| Investments                                    | 2,984        | 3,088            |
| Current assets:                                |              |                  |
| Debtors  | 6            | 2                |
| Cash and bank balances                         | 32           | 32               |
| <b>Total assets</b>                            | <b>3,022</b> | <b>3,122</b>     |
| <b>Liabilities:</b>                            |              |                  |
| Creditors:                                     |              |                  |
| Other creditors                                | (4)          | (8)              |
| <b>Total liabilities</b>                       | <b>(4)</b>   | <b>(8)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>3,018</b> | <b>3,114</b>     |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

# BAILLIE GIFFORD

## Baillie Gifford Diversified Growth Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Diversified Growth Fund

## Investment Objective

The Fund aims to achieve (after deduction of costs): an annualised return over rolling five-year periods that is at least 3.5% more than UK Base Rate; a positive return over rolling three-year periods; and annualised volatility of returns over rolling five-year periods that is below 10%. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

## Investment Policy

The Fund will invest in a wide range of asset classes in any country or sector. At any one time, the Fund may be invested in any one or more of the following: shares, bonds, money market instruments, deposits and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities, private equity, loans and insurance-linked securities. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. The Fund will be actively managed.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in a range of assets.

The indicator does not take into account the following relevant material risks:

The Fund aims to limit losses in any short term period to a lower level than equities. Neither this nor positive returns are guaranteed.

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

Investing in China may harm your investment due to difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

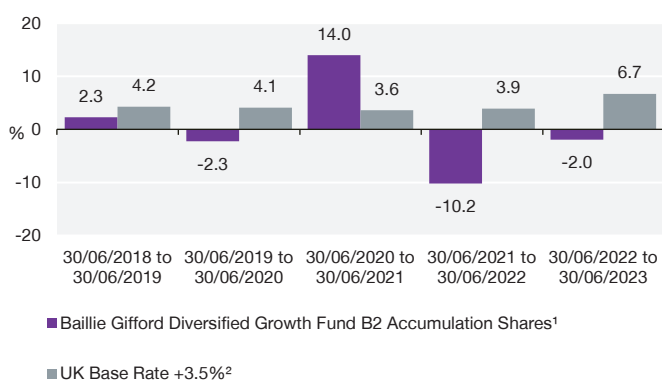
Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.



# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B2 Accumulation Shares. Performance figures reflect the annual management charge of 0.55% (until 30 June 2021, the annual management charge on class B2 shares was 0.65%). Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the UK Base Rate by at least 3.5% per annum (the 'target return') over rolling five-year periods, with annualised volatility of returns over rolling five-year periods that is below 10%. For the six months to 30 June 2023 the return on B2 Accumulation Shares was 0.0%<sup>3</sup> compared to the target return of 3.8%<sup>2</sup>. We fully appreciate that this is tough whether you are a longstanding client or a newer investor in the Fund. While periods of underperformance are inevitable given our style of investment, none of us enjoy these. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised return on B2 Accumulation Shares was 0.0%<sup>3</sup> compared to the target return of 4.5%<sup>2</sup>. The annualised volatility over this period was 8.6%<sup>4</sup>. It is disappointing that over this period the Fund has underperformed its target return. Returns have been impacted by recent, short-term weakness. The Fund

also aims to achieve a positive return over three-year periods. The annualised three-year return on B2 Accumulation Shares was 0.1%<sup>3</sup>.

## Market Environment

In recent months, markets have been oscillating between 'everything's going to be okay' and 'we're heading into a recession'. Our view remains that the most likely outcome is recessionary.

Monetary policy typically acts on the economy with a lag, the length of which is variable. The US Federal Reserve began increasing policy rates back in March 2022 and we are only seeing clearer evidence of the impact of this tightening starting to come through now. This will likely see inflation and growth fall further, not least as the effects of the later interest rate increases continue to feed through.

On a more positive note, emerging markets are generally in a better place. Growth is stronger and early action on inflation gives policymakers more room for manoeuvre than their developed market counterparts.

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Revolution and Bank of England, total return. Please see Disclaimer on page 113. <sup>3</sup>Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. <sup>4</sup>Source: Revolution, annualised volatility, calculated over five years to 30 June 2023. You should be aware that past performance is not a guide to future performance.

## Investment Report cont.

This is despite a more sluggish Chinese economy where consumer sentiment has remained weak following a long period of harsh lockdowns.

### Performance

---

Bond yield movements and various market-specific developments have resulted in contrasting fortunes for the various asset classes held.

Our emerging market debt holdings performed well. Latin American economies led the way as markets continued to gain confidence in the credibility of their institutions and, while currencies have appreciated, yields also moved tighter.

While the contribution to performance of developed market government bonds was positive over the six-month period, during the second quarter of 2023, the asset class detracted as US treasury yields increased slightly, indicating the market is pricing a 'higher-for-longer' interest rate environment.

It was a challenging period for our high yield credit allocation. The initial excitement of China's reopening has been subdued owing to low growth and investor sentiment. This was particularly true for our holding in Asian high yield debt funds, which have notable exposure to Chinese property companies.

We are also exercising patience with our position in the Japanese yen. The Bank of Japan is persisting with its ultra-easy monetary policy stance while other central banks continue to raise rates. This negatively impacted the yen over the last six months as inflation continues to soar.

More positively, our increased structured finance allocation performed strongly, delivering high yields and capital appreciation as the market recovered from the banking sector's worries of March and April. With yields still well above 10%, we believe there are more returns to be achieved.

### Notable Transactions

---

Our long-term return expectations continue to show potential ten-year returns near the top of their historical range for many asset classes. In the nearer term, we expect inflation and bond yields to take a decisive step down delivering good returns for duration-sensitive investments (those influenced most by interest rate changes), albeit that those investments more sensitive to economic growth may struggle in this environment, particularly if it leads to a deeper recession.

Long-duration assets make up around one-third of the Fund and primarily comprise our investments in developed and emerging market government bonds, as well as some investment grade corporate credit.

During the period, we added investments in Canadian municipal bonds, providing attractively valued diversification to our existing US government bond positions. We also initiated an investment that will benefit from a change in one of the central policies of the Bank of Japan where we believe their commitment to yield curve control (a form of quantitative easing) will moderate in the face of higher inflation and policy tightening elsewhere.

Better value economic assets make up just less than half of the Fund. Here we have a diversified set of investments that we see as either high yielding, fundamentally cheap, or particularly resilient. These include structured finance, which we have recently added to, where we continue to earn attractive risk-adjusted yields; certain commodities such as the recent purchase of copper, whose market prices are below the marginal cost of production; and property, where we see strong demand and rental growth.

Finally, diversifying assets make up the remainder of the portfolio. These include absolute return funds, the long Japanese yen investment, insurance linked securities and cash.

## Investment Report cont.

Looking forward, we believe the portfolio is well positioned to be robust against the possible near-term economic outcomes while also being well-set to deliver attractive returns in the medium-term as a broad range of diversified investments deliver on their potential.

*Baillie Gifford & Co, 12 July 2023*

## Principal Holdings as at 30 June 2023

| Investment  | Percentage of total Fund |
|---|--------------------------|
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>               | 11.40                    |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup> | 5.96                     |
| Plutus CLO Fund   | 3.97                     |
| Baillie Gifford Global Income Growth Fund C Acc <sup>1</sup>                | 3.20                     |
| Fair Oaks Senior CLO Note   | 2.52                     |
| Galene Fund   | 2.46                     |
| Aspect Core UCITS Fund C GBP  | 2.43                     |
| UBS CSI 500 NTR index + 4.25% ETN   | 2.38                     |
| Blackrock Asian High Yield Bond Fund  | 2.06                     |
| Barclays CSI 500 +5.5% ETN (c)  | 1.99                     |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases   | Cost<br>£'000 | Largest Sales  | Proceeds<br>£'000 |
|---|---------------|--|-------------------|
| Barclays CSI 500 +5.5% ETN (c)  | 61,856        | Baillie Gifford Long Term Global Growth Investment Fund C Acc <sup>2</sup> | 65,829            |
| Citigroup US Steepener ETN (c)  | 49,146        | Citigroup Volatility Carry ETN   | 60,782            |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup> | 42,352        | Baillie Gifford Investment Grade Long Bond Fund C Acc <sup>1</sup>         | 59,636            |
| Leadenhall UCITS ILS Fund   | 38,510        | Baillie Gifford Global Income Growth Fund C Acc <sup>1</sup>               | 51,688            |
| GS Strategic Dividend 23 ETN (C)  | 33,669        | Baillie Gifford Global Alpha Growth Fund C Acc <sup>1</sup>                | 48,567            |
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>               | 29,789        | Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>              | 45,847            |
| Accunia European CLO Fund   | 28,455        | GS Strategic Dividend Fund - I-23  | 33,638            |
| Province of Ontario 5.85% 08/03/2033  | 27,253        | Aspect Core UCITS Fund C GBP   | 33,568            |
| WisdomTree Copper ETC (c)   | 27,034        | US Treasury 2% 15/08/2051  | 27,327            |
| GS Strategic Dividend 24 ETN (C)  | 26,822        | GS Strategic Dividend Fund - I-24  | 26,904            |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>Baillie Gifford Investment Funds ICVC cross-holding.

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

# Portfolio Statement as at 30 June 2023

| Stock description   | Holding     | Market value £'000 | % of total net assets |
|---|-------------|--------------------|-----------------------|
| <b>Absolute Return - 4.02% (5.02%)</b>  |             |                    |                       |
| Aspect Core UCITS Fund C GBP  | 465,308     | 63,143             | 2.43                  |
| BAML Commodity Carry ETN  | 40,188,000  | 41,092             | 1.58                  |
| NB Distressed Redemption  | 304,104     | 222                | 0.01                  |
| <b>Commodities - 4.45% (3.76%)</b>  |             |                    |                       |
| Lynas Corporation   | 6,285,148   | 22,509             | 0.87                  |
| MP Materials  | 1,351,372   | 24,309             | 0.94                  |
| WisdomTree Aluminium ETC (c)  | 19,992,094  | 45,540             | 1.75                  |
| WisdomTree Copper ETC (c)   | 878,999     | 23,065             | 0.89                  |
| <b>Emerging Market Bonds Hard Currency - 3.04% (2.82%)</b>                              |             |                    |                       |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 6,106,297   | 47,401             | 1.83                  |
| IHS Hdg 5.625% 2026   | 2,450,000   | 1,677              | 0.06                  |
| Sweihaan 3.625% 2049  | 2,500,000   | 1,542              | 0.06                  |
| Ukraine 1.258% 31/05/2041 (USD)   | 92,304,000  | 28,317             | 1.09                  |
| <b>Emerging Market Bonds Local Currency - 11.40% (9.98%)</b>                            |             |                    |                       |
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 148,819,936 | 296,152            | 11.40                 |
| <b>Government Bonds - 9.44% (7.57%)</b>   |             |                    |                       |
| Australia 1.75% 21/06/2051  | 159,433,000 | 48,534             | 1.87                  |
| Australia 3% 21/03/2047   | 115,750,000 | 48,506             | 1.87                  |
| Canada Housing Trust No.1 3.65% 15/06/2033  | 21,286,000  | 12,600             | 0.49                  |
| Citigroup US Steepener ETN (c)  | 5,309       | 30,966             | 1.19                  |
| Province of Ontario 5.85% 08/03/2033  | 36,446,000  | 24,797             | 0.95                  |
| Province of Quebec 3.25% 01/09/2032   | 22,172,000  | 12,453             | 0.48                  |
| US Treasury 2.25% 15/02/2052  | 39,382,000  | 22,347             | 0.86                  |
| US Treasury 2.875% 15/05/2052   | 34,578,300  | 22,503             | 0.87                  |
| US Treasury 3% 15/08/2052   | 33,405,100  | 22,302             | 0.86                  |
| <b>High Yield Credit - 8.41% (9.34%)</b>  |             |                    |                       |
| Aegea 6.75% 2029  | 1,100,000   | 789                | 0.03                  |



## Portfolio Statement as at 30 June 2023 cont.

| Stock description                                       | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| AIA 3.2% 2040   | 2,600,000  | 1,566              | 0.06                  |
| Anglogold 3.375% 2028                                   | 3,400,000  | 2,341              | 0.09                  |
| Antofagasta 5.625% 2032                                 | 2,050,000  | 1,603              | 0.06                  |
| Ares Capital Corp                                       | 1,042,267  | 15,396             | 0.59                  |
| Ashmore Asian High Yield Bond Fund Acc                  | 925,661    | 48,207             | 1.86                  |
| Aydem Yenilenebilir Enerji 7.75% 2027                   | 1,200,000  | 795                | 0.03                  |
| Baillie Gifford High Yield Bond Fund C Acc <sup>1</sup> | 8,623,232  | 32,432             | 1.25                  |
| Banco Do Brasil SA 6.25% 2030                           | 2,000,000  | 1,564              | 0.06                  |
| Banco GNB Sudameris 7.5% 2031                           | 1,500,000  | 964                | 0.04                  |
| Banco Mercantil De Norte 6.75% Perp                     | 2,150,000  | 1,621              | 0.06                  |
| Bangkok Bank 5% 2025 Perp                               | 1,050,000  | 782                | 0.03                  |
| Bank Rakyat Indonesia 3.95% 2024                        | 3,200,000  | 2,475              | 0.10                  |
| Bharti Airtel 5.65% 2025 Perp                           | 2,100,000  | 1,600              | 0.06                  |
| Blackrock Asian High Yield Bond Fund                    | 10,315,052 | 53,387             | 2.06                  |
| Cimb Bank Bhd 2.125% 2027                               | 2,200,000  | 1,547              | 0.06                  |
| CMI Energia 6.25% 2029                                  | 1,100,000  | 809                | 0.03                  |
| DP World 6% 01/10/2025 Perp                             | 4,000,000  | 3,114              | 0.12                  |
| Energo - Pro 8.5% 2027                                  | 2,200,000  | 1,640              | 0.06                  |
| First Quantum Minerals 6.875% 2027 (144A)               | 2,200,000  | 1,688              | 0.07                  |
| Geely 4% 2024 Perp                                      | 2,185,000  | 1,642              | 0.06                  |
| GEMS Education 7.125% 2026                              | 2,250,000  | 1,712              | 0.07                  |
| Globo Comunicacao e Participacoes 5.5% 2032             | 1,400,000  | 858                | 0.03                  |
| Greenko Energy 3.85% 2026                               | 2,450,000  | 1,623              | 0.06                  |
| Grupo Aval 4.375% 2030                                  | 3,900,000  | 2,407              | 0.09                  |
| HDFC 3.7% Perp  | 1,150,000  | 783                | 0.03                  |
| Inkia Energy 5.875% 2027                                | 1,150,000  | 860                | 0.03                  |
| Intl Container Terminal Services 4.75% 2030             | 1,130,000  | 857                | 0.03                  |
| Kionet 7.5% 2025  | 1,200,000  | 848                | 0.03                  |
| Liberty Costa Rica 10.875% 2031 (Reg S)                 | 2,200,000  | 1,712              | 0.07                  |
| Limak Iskenderun 9.5% 2036                              | 600,000    | 413                | 0.02                  |
| Lippo Karawaci 8.125% 2025                              | 600,000    | 392                | 0.02                  |
| Liquid Telecommunications Financing 5.5% 2026           | 1,700,000  | 744                | 0.03                  |
| MAF Global Securities 6.375% 2026 Perp                  | 2,100,000  | 1,601              | 0.06                  |
| Mashreqbank PSC 7.875% 2033                             | 1,950,000  | 1,597              | 0.06                  |
| Meituan 3.05% 2030                                      | 2,750,000  | 1,713              | 0.07                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                               | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| Minsur 4.5% 2031                                | 3,500,000  | 2,419              | 0.09                  |
| NB Distressed Debt Investment Fund EL           | 3,884,662  | 1,558              | 0.06                  |
| NB Global Floating Rate Income Fund             | 484,367    | 389                | 0.02                  |
| NB Global Monthly Income Fund                   | 1,302,967  | 959                | 0.04                  |
| Nemak 3.625% 2031                               | 4,000,000  | 2,454              | 0.09                  |
| OCP 3.75% 2031                                  | 2,450,000  | 1,590              | 0.06                  |
| OTP Bank Nyrt. 8.75% 2033                       | 1,000,000  | 787                | 0.03                  |
| Renew Power 4.5% 2028                           | 2,400,000  | 1,609              | 0.06                  |
| Royal Capital BV 5% 2026 Perp                   | 1,000,000  | 761                | 0.03                  |
| Shinhan Bank 4.375% 2032                        | 2,300,000  | 1,664              | 0.06                  |
| Shriram Finance 4.4% 2024                       | 1,050,000  | 806                | 0.03                  |
| Silknet 8.375% 2027                             | 1,100,000  | 850                | 0.03                  |
| Sitios Latinoamerica 5.375% 2032                | 3,450,000  | 2,456              | 0.10                  |
| Tabreed 2.5% 2027                               | 2,300,000  | 1,621              | 0.06                  |
| Total Play Telecom 7.5% 2025                    | 1,200,000  | 670                | 0.03                  |
| Turkcell Iletisim Hizmetleri AS 5.8% 2028       | 1,100,000  | 766                | 0.03                  |
| Turkiye Sise ve Cam Fabrikalari A.S. 6.95% 2026 | 2,100,000  | 1,602              | 0.06                  |
| Unigel 8.75% 2026                               | 1,250,000  | 315                | 0.01                  |
| Uzbek Industrial And Con 5.75% 2024             | 500,000    | 376                | 0.01                  |
| VTR Comunicaciones 5.125% 2028                  | 1,850,000  | 758                | 0.03                  |
| <b>Infrastructure - 7.94% (13.51%)</b>          |            |                    |                       |
| 3i Infrastructure                               | 5,293,561  | 16,542             | 0.64                  |
| Aquila European Renewables Income               | 18,744,708 | 14,316             | 0.55                  |
| Brookfield Renewable                            | 282,441    | 7,000              | 0.27                  |
| China Longyuan Power Group 'H'                  | 5,510,000  | 4,463              | 0.17                  |
| China Yangtze Power                             | 2,815,500  | 6,725              | 0.26                  |
| Consolidated Edison                             | 63,658     | 4,523              | 0.17                  |
| EDP Renovaveis                                  | 545,562    | 8,561              | 0.33                  |
| Eversource Energy                               | 75,861     | 4,229              | 0.16                  |
| Greencoat UK Wind                               | 16,919,360 | 24,381             | 0.94                  |
| Hydro One                                       | 81,164     | 1,824              | 0.07                  |
| Iberdrola SA                                    | 351,125    | 3,601              | 0.14                  |
| Italgas S.p.A                                   | 548,529    | 2,532              | 0.10                  |
| Nexans  | 118,367    | 8,055              | 0.31                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description   | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| NextEra Energy  | 22,609     | 1,319              | 0.05                  |
| NKT A/S Fully Paid Rights Line  | 47,217     | 2,253              | 0.09                  |
| NKT Holding AS  | 188,868    | 9,012              | 0.35                  |
| Octopus Renewables Infrastructure   | 20,503,648 | 18,966             | 0.73                  |
| Orsted  | 154,619    | 11,522             | 0.44                  |
| Prysmian  | 381,674    | 12,286             | 0.47                  |
| Red Eléctrica Corporación   | 50,820     | 671                | 0.03                  |
| Renewables Infrastructure Group   | 17,874,413 | 20,520             | 0.79                  |
| RWE   | 53,858     | 1,842              | 0.07                  |
| Terna   | 1,103,258  | 7,375              | 0.28                  |
| US Solar Fund   | 22,554,291 | 12,064             | 0.47                  |
| Xinyi Energy  | 6,174,000  | 1,586              | 0.06                  |
| <b>Insurance Linked - 5.04% (3.89%)</b>                                     |            |                    |                       |
| Blue Capital Reinsurance Holdings Fund                                      | 615,658    | 0                  | 0.00                  |
| Caelus Re V Limited 2018-1 C <sup>2</sup>                                   | 9,000,000  | 1                  | 0.00                  |
| Catahoula Re 2022-1 A (144A) <sup>2</sup>                                   | 14,770,000 | 10,981             | 0.42                  |
| Catahoula Re 2022-1 B (144A) <sup>2</sup>                                   | 7,030,000  | 5,354              | 0.21                  |
| Hestia Re 2022-1 A <sup>2</sup>   | 23,920,000 | 16,081             | 0.62                  |
| Leadenhall UCITS ILS Fund   | 361,023    | 38,261             | 1.47                  |
| MetroCat 2023-1 Class A <sup>2</sup>  | 7,000,000  | 5,391              | 0.21                  |
| Montoya 2022-2 Class A <sup>2</sup>   | 7,000,000  | 5,867              | 0.23                  |
| Mystic Re IV 2022 A (144A) <sup>2</sup>                                     | 9,500,000  | 7,392              | 0.28                  |
| Sanders Re 2019-1 B <sup>2</sup>  | 14,000,000 | 1                  | 0.00                  |
| Sanders Re III 2022-1 B <sup>2</sup>  | 24,165,000 | 16,747             | 0.65                  |
| Ursa Re II 2022 AA (144A) <sup>2</sup>                                      | 9,190,000  | 7,523              | 0.29                  |
| Ursa Re II 2022 C (144A) <sup>2</sup>                                       | 16,960,000 | 14,112             | 0.54                  |
| Vitality Re XIV 2023 B (144A) <sup>2</sup>                                  | 4,000,000  | 3,145              | 0.12                  |
| <b>Investment Grade Credit - 6.12% (6.31%)</b>                              |            |                    |                       |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup> | 12,383,216 | 154,790            | 5.96                  |
| Corporacion Inmobiliaria 3.625% 2031  | 1,300,000  | 851                | 0.04                  |
| Star Energy 4.85% 2038  | 2,200,000  | 1,565              | 0.06                  |
| Temasek 5.375% 2039 (RegS)  | 1,800,000  | 1,580              | 0.06                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description  | Holding    | Market value £'000 | % of total net assets |
|--|------------|--------------------|-----------------------|
| <b>Listed Equities - 13.27% (16.31%)</b>                                   |            |                    |                       |
| Baillie Gifford Global Alpha Growth Fund C Acc <sup>1</sup>                | 11,167,173 | 49,973             | 1.92                  |
| Baillie Gifford Global Income Growth Fund C Acc <sup>1</sup>               | 3,459,894  | 83,037             | 3.20                  |
| Baillie Gifford Long Term Global Growth Investment Fund C Acc <sup>3</sup> | 3,150,713  | 33,744             | 1.30                  |
| Barclays CSI 500 +5.5% ETN (c)   | 72,916     | 51,677             | 1.99                  |
| GS Strategic Dividend 23 ETN (c)   | 37,016,380 | 32,871             | 1.26                  |
| GS Strategic Dividend 24 ETN (c)   | 29,089,370 | 24,911             | 0.96                  |
| GS Strategic Dividend 25 ETN (c)   | 7,683,780  | 6,654              | 0.26                  |
| UBS CSI 500 NTR index + 4.25% ETN  | 864,538    | 61,725             | 2.38                  |
| <b>Private Equity - 0.00% (0.00%)</b>                                      |            |                    |                       |
| Eurovestech <sup>2</sup>   | 1,356,949  | 14                 | 0.00                  |
| <b>Property - 4.70% (4.53%)</b>  |            |                    |                       |
| American Tower Corp REIT   | 40,533     | 6,181              | 0.24                  |
| Ctp N.V.   | 1,295,780  | 13,210             | 0.51                  |
| First Industrial REIT  | 200,695    | 8,311              | 0.32                  |
| Impact Healthcare REIT   | 4,018,253  | 3,616              | 0.14                  |
| Life Science REIT Plc  | 12,639,428 | 8,570              | 0.33                  |
| LondonMetric Property  | 5,196,232  | 8,589              | 0.33                  |
| Prologis Inc REIT  | 170,457    | 16,435             | 0.63                  |
| Rexford Industrial Realty REIT   | 416,649    | 17,107             | 0.66                  |
| Segro Plc  | 2,100,539  | 15,053             | 0.58                  |
| Target Healthcare REIT Plc   | 4,333,023  | 3,107              | 0.12                  |
| Tritax Big Box REIT  | 6,655,560  | 8,313              | 0.32                  |
| Unite Group  | 547,361    | 4,754              | 0.18                  |
| Warehouses De Pauw   | 412,183    | 8,864              | 0.34                  |
| <b>Structured Finance - 12.24% (8.75%)</b>                                 |            |                    |                       |
| Accunia European CLO Fund  | 246,379    | 25,885             | 1.00                  |
| Amedeo Air Four Plus Limited   | 11,659,309 | 5,503              | 0.21                  |
| Doric Nimrod Air Two   | 4,064,836  | 3,983              | 0.15                  |
| DP Aircraft I  | 9,148,417  | 396                | 0.02                  |
| Fair Oaks Senior CLO Note <sup>2</sup>                                     | 764,796    | 65,541             | 2.52                  |
| Galene Fund  | 389,932    | 63,906             | 2.46                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                             | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| HSBC Global Asset Backed High Yield Bond Fund | 3,574,428  | 36,482             | 1.41                  |
| Plutus CLO Fund                               | 1,125,362  | 103,213            | 3.97                  |
| TwentyFour Income Fund                        | 13,138,133 | 13,020             | 0.50                  |
| <b>Derivatives - 0.35% (0.15%)</b>            |            |                    |                       |
| Forward currency contracts (see Table 1)      |            | 11,036             | 0.42                  |
| Futures contracts (see Table 2)               |            | -                  | 0.00                  |
| Interest rate swap contracts (see Table 3)    |            | (1,831)            | (0.07)                |
| <b>Portfolio of investments</b>               |            | <b>2,348,128</b>   | <b>90.42</b>          |
| <b>Cash Equivalents - 6.47% (0.00%)</b>       |            |                    |                       |
| UK T Bill 03/07/2023                          | 23,800,000 | 23,791             | 0.91                  |
| UK T Bill 07/08/2023                          | 35,200,000 | 35,019             | 1.35                  |
| UK T Bill 29/08/2023                          | 14,100,000 | 13,981             | 0.54                  |
| UK T Bill 24/07/2023                          | 28,100,000 | 28,008             | 1.08                  |
| UK T Bill 18/09/2023                          | 68,000,000 | 67,233             | 2.59                  |
| <b>Other Assets - 3.11% (8.06%)</b>           |            | <b>80,730</b>      | <b>3.11</b>           |
| <b>Net assets</b>                             |            | <b>2,596,890</b>   | <b>100.00</b>         |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>This stock has been valued using a single broker quote.

