BAILLIE GIFFORD

Scottish Parliamentary Contributory Pension Fund

Report for the quarter ended
30 September 2019

Contents

Online Reporting

You can access all your reports and other up-to-date portfolio information via our secure Online Client Service site *https://clients.bailliegifford.com*

Deep Wave Paper Shadow

Updates to Fund Objectives and Performance Disclosures

In July, we wrote to you about our intention to amend the investment objectives and policies of our Open Ended Investment Company (OEIC) funds, in order to make them clearer and more meaningful. The aim was to increase consistency across our fund range and make it easier for our clients to understand what each fund is trying to achieve. In addition, the Financial Conduct Authority (FCA) had issued new rules and guidance for fund managers on how to use benchmarks in a way that would make it easier for investors to monitor how well a fund is performing.

These changes came into effect on 7 August. This is the first quarterly report we have sent you using the revised investment objective. It also includes some additional performance-related disclosures.

Of note:

- The 'Performance' page shows the amended investment objective under the heading 'Performance Objective'.

- Where a fund targets an explicit level of annualised outperformance over and above a specific index after deduction of costs, its performance is reported against two measures. The first is the 'Index', as was the case previously. In addition, it is shown against the 'Benchmark', that is the performance of the index plus the annualised outperformance being targeted.

- Throughout your report, the terms 'index' and 'benchmark' are used consistently on the basis laid out above.

We would reiterate that nothing is changing about how we manage the OEIC funds in which you are invested. There has been no change to our investment philosophy and approach; the individuals responsible for managing the investments remain in place; and we will continue to manage your assets in the same active, long-term manner.

If you want to ask about these changes or would like a copy of the brochure which we issued in July, and which clearly sets out both the previous and revised investment objective and policy detail for each fund, please get in touch with your regular client contacts - their details are on the previous page.

Valuation

	30 June 2019 (GBP)	30 September 2019 (GBP)
Baillie Gifford Managed Fund B Accum	59,036,875	58,727,241
Baillie Gifford Diversified Growth Fund B2 Acc	26,674,652	27,454,576
Total	85,711,527	86,181,817

Performance to 30 September 2019 (%)

	Fund (Net)	Benchmark
Baillie Gifford Managed Fund		
Five Years (p.a.)	10.7	6.9
Three Years (p.a.)	9.9	6.3
One Year	3.8	4.5
Quarter	-0.5	2.2
	Fund (Net)	Base Rate +3.5%
Baillie Gifford Diversified Growth Fund		
Five Years (p.a.)	4.1	4.0
Three Years (p.a.)	4.3	4.0
One Year	5.0	4.3
Quarter	2.0	1.1

Source
Baillie Gifford Managed Fund: StatPro
Baillie Gifford Diversified Growth Fund: StatPro

Performance to 30 September (%)

	Fund Gross	Fund Net†	Benchmark
Five Years (p.a.)	11.2	10.7	6.9
Three Years (p.a.)	10.3	9.9	6.3
One Year	4.2	3.8	4.5
Quarter	-0.4	-0.5	2.2

†Net of pooled fund's standard management charge.
Source: StatPro, Financial Express

Long-term returns for the portfolio remain strong in spite of shorter-term volatility

As discussions continue about trade wars and falling bond yields, optimism appears to be far from the minds of many and certainly from news headlines

Such periods serve to reiterate the importance of our resolute focus on individual businesses and their long-term growth prospects

As three years of political debate are set to come to a head with the planned departure of the UK from the European Union on 31 October 2019, and concerns abound over trade wars, civil unrest and geopolitical tensions, optimism appears in short supply and is certainly absent from news headlines. While it is always difficult to identify a single factor contributing to short-term movements in equity markets, volatility over the quarter seems to have been partly based on concerns about these ongoing issues.

Meanwhile, for bond markets, falling yields (and therefore rising prices) have been driven by a change in tone from several central banks over the course of 2019 – most notably the US Federal Reserve, which had, during 2018, tentatively begun to withdraw its quantitative easing programme. As a result, monetary policy is expected to remain looser for longer. Indeed, we are now in a situation where almost a quarter of developed market government bonds in issue are negatively yielding and only one developed market central bank has increased interest rates this year – Norges Bank of Norway.

…we look to ignore short-term noise and focus on building a portfolio of great growth companies, balanced by an allocation to bonds and cash…

From our perspective, these events serve to reiterate the importance of our resolute focus on individual businesses and their long-term growth prospects, as well as our truly active approach, which has enabled us to ensure we have no bonds with a negative yield in the portfolio. It is not our job to second guess market movements or political decision making. Instead, as we have always done, we look to ignore short-term noise and focus on building a portfolio of great growth companies, balanced by an allocation to bonds and cash, which we believe will deliver good long-term returns for your portfolio. And, in that respect, we remain optimistic.