<sup>3</sup>Baillie Gifford Investment Funds ICVC cross-holding.

Please note: figures are based on market values rather than economic exposure.

All investments are listed on recognised stock exchanges or are fixed interest securities and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets in the investment category headings refer to 31 December 2022.

## Portfolio Statement as at 30 June 2023 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

| Counterparty            | Settlement | Buy | Buy Amount    | Sell | Sell Amount    | Unrealised gains/(losses) £'000 | % of total net assets |
|-------------------------|------------|-----|---------------|------|----------------|---------------------------------|-----------------------|
| Barclays                | 12/07/23   | GBP | 78,440,686    | EUR  | 89,276,562     | 1,788                           | 0.07                  |
| Barclays                | 12/07/23   | GBP | 142,954,548   | USD  | 180,404,000    | 1,068                           | 0.04                  |
| Barclays                | 12/07/23   | JPY | 5,102,500,000 | GBP  | 30,432,594     | (2,614)                         | (0.10)                |
| Barclays                | 26/07/23   | GBP | 99,471,079    | EUR  | 114,236,094    | 1,327                           | 0.05                  |
| Barclays                | 27/07/23   | THB | 1,770,000,000 | GBP  | 41,652,155     | (2,281)                         | (0.09)                |
| Barclays                | 09/08/23   | GBP | 97,115,335    | EUR  | 113,170,625    | (181)                           | (0.01)                |
| Barclays                | 09/08/23   | JPY | 6,824,687,500 | GBP  | 39,331,658     | (1,965)                         | (0.08)                |
| Barclays                | 23/08/23   | GBP | 87,053,600    | EUR  | 101,561,094    | (318)                           | (0.01)                |
| Barclays                | 23/08/23   | GBP | 217,128,843   | USD  | 276,537,000    | (338)                           | (0.01)                |
| Barclays                | 23/08/23   | JPY | 7,131,851,502 | GBP  | 39,462,451     | (331)                           | (0.01)                |
| Barclays                | 09/11/23   | GBP | 28,013,636    | CNH  | 242,000,000    | 1,547                           | 0.06                  |
| Citigroup               | 12/07/23   | GBP | 18,626,866    | EUR  | 21,200,000     | 424                             | 0.02                  |
| Citigroup               | 13/07/23   | EUR | 30,800,000    | GBP  | 26,850,974     | (405)                           | (0.02)                |
| Citigroup               | 09/08/23   | GBP | 6,352,399     | USD  | 7,997,875      | 63                              | 0.00                  |
| Citigroup               | 21/09/23   | GBP | 26,496,616    | CLP  | 27,400,000,000 | (111)                           | 0.00                  |
| Goldman Sachs           | 12/07/23   | GBP | 7,026,975     | USD  | 8,867,813      | 52                              | 0.00                  |
| Goldman Sachs           | 13/07/23   | GBP | 113,020,852   | AUD  | 211,000,000    | 2,511                           | 0.10                  |
| Goldman Sachs           | 26/07/23   | GBP | 19,158,763    | USD  | 23,882,718     | 377                             | 0.01                  |
| Goldman Sachs           | 09/08/23   | GBP | 39,639,320    | USD  | 49,907,188     | 390                             | 0.01                  |
| Goldman Sachs           | 23/08/23   | GBP | 50,340,087    | USD  | 64,113,531     | (78)                            | 0.00                  |
| Goldman Sachs           | 12/10/23   | GBP | 41,846,876    | TWD  | 1,566,000,000  | 2,010                           | 0.08                  |
| HSBC                    | 12/07/23   | JPY | 2,086,948,242 | GBP  | 12,447,084     | (1,069)                         | (0.04)                |
| HSBC                    | 13/07/23   | EUR | 31,400,000    | GBP  | 27,374,045     | (413)                           | (0.02)                |
| HSBC                    | 27/07/23   | JPY | 2,270,000,000 | GBP  | 13,826,005     | (1,421)                         | (0.05)                |
| HSBC                    | 09/08/23   | JPY | 322,664,795   | GBP  | 1,859,564      | (93)                            | 0.00                  |
| JP Morgan Chase         | 13/07/23   | GBP | 125,278,355   | CHF  | 141,490,000    | 718                             | 0.03                  |
| JP Morgan Chase         | 26/07/23   | JPY | 6,981,250,000 | GBP  | 40,920,919     | (2,777)                         | (0.11)                |
| JP Morgan Chase         | 27/07/23   | BRL | 97,000,000    | GBP  | 15,139,218     | 595                             | 0.02                  |
| JP Morgan Chase         | 27/07/23   | GBP | 27,591,038    | USD  | 34,250,000     | 657                             | 0.03                  |
| JP Morgan Chase         | 27/07/23   | JPY | 2,360,000,000 | GBP  | 14,374,172     | (1,478)                         | (0.06)                |
| JP Morgan Chase         | 09/08/23   | GBP | 190,619,405   | USD  | 239,996,000    | 1,878                           | 0.07                  |
| JP Morgan Chase         | 28/09/23   | BRL | 90,000,000    | GBP  | 14,365,293     | 81                              | 0.00                  |
| Merrill Lynch           | 14/09/23   | PLN | 142,000,000   | GBP  | 27,233,063     | 155                             | 0.01                  |
| National Australia Bank | 13/07/23   | GBP | 160,061,097   | AUD  | 298,820,000    | 3,556                           | 0.14                  |
| National Australia Bank | 13/07/23   | GBP | 62,606,411    | NZD  | 128,700,000    | 597                             | 0.02                  |



## Portfolio Statement as at 30 June 2023 cont.

| Counterparty   | Settlement | Buy | Buy Amount  | Sell | Sell Amount | Unrealised gains/(losses) £'000 | % of total net assets |
|--|------------|-----|-------------|------|-------------|---------------------------------|-----------------------|
| Royal Bank of Canada   | 12/07/23   | GBP | 54,521,410  | USD  | 68,804,250  | 407                             | 0.02                  |
| Royal Bank of Canada   | 13/07/23   | GBP | 65,827,594  | CAD  | 110,200,000 | 315                             | 0.01                  |
| Royal Bank of Canada   | 09/08/23   | GBP | 34,232,639  | USD  | 43,100,000  | 337                             | 0.01                  |
| Royal Bank of Scotland                                       | 12/07/23   | GBP | 70,524,792  | USD  | 89,000,000  | 527                             | 0.02                  |
| Royal Bank of Scotland                                       | 26/07/23   | GBP | 248,675,985 | USD  | 309,991,750 | 4,896                           | 0.19                  |
| Royal Bank of Scotland                                       | 27/07/23   | GBP | 26,584,066  | USD  | 33,000,000  | 633                             | 0.02                  |
| Unrealised gains/(losses) on open forward currency contracts |            |     |             |      |             | 11,036                          | 0.42                  |

**Table 2: Unrealised gains/(losses) on futures contracts**

| Futures  | Maturity | Notional | Unrealised gains/(losses) £'000 | % of total net assets |
|--|----------|----------|---------------------------------|-----------------------|
| Euro Stoxx 50 Future September 2023            | 15/09/23 | (798)    | -                               | 0.00                  |
| S&P 500 Emini Index Future September 2023      | 15/09/23 | (283)    | -                               | 0.00                  |
| US Ultra Long (CBT) September 2023             | 20/09/23 | 1,227    | -                               | 0.00                  |
| Unrealised gains/(losses) on futures contracts |          |          | -                               | 0.00                  |

## Portfolio Statement as at 30 June 2023 cont.

**Table 3: Unrealised gains/(losses) on open interest rate swap contracts**

| Counterparty   | Ccy | Termination | Notional       | Fund pays | Fund receives                                  | Unrealised gains/(losses) £'000 | % of total net assets |
|--|-----|-------------|----------------|-----------|--|---------------------------------|-----------------------|
| Barclays Bank Plc  | JPY | 19/06/30    | 19,019,384,265 | 0.431%    | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (436)                           | (0.02)                |
| Barclays Bank Plc  | JPY | 20/06/30    | 50,480,615,735 | 0.44375%  | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (1,396)                         | (0.05)                |
| Unrealised gains/(losses) on open interest rate swap contracts |     |             |                |           |  | (1,832)                         | (0.07)                |

## Portfolio Statement as at 30 June 2023 cont.

### Breakdown of portfolio of investments

|                                 | 30 June 2023          |                             | 31 December 2022      |                             |
|---------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
|                                 | Market value<br>£'000 | Percentage of<br>total Fund | Market value<br>£'000 | Percentage of<br>total Fund |
| Bonds - Direct                  | 927,372               | 35.71                       | 578,680               | 19.34                       |
| Bonds - Indirect                | 699,457               | 26.93                       | 922,162               | 30.83                       |
| Commodities - Indirect          | 115,423               | 4.44                        | 112,323               | 3.76                        |
| Derivatives                     | 9,204                 | 0.35                        | 4,488                 | 0.15                        |
| Equities - Direct               | 206,168               | 7.94                        | 404,262               | 13.51                       |
| Equities - Indirect             | 268,394               | 10.34                       | 592,932               | 19.82                       |
| Property - Indirect             | 122,110               | 4.70                        | 135,504               | 4.53                        |
| <b>Portfolio of investments</b> | <b>2,348,128</b>      | <b>90.42</b>                | <b>2,750,351</b>      | <b>91.94</b>                |

Investments are categorised based on underlying asset class.

## Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                    | 31.12.21                    | 31.12.20                    |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 2,596,890                     | 2,991,512                   | 6,192,763                   | 6,328,350                   |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 4                             | 4                           | 4                           | 4                           |
| <b>Net asset value per share (pence)</b>                |                               |                             |                             |                             |
| A Accumulation  | 184.96                        | 187.24                      | 225.68                      | 208.48                      |
| A Income  | 154.18                        | 157.06                      | 191.60                      | 178.27                      |
| B2 Accumulation   | 208.35                        | 207.56                      | 248.06                      | 227.21                      |
| B Income  | 157.35                        | 157.49                      | 191.72                      | 178.36                      |
| C Accumulation  | 239.55                        | 237.99                      | 282.87                      | 257.56                      |
| C Income  | 219.84                        | 218.92                      | 266.62                      | 247.98                      |
| <b>Number of shares in issue</b>                        |                               |                             |                             |                             |
| A Accumulation  | 73,787                        | 340,937                     | 328,425                     | 258,074                     |
| A Income  | 3,314                         | 26,637                      | 47,979                      | 16,422                      |
| B2 Accumulation   | 301,719,777                   | 376,530,890                 | 777,325,972                 | 971,029,674                 |
| B Income  | 90,210,129                    | 117,545,649                 | 228,603,138                 | 247,972,514                 |
| C Accumulation  | 762,346,101                   | 837,888,719                 | 1,203,554,105               | 1,223,500,366               |
| C Income  | 500                           | 13,748,742                  | 29,950,750                  | 30,085,535                  |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                             |                             |                             |
| A Accumulation  | 0.10                          | 2.28                        | 1.60                        | 0.98                        |
| A Income  | 0.10                          | 1.93                        | 1.36                        | 0.84                        |
| B2 Accumulation   | 0.85                          | 3.85                        | 3.77                        | 2.88                        |
| B Income  | 0.75                          | 2.97                        | 2.95                        | 2.28                        |
| C Accumulation  | 1.60                          | 5.79                        | 5.90                        | 4.82                        |
| C Income  | 1.60                          | 5.45                        | 5.65                        | 4.71                        |

## Fund Information cont.

| Yearly Highest and Lowest Prices           | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Highest (financial period)</b>          |                               |                             |                             |                             |
| A Accumulation                             | 199.3                         | 226.3                       | 226.5                       | 209.7                       |
| A Income                                   | 167.6                         | 192.1                       | 193.4                       | 179.7                       |
| B2 Accumulation                            | 221.1                         | 248.8                       | 248.9                       | 228.6                       |
| B Income                                   | 167.8                         | 192.3                       | 194.3                       | 180.7                       |
| C Accumulation                             | 253.7                         | 283.7                       | 283.8                       | 259.1                       |
| C Income                                   | 233.4                         | 267.4                       | 271.3                       | 252.3                       |
| <b>Lowest (financial period)</b>           |                               |                             |                             |                             |
| A Accumulation                             | 186.5                         | 181.3                       | 204.1                       | 169.8                       |
| A Income                                   | 156.8                         | 153.7                       | 174.5                       | 145.9                       |
| B2 Accumulation                            | 207.6                         | 200.7                       | 222.7                       | 183.8                       |
| B Income                                   | 157.5                         | 154.2                       | 174.8                       | 146.2                       |
| C Accumulation                             | 238.7                         | 229.9                       | 252.8                       | 207.3                       |
| C Income                                   | 219.7                         | 215.0                       | 243.4                       | 203.6                       |
| Ongoing Charges Figures                    | 30.06.23<br>(%)               | 31.12.22<br>(%)             | 31.12.21<br>(%)             | 31.12.20<br>(%)             |
| <b>Ongoing Charges Figures<sup>2</sup></b> |                               |                             |                             |                             |
| A Accumulation                             | 1.69 <sup>5</sup>             | 1.68 <sup>6</sup>           | 1.55 <sup>3</sup>           | 1.60                        |
| A Income                                   | 1.69 <sup>5</sup>             | 1.69 <sup>6</sup>           | 1.54 <sup>3</sup>           | 1.59                        |
| B2 Accumulation                            | 0.84 <sup>5</sup>             | 0.83 <sup>6</sup>           | 0.71 <sup>4</sup>           | 0.75                        |
| B Income                                   | 0.83 <sup>5</sup>             | 0.83 <sup>6</sup>           | 0.71 <sup>4</sup>           | 0.75                        |
| C Accumulation                             | 0.28 <sup>5</sup>             | 0.28 <sup>6</sup>           | 0.11                        | 0.10                        |
| C Income                                   | 0.28 <sup>5</sup>             | 0.28 <sup>6</sup>           | 0.11                        | 0.10                        |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

<sup>3</sup>With effect from 1 July 2021, the annual management charge for Class A Shares was reduced from 1.50% to 1.40%. As at 31 December 2021 the ACD considered 1.51% to be a more indicative rate for the ongoing charges figure.

<sup>4</sup>With effect from 1 July 2021, the annual management charge for Class B Shares was reduced from 0.65% to 0.55%. As at 31 December 2021 the ACD considered 0.66% to be a more indicative rate for the ongoing charges figure.

<sup>5</sup>As at 30 June 2023, the operating charges includes 0.14% of indirect costs associated with holding closed-ended investment funds.

## Fund Information cont.

<sup>6</sup>Changes to methodology in the Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022) were effective from 30 June 2022 and have resulted in increased ongoing charges figures for the Fund. Ongoing charges disclosures now include indirect fees associated with holding closed-ended investment funds. This does not necessarily mean that fund expenses have increased, rather that a new way of showing them has been introduced. As at 31 December 2022, the operating charges includes 0.13% of indirect costs associated with holding closed-ended investment funds.

You should be aware that past performance is not a guide to future performance.



## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |              | 30 June 2022 |                  |
|---|--------------|--------------|--------------|------------------|
|   | £'000        | £'000        | £'000        | £'000            |
| Income  |              |              |              |                  |
| Net capital gains/(losses)  |              | (12,292)     |              | (861,715)        |
| Revenue   | 38,813       |              | 62,230       |                  |
| Expenses  | (2,624)      |              | (6,503)      |                  |
| Net revenue before taxation   | 36,189       |              | 55,727       |                  |
| Taxation  | (856)        |              | (2,548)      |                  |
| Net revenue after taxation  |              | 35,333       |              | 53,179           |
| Total return before distributions   |              | 23,041       |              | (808,536)        |
| Distributions   |              | (17,578)     |              | (35,899)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>5,463</b> |              | <b>(844,435)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |                  | 30 June 2022 |                  |
|--|--------------|------------------|--------------|------------------|
|  | £'000        | £'000            | £'000        | £'000            |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>2,991,512</b> |              | <b>6,192,763</b> |
| Amounts receivable on issue of shares  | 71,795       |                  | 164,862      |                  |
| Amounts payable on cancellation of shares                                    | (488,442)    |                  | (1,317,969)  |                  |
|  |              | (416,647)        |              | (1,153,107)      |
| Dilution adjustment  |              | 1,800            |              | 3,220            |
| Change in net assets attributable to shareholders from investment activities |              | 5,463            |              | (844,435)        |
| Retained distributions on accumulation shares                                |              | 14,762           |              | 26,311           |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>2,596,890</b> |              | <b>4,224,752</b> |

## Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 30 June 2023

|  | 30 June 2023<br>£'000 | 31 December 2022<br>£'000 |
|--|-----------------------|---------------------------|
| <b>Assets:</b>                                 |                       |                           |
| Fixed assets:                                  |                       |                           |
| Investments                                    | 2,365,833             | 2,784,241                 |
| Current assets:                                |                       |                           |
| Debtors  | 178,368               | 33,990                    |
| Cash and bank balances                         | 56,042                | 239,378                   |
| Cash equivalents                               | 168,032               | -                         |
| <b>Total assets</b>                            | <b>2,768,275</b>      | <b>3,057,609</b>          |
| <b>Liabilities:</b>                            |                       |                           |
| Investment liabilities                         | (17,705)              | (33,890)                  |
| <b>Creditors:</b>                              |                       |                           |
| Bank overdrafts                                | (3,545)               | -                         |
| Distributions payable                          | (677)                 | (2,752)                   |
| Other creditors                                | (149,458)             | (29,455)                  |
| <b>Total liabilities</b>                       | <b>(171,385)</b>      | <b>(66,097)</b>           |
| <b>Net assets attributable to shareholders</b> | <b>2,596,890</b>      | <b>2,991,512</b>          |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

# **BAILLIE GIFFORD**

Baillie Gifford Long Term Global Growth Investment Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Long Term Global Growth Investment Fund

## Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All-World Index, as stated in sterling, by at least 2.5% per annum over rolling five-year periods.

## Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world. The Fund will invest in companies in any sector which, typically at the time of purchase, have a market capitalisation of more than US\$4 billion. The Fund will be actively managed and will be concentrated, typically comprising 30 to 60 holdings.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in company shares.

The indicator does not take into account the following relevant material risks:

Over shorter time periods the Fund's share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

Investing in China may harm your investment due to difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

## Adoption of Net Zero Asset Managers initiative

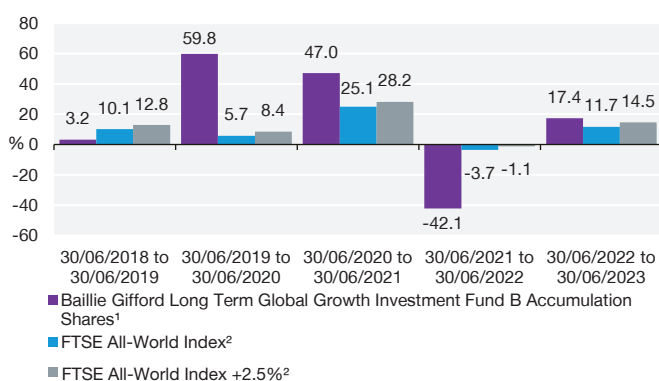
Baillie Gifford & Co, the Fund's Investment Manager, has joined the Net Zero Asset Managers initiative (NZAM), as part of the Investment Manager's commitment to support the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C.

This commitment includes supporting investing aligned with net zero emissions by 2050 or sooner, and the Fund has been managed in line with and counted towards the Investment Manager's net zero commitment.

As a long-term investor, the Investment Manager's investment process takes into account the long-term prospects (including long-term sustainability) of an investment. Consideration of climate-related factors, including NZAM commitments, and the impact of these on a company's competitive positioning form an integral part of this process.

# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the annual management charge of 0.62%. Performance figures for the share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the FTSE All-World Index (the 'Index') by at least 2.5% per annum (the 'target return') over rolling five-year periods. From 30 June 2023 the Index has been changed to the MSCI ACWI, the target return remains the same. For the six months to 30 June 2023 the return on B Accumulation Shares was 20.7%<sup>3</sup> compared to the Index of 7.9%<sup>2</sup> and the target return of 9.2%<sup>2</sup>. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised return on B Accumulation Shares was 10.5%<sup>3</sup> compared to the Index of 9.4%<sup>2</sup> and the target return of 12.1%<sup>2</sup>. It is disappointing that over this period the Fund has underperformed its target return although performance is ahead of the Index.

## Market Environment

It appears counterintuitive that a higher cost of capital, spurred by elevated inflation and interest rate hikes, would be conducive to growth and, in turn, favour a portfolio like Baillie Gifford Long Term Global Growth Investment (LTGG). But year to date, we have begun to see some recovery in share prices as the market acknowledges the superior fundamentals and continued operational strength of our holdings. This was further bolstered by the perceived opportunity of continued technological advancements in Artificial Intelligence (AI), which features significantly across the portfolio.

At its core, LTGG's task is futureproofing. Investing with an eye on the next ten years, instead of the next quarter, necessitates adaptability, diligent capital allocation, and resilience from our holdings. Now that capital costs have increased, unruly companies have been required to pull back, while the disciplined outliers have been able to forge ahead and win share from those in retreat. This has been the clear theme emerging from our

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Revolution and FTSE, total return in sterling terms. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 113. <sup>3</sup>Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. You should be aware that past performance is not a guide to future performance.



## Investment Report cont.

interactions with several LTGG holdings, and we have been excited to see the strength of the green shoots across the portfolio.

We see an overlooked opportunity. Market participants continue to flutter like moths around the torchlight of the US Federal Reserve and are struggling to calibrate company prospects for 2024, let alone 2030 and beyond. The potential rewards for those able to adopt a genuinely long-term timeframe have rarely felt more attractive.

### Performance

---

Reflecting on the last six months, among the top contributors to relative performance year to date were NVIDIA, Amazon and Tesla.

The surge in NVIDIA's share price was largely fuelled by the market's enthusiasm for applications around Artificial Intelligence (AI), particularly the likes of ChatGPT, which had been unveiled just a few months prior and saw what is believed to be the fastest rate of adoption of new technology in history. Despite this adjustment, NVIDIA continues to dominate the realm of accelerated computing, boasting an impressive structural opportunity and an unshakeable competitive edge. This was validated by the company announcing in May that it would be boosting production to meet surging demand, which would see second-quarter revenue increase by \$4 billion above original forecasts.

Despite slower reported growth, Amazon's share price year to date has been buoyed by the prospective tailwinds of developments in and increased adoption of AI. Amazon's dominance as a cloud provider (through AWS) cements the company as critical infrastructure supplier for AI development and deployment. This is complemented by a suite of generative AI services such as Amazon Bedrock and CodeWhisperer, that add further optionality to the upside of this company.

Tesla's share price enjoyed a robust six months, easing the stock market concerns that marked the end of 2022 (including vehicle price reduction, holiday factory closures, and Elon Musk's Twitter distractions). This more accurately reflects its impressive operational

performance. The impact of price cuts is now evident in increased deliveries, which have compelled competitors to follow suit, but without Tesla vehicles' substantial operating margin advantage. Additionally, the company's long-term investment in AI, especially in autonomous driving, has sparked investor enthusiasm.

Moderna, BioNTech and Meituan were among the top detractors to performance across the last six months.

Moderna's share price has continued to suffer year to date as a result of market concerns surrounding the company's potential beyond Covid-19 vaccines. The astonishingly rapid development of the Covid-19 vaccine validated the broadly applicable technology platform built by Moderna. With more than 30 treatments currently in active clinical trials and recent progress in its personalised cancer vaccine, the company is not resting on its laurels. While revenues from Covid-19 vaccines will now reduce, the company's balance sheet has strengthened significantly, and it sits on approximately \$16 billion of cash & investments, which will enable them to continue funding their pipeline.

Similarly, BioNTech's share price has been hit by the slowdown in Covid-19 vaccine revenues, which are forecast to reduce further. The pandemic, however, has left the company with over \$12 billion in cash, which will now be deployed to progress its expertise in immunology and more specifically to further its ambition of developing a personalised cancer vaccine. The company purchased UK artificial intelligence start-up, InstaDeep back in January of 2023 – a move designed to facilitate the integration of AI across all aspects of the business, including the drug discovery process.

Meituan is an online marketplace for the local service industry in China. It operates in more than 200 categories in 2,800 cities with dominant market shares in on-demand restaurant delivery, in-store dining, hotel booking and film ticketing. Revenues in 2022 grew north of 20% year-on-year, and this is despite continued lockdowns and restrictions across China. Simultaneously, the company significantly narrowed its operating losses. Despite this, the shares dropped approximately 30% year to date due to concerns around competition and uncertainty as to whether the regulatory cloud has lifted for this and the other tech platform businesses.



## Investment Report cont.

### **Notable Transactions**

---

During the first six months of the year, we made four new purchases and three complete sales. We purchased semiconductor company Advanced Micro Devices (AMD), cloud observability and data analytics platform Datadog, electric aircraft manufacturer Joby Aviation, as well as connected operations platform Samsara. We sold Carvana, Salesforce and Zoom in the same period. As we look ahead to the second half of the year, we see reason for optimism. The LTGG portfolio holdings demonstrate promising adaptability and resilience, positioning them to thrive, not despite the challenging macroeconomic conditions but because of them.

*Baillie Gifford & Co, 12 July 2023.*

## Principal Holdings as at 30 June 2023

| Investment         | Percentage of total Fund |
|--------------------|--------------------------|
| NVIDIA             | 8.11                     |
| Amazon.com         | 5.74                     |
| Tesla Inc          | 5.02                     |
| ASML               | 4.56                     |
| Dexcom Inc         | 4.11                     |
| Kering             | 3.75                     |
| Adyen N.V.         | 3.60                     |
| The Trade Desk     | 3.52                     |
| Intuitive Surgical | 3.48                     |
| Moderna Inc        | 3.44                     |

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases          | Cost<br>£'000 | Largest Sales        | Proceeds<br>£'000 |
|----------------------------|---------------|----------------------|-------------------|
| Advanced Micro Devices Inc | 44,488        | NVIDIA               | 50,704            |
| Datadog                    | 21,801        | Tencent              | 38,387            |
| Samsara                    | 21,148        | Salesforce.com       | 35,221            |
| MercadoLibre               | 19,989        | ASML                 | 30,574            |
| Moderna Inc                | 18,026        | Netflix Inc          | 29,897            |
| CATL 'A'                   | 16,581        | Tesla Inc            | 24,815            |
| Joby Aviation Inc          | 10,487        | Hermes International | 18,225            |
| Adyen N.V.                 | 9,905         | Zoom                 | 17,193            |
| Cloudflare Inc             | 9,787         | Amazon.com           | 17,164            |
| NVIDIA                     | 2,566         | Kering               | 14,812            |

## Portfolio Statement as at 30 June 2023

| Stock description                  | Holding   | Market value £'000 | % of total net assets |
|------------------------------------|-----------|--------------------|-----------------------|
| <b>Brazil - 2.03% (1.07%)</b>      |           |                    |                       |
| MercadoLibre                       | 47,372    | 44,105             | 2.03                  |
| <b>Canada - 3.15% (2.21%)</b>      |           |                    |                       |
| Shopify 'A'                        | 1,348,231 | 68,507             | 3.15                  |
| <b>China - 13.89% (21.35%)</b>     |           |                    |                       |
| Alibaba Group Holding              | 3,895,340 | 31,747             | 1.46                  |
| Beigene Ltd                        | 232,740   | 32,580             | 1.50                  |
| CATL 'A'                           | 2,206,688 | 54,659             | 2.51                  |
| Meituan                            | 5,028,450 | 61,676             | 2.84                  |
| NIO Inc ADR                        | 2,696,876 | 20,555             | 0.95                  |
| Pinduoduo Inc ADR                  | 1,297,214 | 70,526             | 3.25                  |
| Tencent                            | 900,800   | 29,981             | 1.38                  |
| <b>France - 6.59% (7.41%)</b>      |           |                    |                       |
| Hermes International               | 36,154    | 61,741             | 2.84                  |
| Kering                             | 187,689   | 81,434             | 3.75                  |
| <b>Germany - 1.75% (3.17%)</b>     |           |                    |                       |
| BioNTech ADR                       | 448,944   | 38,088             | 1.75                  |
| <b>India - 2.25% (2.68%)</b>       |           |                    |                       |
| HDFC Limited                       | 1,809,943 | 48,971             | 2.25                  |
| <b>Netherlands - 8.16% (8.24%)</b> |           |                    |                       |
| Adyen N.V.                         | 57,489    | 78,234             | 3.60                  |
| ASML                               | 173,979   | 98,971             | 4.56                  |
| <b>Singapore - 0.88% (1.01%)</b>   |           |                    |                       |
| SEA Ltd ADR                        | 419,860   | 19,164             | 0.88                  |
| <b>South Korea - 2.04% (2.21%)</b> |           |                    |                       |
| Coupang                            | 3,231,632 | 44,229             | 2.04                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                       | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| <b>Sweden - 2.49% (1.58%)</b>           |           |                    |                       |
| Spotify Technology SA                   | 428,910   | 54,161             | 2.49                  |
| <b>United States - 55.78% (48.03%)</b>  |           |                    |                       |
| Advanced Micro Devices Inc              | 590,669   | 52,899             | 2.43                  |
| Affirm Holdings Inc Class A             | 617,027   | 7,435              | 0.34                  |
| Amazon.com                              | 1,217,651 | 124,777            | 5.74                  |
| Atlassian Corp Plc                      | 501,568   | 66,204             | 3.05                  |
| Cloudflare Inc                          | 1,158,307 | 59,549             | 2.74                  |
| Datadog                                 | 308,590   | 23,877             | 1.10                  |
| Dexcom Inc                              | 883,095   | 89,265             | 4.11                  |
| Ginkgo Bioworks Holdings Inc            | 7,002,013 | 10,189             | 0.47                  |
| Illumina                                | 343,869   | 50,684             | 2.33                  |
| Intuitive Surgical                      | 280,941   | 75,524             | 3.48                  |
| Joby Aviation Inc                       | 2,977,402 | 24,028             | 1.11                  |
| Moderna Inc                             | 781,670   | 74,702             | 3.44                  |
| Netflix Inc                             | 189,239   | 65,538             | 3.02                  |
| NVIDIA                                  | 529,841   | 176,187            | 8.11                  |
| Roblox                                  | 1,185,653 | 37,574             | 1.73                  |
| Samsara                                 | 1,330,969 | 29,010             | 1.33                  |
| Tesla Inc                               | 530,128   | 109,116            | 5.02                  |
| The Trade Desk                          | 1,260,073 | 76,535             | 3.52                  |
| Workday Inc                             | 331,995   | 58,970             | 2.71                  |
| <b>Portfolio of investments</b>         |           | <b>2,151,392</b>   | <b>99.01</b>          |
| <b>Net other assets - 0.99% (1.04%)</b> |           | <b>21,482</b>      | <b>0.99</b>           |
| <b>Net assets</b>                       |           | <b>2,172,874</b>   | <b>100.00</b>         |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.

Figures in brackets refer to 31 December 2022.

# Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                    | 31.12.21                    | 31.12.20                    |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 2,172,874                     | 2,021,888                   | 3,997,803                   | 4,405,875                   |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 7                             | 7                           | 6                           | 6                           |
| <b>Net asset value per share (pence)</b>                |                               |                             |                             |                             |
| B Accumulation  | 951.00                        | 780.68                      | 1,294.52                    | 1,251.69                    |
| B Income  | 951.67                        | 781.22                      | 1,295.41                    | 1,252.55                    |
| C Accumulation  | 1,070.86                      | 876.37                      | 1,444.16                    | 1,387.74                    |
| C Income  | 981.00                        | 802.82                      | 1,326.63                    | 1,275.90                    |
| <b>Number of shares in issue</b>                        |                               |                             |                             |                             |
| B Accumulation  | 67,426,686                    | 83,287,256                  | 95,721,300                  | 116,611,091                 |
| B Income  | 4,774,429                     | 5,079,247                   | 3,780,811                   | 4,215,516                   |
| C Accumulation  | 136,124,581                   | 148,796,210                 | 184,590,539                 | 204,487,907                 |
| C Income  | 2,905,126                     | 3,487,629                   | 3,310,324                   | 4,365,674                   |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                             |                             |                             |
| B Accumulation  | n/a                           | 0.00                        | 0.00                        | 0.00                        |
| B Income  | n/a                           | 0.00                        | 0.00                        | 0.00                        |
| C Accumulation  | n/a                           | 2.44                        | 1.25                        | 1.61                        |
| C Income  | n/a                           | 2.23                        | 1.15                        | 1.49                        |
| Yearly Highest and Lowest Prices                        | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Highest (financial period)</b>                       |                               |                             |                             |                             |
| B Accumulation  | 971.5                         | 1,292                       | 1,506                       | 1,270                       |
| B Income  | 972.1                         | 1,293                       | 1,507                       | 1,270                       |
| C Accumulation  | 1,094                         | 1,441                       | 1,679                       | 1,407                       |
| C Income  | 1,002                         | 1,324                       | 1,543                       | 1,295                       |
| <b>Lowest (financial period)</b>                        |                               |                             |                             |                             |
| B Accumulation  | 787.1                         | 747.5                       | 1,132                       | 573.8                       |
| B Income  | 787.6                         | 748.0                       | 1,133                       | 574.2                       |
| C Accumulation  | 883.6                         | 836.0                       | 1,258                       | 633.1                       |
| C Income  | 809.4                         | 767.9                       | 1,156                       | 582.7                       |

## Fund Information cont.

| Ongoing Charges Figures                    | 30.06.23<br>(%) | 31.12.22<br>(%) | 31.12.21<br>(%) | 31.12.20<br>(%) |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>Ongoing Charges Figures<sup>2</sup></b> |                 |                 |                 |                 |
| B Accumulation                             | 0.65            | 0.64            | 0.64            | 0.64            |
| B Income                                   | 0.65            | 0.64            | 0.64            | 0.64            |
| C Accumulation                             | 0.03            | 0.02            | 0.02            | 0.02            |
| C Income                                   | 0.03            | 0.02            | 0.02            | 0.02            |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

You should be aware that past performance is not a guide to future performance.

## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |                | 30 June 2022 |                    |
|---|--------------|----------------|--------------|--------------------|
|   | £'000        | £'000          | £'000        | £'000              |
| Income  |              |                |              |                    |
| Net capital gains/(losses)  |              | 417,971        |              | (1,501,562)        |
| Revenue   | 5,279        |                | 6,462        |                    |
| Expenses  | (2,469)      |                | (3,064)      |                    |
| Net revenue before taxation   | 2,810        |                | 3,398        |                    |
| Taxation  | (263)        |                | (320)        |                    |
| Net revenue after taxation  |              | 2,547          |              | 3,078              |
| Total return before distributions   |              | 420,518        |              | (1,498,484)        |
| Distributions   |              | (51)           |              | 20                 |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>420,467</b> |              | <b>(1,498,464)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |                  | 30 June 2022 |                  |
|--|--------------|------------------|--------------|------------------|
|  | £'000        | £'000            | £'000        | £'000            |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>2,021,888</b> |              | <b>3,997,803</b> |
| Amounts receivable on issue of shares  | 77,898       |                  | 344,122      |                  |
| Amounts payable on cancellation of shares                                    | (347,735)    |                  | (323,832)    |                  |
|  |              | (269,837)        |              | 20,290           |
| Dilution adjustment  |              | 356              |              | 679              |
| Change in net assets attributable to shareholders from investment activities |              | 420,467          |              | (1,498,464)      |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>2,172,874</b> |              | <b>2,520,308</b> |



## Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 30 June 2023

|  | 30 June 2023<br>£'000 | 31 December 2022<br>£'000 |
|--|-----------------------|---------------------------|
| <b>Assets:</b>                                 |                       |                           |
| Fixed assets:                                  |                       |                           |
| Investments                                    | 2,151,392             | 2,000,956                 |
| Current assets:                                |                       |                           |
| Debtors  | 43,563                | 322                       |
| Cash and bank balances                         | 42,066                | 22,191                    |
| <b>Total assets</b>                            | <b>2,237,021</b>      | <b>2,023,469</b>          |
| <b>Liabilities:</b>                            |                       |                           |
| Creditors:                                     |                       |                           |
| Distributions payable                          | -                     | (78)                      |
| Other creditors                                | (64,147)              | (1,503)                   |
| <b>Total liabilities</b>                       | <b>(64,147)</b>       | <b>(1,581)</b>            |
| <b>Net assets attributable to shareholders</b> | <b>2,172,874</b>      | <b>2,021,888</b>          |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the period ended 31 December 2022 and are described in those annual financial statements.



# BAILLIE GIFFORD

## Baillie Gifford Multi Asset Growth Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Multi Asset Growth Fund

## Investment Objective

The Fund aims to achieve (after deduction of costs): an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate; a positive return over rolling three-year periods; and annualised volatility of returns over rolling five-year periods that is below 10%. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

## Investment Policy

The Fund will invest in a wide range of asset classes in any country or sector. At any one time, the Fund may be invested in any one or more of the following: shares, bonds, money market instruments, deposits and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities and loans. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. The Fund will be actively managed.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in a range of assets.

The indicator does not take into account the following relevant material risks:

The Fund aims to limit losses in any short term period to a lower level than equities. Neither this nor positive returns are guaranteed.

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

Investing in China may harm your investment due to difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

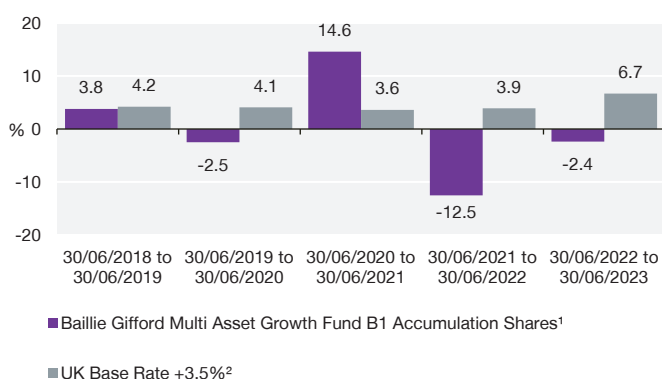
You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B1 Accumulation Shares. Performance figures reflect the annual management charge of 0.50%. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the UK Base Rate by 3.5% per annum (the 'target return') over rolling five-year periods, with annualised volatility of returns over rolling five-year periods that is below 10%. For the six months to 30 June 2023 the return on B1 Accumulation Shares was -0.2%<sup>3</sup> compared to the target return of 3.8%<sup>2</sup>. We fully appreciate that this is tough whether you are a longstanding client or a newer investor in the Fund.

While periods of underperformance are inevitable given our style of investment, none of us enjoy these. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised return on B1 Accumulation Shares was -0.2%<sup>3</sup> compared to the target return of 4.5%<sup>2</sup>. The annualised volatility over this period was 8.7%<sup>4</sup>. The Fund also aims to achieve a positive return over rolling three-year periods. The annualised three-year return on B1 Accumulation Shares was -0.7%<sup>3</sup>. It is disappointing

that over this period the Fund has underperformed its target return and three year positive return target. Returns have been impacted by recent, short-term weakness.

## Market Environment

In recent months, markets have been oscillating between 'everything's going to be okay' and 'we're heading into a recession'. Our view remains that the most likely outcome is recessionary.

Monetary policy typically acts on the economy with a lag, the length of which is variable. The US Federal Reserve began raising policy rates in March 2022 and we are seeing clearer evidence of the impact of this tightening starting to come through now. This will likely see inflation and growth fall further, not least as the effects of the later interest rate increases continue to feed through.

On a more positive note, emerging markets are generally in a better place. Growth is stronger and early action on inflation gives policymakers more room for manoeuvre than their developed market counterparts.

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Source: Revolution and Bank of England, total return. Please see disclaimer on page 113. <sup>3</sup>Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. <sup>4</sup>Source: Revolution, annualised volatility, calculated over five years to 30 June 2023. You should be aware that past performance is not a guide to future performance.

## Investment Report cont.

This is despite a more sluggish Chinese economy where consumer sentiment has remained weak following a long period of harsh lockdowns.

### Performance

---

Bond yield movements and various market-specific developments have resulted in contrasting fortunes for the various asset classes held.

Our emerging market debt holdings performed well. Latin American economies led the way as markets continued to gain confidence in the credibility of their institutions and, while currencies have appreciated, yields also moved tighter.

Whilst the contribution to performance of developed market government bonds was positive over the six-month period, during the second quarter of 2023, the asset class detracted as US treasury yields increased slightly, indicating the market is pricing a 'higher-for-longer' interest rate environment.

It was a challenging period for our high yield credit allocation. The initial excitement of China's reopening has been subdued owing to low growth and investor sentiment. This was particularly true for our holding in Asian high yield debt funds, which have notable exposure to Chinese property companies.

We are also exercising patience with our position in the Japanese yen. The Bank of Japan is persisting with its ultra-easy monetary policy stance while other central banks continue to raise rates. This negatively impacted the yen over the last six months as inflation continues to soar.

More positively, our increased structured finance allocation performed strongly, delivering high yields and capital appreciation as the market recovered from the banking sector's worries of March and April. With yields still well above 10%, we believe there are more returns to be achieved here.

### Notable Transactions

---

Our long-term return expectations continue to show potential ten-year returns near the top of their historical range for many asset classes. In the nearer term, we expect inflation and bond yields to take a decisive step down delivering good returns for duration-sensitive investments (those influenced most by interest rate changes), although those investments more sensitive to economic growth may struggle in this environment, particularly if it leads to a deeper recession.

Long-duration assets make up around one-third of the Fund and primarily comprise our investments in developed and emerging market government bonds, as well as some investment grade corporate credit.

During the period, we added investments in Canadian municipal bonds, providing attractively valued diversification to our existing US government bond positions. We also initiated an investment that will benefit from a change in one of the central policies of the Bank of Japan where we believe their commitment to yield curve control (a form of quantitative easing) will moderate in the face of higher inflation and policy tightening elsewhere.

Better value economic assets make up just less than half of the Fund. Here we have a diversified set of investments that we see as either high yielding, fundamentally cheap, or particularly resilient. These include structured finance, which we have recently added to, where we continue to earn attractive risk-adjusted yields; certain commodities such as the recent purchase of copper, whose market prices are below the marginal cost of production; and property, where we see strong demand and rental growth.

Finally, diversifying assets make up the remainder of the portfolio. These include absolute return funds, the long Japanese yen investment and cash.



## Investment Report cont.

Looking forward, we believe the portfolio is well positioned to be robust against the possible near-term economic outcomes while also being well-set to deliver attractive returns in the medium-term as a broad range of diversified investments deliver on their potential.

*Baillie Gifford & Co, 12 July 2023*



## Principal Holdings as at 30 June 2023

| Investment  | Percentage of total Fund |
|---|--------------------------|
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 11.25                    |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup>             | 6.46                     |
| Plutus CLO Fund   | 4.14                     |
| Fair Oaks Senior CLO Note   | 3.49                     |
| UBS CSI 500 NTR index + 4.25% ETN   | 3.37                     |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 2.81                     |
| Baillie Gifford Global Income Growth Fund C Acc <sup>1</sup>                            | 2.43                     |
| Blackrock Asian High Yield Bond Fund  | 2.40                     |
| Barclays CSI 500 +5.5% ETN (c)  | 2.22                     |
| Australia 3% 21/03/2047   | 1.90                     |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases   | Cost<br>£'000 | Largest Sales  | Proceeds<br>£'000 |
|---|---------------|--|-------------------|
| Barclays CSI 500 +5.5% ETN (c)  | 24,495        | Baillie Gifford Investment Grade Long Bond Fund C Acc <sup>1</sup> | 23,550            |
| GS Strategic Dividend 23 ETN (c)  | 17,261        | Citigroup Volatility Carry ETN                                     | 22,699            |
| Citigroup US Steepener ETN (c)  | 15,958        | Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>      | 18,366            |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup> | 14,888        | GS Strategic Dividend Fund - I-23                                  | 17,245            |
| GS Strategic Dividend 24 ETN (c)  | 12,519        | GS Strategic Dividend Fund - I-22                                  | 16,526            |
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>               | 11,971        | Plutus CLO Fund  | 15,832            |
| Accunia European CLO Fund   | 10,184        | GS Strategic Dividend Fund - I-24                                  | 12,557            |
| WisdomTree Copper ETC (c)   | 9,327         | Aspect Core UCITS Fund C GBP                                       | 11,978            |
| Province of Ontario 5.85% 08/03/2033  | 9,244         | US Treasury 1.875% 15/11/2051                                      | 11,946            |
| HSBC Global Asset Backed High Yield Bond Fund                               | 8,380         | US Treasury 2% 15/08/2051  | 11,901            |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>Baillie Gifford Investment Funds ICVC cross-holding.

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

## Portfolio Statement as at 30 June 2023

| Stock description   | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| <b>Absolute Return - 3.15% (4.32%)</b>  |            |                    |                       |
| Aspect Core UCITS Fund C GBP  | 113,639    | 15,421             | 1.69                  |
| BAML Commodity Carry ETN  | 13,016,000 | 13,309             | 1.46                  |
| <b>Commodities - 4.75% (3.89%)</b>  |            |                    |                       |
| Lynas Corporation   | 3,110,817  | 11,141             | 1.22                  |
| MP Materials  | 330,161    | 5,939              | 0.65                  |
| WisdomTree Aluminium ETC (c)  | 7,492,620  | 17,068             | 1.87                  |
| WisdomTree Copper ETC (c)   | 350,276    | 9,191              | 1.01                  |
| <b>Emerging Market Bonds Hard Currency - 3.92% (3.52%)</b>                              |            |                    |                       |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 3,303,253  | 25,642             | 2.81                  |
| Ukraine 1.258% 31/05/2041 (USD)   | 32,872,000 | 10,084             | 1.11                  |
| <b>Emerging Market Bonds Local Currency - 11.25% (8.82%)</b>                            |            |                    |                       |
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 51,555,731 | 102,596            | 11.25                 |
| <b>Government Bonds - 9.94% (8.35%)</b>   |            |                    |                       |
| Australia 1.75% 21/06/2051  | 56,238,000 | 17,120             | 1.88                  |
| Australia 3% 21/03/2047   | 41,316,000 | 17,314             | 1.90                  |
| Canada Housing Trust No.1 3.65% 15/06/2033  | 7,800,000  | 4,617              | 0.51                  |
| Citigroup US Steepener ETN (c)  | 1,570      | 9,157              | 1.00                  |
| Province of Ontario 5.85% 08/03/2033  | 13,500,000 | 9,185              | 1.01                  |
| Province of Quebec 3.25% 01/09/2032   | 8,200,000  | 4,605              | 0.50                  |
| US Treasury 2.25% 15/02/2052  | 16,975,200 | 9,632              | 1.06                  |
| US Treasury 2.875% 15/05/2052   | 14,598,400 | 9,501              | 1.04                  |
| US Treasury 3% 15/08/2052   | 14,213,000 | 9,489              | 1.04                  |
| <b>High Yield Credit - 9.46% (10.63%)</b>   |            |                    |                       |
| Adient 7% 2028 (144A)   | 292,000    | 232                | 0.03                  |
| Aegea 6.75% 2029  | 400,000    | 287                | 0.03                  |
| Aggreko 6.125% 2026 (144A)  | 370,000    | 274                | 0.03                  |
| AIA 3.2% 2040   | 1,000,000  | 602                | 0.07                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                               | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Alteryx 8.75% 2028 (144A)                       | 150,000   | 116                | 0.01                  |
| Altice Financing 5% 2028 (144A)                 | 200,000   | 126                | 0.01                  |
| Altice France Hdg 8.125% 2027 (144A)            | 200,000   | 136                | 0.01                  |
| ANGI Homeservices 3.875% 2028 (144A)            | 521,000   | 334                | 0.04                  |
| Anglogold 3.375% 2028                           | 1,300,000 | 895                | 0.10                  |
| Antofagasta 5.625% 2032                         | 800,000   | 625                | 0.07                  |
| APX Gp Holdings 5.75% 2029 (144A)               | 140,000   | 96                 | 0.01                  |
| APX Gp Holdings 6.75% 2027 (144A)               | 472,000   | 364                | 0.04                  |
| Ardagh Packaging 4.125% 2026 (144A)             | 573,000   | 420                | 0.05                  |
| Ashmore Asian High Yield Bond Fund Acc          | 319,565   | 16,642             | 1.82                  |
| At Home Group 4.875% 2028 (144A)                | 170,000   | 67                 | 0.01                  |
| Aydem Yenilenebilir Enerji 7.75% 2027           | 400,000   | 265                | 0.03                  |
| Banco Do Brasil SA 6.25% 2030                   | 800,000   | 625                | 0.07                  |
| Banco GNB Sudameris 7.5% 2031                   | 650,000   | 418                | 0.05                  |
| Banco Mercantil De Norte 6.75% Perp             | 800,000   | 603                | 0.07                  |
| Bangkok Bank 5% 2025 Perp                       | 450,000   | 335                | 0.04                  |
| Bank Rakyat Indonesia 3.95% 2024                | 1,300,000 | 1,005              | 0.11                  |
| Bausch Health Companies 11% 2028 (144A)         | 280,000   | 156                | 0.02                  |
| Bharti Airtel 5.65% 2025 Perp                   | 800,000   | 610                | 0.07                  |
| Blackrock Asian High Yield Bond Fund            | 4,231,012 | 21,898             | 2.40                  |
| Burford Capital 9.25% 2031 (144A)               | 300,000   | 235                | 0.03                  |
| Cano Health 6.25% 2028 (144A)                   | 178,000   | 88                 | 0.01                  |
| Canpack 3.125% 2025 (144A)                      | 390,000   | 281                | 0.03                  |
| Catalent 5% 2027 (144A)                         | 250,000   | 180                | 0.02                  |
| CCO Holdings 4.5% 2030 (144A)                   | 605,000   | 396                | 0.04                  |
| CCO Holdings 6.375% 2029 (144A)                 | 220,000   | 163                | 0.02                  |
| Chart Industries 7.5% 2030 (144A)               | 245,000   | 197                | 0.02                  |
| Chart Industries 9.5% 2031 (144A)               | 269,000   | 225                | 0.02                  |
| Cheplapharm 5.5% 2028 (144A)                    | 240,000   | 171                | 0.02                  |
| Cimb Bank Bhd 2.125% 2027                       | 900,000   | 633                | 0.07                  |
| Cimpress 7% 2026 (144A)                         | 380,000   | 271                | 0.03                  |
| CMI Energia 6.25% 2029                          | 400,000   | 294                | 0.03                  |
| Cogent Communications Holdings 3.5% 2026 (144A) | 278,000   | 203                | 0.02                  |
| Coinbase 0.5% 2026 Convertible                  | 226,000   | 134                | 0.01                  |
| Coinbase 3.375% 2028 (144A)                     | 305,000   | 160                | 0.02                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                                | Holding   | Market value £'000 | % of total net assets |
|--|-----------|--------------------|-----------------------|
| CommScope 5% 2027 (144A)                         | 210,000   | 115                | 0.01                  |
| CommScope 6% 2026 (144A)                         | 300,000   | 220                | 0.02                  |
| Compass Minerals International 6.75% 2027 (144A) | 282,000   | 214                | 0.02                  |
| CrowdStrike 3% 2029                              | 169,000   | 115                | 0.01                  |
| Cushman & Wakefield 6.75% 2028 (144A)            | 163,000   | 116                | 0.01                  |
| Dana 4.25% 2030                                  | 199,000   | 130                | 0.01                  |
| Darling Ingredients 6% 2030 (144A)               | 450,000   | 346                | 0.04                  |
| DP World 6% 01/10/2025 Perp                      | 1,600,000 | 1,246              | 0.14                  |
| Elastic 4.125% 2029 (144A)                       | 416,000   | 282                | 0.03                  |
| Energio - Pro 8.5% 2027                          | 900,000   | 671                | 0.07                  |
| First Quantum Minerals 6.875% 2026 (144A)        | 200,000   | 155                | 0.02                  |
| First Quantum Minerals 6.875% 2027 (144A)        | 800,000   | 614                | 0.07                  |
| FMG Resources 6.125% 2032 (144A)                 | 370,000   | 277                | 0.03                  |
| Frontier Communications 5.875% 2027 (144A)       | 527,000   | 380                | 0.04                  |
| FTAI Aviation 9.75% 2027 (144A)                  | 273,000   | 222                | 0.02                  |
| FTAI Infrastructure 10.5% 2027 (144A)            | 200,000   | 157                | 0.02                  |
| Geely 4% 2024 Perp                               | 815,000   | 613                | 0.07                  |
| GEMS Education 7.125% 2026                       | 950,000   | 723                | 0.08                  |
| Globo Comunicacao e Participacoes 5.5% 2032      | 550,000   | 337                | 0.04                  |
| GoDaddy 3.5% 2029 (144A)                         | 518,000   | 349                | 0.04                  |
| Greenko Energy 3.85% 2026                        | 980,000   | 649                | 0.07                  |
| Grifols 4.75% 2028 (144A)                        | 350,000   | 239                | 0.03                  |
| Grupo Aval 4.375% 2030                           | 1,450,000 | 895                | 0.10                  |
| HDFC 3.7% Perp                                   | 450,000   | 307                | 0.03                  |
| Hilton Grand Vacations 4.875% 2031 (144A)        | 510,000   | 336                | 0.04                  |
| Hudbay Minerals 4.5% 2026 (144A)                 | 160,000   | 117                | 0.01                  |
| IHS Hdg 5.625% 2026                              | 1,345,000 | 921                | 0.10                  |
| Iliad 6.5% 2026 (144A)                           | 438,000   | 325                | 0.04                  |
| Inkia Energy 5.875% 2027                         | 450,000   | 337                | 0.04                  |
| Intl Container Terminal Services 4.75% 2030      | 400,000   | 303                | 0.03                  |
| IQVIA 5% 2026 (144A)                             | 400,000   | 304                | 0.03                  |
| James Hardie 5% 2028 (144A)                      | 506,000   | 373                | 0.04                  |
| JB Poindexter 7.125% 2026 (144A)                 | 150,000   | 115                | 0.01                  |
| Kionet 7.5% 2025                                 | 500,000   | 353                | 0.04                  |
| LABL 6.75% 2026 (144A)                           | 437,000   | 338                | 0.04                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                             | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Level 3 10.5% 2030 (RegS)                     | 133,000   | 106                | 0.01                  |
| Liberty Costa Rica 10.875% 2031 (Reg S)       | 1,230,000 | 957                | 0.10                  |
| Liberty Puerto Rico 6.75% 2027 (144A)         | 200,000   | 147                | 0.02                  |
| Limak Iskenderun 9.5% 2036                    | 200,000   | 138                | 0.02                  |
| Lippo Karawaci 8.125% 2025                    | 250,000   | 163                | 0.02                  |
| Liquid Telecommunications Financing 5.5% 2026 | 650,000   | 285                | 0.03                  |
| Live Nation 4.75% 2027 (144A)                 | 459,000   | 337                | 0.04                  |
| Live Nation Entertainment 6.5% 2027 (144A)    | 165,000   | 130                | 0.01                  |
| MAF Global Securities 6.375% 2026 Perp        | 800,000   | 610                | 0.07                  |
| Marks and Spencer 7.125% 2037 (144A)          | 395,000   | 293                | 0.03                  |
| Mashreqbank PSC 7.875% 2033                   | 800,000   | 655                | 0.07                  |
| Masonite 5.375% 2028 (144A)                   | 512,000   | 384                | 0.04                  |
| Match.com 5% 2027 144A                        | 529,000   | 386                | 0.04                  |
| Match.com 5.625% 2029 144A                    | 163,000   | 120                | 0.01                  |
| Meituan 3.05% 2030                            | 1,000,000 | 623                | 0.07                  |
| Millicom 6.25% 2029                           | 360,000   | 229                | 0.03                  |
| Minsur 4.5% 2031                              | 1,300,000 | 899                | 0.10                  |
| Nemak 3.625% 2031                             | 1,550,000 | 951                | 0.10                  |
| Neptune 6.625% 2025                           | 600,000   | 471                | 0.05                  |
| OCP 3.75% 2031                                | 1,050,000 | 681                | 0.07                  |
| Open Text 3.875% 2028 (144A)                  | 340,000   | 236                | 0.03                  |
| OTP Bank Nyrt. 8.75% 2033                     | 335,000   | 264                | 0.03                  |
| Paysafe Finance 4% 2029 (144A)                | 340,000   | 210                | 0.02                  |
| Perrigo 4.9% 2044                             | 525,000   | 319                | 0.04                  |
| Phoenix Life 5.625% 2025 Perp                 | 200,000   | 138                | 0.02                  |
| Popular Inc 7.25% 2028                        | 300,000   | 235                | 0.03                  |
| QVC Inc 4.375% 2028                           | 220,000   | 99                 | 0.01                  |
| Rakuten 10.25% 2024 (144A)                    | 200,000   | 156                | 0.02                  |
| ReNew Energy Global 4.5% 2027                 | 200,000   | 129                | 0.01                  |
| Renew Power 4.5% 2028                         | 900,000   | 603                | 0.07                  |
| Royal Capital BV 5% 2026 Perp                 | 400,000   | 304                | 0.03                  |
| Sealed Air 6.125% 2028 (144A)                 | 142,000   | 111                | 0.01                  |
| Sealed Air 6.875% 2033 (144A)                 | 160,000   | 131                | 0.01                  |
| Shinhan Bank 4.375% 2032                      | 1,000,000 | 723                | 0.08                  |
| Shriram Finance 4.4% 2024                     | 400,000   | 307                | 0.03                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                               | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Silknet 8.375% 2027                             | 500,000   | 386                | 0.04                  |
| Sirius XM Radio 4.125% 2030 (144A)              | 671,000   | 431                | 0.05                  |
| Sitios Latinoamerica 5.375% 2032                | 1,250,000 | 890                | 0.10                  |
| Six Flags Entertainment 7.25% 2031 (144A)       | 200,000   | 153                | 0.02                  |
| SmileDirectClub 0% 2026 Convertible (144A)      | 265,000   | 16                 | 0.00                  |
| Solenis 9.75% 2028 (144A)                       | 286,000   | 219                | 0.02                  |
| SPCM 3.125% 2027 (144A)                         | 581,000   | 410                | 0.05                  |
| StoneCo 3.95% 2028                              | 300,000   | 183                | 0.02                  |
| Sweihan 3.625% 2049                             | 1,000,000 | 617                | 0.07                  |
| Tabreed 2.5% 2027                               | 850,000   | 599                | 0.07                  |
| Target Hospitality 9.5% 2024 (144A)             | 346,000   | 273                | 0.03                  |
| Taseko Mines 7% 2026 (144A)                     | 498,000   | 357                | 0.04                  |
| Telecom Italia 5.303% 2024 (144A)               | 200,000   | 153                | 0.02                  |
| Thyssenkrupp Elevator 5.25% 2027 (144A)         | 410,000   | 298                | 0.03                  |
| Total Play Telecom 7.5% 2025                    | 795,000   | 444                | 0.05                  |
| Townsquare Media 6.875% 2026 (144A)             | 220,000   | 165                | 0.02                  |
| Turkcell Iletisim Hizmetleri AS 5.8% 2028       | 450,000   | 313                | 0.03                  |
| Turkiye Sise ve Cam Fabrikalari A.S. 6.95% 2026 | 800,000   | 610                | 0.07                  |
| Unicredit 7.296% 2034                           | 410,000   | 304                | 0.03                  |
| Unigel 8.75% 2026                               | 650,000   | 164                | 0.02                  |
| Uzbek Industrial And Con 5.75% 2024             | 200,000   | 151                | 0.02                  |
| Venture Global Calcasieu 3.875% 2033 (144A)     | 260,000   | 167                | 0.02                  |
| Venture Global Delta LNG 4.125% 2031 (144A)     | 158,000   | 107                | 0.01                  |
| Venture Global Delta LNG 8.375% 2031 (144A)     | 228,000   | 181                | 0.02                  |
| Verra Mobility 5.5% 2029 (144A)                 | 456,000   | 331                | 0.04                  |
| Viking Ocean Cruises 5.625% 2029 (144A)         | 300,000   | 216                | 0.02                  |
| Virgin Media Hdgs 4.75% 2031 (144A)             | 340,000   | 222                | 0.02                  |
| VistaJet 7.875% 2027 (144A)                     | 300,000   | 212                | 0.02                  |
| Vital Energy 10.125% 2028                       | 349,000   | 269                | 0.03                  |
| VTR Comunicaciones 5.125% 2028                  | 950,000   | 389                | 0.04                  |
| ZF NA Capital 4.75% 2025 (144A)                 | 250,000   | 192                | 0.02                  |
| ZF NA Capital 6.875% 2028 (144A)                | 250,000   | 199                | 0.02                  |
| Ziggo 4.875% 2030 (144A)                        | 200,000   | 131                | 0.01                  |



## Portfolio Statement as at 30 June 2023 cont.

| Stock description   | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| <b>Infrastructure - 7.17% (13.27%)</b>                                      |           |                    |                       |
| 3i Infrastructure   | 1,387,400 | 4,336              | 0.47                  |
| Brookfield Renewable  | 183,946   | 4,559              | 0.50                  |
| China Longyuan Power Group 'H'  | 2,541,000 | 2,058              | 0.23                  |
| China Yangtze Power   | 368,900   | 881                | 0.10                  |
| Consolidated Edison   | 20,096    | 1,428              | 0.16                  |
| EDP Renovaveis  | 423,210   | 6,641              | 0.73                  |
| Eversource Energy   | 32,878    | 1,833              | 0.20                  |
| Greencoat UK Wind   | 3,379,931 | 4,871              | 0.53                  |
| Hydro One   | 69,445    | 1,560              | 0.17                  |
| Iberdrola SA  | 253,822   | 2,603              | 0.28                  |
| Italgas S.p.A   | 158,990   | 734                | 0.08                  |
| Nexans  | 46,765    | 3,182              | 0.35                  |
| NextEra Energy  | 10,547    | 615                | 0.07                  |
| NKT A/S Fully Paid Rights Line  | 4,587     | 219                | 0.02                  |
| NKT Holding AS  | 18,348    | 875                | 0.10                  |
| Octopus Renewables Infrastructure   | 7,315,245 | 6,767              | 0.74                  |
| Orsted  | 59,743    | 4,452              | 0.49                  |
| Prysmian  | 246,174   | 7,924              | 0.87                  |
| Red Eléctrica Corporación   | 93,316    | 1,232              | 0.13                  |
| Renewables Infrastructure Group   | 3,867,777 | 4,440              | 0.49                  |
| Terna   | 405,528   | 2,711              | 0.30                  |
| Xinyi Energy  | 5,770,000 | 1,483              | 0.16                  |
| <b>Investment Grade Credit - 6.71% (6.38%)</b>                              |           |                    |                       |
| Baillie Gifford Worldwide Global Strategic Bond Fund C Acc USD <sup>1</sup> | 4,709,773 | 58,872             | 6.46                  |
| Calumet Specialty Products 8.125% 2027 (144A)                               | 290,000   | 218                | 0.02                  |
| Corporacion Inmobiliaria 3.625% 2031  | 500,000   | 328                | 0.04                  |
| Nielsen 9.29% 2029 (144A)   | 335,000   | 242                | 0.03                  |
| Star Energy 4.85% 2038  | 900,000   | 640                | 0.07                  |
| Temasek 5.375% 2039 (RegS)  | 550,000   | 483                | 0.05                  |
| United Rentals 6% 2029 (144A)   | 287,000   | 225                | 0.02                  |
| Uniti Gp 10.5% 2028 (144A)  | 220,000   | 172                | 0.02                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description  | Holding    | Market value £'000 | % of total net assets |
|--|------------|--------------------|-----------------------|
| <b>Listed Equities - 17.04% (17.50%)</b>                                   |            |                    |                       |
| Baillie Gifford American Fund C Acc <sup>1</sup>                           | 930,428    | 12,570             | 1.38                  |
| Baillie Gifford Emerging Markets Leading Companies Fund C Acc <sup>1</sup> | 1,702,694  | 10,306             | 1.13                  |
| Baillie Gifford European Fund C Acc <sup>1</sup>                           | 343,404    | 10,405             | 1.14                  |
| Baillie Gifford Global Income Growth Fund C Acc <sup>1</sup>               | 921,673    | 22,120             | 2.43                  |
| Baillie Gifford UK Equity Alpha Fund C Acc <sup>1</sup>                    | 1,430,984  | 10,642             | 1.17                  |
| Baillie Gifford Worldwide Japanese Fund C Acc GBP <sup>1</sup>             | 507,543    | 10,301             | 1.13                  |
| Barclays CSI 500 +5.5% ETN (c)   | 28,621     | 20,284             | 2.22                  |
| GS Strategic Dividend 23 ETN (c)   | 15,803,570 | 14,034             | 1.54                  |
| GS Strategic Dividend 24 ETN (c)   | 13,513,160 | 11,572             | 1.27                  |
| GS Strategic Dividend 25 ETN (c)   | 2,774,870  | 2,403              | 0.26                  |
| UBS CSI 500 NTR index + 4.25% ETN  | 431,094    | 30,779             | 3.37                  |
| <b>Property - 5.09% (4.76%)</b>  |            |                    |                       |
| American Tower Corp REIT   | 17,425     | 2,657              | 0.29                  |
| Ctp N.V.   | 556,455    | 5,673              | 0.62                  |
| First Industrial REIT  | 26,773     | 1,109              | 0.12                  |
| LondonMetric Property  | 2,179,196  | 3,602              | 0.39                  |
| Prologis Inc REIT  | 82,063     | 7,912              | 0.87                  |
| Rexford Industrial Realty REIT   | 196,995    | 8,088              | 0.89                  |
| Segro Plc  | 1,203,616  | 8,625              | 0.94                  |
| Target Healthcare REIT Plc   | 4,175,122  | 2,994              | 0.33                  |
| Unite Group  | 229,844    | 1,996              | 0.22                  |
| Warehouses De Pauw   | 176,882    | 3,804              | 0.42                  |
| <b>Structured Finance - 11.77% (8.65%)</b>                                 |            |                    |                       |
| Accunia European CLO Fund  | 96,852     | 10,176             | 1.11                  |
| Fair Oaks Senior CLO Note <sup>2</sup>                                     | 371,372    | 31,825             | 3.49                  |
| Galene Fund  | 65,118     | 10,672             | 1.17                  |
| HSBC Global Asset Backed High Yield Bond Fund                              | 1,658,854  | 16,931             | 1.86                  |
| Plutus CLO Fund  | 411,586    | 37,749             | 4.14                  |
| <b>Derivatives - 0.42% (0.24%)</b>   |            |                    |                       |
| Forward currency contracts (see Table 1)                                   |            | 4,430              | 0.49                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                          | Holding    | Market value £'000 | % of total net assets |
|--|------------|--------------------|-----------------------|
| Futures contracts (see Table 2)            |            | -                  | 0.00                  |
| Interest Rate Swap Contracts (see Table 3) |            | (632)              | (0.07)                |
| <b>Portfolio of investments</b>            |            | <b>826,860</b>     | <b>90.67</b>          |
| <b>Cash Equivalents - 6.84% (0.00%)</b>    |            |                    |                       |
| UK T Bill 03/07/2023                       | 5,800,000  | 5,798              | 0.64                  |
| UK T Bill 07/08/2023                       | 12,000,000 | 11,938             | 1.31                  |
| UK T Bill 29/08/2023                       | 4,800,000  | 4,760              | 0.52                  |
| UK T Bill 24/07/2023                       | 9,600,000  | 9,569              | 1.05                  |
| UK T Bill 18/09/2023                       | 23,200,000 | 22,938             | 2.51                  |
| UK T Bill 11/12/2023                       | 7,600,000  | 7,414              | 0.81                  |
| <b>Other Assets - 2.49% (9.67%)</b>        |            | <b>22,683</b>      | <b>2.49</b>           |
| <b>Net assets</b>                          |            | <b>911,960</b>     | <b>100.00</b>         |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>This stock has been valued using a single broker quote.

Please note: figures are based on market values rather than economic exposure.

All investments are listed on recognised stock exchanges or are fixed interest securities and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets in the investment category headings refer to 31 December 2022.

## Portfolio Statement as at 30 June 2023 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

| Counterparty            | Settlement | Buy | Buy Amount    | Sell | Sell Amount   | Unrealised gains/(losses) £'000 | % of total net assets |
|-------------------------|------------|-----|---------------|------|---------------|---------------------------------|-----------------------|
| Barclays                | 12/07/23   | GBP | 20,886,550    | USD  | 26,360,000    | 155                             | 0.02                  |
| Barclays                | 26/07/23   | GBP | 10,967,586    | USD  | 13,681,125    | 209                             | 0.02                  |
| Barclays                | 27/07/23   | THB | 605,000,000   | GBP  | 14,237,036    | (779)                           | (0.09)                |
| Barclays                | 09/08/23   | GBP | 95,319,567    | USD  | 119,998,375   | 948                             | 0.10                  |
| Barclays                | 09/11/23   | GBP | 9,955,259     | CNH  | 86,000,000    | 550                             | 0.06                  |
| Citigroup               | 13/07/23   | EUR | 10,700,000    | GBP  | 9,328,025     | (141)                           | (0.02)                |
| Citigroup               | 23/08/23   | GBP | 67,772,928    | USD  | 86,296,250    | (90)                            | (0.01)                |
| Citigroup               | 21/09/23   | GBP | 9,186,783     | CLP  | 9,500,000,000 | (38)                            | 0.00                  |
| Deutsche Bank           | 12/07/23   | GBP | 7,331,201     | EUR  | 8,373,066     | 142                             | 0.02                  |
| Goldman Sachs           | 13/07/23   | GBP | 10,015,349    | AUD  | 18,700,000    | 221                             | 0.02                  |
| Goldman Sachs           | 26/07/23   | GBP | 12,597,858    | USD  | 15,714,750    | 240                             | 0.03                  |
| Goldman Sachs           | 23/08/23   | GBP | 26,288,085    | USD  | 33,473,000    | (35)                            | 0.00                  |
| Goldman Sachs           | 12/10/23   | GBP | 14,697,237    | TWD  | 550,000,000   | 706                             | 0.08                  |
| HSBC                    | 12/07/23   | GBP | 27,605,339    | EUR  | 31,528,438    | 535                             | 0.06                  |
| HSBC                    | 13/07/23   | EUR | 10,900,000    | GBP  | 9,502,381     | (143)                           | (0.02)                |
| HSBC                    | 27/07/23   | JPY | 726,000,000   | GBP  | 4,421,909     | (455)                           | (0.05)                |
| HSBC                    | 09/08/23   | GBP | 41,641,435    | EUR  | 48,514,199    | (68)                            | (0.01)                |
| JP Morgan Chase         | 12/07/23   | JPY | 2,262,556,641 | GBP  | 13,503,182    | (1,168)                         | (0.13)                |
| JP Morgan Chase         | 13/07/23   | GBP | 47,007,052    | CHF  | 53,090,000    | 269                             | 0.03                  |
| JP Morgan Chase         | 26/07/23   | JPY | 1,755,500,000 | GBP  | 10,289,944    | (698)                           | (0.08)                |
| JP Morgan Chase         | 27/07/23   | BRL | 39,000,000    | GBP  | 6,086,902     | 239                             | 0.03                  |
| JP Morgan Chase         | 27/07/23   | GBP | 9,385,336     | USD  | 11,650,000    | 224                             | 0.02                  |
| JP Morgan Chase         | 27/07/23   | JPY | 950,000,000   | GBP  | 5,786,245     | (595)                           | (0.06)                |
| JP Morgan Chase         | 09/08/23   | JPY | 2,176,164,551 | GBP  | 12,537,056    | (622)                           | (0.07)                |
| JP Morgan Chase         | 23/08/23   | JPY | 3,031,666,626 | GBP  | 16,756,164    | (122)                           | (0.01)                |
| JP Morgan Chase         | 28/09/23   | BRL | 29,000,000    | GBP  | 4,628,817     | 26                              | 0.00                  |
| Merrill Lynch           | 26/07/23   | GBP | 42,249,172    | EUR  | 48,514,199    | 569                             | 0.06                  |
| Merrill Lynch           | 23/08/23   | GBP | 41,170,480    | EUR  | 48,024,487    | (144)                           | (0.02)                |
| Merrill Lynch           | 14/09/23   | PLN | 49,300,000    | GBP  | 9,454,859     | 54                              | 0.01                  |
| National Australia Bank | 13/07/23   | GBP | 90,004,246    | AUD  | 168,050,000   | 1,989                           | 0.22                  |
| National Australia Bank | 13/07/23   | GBP | 20,381,865    | NZD  | 41,899,000    | 194                             | 0.02                  |
| Royal Bank of Canada    | 13/07/23   | GBP | 23,756,474    | CAD  | 39,770,000    | 114                             | 0.01                  |
| Royal Bank of Canada    | 26/07/23   | GBP | 60,035,182    | USD  | 74,888,750    | 1,142                           | 0.13                  |
| Royal Bank of Scotland  | 26/07/23   | GBP | 12,597,057    | USD  | 15,713,750    | 240                             | 0.03                  |
| Royal Bank of Scotland  | 27/07/23   | GBP | 9,506,177     | USD  | 11,800,000    | 227                             | 0.03                  |

## Portfolio Statement as at 30 June 2023 cont.

| Counterparty   | Settlement | Buy | Buy Amount | Sell | Sell Amount | Unrealised gains/(losses) £'000 | % of total net assets |
|--|------------|-----|------------|------|-------------|---------------------------------|-----------------------|
| Royal Bank of Scotland                                       | 12/07/23   | GBP | 72,452,205 | USD  | 91,438,750  | 536                             | 0.06                  |
| Unrealised gains/(losses) on open forward currency contracts |            |     |            |      |             | 4,430                           | 0.49                  |

**Table 2: Unrealised gains/(losses) on futures contracts**

| Futures  | Maturity | Notional | Unrealised gains/(losses) £'000 | % of total net assets |
|--|----------|----------|---------------------------------|-----------------------|
| Euro Stoxx 50 Future September 2023            | 15/09/23 | (631)    | -                               | 0.00                  |
| S&P 500 Emini Index Future September 2023      | 15/09/23 | (258)    | -                               | 0.00                  |
| US Ultra Long (CBT) September 2023             | 20/09/23 | 277      | -                               | 0.00                  |
| Unrealised gains/(losses) on futures contracts |          |          | -                               | 0.00                  |

## Portfolio Statement as at 30 June 2023 cont.

**Table 3: Unrealised gains/(losses) on open interest rate swap contracts**

| Counterparty   | Ccy | Termination | Notional       | Fund pays | Fund receives                                  | Unrealised gains/(losses) £'000 | % of total net assets |
|--|-----|-------------|----------------|-----------|--|---------------------------------|-----------------------|
| Barclays Bank Plc  | JPY | 19/06/30    | 6,567,844,926  | 0.431%    | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (150)                           | (0.02)                |
| Barclays Bank Plc  | JPY | 20/06/30    | 17,432,155,074 | 0.44375%  | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (482)                           | (0.05)                |
| Unrealised gains/(losses) on open interest rate swap contracts |     |             |                |           |  | (632)                           | (0.07)                |

## Portfolio Statement as at 30 June 2023 cont.

### Breakdown of portfolio of investments

|                                 | 30 June 2023          |                             | 31 December 2022      |                             |
|---------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
|                                 | Market value<br>£'000 | Percentage of<br>total Fund | Market value<br>£'000 | Percentage of<br>total Fund |
| Bonds - Direct                  | 179,166               | 19.65                       | 227,151               | 19.19                       |
| Bonds - Indirect                | 307,204               | 33.40                       | 345,497               | 29.17                       |
| Commodities - Indirect          | 56,648                | 6.21                        | 46,031                | 3.89                        |
| Derivatives                     | 3,798                 | 0.42                        | 2,814                 | 0.24                        |
| Equities - Direct               | 65,584                | 7.17                        | 157,101               | 13.27                       |
| Equities - Indirect             | 170,657               | 18.73                       | 234,371               | 19.80                       |
| Property - Indirect             | 43,803                | 5.09                        | 56,390                | 4.76                        |
| <b>Portfolio of investments</b> | <b>826,860</b>        | <b>90.67</b>                | <b>1,069,355</b>      | <b>90.33</b>                |

Investments are categorised based on underlying asset class.

## Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                    | 31.12.21                    | 31.12.20                    |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 911,960                       | 1,183,798                   | 2,485,394                   | 2,290,724                   |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 4                             | 4                           | 4                           | 4                           |
| <b>Net asset value per share (pence)</b>                |                               |                             |                             |                             |
| B1 Accumulation   | 114.22                        | 114.68                      | 138.93                      | 128.80                      |
| B Income  | 102.20                        | 103.01                      | 126.88                      | 119.45                      |
| C Accumulation  | 119.16                        | 119.35                      | 143.87                      | 132.71                      |
| C Income  | 103.85                        | 104.55                      | 128.82                      | 121.25                      |
| J Accumulation  | 115.72                        | 116.11                      | 140.45                      | 130.01                      |
| J Income  | 101.92                        | 102.58                      | 126.37                      | 118.95                      |
| P Accumulation  | 115.69                        | 116.07                      | 140.40                      | 129.97                      |
| <b>Number of shares in issue</b>                        |                               |                             |                             |                             |
| B1 Accumulation   | 251,776,106                   | 376,382,478                 | 682,745,694                 | 648,941,227                 |
| B Income  | 70,595,026                    | 81,818,730                  | 228,991,652                 | 233,546,554                 |
| C Accumulation  | 457,375,247                   | 504,313,985                 | 731,162,677                 | 712,056,524                 |
| C Income  | 1,000                         | 22,600,786                  | 48,130,381                  | 25,059,108                  |
| J Accumulation  | 664,111                       | 636,227                     | 636,926                     | 44,754                      |
| J Income  | 13,187                        | 32,935                      | 77,708                      | 35,924                      |
| P Accumulation  | 5,575,823                     | 35,819,961                  | 35,134,320                  | 32,158,948                  |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                             |                             |                             |
| B1 Accumulation   | 0.40                          | 1.92                        | 2.10                        | 1.69                        |
| B Income  | 0.40                          | 1.74                        | 1.95                        | 1.59                        |
| C Accumulation  | 0.55                          | 2.62                        | 2.85                        | 2.36                        |
| C Income  | 0.55                          | 2.34                        | 2.59                        | 2.19                        |
| J Accumulation <sup>2</sup>                             | 0.35                          | 2.12                        | 2.31                        | 1.41                        |
| J Income <sup>2</sup>                                   | 0.35                          | 1.90                        | 2.11                        | 1.30                        |
| P Accumulation  | 0.35                          | 2.12                        | 2.31                        | 1.90                        |



## Fund Information cont.

| Yearly Highest and Lowest Prices           | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Highest (financial period)</b>          |                               |                             |                             |                             |
| B1 Accumulation                            | 121.8                         | 139.8                       | 139.7                       | 129.6                       |
| B Income                                   | 109.4                         | 127.7                       | 128.8                       | 121.1                       |
| C Accumulation                             | 126.8                         | 144.8                       | 144.6                       | 133.5                       |
| C Income                                   | 111.1                         | 129.7                       | 131.2                       | 123.4                       |
| J Accumulation                             | 123.4                         | 141.4                       | 141.2                       | 130.8                       |
| J Income                                   | 109.0                         | 127.2                       | 128.6                       | 120.6                       |
| P Accumulation                             | 123.3                         | 141.3                       | 141.1                       | 130.8                       |
| <b>Lowest (financial period)</b>           |                               |                             |                             |                             |
| B1 Accumulation                            | 113.8                         | 110.2                       | 126.4                       | 102.8                       |
| B Income                                   | 102.3                         | 100.0                       | 117.2                       | 96.63                       |
| C Accumulation                             | 118.8                         | 114.6                       | 130.4                       | 105.5                       |
| C Income                                   | 104.0                         | 101.8                       | 119.1                       | 98.17                       |
| J Accumulation                             | 115.3                         | 111.6                       | 127.6                       | 107.0                       |
| J Income                                   | 101.9                         | 99.92                       | 116.8                       | 99.00                       |
| P Accumulation                             | 115.3                         | 111.5                       | 127.6                       | 103.6                       |
| Ongoing Charges Figures                    | 30.06.23<br>(%)               | 31.12.22<br>(%)             | 31.12.21<br>(%)             | 31.12.20<br>(%)             |
| <b>Ongoing Charges Figures<sup>3</sup></b> |                               |                             |                             |                             |
| B1 Accumulation                            | 0.70 <sup>4</sup>             | 0.71 <sup>5</sup>           | 0.59                        | 0.58                        |
| B Income                                   | 0.70 <sup>4</sup>             | 0.71 <sup>5</sup>           | 0.59                        | 0.58                        |
| C Accumulation                             | 0.20 <sup>4</sup>             | 0.21 <sup>5</sup>           | 0.09                        | 0.08                        |
| C Income                                   | 0.20 <sup>4</sup>             | 0.21 <sup>5</sup>           | 0.09                        | 0.08                        |
| J Accumulation <sup>2</sup>                | 0.55 <sup>4</sup>             | 0.56 <sup>5</sup>           | 0.44                        | 0.43                        |
| J Income <sup>2</sup>                      | 0.55 <sup>4</sup>             | 0.56 <sup>5</sup>           | 0.44                        | 0.44                        |
| P Accumulation                             | 0.55 <sup>4</sup>             | 0.56 <sup>5</sup>           | 0.44                        | 0.43                        |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>Class J Shares were launched on 30 March 2020.

<sup>3</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

<sup>4</sup>As at 30 June 2023, the ongoing charges figure includes 0.06% of indirect fees associated with holding closed-ended investment funds.

## Fund Information cont.

<sup>5</sup>Changes to methodology in the Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022) were effective from 30 June 2022 and have resulted in increased ongoing charges figures. Ongoing charges disclosures now include indirect fees associated with holding closed-ended investment funds. This does not necessarily mean that fund expenses have increased, rather that a new way of showing them has been introduced. As at 31 December 2022, the ongoing charges figure includes 0.07% of indirect fees associated with holding closed-ended investment funds. You should be aware that past performance is not a guide to future performance.

## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |                | 30 June 2022 |                  |
|---|--------------|----------------|--------------|------------------|
|   | £'000        | £'000          | £'000        | £'000            |
| Income  |              |                |              |                  |
| Net capital gains/(losses)  |              | (7,483)        |              | (394,116)        |
| Revenue   | 12,521       |                | 26,680       |                  |
| Expenses  | (1,230)      |                | (3,172)      |                  |
| Net revenue before taxation   | 11,291       |                | 23,508       |                  |
| Taxation  | (273)        |                | (1,283)      |                  |
| Net revenue after taxation  |              | 11,018         |              | 22,225           |
| Total return before distributions   |              | 3,535          |              | (371,891)        |
| Distributions   |              | (4,675)        |              | (13,634)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>(1,140)</b> |              | <b>(385,525)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |                  | 30 June 2022 |                  |
|--|--------------|------------------|--------------|------------------|
|  | £'000        | £'000            | £'000        | £'000            |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>1,183,798</b> |              | <b>2,485,394</b> |
| Amounts receivable on issue of shares  | 31,919       |                  | 54,222       |                  |
| Amounts payable on cancellation of shares                                    | (307,029)    |                  | (302,520)    |                  |
|  |              | (275,110)        |              | (248,298)        |
| Dilution adjustment  |              | 867              |              | 621              |
| Change in net assets attributable to shareholders from investment activities |              | (1,140)          |              | (385,525)        |
| Retained distributions on accumulation shares                                |              | 3,545            |              | 10,421           |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>911,960</b>   |              | <b>1,862,613</b> |

## Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 30 June 2023

|  | 30 June 2023<br>£'000 | 31 December 2022<br>£'000 |
|--|-----------------------|---------------------------|
| <b>Assets:</b>                                 |                       |                           |
| Fixed assets:                                  |                       |                           |
| Investments                                    | 832,591               | 1,083,242                 |
| Current assets:                                |                       |                           |
| Debtors  | 9,512                 | 21,529                    |
| Cash and bank balances                         | 23,049                | 110,525                   |
| Cash equivalents                               | 62,417                | -                         |
| <b>Total assets</b>                            | <b>927,569</b>        | <b>1,215,296</b>          |
| <b>Liabilities:</b>                            |                       |                           |
| Investment liabilities                         | (5,731)               | (13,887)                  |
| Creditors:                                     |                       |                           |
| Bank overdrafts                                | (1,732)               | -                         |
| Distributions payable                          | (282)                 | (1,188)                   |
| Other creditors                                | (7,864)               | (16,423)                  |
| <b>Total liabilities</b>                       | <b>(15,609)</b>       | <b>(31,498)</b>           |
| <b>Net assets attributable to shareholders</b> | <b>911,960</b>        | <b>1,183,798</b>          |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

# BAILLIE GIFFORD

## Baillie Gifford Positive Change Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Positive Change Fund

## Investment Objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

The Fund also aims to contribute to a more sustainable and inclusive world through investing in companies whose products and/or services contribute to impact themes addressing critical social and/or environmental challenges, measured over at least a five-year period.

## Investment Policy

The Fund will invest at least 90% in shares of companies of any size, any country and in any sector, whose products or behaviour make a positive impact on society and/or the environment in the investment managers' opinion. The Fund will invest in companies addressing critical challenges in areas according to impact themes, such as, social inclusion and education; environment and resource needs; healthcare and quality of life; and base of the pyramid (addressing the needs of the poorest four billion people in the world). The Fund will be actively managed and will be concentrated.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator:



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in company shares.

The indicator does not take into account the following relevant material risks:

Over shorter time periods the Fund's share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

The Fund's ESG investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

There is no universally accepted definition of impact. Furthermore, there is a risk that individual investments fail to make a positive contribution to society and/ or the environment, and that overall the Fund fails to meet its objective

The limitations of third party data, which may be backward looking or estimated, may impact on the Funds ability to achieve its non-financial considerations.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

## Adoption of Net Zero Asset Managers initiative

Baillie Gifford & Co, the Fund's Investment Manager, has joined the Net Zero Asset Managers initiative (NZAM), as part of the Investment Manager's

## Baillie Gifford Positive Change Fund cont.

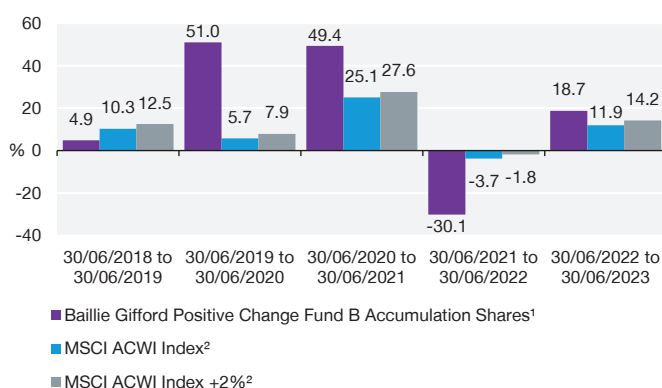
commitment to support the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C.

This commitment includes supporting investing aligned with net zero emissions by 2050 or sooner, and the Fund has been managed in line with and counted towards the Investment Manager's net zero commitment.

As a long-term investor, the Investment Manager's investment process takes into account the long-term prospects (including long-term sustainability) of an investment. Consideration of climate-related factors, including NZAM commitments, and the impact of these on a company's competitive positioning form an integral part of this process.

# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the annual management charge of 0.50%. Performance figures for the share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the MSCI ACWI Index (the 'Index') by at least 2% per annum (the 'target return') over rolling five-year periods. For the six months to 30 June 2023 the return on B Accumulation Shares was 6.7%<sup>3</sup> compared to the Index of 8.1%<sup>2</sup> and the target return of 9.2%<sup>2</sup>. We fully appreciate that this is disappointing whether you are a longstanding client or a newer investor in the Fund. While periods of underperformance are inevitable given our style of investment, none of us enjoy these. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised return on B Accumulation Shares was 14.4%<sup>3</sup> compared to the Index of 9.4%<sup>2</sup> and the target return of 11.7%<sup>2</sup>.

## Market Environment

Despite the wider macro challenges of the first six months of 2023, we believe it is a good time to be stock pickers. As capital becomes constrained, competitive advantages become more important. Investors are less willing to finance businesses that grow users, production, or other metrics but have little prospect of turning a profit over a reasonable time horizon. For weaker companies, the only way to survive is to cut costs, downsize, and abandon their growth-at-all-cost strategy. Companies with the right business model and strong competitive advantages will pick up their market share.

## Performance

Among the largest contributors to relative performance over the period were Shopify and Tesla. Shopify enables businesses to sell online by providing low-cost tools that reduce barriers, promoting entrepreneurship and job creation. The market reacted positively to recent news that Shopify is selling most of its capital-intensive logistics division. Shopify also continues to demonstrate

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Revolution and MSCI, total return in sterling terms. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 113. <sup>3</sup>Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. You should be aware that past performance is not a guide to future performance.



## Investment Report cont.

revenue growth driven largely by merchant solutions. Tesla continues to make impressive progress in scaling up its vehicle production and we are gaining confidence in the company's long-term prospects as a battery manufacturer of scale. Despite a period of strong growth, Tesla, to us, remains a radical contender that can play a leading role in electrification.

Among the largest detractors to relative performance over the period were Moderna and Illumina. Biotech company Moderna recently announced promising Phase 2 data for its personalised cancer vaccine targeting high-risk melanoma, the most serious form of skin cancer. Phase 3 trials are due to begin later this year. Its share price continues to be weak largely around market expectations of declining Covid-19 vaccine revenues in the short term. We remain focused on the long-term opportunity for the company. Illumina the manufacturer of gene sequencing machines continued to be under pressure with an activist investor pursuing seats on the board, ongoing scrutiny over its acquisition of Grail, and the CEO standing down. We met with the board, company management and employees separately over recent months to understand the nuanced situation. We remain supportive shareholders as it searches for a new CEO, who will lead it through the next stage of the genomic revolution.

### Impact Report

For the Fund, investment performance is only part of the story. The Fund has dual objectives: to achieve attractive investment returns and to deliver positive change by contributing toward a more sustainable and inclusive world. We believe that every company within the portfolio has the potential to deliver positive impact as well as strong financial returns. Our annual Impact Report was published in July and is available on our website. It reports on the impact of the products and services of every company in the portfolio. Every company is assessed on its progress in delivering change through a Positive Chain, based on the Theory of Change, and is selectively mapped to the U.N. Sustainable Development Goals (SDG) at target level.

We aggregate the company-level data to produce headline impact data and report on any negative impact at a company level.

### Notable Transactions

Over the period, we invested in one new company. Daikin Industries (Daikin) is a Japanese air conditioning (AC) company notable for its proactive innovation and environmental leadership. Energy-efficient AC is increasingly necessary for climate adaptation, with contributions linked to health, education, and efficiency outcomes. Daikin also produces energy-efficient heat pumps. Daikin's key competitive advantages are its scale and vertical integration. These should help Daikin take share with its widely applicable portfolio of reliable, energy-efficient products and local footprint.

We sold three companies. Nibe the renewable energy system producer has delivered strong share price performance over our long period of ownership. However, despite Nibe's admirable track record and the runway for growth, we believe they face increased competition and that at the current valuation, it will be more challenging for the company to meet our return hurdle from here. Interactive fitness company Peloton and virtual healthcare company Teladoc have faced challenges growing their businesses over recent years. We no longer have sufficient conviction that they will meet our dual objectives over the long term.

*Baillie Gifford & Co, 10 July 2023*

## Principal Holdings as at 30 June 2023

| Investment            | Percentage of total Fund |
|-----------------------|--------------------------|
| ASML                  | 7.32                     |
| MercadoLibre          | 6.94                     |
| Shopify 'A'           | 6.00                     |
| Tesla Inc             | 5.58                     |
| TSMC                  | 5.53                     |
| Dexcom Inc            | 4.88                     |
| Deere & Co            | 4.57                     |
| Bank Rakyat Indonesia | 4.41                     |
| HDFC Limited          | 4.20                     |
| Moderna Inc           | 3.95                     |

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases       | Cost<br>£'000 | Largest Sales                 | Proceeds<br>£'000 |
|-------------------------|---------------|-------------------------------|-------------------|
| Daikin Industries       | 52,753        | Nibe Industrier AB 'B' Shares | 61,804            |
| Tesla Inc               | 24,716        | Teladoc                       | 22,856            |
| Remitly Global Inc      | 14,940        | Deere & Co                    | 7,937             |
| Abcellera Biologics Inc | 14,310        | Peloton Interactive Inc       | 4,035             |
| HDFC Limited            | 6,672         | MercadoLibre                  | 2,966             |
| Novozymes               | 3,343         | ASML                          | 2,376             |
| Orsted                  | 3,197         | TSMC                          | 1,738             |
| Chr Hansen Holding A/S  | 2,963         | Shopify 'A'                   | 1,710             |
| Discovery Ltd           | 2,667         | Bank Rakyat Indonesia         | 1,586             |
| Umicore                 | 1,733         | Alnylam Pharmaceuticals       | 1,273             |

## Portfolio Statement as at 30 June 2023

| Stock description                  | Holding     | Market value £'000 | % of total net assets |
|------------------------------------|-------------|--------------------|-----------------------|
| <b>Belgium - 2.40% (3.49%)</b>     |             |                    |                       |
| Umicore                            | 2,810,801   | 61,725             | 2.40                  |
| <b>Brazil - 10.04% (7.45%)</b>     |             |                    |                       |
| MercadoLibre                       | 192,015     | 178,774            | 6.94                  |
| Nu Holdings Ltd.                   | 12,869,678  | 79,869             | 3.10                  |
| <b>Canada - 7.23% (4.95%)</b>      |             |                    |                       |
| Abcellera Biologics Inc            | 6,261,574   | 31,816             | 1.23                  |
| Shopify 'A'                        | 3,040,370   | 154,488            | 6.00                  |
| <b>Denmark - 8.70% (9.61%)</b>     |             |                    |                       |
| Chr Hansen Holding A/S             | 1,148,511   | 62,927             | 2.44                  |
| Novozymes                          | 1,850,252   | 67,768             | 2.63                  |
| Orsted                             | 1,255,658   | 93,572             | 3.63                  |
| <b>Germany - 2.19% (2.80%)</b>     |             |                    |                       |
| Sartorius Pref.                    | 207,276     | 56,332             | 2.19                  |
| <b>India - 4.20% (4.12%)</b>       |             |                    |                       |
| HDFC Limited                       | 3,995,007   | 108,093            | 4.20                  |
| <b>Indonesia - 4.41% (4.38%)</b>   |             |                    |                       |
| Bank Rakyat Indonesia              | 399,443,158 | 113,688            | 4.41                  |
| <b>Japan - 3.94% (2.51%)</b>       |             |                    |                       |
| Daikin Industries                  | 353,500     | 56,299             | 2.19                  |
| M3                                 | 2,668,600   | 45,151             | 1.75                  |
| <b>Kenya - 0.32% (0.55%)</b>       |             |                    |                       |
| Safaricom Ltd                      | 82,970,400  | 8,169              | 0.32                  |
| <b>Netherlands - 7.32% (6.16%)</b> |             |                    |                       |
| ASML                               | 331,494     | 188,576            | 7.32                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                       | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| <b>South Africa - 2.13% (2.17%)</b>     |           |                    |                       |
| Discovery Ltd                           | 9,036,798 | 54,878             | 2.13                  |
| <b>Sweden - 0.00% (2.35%)</b>           |           |                    |                       |
| <b>Taiwan - 5.53% (4.94%)</b>           |           |                    |                       |
| TSMC                                    | 9,811,000 | 142,474            | 5.53                  |
| <b>UK - 0.48% (0.67%)</b>               |           |                    |                       |
| FDM Group                               | 2,194,597 | 12,312             | 0.48                  |
| <b>United States - 40.14% (41.52%)</b>  |           |                    |                       |
| 10X Genomics Inc Class A                | 1,097,094 | 48,178             | 1.87                  |
| Anylam Pharmaceuticals                  | 668,091   | 99,813             | 3.87                  |
| Autodesk                                | 323,763   | 52,086             | 2.02                  |
| Coursera Inc                            | 2,519,324 | 25,781             | 1.00                  |
| Deere & Co                              | 369,906   | 117,837            | 4.57                  |
| Dexcom Inc                              | 1,242,921 | 125,636            | 4.88                  |
| Duolingo Inc                            | 507,211   | 56,975             | 2.21                  |
| Ecolab                                  | 410,509   | 60,268             | 2.34                  |
| Illumina                                | 495,783   | 73,076             | 2.84                  |
| Moderna Inc                             | 1,064,361 | 101,718            | 3.95                  |
| Remitly Global Inc                      | 2,177,780 | 32,238             | 1.25                  |
| Tesla Inc                               | 698,254   | 143,720            | 5.58                  |
| Xylem                                   | 1,092,726 | 96,788             | 3.76                  |
| <b>Portfolio of investments</b>         |           | <b>2,551,025</b>   | <b>99.03</b>          |
| <b>Net other assets - 0.97% (2.33%)</b> |           | <b>25,015</b>      | <b>0.97</b>           |
| <b>Net assets</b>                       |           | <b>2,576,040</b>   | <b>100.00</b>         |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.

Figures in brackets refer to 31 December 2022.

## Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                    | 31.12.21                    | 31.12.20                    |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 2,576,040                     | 2,436,761                   | 3,233,988                   | 1,987,139                   |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 6                             | 6                           | 6                           | 6                           |
| <b>Net asset value per share (pence)</b>                |                               |                             |                             |                             |
| B Accumulation  | 315.79                        | 294.34                      | 376.09                      | 339.75                      |
| B Income  | 311.44                        | 290.28                      | 371.76                      | 335.84                      |
| C Accumulation  | 266.90                        | 248.15                      | 315.49                      | 284.66                      |
| <b>Number of shares in issue</b>                        |                               |                             |                             |                             |
| B Accumulation  | 603,662,580                   | 616,330,574                 | 716,070,617                 | 481,536,823                 |
| B Income  | 71,474,870                    | 74,893,352                  | 87,574,125                  | 78,532,136                  |
| C Accumulation  | 167,526,200                   | 163,312,428                 | 68,259,456                  | 30,698,899                  |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                             |                             |                             |
| B Accumulation  | n/a                           | 0.68                        | 0.00                        | 0.00                        |
| B Income  | n/a                           | 0.67                        | 0.00                        | 0.00                        |
| C Accumulation  | n/a                           | 1.84                        | 1.37                        | 1.06                        |
| Yearly Highest and Lowest Prices                        | Period to 30.06.23<br>(pence) | Year to 31.12.22<br>(pence) | Year to 31.12.21<br>(pence) | Year to 31.12.20<br>(pence) |
| <b>Highest (financial period)</b>                       |                               |                             |                             |                             |
| B Accumulation  | 329.6                         | 380.3                       | 431.7                       | 348.6                       |
| B Income  | 325.0                         | 375.9                       | 426.7                       | 344.6                       |
| C Accumulation  | 278.0                         | 319.1                       | 361.6                       | 291.0                       |
| <b>Lowest (financial period)</b>                        |                               |                             |                             |                             |
| B Accumulation  | 292.2                         | 255.1                       | 324.1                       | 166.5                       |
| B Income  | 288.2                         | 252.2                       | 320.4                       | 164.6                       |
| C Accumulation  | 246.4                         | 214.5                       | 271.0                       | 138.5                       |

## Fund Information cont.

| Ongoing Charges Figures                    | 30.06.23<br>(%) | 31.12.22<br>(%) | 31.12.21<br>(%) | 31.12.20<br>(%) |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>Ongoing Charges Figures<sup>2</sup></b> |                 |                 |                 |                 |
| B Accumulation                             | 0.53            | 0.53            | 0.53            | 0.53            |
| B Income                                   | 0.53            | 0.53            | 0.53            | 0.53            |
| C Accumulation                             | 0.03            | 0.03            | 0.03            | 0.03            |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

You should be aware that past performance is not a guide to future performance.

## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |                | 30 June 2022 |                  |
|---|--------------|----------------|--------------|------------------|
|   | £'000        | £'000          | £'000        | £'000            |
| Income  |              |                |              |                  |
| Net capital gains/(losses)  |              | 168,054        |              | (944,624)        |
| Revenue   | 18,534       |                | 14,756       |                  |
| Expenses  | (5,598)      |                | (6,129)      |                  |
| Net revenue before taxation   | 12,936       |                | 8,627        |                  |
| Taxation  | (2,843)      |                | (2,113)      |                  |
| Net revenue after taxation  |              | 10,093         |              | 6,514            |
| Total return before distributions   |              | 178,147        |              | (938,110)        |
| Distributions   |              | (118)          |              | 559              |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>178,029</b> |              | <b>(937,551)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |                  | 30 June 2022 |                  |
|--|--------------|------------------|--------------|------------------|
|  | £'000        | £'000            | £'000        | £'000            |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>2,436,761</b> |              | <b>3,233,988</b> |
| Amounts receivable on issue of shares  | 63,350       |                  | 296,467      |                  |
| Amounts payable on cancellation of shares                                    | (102,251)    |                  | (349,766)    |                  |
|  |              | (38,901)         |              | (53,299)         |
| Dilution adjustment  |              | 151              |              | 680              |
| Change in net assets attributable to shareholders from investment activities |              | 178,029          |              | (937,551)        |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>2,576,040</b> |              | <b>2,243,818</b> |



## Interim Financial Statements (Unaudited) cont.

### Balance Sheet as at 30 June 2023

|  | 30 June 2023<br>£'000 | 31 December 2022<br>£'000 |
|--|-----------------------|---------------------------|
| <b>Assets:</b>                                 |                       |                           |
| Fixed assets:                                  |                       |                           |
| Investments                                    | 2,551,025             | 2,379,959                 |
| Current assets:                                |                       |                           |
| Debtors  | 6,215                 | 30,891                    |
| Cash and bank balances                         | 24,658                | 142,838                   |
| <b>Total assets</b>                            | <b>2,581,898</b>      | <b>2,553,688</b>          |
| <b>Liabilities:</b>                            |                       |                           |
| Creditors:                                     |                       |                           |
| Distributions payable                          | -                     | (502)                     |
| Other creditors                                | (5,858)               | (116,425)                 |
| <b>Total liabilities</b>                       | <b>(5,858)</b>        | <b>(116,927)</b>          |
| <b>Net assets attributable to shareholders</b> | <b>2,576,040</b>      | <b>2,436,761</b>          |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the period ended 31 December 2022 and are described in those annual financial statements.



# BAILLIE GIFFORD

## Baillie Gifford Sustainable Multi Asset Fund

---

a sub-fund of Baillie Gifford Investment Funds ICVC

*Interim Report and Financial Statements (Unaudited)  
for the six months ended 30 June 2023*



# Baillie Gifford Sustainable Multi Asset Fund

## Investment Objective

The Fund aims to achieve (after deduction of costs): an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate; a positive return over rolling three-year periods; and annualised volatility of returns over rolling five-year periods that is below 10%. The Fund also aims to have weighted average carbon intensity that is lower than that of the Fund's stated carbon budget. The carbon budget is set in absolute terms and will decrease at a steady annual rate of 7% per annum. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

## Investment Policy

The Fund will invest in a wide range of asset classes in any country or sector. At any one time, the Fund may be invested in any of the following: shares, bonds, money market instruments, deposits and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities, private equity, loans and insurance-linked securities. The purpose of the ACD's sustainable investment process is to ensure that the Fund invests in a way which is, in the ACD's opinion, in alignment with the Paris Climate Agreement by excluding carbon intensive companies that do not, or will not, play a role in the transition to a low-carbon future. Quantitative and qualitative assessments are applied to all assets. More information is included in the prospectus. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. The Fund will be actively managed.

## Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past

data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in a range of assets.

As returns are not available for all of the past five years we've used the Fund's sector in their place to calculate the indicator

The indicator does not take into account the following relevant material risks:

The Fund aims to limit losses in any short term period to a lower level than equities. Neither this nor positive returns are guaranteed.

The Fund's ESG investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

The Fund's measure of weighted average greenhouse gas intensity is at portfolio level. As such, the Fund may invest in single companies that are high emitters. Only those investments that have available data will be included in the calculation. Carbon data uses the methodology of only one provider and some data may be estimated.

The limitations of third party data, which may be backward looking or estimated, may impact on the Funds ability to achieve its non-financial considerations.

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.



## Baillie Gifford Sustainable Multi Asset Fund cont.

Investing in China may harm your investment due to difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

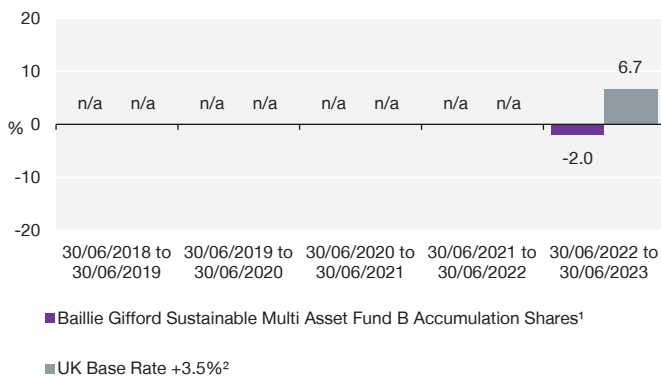
Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

For a more detailed explanation of the risks, please see the “Risk Warnings” section of the prospectus.

# Investment Report

## Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the annual management charge of 0.50%. There are not five full years of performance shown as the Fund was launched on 20 May 2022. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

## Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the UK Base Rate by at least 3.5% per annum (the 'comparator') over rolling five-year periods, with annualised volatility of returns over rolling five-year periods that is that is below 10%. The Fund also aims to achieve a positive return over rolling three-year periods. The Fund also aims to have a weighted average carbon intensity that is lower than that of the Fund's stated carbon budget. For the six months to 30 June 2023 the return on B Accumulation Shares was 0.8%<sup>3</sup> compared to the target return of 3.8%<sup>2</sup>. We fully appreciate that this is disappointing. While periods of underperformance are inevitable given our style of investment, none of us enjoy these. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. We look forward to reporting to you on more meaningful performance time periods over the years to come. The Fund's carbon footprint at 30 June 2023 was 75.8<sup>4</sup> compared to the budget of 76.9<sup>4</sup>.

## Market Environment

In recent months, markets have been oscillating between 'everything's going to be okay' and 'we're heading into a recession'. Our view remains that the most likely outcome is recessionary.

Monetary policy typically acts on the economy with a lag, the length of which is variable. The US Federal Reserve began raising policy rates in March 2022 and we are seeing clearer evidence of the impact of this tightening starting to come through. This will likely see inflation and growth fall further, not least as the effects of the later interest rate increases continue to feed through.

On a more positive note, emerging markets are generally in a better place. Growth is stronger and early action on inflation gives policymakers more room for manoeuvre than their developed market counterparts. This is despite a more sluggish Chinese economy where consumer sentiment has remained weak following a long period of harsh lockdowns.

<sup>1</sup>Source: FE, 10am dealing prices, income accumulated. <sup>2</sup>Source: Revolution and Bank of England, total return. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see disclaimer on page 113. <sup>3</sup>Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. <sup>4</sup>Source: MSCI Barra. Tonnes of Carbon Dioxide equivalent per \$ million of Enterprise Value including cash.

# Investment Report cont.

## Performance

---

Bond yield movements and various market-specific developments have resulted in contrasting fortunes for the various asset classes held.

Our emerging market debt holdings performed well. Latin American economies led the way as markets continued to gain confidence in the credibility of their institutions and, while currencies have appreciated, yields also moved tighter.

Whilst the contribution to performance of developed market government bonds was positive over the six-month period, during the second quarter of 2023, the asset class detracted as US treasury yields increased slightly, indicating the market is pricing a 'higher-for-longer' interest rate environment.

We are also exercising patience with our position in the Japanese yen. The Bank of Japan is persisting with its ultra-easy monetary policy stance while other central banks continue to raise rates. This negatively impacted the yen over the last six months as inflation continued to soar.

More positively, our increased structured finance allocation performed strongly, delivering high yields and capital appreciation as the market recovered from the banking sector's worries of March and April. With yields still well above 10%, we believe there are more returns to achieve here.

## Notable Transactions

---

Our long-term return expectations continue to show potential ten-year returns near the top of their historical range for many asset classes. In the nearer term, we expect inflation and bond yields to take a decisive step down delivering good returns for duration-sensitive investments (those influenced most by interest rate changes), albeit that those investments more sensitive to economic growth may struggle in this environment, particularly if it leads to a deeper recession.

Long-duration assets make up around one-third of the Fund and primarily comprise our investments in developed and emerging market government bonds, as well as some investment grade corporate credit.

During the period, we added investments in Canadian municipal bonds, providing attractively valued diversification to our existing US government bond positions. We also initiated an investment that will benefit from a change in one of the central policies of the Bank of Japan where we believe their commitment to yield curve control (a form of quantitative easing) will moderate in the face of higher inflation and policy tightening elsewhere.

Better value economic assets make up just less than half of the Fund. Here we have a diversified set of investments that we see as either high yielding, fundamentally cheap, or particularly resilient. These include structured finance, which we have recently added to, where we continue to earn attractive risk-adjusted yields; certain commodities such as the recent purchase of copper, whose market prices are below the marginal cost of production; and property, where we see strong demand and rental growth.

Finally, diversifying assets make up the remainder of the portfolio. These include absolute return funds, the long Japanese yen investment, insurance linked securities and cash.

Looking forward, we believe the portfolio is well positioned to be robust against the possible near-term economic outcomes while also being well-set to deliver attractive returns in the medium-term as a broad range of diversified investments deliver on their potential.

## ESG

---

The Fund has an explicit climate objective, which is to have a carbon footprint that remains within a budget that is declining at 7% per annum. Throughout the period the Fund's carbon footprint has been below the carbon budget.

## Investment Report cont.

We continue to refine the strategy and deepen our understanding of sustainable investing. We remain confident about the resilience of the portfolio, and excited about its future prospects for delivering stable and sustainable returns.

*Baillie Gifford & Co, 12 July 2023*



## Principal Holdings as at 30 June 2023

| Investment  | Percentage of total Fund |
|---|--------------------------|
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 12.06                    |
| Baillie Gifford Responsible Global Equity C Acc <sup>1</sup>                            | 5.05                     |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 3.97                     |
| Leadenhall UCITS ILS Fund   | 3.62                     |
| Baillie Gifford Global Alpha Paris-Aligned Fund C Acc <sup>1</sup>                      | 3.62                     |
| Plutus CLO Fund   | 3.08                     |
| UBS Cross Asset Trend Ex FF ETN   | 2.95                     |
| Galene Fund   | 2.73                     |
| Baillie Gifford Positive Change Fund C Acc <sup>2</sup>                                 | 2.55                     |
| Fair Oaks Senior CLO Note   | 2.46                     |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>Baillie Gifford Investment Funds ICVC cross-holding.

## Material Portfolio Changes for the six months ended 30 June 2023

| Largest Purchases   | Cost<br>£'000 | Largest Sales   | Proceeds<br>£'000 |
|---|---------------|---|-------------------|
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 24,471        | Baillie Gifford Strategic Bond Fund C Acc <sup>1</sup>  | 17,487            |
| Leadenhall UCITS ILS Fund   | 11,320        | GS Modified CSI 500 index + 8% ETN                      | 7,354             |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 8,194         | GS Modified CSI 500 index+ 7.4% ETN                     | 7,164             |
| Fair Oaks Senior CLO Note   | 7,845         | Baillie Gifford High Yield Bond Fund C Acc <sup>1</sup> | 3,248             |
| GS Modified China index + 2.85% ETN (c)   | 7,738         | GS Strategic Dividend Fund - I-23                       | 3,174             |
| WisdomTree Aluminium ETC (c)  | 7,513         | Baillie Gifford Positive Change Fund C Acc <sup>2</sup> | 2,152             |
| GS Modified CSI 500 index+ 7.4% ETN   | 7,354         | SG Eureka ETN   | 1,900             |
| Baillie Gifford High Yield Bond Fund C Acc <sup>1</sup>                                 | 7,058         | US TREASURY 2.375% 15/05/2051                           | 1,705             |
| Baillie Gifford Responsible Global Equity C Acc <sup>1</sup>                            | 6,590         | Citigroup Volatility Carry ETN                          | 1,657             |
| Citigroup US Steepener ETN (c)  | 5,852         | GS Strategic Dividend Fund - I-24                       | 1,505             |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>Baillie Gifford Investment Funds ICVC cross-holding.

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

# Portfolio Statement as at 30 June 2023

| Stock description   | Holding    | Market value £'000 | % of total net assets |
|---|------------|--------------------|-----------------------|
| <b>Absolute Return - 2.95% (4.78%)</b>  |            |                    |                       |
| UBS Cross Asset Trend Ex FF ETN   | 11,550     | 9,161              | 2.95                  |
| <b>Commodities - 4.18% (0.88%)</b>  |            |                    |                       |
| Lynas Corporation   | 239,032    | 856                | 0.27                  |
| MP Materials  | 82,328     | 1,481              | 0.48                  |
| WisdomTree Aluminium ETC (c)  | 2,853,000  | 6,499              | 2.09                  |
| WisdomTree Copper ETC (c)   | 159,240    | 4,178              | 1.34                  |
| <b>Emerging Market Bonds Hard Currency - 5.14% (3.11%)</b>                              |            |                    |                       |
| Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund C Acc USD <sup>1</sup> | 1,590,844  | 12,349             | 3.97                  |
| Ukraine 1.258% 31/05/2041 (USD)   | 11,834,000 | 3,630              | 1.17                  |
| <b>Emerging Market Bonds Local Currency - 12.06% (6.58%)</b>                            |            |                    |                       |
| Baillie Gifford Emerging Markets Bond Fund C Acc <sup>1</sup>                           | 18,840,994 | 37,493             | 12.06                 |
| <b>Government Bonds - 10.03% (9.66%)</b>  |            |                    |                       |
| Australia 1.75% 21/06/2051  | 20,169,000 | 6,140              | 1.98                  |
| Australia 3% 21/03/2047   | 14,954,000 | 6,267              | 2.02                  |
| Canada Housing Trust No.1 3.65% 15/06/2033  | 2,600,000  | 1,539              | 0.49                  |
| Citigroup US Steepener ETN (c)  | 613        | 3,575              | 1.15                  |
| Province of Ontario 5.85% 08/03/2033  | 4,400,000  | 2,994              | 0.96                  |
| Province of Quebec 3.25% 01/09/2032   | 2,700,000  | 1,516              | 0.49                  |
| US Treasury 2.25% 15/02/2052  | 5,390,000  | 3,058              | 0.98                  |
| US Treasury 2.875% 15/05/2052   | 4,700,000  | 3,059              | 0.98                  |
| US Treasury 3% 15/08/2052   | 4,550,000  | 3,038              | 0.98                  |
| <b>High Yield Credit - 6.86% (7.30%)</b>  |            |                    |                       |
| Aegea 6.75% 2029  | 400,000    | 287                | 0.09                  |
| AIA 3.2% 2040   | 800,000    | 482                | 0.15                  |
| Antofagasta 5.625% 2032   | 600,000    | 469                | 0.15                  |
| Ares Capital Corp   | 171,126    | 2,528              | 0.81                  |
| Aydem Yenilenebilir Enerji 7.75% 2027   | 600,000    | 398                | 0.13                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                                       | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Baillie Gifford High Yield Bond Fund C Acc <sup>1</sup> | 1,901,661 | 7,152              | 2.30                  |
| Banco Mercantil De Norte 6.75% Perp                     | 600,000   | 452                | 0.14                  |
| CMI Energia 6.25% 2029                                  | 400,000   | 294                | 0.09                  |
| DP World 6% 01/10/2025 Perp                             | 800,000   | 623                | 0.20                  |
| Energio - Pro 8.5% 2027                                 | 600,000   | 447                | 0.14                  |
| GEMS Education 7.125% 2026                              | 600,000   | 457                | 0.15                  |
| Golub Capital BDC Inc                                   | 122,100   | 1,295              | 0.42                  |
| Greenko Energy 3.85% 2026                               | 600,000   | 397                | 0.13                  |
| Grupo Aval 4.375% 2030                                  | 600,000   | 370                | 0.12                  |
| HDFC 3.7% Perp  | 600,000   | 409                | 0.13                  |
| IHS Hdg 5.625% 2026                                     | 600,000   | 411                | 0.13                  |
| Liquid Telecommunications Financing 5.5% 2026           | 200,000   | 87                 | 0.03                  |
| MAF Global Securities 6.375% 2026 Perp                  | 600,000   | 457                | 0.15                  |
| Meituan 3.05% 2030                                      | 800,000   | 498                | 0.16                  |
| Sequoia Economic Infrastructure Income Fund             | 1,644,580 | 1,263              | 0.41                  |
| Shriram Finance 4.4% 2024                               | 600,000   | 461                | 0.15                  |
| Sitios Latinoamerica 5.375% 2032                        | 600,000   | 427                | 0.14                  |
| Sixth Street Specialty Lending                          | 79,500    | 1,169              | 0.38                  |
| Sweihan 3.625% 2049                                     | 600,000   | 370                | 0.12                  |
| Total Play Telecom 7.5% 2025                            | 200,000   | 112                | 0.04                  |
| <b>Infrastructure - 8.88% (11.89%)</b>                  |           |                    |                       |
| 3i Infrastructure                                       | 830,886   | 2,597              | 0.84                  |
| Brookfield Renewable                                    | 77,835    | 1,929              | 0.62                  |
| China Yangtze Power                                     | 379,800   | 907                | 0.29                  |
| Consolidated Edison                                     | 21,634    | 1,537              | 0.49                  |
| EDP Renovaveis  | 135,334   | 2,124              | 0.68                  |
| Eversource Energy                                       | 24,583    | 1,371              | 0.44                  |
| Greencoat UK Wind                                       | 2,566,443 | 3,698              | 1.19                  |
| Hydro One   | 84,486    | 1,898              | 0.61                  |
| Iberdrola SA  | 164,438   | 1,686              | 0.54                  |
| Octopus Renewables Infrastructure                       | 2,636,909 | 2,439              | 0.79                  |
| Orsted  | 27,827    | 2,074              | 0.67                  |
| Red Eléctrica Corporación                               | 6,051     | 80                 | 0.03                  |
| Renewables Infrastructure Group                         | 2,286,687 | 2,625              | 0.84                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description  | Holding    | Market value £'000 | % of total net assets |
|--|------------|--------------------|-----------------------|
| Terna  | 295,066    | 1,972              | 0.63                  |
| Xinyi Energy   | 2,654,000  | 682                | 0.22                  |
| <b>Insurance Linked - 5.76% (2.64%)</b>                            |            |                    |                       |
| Catahoula Re 2022-1 A (144A) <sup>2</sup>                          | 980,000    | 729                | 0.23                  |
| Catahoula Re 2022-1 B (144A) <sup>2</sup>                          | 470,000    | 358                | 0.11                  |
| Hestia Re 2022-1 A <sup>2</sup>                                    | 830,000    | 558                | 0.18                  |
| Leadenhall UCITS ILS Fund  | 106,191    | 11,254             | 3.62                  |
| MetroCat 2023-1 Class A <sup>2</sup>                               | 1,000,000  | 770                | 0.25                  |
| Montoya 2022-2 Class A <sup>2</sup>                                | 500,000    | 419                | 0.13                  |
| Mystic Re IV 2022 A (144A) <sup>2</sup>                            | 1,000,000  | 778                | 0.25                  |
| Sanders Re III 2022-1 B <sup>2</sup>                               | 835,000    | 579                | 0.19                  |
| Torrey Pines Re 2023 A (144A) <sup>2</sup>                         | 450,000    | 358                | 0.12                  |
| Ursa Re II 2022 AA (144A) <sup>2</sup>                             | 560,000    | 459                | 0.15                  |
| Ursa Re II 2022 C (144A) <sup>2</sup>                              | 1,040,000  | 865                | 0.28                  |
| Vitality Re XIV 2023 B (144A) <sup>2</sup>                         | 1,000,000  | 786                | 0.25                  |
| <b>Investment Grade Credit - 0.13% (7.14%)</b>                     |            |                    |                       |
| Corporacion Inmobiliaria 3.625% 2031                               | 600,000    | 393                | 0.13                  |
| <b>Listed Equities - 17.41% (18.74%)</b>                           |            |                    |                       |
| Baillie Gifford Global Alpha Paris-Aligned Fund C Acc <sup>1</sup> | 13,172,869 | 11,236             | 3.62                  |
| Baillie Gifford Positive Change Fund C Acc <sup>3</sup>            | 2,970,731  | 7,929              | 2.55                  |
| Baillie Gifford Responsible Global Equity C Acc <sup>1</sup>       | 8,834,719  | 15,699             | 5.05                  |
| Barclays Modified CSI 500 +5% ETN (c)                              | 5,010      | 3,530              | 1.14                  |
| Citigroup Volatility Carry ETN                                     | 272        | 2,027              | 0.65                  |
| GS Modified China index + 2.85% ETN (c)                            | 9,610,000  | 7,256              | 2.33                  |
| GS Strategic Dividend 23 ETN (c)                                   | 4,457,980  | 3,959              | 1.27                  |
| GS Strategic Dividend 24 ETN (c)                                   | 2,745,810  | 2,351              | 0.76                  |
| GS Strategic Dividend 25 ETN (c)                                   | 146,770    | 127                | 0.04                  |
| <b>Property - 8.39% (4.63%)</b>                                    |            |                    |                       |
| American Tower Corp REIT   | 13,142     | 2,004              | 0.64                  |
| Ctp N.V.   | 277,605    | 2,830              | 0.91                  |
| LondonMetric Property  | 1,161,880  | 1,921              | 0.62                  |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                             | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Prologis Inc REIT                             | 48,007    | 4,629              | 1.49                  |
| Rexford Industrial Realty REIT                | 108,865   | 4,470              | 1.44                  |
| Segro Plc                                     | 624,576   | 4,476              | 1.44                  |
| Target Healthcare REIT Plc                    | 2,066,343 | 1,481              | 0.48                  |
| Unite Group                                   | 157,377   | 1,367              | 0.44                  |
| Warehouses De Pauw                            | 135,325   | 2,910              | 0.93                  |
| <b>Structured Finance - 11.59% (7.98%)</b>    |           |                    |                       |
| Accunia European CLO Fund                     | 43,212    | 4,540              | 1.46                  |
| Fair Oaks Senior CLO Note <sup>2</sup>        | 89,157    | 7,640              | 2.46                  |
| Galene Fund                                   | 51,776    | 8,486              | 2.73                  |
| HSBC Global Asset Backed High Yield Bond Fund | 376,455   | 3,842              | 1.23                  |
| Plutus CLO Fund                               | 104,410   | 9,576              | 3.08                  |
| TwentyFour Income Fund                        | 1,969,500 | 1,952              | 0.63                  |
| <b>Derivatives - 0.51% (0.40%)</b>            |           |                    |                       |
| Forward currency contracts (see Table 1)      |           | 1,786              | 0.58                  |
| Futures contracts (see Table 2)               |           | -                  | 0.00                  |
| Interest Rate Swap Contracts (see Table 3)    |           | (212)              | (0.07)                |

## Portfolio Statement as at 30 June 2023 cont.

| Stock description                       | Holding   | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| <b>Portfolio of investments</b>         |           | <b>291,885</b>     | <b>93.89</b>          |
| <b>Cash Equivalents - 2.20% (4.72%)</b> |           |                    |                       |
| UK T Bill 03/07/2023                    | 1,900,000 | 1,899              | 0.61                  |
| UK T Bill 07/08/2023                    | 2,500,000 | 2,487              | 0.80                  |
| UK T Bill 11/12/2023                    | 2,500,000 | 2,439              | 0.79                  |
| <b>Other Assets - 3.91% (9.55%)</b>     |           | <b>12,163</b>      | <b>3.91</b>           |
| <b>Net assets</b>                       |           | <b>310,873</b>     | <b>100.00</b>         |

<sup>1</sup>Baillie Gifford Investment Funds ICVC related party.

<sup>2</sup>This stock has been valued using a single broker quote.

<sup>3</sup>Baillie Gifford Investment Funds ICVC cross-holding.

Please note: figures are based on market values rather than economic exposure.

All investments are listed on recognised stock exchanges or are fixed interest securities and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets in the investment category headings refer to 31 December 2022.

## Portfolio Statement as at 30 June 2023 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

| Counterparty    | Settlement | Buy | Buy Amount    | Sell | Sell Amount   | Unrealised gains/(losses) £'000 | % of total net assets |
|-----------------|------------|-----|---------------|------|---------------|---------------------------------|-----------------------|
| Barclays        | 12/07/23   | GBP | 12,233,004    | USD  | 15,330,575    | 176                             | 0.06                  |
| Barclays        | 26/07/23   | GBP | 13,983,907    | USD  | 17,406,500    | 295                             | 0.10                  |
| Barclays        | 09/08/23   | GBP | 369,026       | EUR  | 430,000       | (1)                             | 0.00                  |
| Barclays        | 09/08/23   | GBP | 6,384,786     | USD  | 8,050,000     | 54                              | 0.02                  |
| Barclays        | 23/08/23   | GBP | 7,384,466     | EUR  | 8,615,000     | (27)                            | (0.01)                |
| Barclays        | 23/08/23   | GBP | 9,318,683     | USD  | 11,866,000    | (13)                            | 0.00                  |
| Barclays        | 09/11/23   | GBP | 2,952,364     | CNH  | 25,800,000    | 131                             | 0.04                  |
| Citigroup       | 12/07/23   | GBP | 1,111,675     | EUR  | 1,267,775     | 23                              | 0.01                  |
| Citigroup       | 13/07/23   | EUR | 4,180,000     | GBP  | 3,604,672     | (16)                            | 0.00                  |
| Citigroup       | 13/07/23   | GBP | 5,716,758     | CHF  | 6,457,000     | 32                              | 0.01                  |
| Citigroup       | 26/07/23   | GBP | 2,631,041     | EUR  | 3,019,450     | 37                              | 0.01                  |
| Citigroup       | 26/07/23   | GBP | 6,957,208     | USD  | 8,660,000     | 147                             | 0.05                  |
| Citigroup       | 09/08/23   | GBP | 5,293,364     | USD  | 6,673,925     | 45                              | 0.01                  |
| Citigroup       | 23/08/23   | GBP | 1,382,412     | EUR  | 1,612,775     | (5)                             | 0.00                  |
| Citigroup       | 21/09/23   | GBP | 3,094,495     | CLP  | 3,200,000,000 | (13)                            | 0.00                  |
| Deutsche Bank   | 26/07/23   | GBP | 10,578,362    | EUR  | 12,140,000    | 148                             | 0.05                  |
| Goldman Sachs   | 13/07/23   | GBP | 7,193,195     | AUD  | 13,430,000    | 159                             | 0.05                  |
| Goldman Sachs   | 13/07/23   | GBP | 1,118,811     | NZD  | 2,300,000     | 11                              | 0.00                  |
| Goldman Sachs   | 26/07/23   | GBP | 5,147,584     | EUR  | 5,907,500     | 72                              | 0.02                  |
| Goldman Sachs   | 26/07/23   | GBP | 3,443,657     | USD  | 4,286,500     | 73                              | 0.02                  |
| Goldman Sachs   | 09/08/23   | GBP | 1,896,624     | EUR  | 2,210,000     | (3)                             | 0.00                  |
| Goldman Sachs   | 09/08/23   | GBP | 3,807,811     | USD  | 4,800,925     | 32                              | 0.01                  |
| Goldman Sachs   | 23/08/23   | GBP | 6,887,313     | USD  | 8,770,000     | (9)                             | 0.00                  |
| Goldman Sachs   | 12/10/23   | GBP | 4,643,155     | TWD  | 174,000,000   | 217                             | 0.07                  |
| HSBC            | 13/07/23   | EUR | 3,070,000     | GBP  | 2,647,451     | (11)                            | 0.00                  |
| HSBC            | 26/07/23   | GBP | 2,326,542     | EUR  | 2,670,000     | 33                              | 0.01                  |
| HSBC            | 26/07/23   | JPY | 429,250,000   | GBP  | 2,513,918     | (169)                           | (0.05)                |
| HSBC            | 27/07/23   | JPY | 181,000,000   | GBP  | 1,089,362     | (100)                           | (0.03)                |
| HSBC            | 09/08/23   | GBP | 3,544,371     | EUR  | 4,130,000     | (6)                             | 0.00                  |
| HSBC            | 09/08/23   | GBP | 8,524,919     | USD  | 10,748,300    | 72                              | 0.02                  |
| HSBC            | 09/11/23   | GBP | 217,422       | CNH  | 1,900,000     | 10                              | 0.00                  |
| HSBC            | 28/09/23   | BRL | 1,300,000     | GBP  | 207,494       | 1                               | 0.00                  |
| JP Morgan Chase | 12/07/23   | GBP | 7,856,762     | EUR  | 8,960,000     | 164                             | 0.05                  |
| JP Morgan Chase | 12/07/23   | GBP | 1,500,143     | USD  | 1,880,000     | 22                              | 0.01                  |
| JP Morgan Chase | 12/07/23   | JPY | 1,394,750,000 | GBP  | 8,226,544     | (622)                           | (0.20)                |



## Portfolio Statement as at 30 June 2023 cont.

| Counterparty   | Settlement | Buy | Buy Amount  | Sell | Sell Amount | Unrealised gains/(losses) £'000 | % of total net assets |
|--|------------|-----|-------------|------|-------------|---------------------------------|-----------------------|
| JP Morgan Chase  | 13/07/23   | GBP | 7,242,231   | CHF  | 8,180,000   | 41                              | 0.01                  |
| JP Morgan Chase  | 26/07/23   | JPY | 47,500,000  | GBP  | 278,185     | (19)                            | (0.01)                |
| JP Morgan Chase  | 27/07/23   | GBP | 3,098,390   | USD  | 3,846,000   | 74                              | 0.02                  |
| JP Morgan Chase  | 27/07/23   | JPY | 345,000,000 | GBP  | 2,076,409   | (191)                           | (0.06)                |
| JP Morgan Chase  | 09/08/23   | JPY | 716,750,000 | GBP  | 4,129,253   | (205)                           | (0.07)                |
| JP Morgan Chase  | 23/08/23   | GBP | 5,787,856   | USD  | 7,370,000   | (8)                             | 0.00                  |
| JP Morgan Chase  | 23/08/23   | JPY | 429,250,000 | GBP  | 2,375,327   | (20)                            | (0.01)                |
| JP Morgan Chase  | 28/09/23   | BRL | 12,830,000  | GBP  | 2,047,801   | 11                              | 0.00                  |
| Merrill Lynch  | 27/07/23   | THB | 198,500,000 | GBP  | 4,665,252   | (250)                           | (0.08)                |
| Merrill Lynch  | 09/08/23   | GBP | 1,951,206   | EUR  | 2,273,600   | (4)                             | 0.00                  |
| Merrill Lynch  | 14/09/23   | PLN | 16,400,000  | GBP  | 3,145,227   | 18                              | 0.01                  |
| Merrill Lynch  | 12/07/23   | GBP | 28,207,467  | USD  | 35,350,000  | 405                             | 0.13                  |
| National Australia Bank                                      | 13/07/23   | GBP | 24,096,937  | AUD  | 44,990,000  | 534                             | 0.17                  |
| National Australia Bank                                      | 13/07/23   | GBP | 4,840,074   | NZD  | 9,950,000   | 46                              | 0.02                  |
| Royal Bank of Canada   | 13/07/23   | GBP | 8,677,057   | CAD  | 14,526,000  | 42                              | 0.01                  |
| Royal Bank of Canada   | 26/07/23   | GBP | 5,077,316   | USD  | 6,320,000   | 107                             | 0.03                  |
| Royal Bank of Canada   | 09/08/23   | GBP | 2,132,630   | EUR  | 2,485,000   | (4)                             | 0.00                  |
| Royal Bank of Scotland                                       | 12/07/23   | GBP | 7,231,365   | USD  | 9,062,450   | 104                             | 0.03                  |
| Royal Bank of Scotland                                       | 26/07/23   | GBP | 1,724,560   | USD  | 2,146,650   | 36                              | 0.01                  |
| Royal Bank of Scotland                                       | 27/07/23   | GBP | 3,166,061   | USD  | 3,930,000   | 75                              | 0.02                  |
| Royal Bank of Scotland                                       | 09/08/23   | GBP | 4,145,293   | USD  | 5,226,425   | 35                              | 0.01                  |
| Unrealised gains/(losses) on open forward currency contracts |            |     |             |      |             | 1,786                           | 0.58                  |

Table 2: Unrealised gains/(losses) on futures contracts

| Futures  | Maturity | Notional | Unrealised gains/(losses) £'000 | % of total net assets |
|--|----------|----------|---------------------------------|-----------------------|
| Euro Stoxx 50 Future September 2023            | 15/09/23 | (191)    | -                               | 0.00                  |
| S&P 500 Emini Index Future September 2023      | 15/09/23 | (41)     | -                               | 0.00                  |
| US Ultra Long (CBT) September 2023             | 20/09/23 | 113      | -                               | 0.00                  |
| Unrealised gains/(losses) on futures contracts |          |          | -                               | 0.00                  |

## Portfolio Statement as at 30 June 2023 cont.

**Table 3: Unrealised gains/(losses) on open interest rate swap contracts**

| Counterparty   | Ccy | Termination | Notional      | Fund pays | Fund receives                                  | Unrealised gains/(losses) £'000 | % of total net assets |
|--|-----|-------------|---------------|-----------|--|---------------------------------|-----------------------|
| Barclays Bank Plc  | JPY | 19/06/30    | 2,202,964,652 | 0.431%    | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (50)                            | (0.02)                |
| Barclays Bank Plc  | JPY | 20/06/30    | 5,847,035,348 | 0.44375%  | MUTAN<br>Uncollaterised<br>Overnight Call Rate | (162)                           | (0.05)                |
| Unrealised gains/(losses) on open interest rate swap contracts |     |             |               |           |  | (212)                           | (0.07)                |

**Breakdown of portfolio of investments**

|                                 | 30 June 2023          |                             | 31 December 2022      |                             |
|---------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
|                                 | Market value<br>£'000 | Percentage of<br>total Fund | Market value<br>£'000 | Percentage of<br>total Fund |
| Bonds - Direct                  | 58,937                | 18.96                       | 38,212                | 20.75                       |
| Bonds - Indirect                | 86,539                | 27.84                       | 52,387                | 28.44                       |
| Commodities - Indirect          | 13,014                | 4.19                        | 1,622                 | 0.88                        |
| Derivatives                     | 1,574                 | 0.51                        | 725                   | 0.39                        |
| Equities - Direct               | 32,610                | 10.49                       | 21,894                | 11.89                       |
| Equities - Indirect             | 73,123                | 23.52                       | 34,512                | 18.74                       |
| Property - Indirect             | 26,088                | 8.39                        | 8,529                 | 4.63                        |
| <b>Portfolio of investments</b> | <b>291,885</b>        | <b>93.89</b>                | <b>157,881</b>        | <b>85.73</b>                |

Investments are categorised based on underlying asset class.

# Fund Information

| Fund and Share Information                              | 30.06.23                      | 31.12.22                      |
|---|-------------------------------|-------------------------------|
| <b>Total net asset value of scheme property (£'000)</b> | 310,873                       | 184,170                       |
| <b>Synthetic Risk and Reward Indicator<sup>1</sup></b>  | 4                             | 4                             |
| <b>Net asset value per share (pence)</b>                |                               |                               |
| B Accumulation <sup>2</sup>                             | 94.44                         | 92.50                         |
| B Income <sup>2</sup>                                   | 93.02                         | 91.49                         |
| C Accumulation <sup>2</sup>                             | 94.82                         | 92.67                         |
| C Income <sup>2</sup>                                   | 93.07                         | 91.45                         |
| <b>Number of shares in issue</b>                        |                               |                               |
| B Accumulation <sup>2</sup>                             | 93,611,623                    | 3,890,306                     |
| B Income <sup>2</sup>                                   | 14,091                        | 1,000                         |
| C Accumulation <sup>2</sup>                             | 234,590,987                   | 194,860,978                   |
| C Income <sup>2</sup>                                   | 1,000                         | 1,000                         |
| Annual Income Record                                    | Period to 30.06.23<br>(pence) | Period to 31.12.22<br>(pence) |
| <b>Income per share (financial period)</b>              |                               |                               |
| B Accumulation <sup>2</sup>                             | 0.40                          | 1.04                          |
| B Income <sup>2</sup>                                   | 0.40                          | 0.98                          |
| C Accumulation <sup>2</sup>                             | 0.50                          | 1.22                          |
| C Income <sup>2</sup>                                   | 0.50                          | 1.21                          |
| Yearly Highest and Lowest Prices                        | Period to 30.06.23<br>(pence) | Period to 31.12.22<br>(pence) |
| <b>Highest (financial period)</b>                       |                               |                               |
| B Accumulation <sup>2</sup>                             | 97.64                         | 101.2                         |
| B Income <sup>2</sup>                                   | 96.57                         | 101.2                         |
| C Accumulation <sup>2</sup>                             | 97.87                         | 101.2                         |
| C Income <sup>2</sup>                                   | 96.58                         | 101.2                         |
| <b>Lowest (financial period)</b>                        |                               |                               |
| B Accumulation <sup>2</sup>                             | 93.10                         | 89.80                         |
| B Income <sup>2</sup>                                   | 92.05                         | 89.79                         |
| C Accumulation <sup>2</sup>                             | 93.39                         | 89.98                         |
| C Income <sup>2</sup>                                   | 92.03                         | 89.89                         |

## Fund Information cont.

| Ongoing Charges Figures                    | 30.06.23<br>(%)   | 31.12.22<br>(%)   |
|--|-------------------|-------------------|
| <b>Ongoing Charges Figures<sup>3</sup></b> |                   |                   |
| B Accumulation <sup>2</sup>                | 0.72 <sup>5</sup> | 0.71 <sup>4</sup> |
| B Income <sup>2</sup>                      | 0.73 <sup>5</sup> | 0.71 <sup>4</sup> |
| C Accumulation <sup>2</sup>                | 0.23 <sup>5</sup> | 0.21 <sup>4</sup> |
| C Income <sup>2</sup>                      | 0.23 <sup>5</sup> | 0.22 <sup>4</sup> |

<sup>1</sup>The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

<sup>2</sup>The Fund launched on 20 May 2022.

<sup>3</sup>The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

<sup>4</sup>Changes to methodology in the Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022) were effective from 30 June 2022 and have resulted in increased ongoing charges figures for the Fund. Ongoing charges disclosures now include indirect fees associated with holding closed-ended investment companies. This does not necessarily mean that fund expenses have increased, rather that a new way of showing them has been introduced. As at 31 December 2022, the ongoing charges figure includes 0.13% of indirect fees associated with holding closed-ended investment funds.

<sup>5</sup>As at 30 June 2023, the ongoing charges figure includes 0.12% of indirect fees associated with holding closed-ended investment funds.

You should be aware that past performance is not a guide to future performance.

## Interim Financial Statements (Unaudited)

### Statement of Total Return for the six months ended 30 June 2023

|   | 30 June 2023 |              | 30 June 2022 |                |
|---|--------------|--------------|--------------|----------------|
|   | £'000        | £'000        | £'000        | £'000          |
| Income  |              |              |              |                |
| Net capital gains/(losses)  |              | (410)        |              | (7,805)        |
| Revenue   | 3,427        |              | 523          |                |
| Expenses  | (75)         |              | -            |                |
| Net revenue before taxation   | 3,352        |              | 523          |                |
| Taxation  | (505)        |              | (39)         |                |
| Net revenue after taxation  |              | 2,847        |              | 484            |
| Total return before distributions   |              | 2,437        |              | (7,321)        |
| Distributions   |              | (798)        |              | (168)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |              | <b>1,639</b> |              | <b>(7,489)</b> |

### Statement of Change in Net Assets Attributable to Shareholders for the six months ended 30 June 2023

|  | 30 June 2023 |                | 30 June 2022 |                |
|--|--------------|----------------|--------------|----------------|
|  | £'000        | £'000          | £'000        | £'000          |
| <b>Opening net assets attributable to shareholders</b>                       |              | <b>184,170</b> |              | -              |
| Amounts receivable on issue of shares  | 125,411      |                | 173,624      |                |
| Amounts payable on cancellation of shares                                    | (2,246)      |                | (171)        |                |
|  |              | 123,165        |              | 173,453        |
| Dilution adjustment  |              | 352            |              | 17             |
| Change in net assets attributable to shareholders from investment activities |              | 1,639          |              | (7,489)        |
| Retained distributions on accumulation shares                                |              | 1,547          |              | 174            |
| <b>Closing net assets attributable to shareholders</b>                       |              | <b>310,873</b> |              | <b>166,155</b> |

## Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 30 June 2023

|  | 30 June 2023<br>£'000 | 31 December 2022<br>£'000 |
|--|-----------------------|---------------------------|
| <b>Assets:</b>                                 |                       |                           |
| Fixed assets:                                  |                       |                           |
| Investments                                    | 293,793               | 159,618                   |
| Current assets:                                |                       |                           |
| Debtors  | 4,525                 | 1,561                     |
| Cash and bank balances                         | 11,190                | 18,331                    |
| Cash equivalents                               | 6,825                 | 8,693                     |
| <b>Total assets</b>                            | <b>316,333</b>        | <b>188,203</b>            |
| <b>Liabilities:</b>                            |                       |                           |
| Investment liabilities                         | (1,908)               | (1,737)                   |
| Creditors:                                     |                       |                           |
| Bank overdrafts                                | (466)                 | (252)                     |
| Other creditors                                | (3,086)               | (2,044)                   |
| <b>Total liabilities</b>                       | <b>(5,460)</b>        | <b>(4,033)</b>            |
| <b>Net assets attributable to shareholders</b> | <b>310,873</b>        | <b>184,170</b>            |

### Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

## General Information

### Dilution Adjustment

A sub-fund suffers dilution (reduction) in the value of the Scheme Property attributable to it because the actual costs of buying or selling investments for the sub-fund deviate from the mid-market values generally used in calculating the price of shares in the sub-fund. Such deviation may occur as a result of the costs (which may include dealing charges and taxes) incurred in dealing in such investments and of any spread between the buying and selling prices of such investments. It is not possible to predict accurately whether dilution is likely to occur.

The COLL Rules allow the cost of dilution to be (1) met directly from the Scheme Property attributable to the sub-fund or (2) addressed by the imposition on investors of a dilution levy on the issue by the Company, subscriptions facilitated by the ACD, cancellation by the Company or redemption by the ACD of shares in the sub-fund or (3) dealt with by means of a dilution adjustment, which is the policy which has been adopted by the ACD in relation to the sub-funds of the Company. With a view to mitigating the effects of dilution, the ACD therefore reserves the right, at its sole discretion, to make a dilution adjustment in the calculation of the dealing price, and thereby swing the dealing price, of shares in any sub-fund of the Company if in its opinion the existing shareholders (for net redemptions of shares) or remaining shareholders (for net redemptions of shares) might otherwise be adversely affected. By 'purchases' of shares we mean issues by the Company and sales by the ACD and by 'redemptions' of shares we mean cancellations by the Company and redemptions by the ACD.

The COLL Rules acknowledge that the need to make a dilution adjustment may depend on the volume of purchases of shares or redemptions of shares. Accordingly, the ACD reserves the right at its sole discretion to impose a dilution adjustment in the following circumstances:

- (a) If the sub-fund is experiencing steady decline (net outflow of investment).
- (b) If the sub-fund is experiencing steady growth (net inflow of investment).

- (c) If the sub-fund is experiencing large levels of net purchases or net redemptions relative to its size.
- (d) Where the sub-fund experiences net purchases or net redemptions on any Dealing Day exceeding a particular value or a particular percentage of the value of the sub-fund.
- (e) In any other circumstances where the ACD believes it will be in the interests of shareholders to make a dilution adjustment.

The ACD is currently of the opinion that it is in the best interests of shareholders in the Company to make a dilution adjustment whenever dealings in the shares of any sub-fund result in shares in that sub-fund being issued or cancelled by the Company. The ACD believes that this policy should result in no significant dilution occurring. The adjustment will take account of any spread between the buying and selling prices of the relevant sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's investments results in significant movement in the prices of these investments the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a sub-fund. The ACD has thresholds for the sub-funds for daily net inflows or outflows of cash into or out of the sub-funds. Above these thresholds, which vary by sub-fund and according to market conditions, the ACD will increase the dilution adjustment to reflect the increased dealing costs incurred by the sub-funds as a result of larger inflows and outflows. A consequence of this policy is, however, that smaller transactions made on any day that the relevant threshold is exceeded will also trade at the price incorporating the higher adjustment and this may lead to increased dealing costs. Whether an adjustment may be necessary will depend upon the net movement into or out of a sub-fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

## General Information cont.

### **Dilution Adjustment cont.**

---

On any Dealing Day when the Company neither issues nor cancels shares in a sub-fund the price of shares in that sub-fund will not contain any dilution adjustment.

This policy to swing the dealing price will be subject to regular review and may change. The ACD's decision on whether or not to make a dilution adjustment, and on what level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the relevant sub-fund and decrease the dealing price when there are net outflows. The dealing price of each class of share in a sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of shares of each class identically.

On the occasions when no dilution adjustment is made there may be an adverse impact on the value of the Scheme Property attributable to the relevant sub-fund.

### **Stamp Duty Reserve Tax ('SDRT')**

---

Generally, there will be no charge to SDRT when shareholders surrender or redeem shares. However, where the redemption is satisfied by a non-pro rata in-specie redemption, then a charge to SDRT may apply.

### **Taxation Reporting**

---

In order to fulfil its legal obligations, the ACD is required to collect and report certain information about shareholders (and in some circumstances the shareholder's controlling persons), including their identity, tax residency, tax status and financial information relating to their shareholding. Shareholders must provide the ACD with any information required to meet these obligations, and may also be asked to provide self-certifications and tax reference numbers or the equivalent. The ACD reserves the right to refuse an

application for shares or a transfer of shares until it receives a declaration as to the shareholder's tax residency or status in the form prescribed by the ACD.

The ACD is also required to provide to HMRC certain information regarding shareholders, payments made to shareholders and proceeds arising on the disposal of shares, and HMRC may pass such information on to the tax authorities of another jurisdiction.

### **Share Classes**

---

The net asset value of each sub-fund, the net asset value per share, and the number of shares in each class are shown in the Fund Information sections of the relevant sub-funds. In each sub-fund all share classes have the same rights on winding up.

With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Class J Shares are only available to persons who has, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.

Class P Shares are available to persons who: (i) are considered by the ACD to be institutional pension platforms and who have a relevant agreement with the ACD or an associate of the ACD; or (ii) are otherwise considered appropriate by the ACD at its sole discretion.

The minimum lump sum investment amounts are shown in the table on page 116.



## General Information cont.

### Equalisation

---

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 shares. Shares purchased during any previous distribution period are called Group 1 shares. Group 2 shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the relevant sub-fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the shareholders of Group 2 shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

An 'income equalisation-like' mechanism will be operated by the ACD for conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those converting their shares and other shareholders in the affected classes.

### Fund Charges and Costs

---

For further details on the costs associated with investing in the sub-funds of the ICVC, please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website [www.bailliegifford.com](http://www.bailliegifford.com).

### Conflicts of Interest

---

From time to time, there may be situations that give rise to a material interest or conflict of interest. Such interests can arise between the interests of the ACD, the Investment Adviser, other persons associated with them and the interests of the sub-funds and their shareholders. A material interest or a conflict of interest can also arise between the interests of different shareholders. In such circumstances the ACD will put in place effective

organisational and administrative arrangements to manage and monitor the material interest or conflict of interest in a way that ensures shareholders are treated fairly, or where it is impractical to manage the conflict, it will be disclosed.

The ACD, the Investment Adviser and other associated persons may, from time to time, act as authorised corporate directors, investment managers or advisers to other persons, companies or funds which follow similar investment objectives to the sub-funds. It is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or a particular sub-fund. Each of the ACD and the Investment Adviser will, however, have regard in such event to, amongst other things, its obligation to act in the best interest of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment where potential conflicts of interest may arise. The Depositary may, from time to time, act as the depositary or trustee of other companies or funds.

Full details of the ACD's conflicts of interest policy can be inspected at the offices of the ACD at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN during normal business hours.

### Third Party Data Provider Disclaimers

---

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

## General Information cont.

### **Third Party Data Provider Disclaimers cont.**

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

#### **MSCI Data**

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information 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. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information.

Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

#### **FTSE Russell Index Data**

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell ®, is/are a trade mark(s) of the relevant

LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

#### **MSCI Barra**

Barra, LLC's analytics and data (www.msci.com) were used in the preparation of this report. Copyright 2022 BARRA, LLC. All Rights Reserved. Barra reserves the right to restrict the Client's publication or distribution of such research and reports to other entities if, in Barra's judgment, Barra or any of its Vendors may be foregoing the opportunity for direct revenues from those entities.

### **Taskforce on Climate-related Financial Disclosures**

Following the adoption of the Taskforce on Climate-related Financial Disclosures' ('TCFD') recommendations into the FCA's ESG sourcebook, Baillie Gifford & Co Limited is required to publish its 'TCFD entity report' by 30 June each year, detailing how in its role as ACD it takes climate-related matters into account in managing investments on behalf of clients and consumers. The regulations also require the ACD to prepare a TCFD product report for each sub-fund on how climate-related matters are taken into account within the sub-fund, including a core set of climate-related metrics. The reports must be made available on the ACD's website and a clear and prominent signpost to the product report for each authorised sub-fund must be included within each set of annual and interim financial statements. The ACD has chosen a reference period covering 12 months up to 31 December and will publish the reports by the 30 June each year. The latest

## General Information cont.

### **Taskforce on Climate-related Financial Disclosures cont.**

---

product reports covering the period up to 31 December 2022 was available in the website via the link:[Literature/Individual Investors/Baillie Gifford](#)

## General Information cont.

### Minimum Lump Sum Investment Amounts and Annual Management Fee

|   | Class A             | Class B <sup>1</sup> | Class C  | Class J | Class P  |
|---|---------------------|----------------------|----------|---------|----------|
| <b>Minimum lump sum investments:</b>                    |                     |                      |          |         |          |
| Baillie Gifford Climate Optimism Fund                   | n/a                 | £100,000             | £250,000 | n/a     | n/a      |
| Baillie Gifford Diversified Growth Fund                 | £1,000 <sup>2</sup> | £100,000             | £250,000 | n/a     | n/a      |
| Baillie Gifford Long Term Global Growth Investment Fund | n/a                 | £100,000             | £250,000 | n/a     | n/a      |
| Baillie Gifford Multi Asset Growth Fund                 | n/a                 | £100,000             | £250,000 | £1,000  | £250,000 |
| Baillie Gifford Positive Change Fund                    | n/a                 | £100,000             | £250,000 | n/a     | n/a      |
| Baillie Gifford Sustainable Multi Asset Fund            | n/a                 | £100,000             | £250,000 | n/a     | n/a      |
| <b>Annual management charge</b>                         |                     |                      |          |         |          |
| Baillie Gifford Climate Optimism Fund                   | n/a                 | 0.50%                | Nil      | n/a     | n/a      |
| Baillie Gifford Diversified Growth Fund                 | 1.40%               | 0.55%                | Nil      | n/a     | n/a      |
| Baillie Gifford Long Term Global Growth Investment Fund | n/a                 | 0.62%                | Nil      | n/a     | n/a      |
| Baillie Gifford Multi Asset Growth Fund                 | n/a                 | 0.50%                | Nil      | 0.35%   | 0.35%    |
| Baillie Gifford Positive Change Fund                    | n/a                 | 0.50%                | Nil      | n/a     | n/a      |
| Baillie Gifford Sustainable Multi Asset Fund            | n/a                 | 0.50%                | Nil      | n/a     | n/a      |

<sup>1</sup>Applicable to new investors from 1 March 2022. Further details are provided in the Prospectus of the minimum lump sum applicable to investors in Baillie Gifford funds prior to 1 March 2022.

<sup>2</sup>With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

### Active Share

Active Share is a measure of how actively managed a sub-fund is and is calculated by taking 100 minus the % of the sub-fund that overlaps with the Target Benchmark. The Active Share as at the year end and the Target Benchmark for each sub-fund is shown in the table below. The Active Share has been shown against these indices to highlight the active management style against what is deemed to be the most relevant index for each sub-fund.

| Sub-fund  | Active Share | Comparative Index    |
|---|--------------|----------------------|
| Baillie Gifford Climate Optimism Fund                   | 99%          | FTSE All-World Index |
| Baillie Gifford Long Term Global Growth Investment Fund | 92%          | FTSE All-World Index |
| Baillie Gifford Positive Change Fund                    | 97%          | MSCI ACWI Index      |

Baillie Gifford Diversified Growth Fund, Baillie Gifford Multi Asset Growth Fund and Baillie Gifford Sustainable Multi Asset Fund do not have a comparable index and therefore Active Share is not applicable for these Funds.

## General Information cont.

### Portfolio Turnover Ratio

Portfolio Turnover Ratio is a measure of portfolio change or trading activity in a Fund. It is calculated as the minimum of purchases and sales in a month, divided by the average market value of the Fund. The annual turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

| Sub-fund  | Portfolio Turnover Ratio |
|---|--------------------------|
| Baillie Gifford Climate Optimism Fund                   | 19%                      |
| Baillie Gifford Long Term Global Growth Investment Fund | 21%                      |
| Baillie Gifford Positive Change Fund                    | 16%                      |

Portfolio Turnover Ratio has not been disclosed for Baillie Gifford Diversified Growth Fund, Baillie Gifford Multi Asset Growth Fund and Baillie Gifford Sustainable Multi Asset Fund because the ACD does not consider it an appropriate measure for multi asset funds.

## The Group's Funds

### Baillie Gifford Bond Funds ICVC

Baillie Gifford Emerging Markets Bond Fund

Baillie Gifford High Yield Bond Fund

Baillie Gifford Investment Grade Bond Fund

Baillie Gifford Investment Grade Long Bond Fund

Baillie Gifford Strategic Bond Fund

### Baillie Gifford Investment Funds ICVC

Baillie Gifford Climate Optimism Fund

Baillie Gifford Diversified Growth Fund

Baillie Gifford Long Term Global Growth Investment Fund

Baillie Gifford Multi Asset Growth Fund

Baillie Gifford Positive Change Fund

Baillie Gifford Sustainable Multi Asset Fund

### Baillie Gifford Investment Funds II ICVC

Baillie Gifford Health Innovation Fund

Baillie Gifford Japanese Income Growth Fund

Baillie Gifford Sterling Aggregate Bond Fund

Baillie Gifford Sustainable Growth Fund<sup>1</sup>

Baillie Gifford Sustainable Income Fund<sup>2</sup>

Baillie Gifford UK Equity Core Fund

### Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund

Baillie Gifford China Fund

Baillie Gifford Developed Asia Pacific Fund

Baillie Gifford Emerging Markets Growth Fund

Baillie Gifford Emerging Markets Leading Companies Fund

Baillie Gifford European Fund

Baillie Gifford Global Discovery Fund

Baillie Gifford Japanese Fund

Baillie Gifford Japanese Smaller Companies Fund

Baillie Gifford Pacific Fund

### Baillie Gifford UK & Balanced Funds ICVC

Baillie Gifford British Smaller Companies Fund<sup>3</sup>

Baillie Gifford Global Alpha Growth Fund

Baillie Gifford Global Alpha Paris-Aligned Fund

Baillie Gifford Global Income Growth Fund

Baillie Gifford International Fund

Baillie Gifford Managed Fund

Baillie Gifford Responsible Global Equity Income Fund

Baillie Gifford UK and Worldwide Equity Fund

Baillie Gifford UK Equity Alpha Fund

Glenfinlas Global Fund<sup>4</sup>

<sup>1</sup>With effect from 31 March 2023 the name of Baillie Gifford Global Stewardship Fund was changed to Baillie Gifford Sustainable Growth Fund.

<sup>2</sup>With effect from 31 March 2023 the name of Baillie Gifford Multi Asset Income Fund was changed to Baillie Gifford Sustainable Income Fund.

<sup>3</sup>With effect from 27 June 2023 Baillie Gifford British Smaller Companies Fund is no longer available for subscription.

<sup>4</sup>Glenfinlas Global Fund is no longer available for subscription.

**For further information about the Funds or  
Baillie Gifford's range of OEICs, please:**

Contact us at: Client Relations Team  
Baillie Gifford & Co Limited,  
Calton Square, 1 Greenside Row,  
Edinburgh EH1 3AN

Call our Client Relations Team on 0800 917 2113. Your call may be recorded for training or monitoring purposes.

Visit our website at [www.bailliegifford.com](http://www.bailliegifford.com), or email us on [trusenquiries@bailliegifford.com](mailto:trusenquiries@bailliegifford.com).

Or fax us on 0131 275 3955.