© Bloomberg/Getty Images.

This optimism is best demonstrated by our ability to continue to find exciting new businesses in which to invest on your behalf. Over the quarter we have made new investments in companies which span a diverse range of sectors and geographies.

Ryman Healthcare is a New Zealand based developer of aged-care facilities. New Zealand, like most of its western counterparts (including Australia, a market Ryman has also entered) has an ageing population which will drive demand for such facilities. Ryman has a strong competitive advantage in these markets, having the benefit of scale, brand and an excellent track record. Ryman’s management have cultivated a strong culture focusing on the long term, which will also help to drive their growth ambitions.

From the Antipodes to the Americas, and ageing demographics to the next generation, we have also taken a new holding in US-listed application developer, Appian. Appian sells a low-code software development platform, with the aim of making it easy for business users to write applications using simple drag and drop components. Given we are in an era of digital transformation – any solution that makes the application development process more efficient will engender huge demand. Appian developed this low-code software solution around 20 years ago. With this legacy of experience, it should thrive as best in breed. We believe the company has huge growth potential as a result.

When we invest in a company we are always interrogating the initial investment case to ensure nothing significant has changed in a way that might threaten its growth prospects. This could include a radical change in direction for a business, for example venturing into new areas or markets which are unaligned with its core strengths. It could be a change in management, or it could be a result of corporate activity. It is the latter which has driven some of the recent sales in the portfolio. One of the world's leading manufacturers of power semi-conductors, Infineon, is the largest supplier of microelectronics to the automotive industry. Last quarter, Infineon announced its bid for US rival Cypress Semiconductor at a large premium. Our view was that the price being paid was too high, and the acquisition would dilute the strength of Infineon's existing business. We have therefore sold your holding.

We have also completely disinvested from Tableau Software, which sold products enabling customers to visualise and analyse data, following a successful bid for the company from cloud software group Salesforce.

Corporate activity need not always result in disinvesting from holdings; indeed, sometimes it provides new opportunities. During the quarter we took a holding in Adevinta, which was spun out of Schibsted, the Norwegian media group. Adevinta's greatest asset is its strong competitive position in online classifieds across France, Spain and Brazil. Adevinta is led by a very talented management team, which we think will be able to drive the business through the increased monetisation of its assets, and we think it has great growth prospects.

Performance

Equity markets had a mixed quarter, with most regional equity indices delivering low single-digit returns in sterling. Elsewhere, developed market government bonds had a good quarter, mainly driven by central bank efforts to ease financial concerns.

Against this backdrop, the Fund delivered a small negative return and lagged the benchmark. Several companies held in the US and European parts of the portfolio detracted from performance. Within the US, Netflix, Wayfair and Grubhub were amongst the largest negative contributors over the quarter – for all three, share price weakness was linked to quarterly results missing some aspect of market consensus estimates.

For Netflix, increasing competition within the online streaming market from the likes of Apple and Disney, as well as lower-than-expected subscription growth over the quarter, led to concerns for many investors. We believe the long-term opportunity for Netflix remains bright, with the potential future growth in this market allowing for several large global players.

Similarly, for Wayfair, investor concerns were led by lower-than-expected growth guidance for next quarter. This comes despite the company delivering $2.3 billion in revenues in the second quarter, up 42% on the same period last year. We think management is taking a prudent approach, given historic revenue volatility, and are encouraged by their continued investment in logistics and international expansion – things we think are critical to the long-term growth opportunity.

The share price of GrubHub, the online food delivery company, fell after management lowered its operating profit estimates and tightened its revenue guidance for the rest of the year. We acknowledge that competition is increasing in this space, but, as with Netflix, structural changes to the way in which we consume our food presents a huge opportunity into which several companies can grow.

The weaker share price performance over the quarter has also impacted on the year, with each of those names also amongst the detractors over 12 months. However, over the longer term, these have all been positive for the Fund’s returns.

Within Europe, IMCD Group, the Danish distributor of speciality chemicals, suffered share price weakness on the back of weaker-than-expected organic growth over the first half of 2019. This was, in part, driven by challenging macroeconomic conditions, particularly in Germany. We continue to believe that IMCD has a significant opportunity ahead and a culture that will allow it to take advantage of that opportunity over the long term.

Another European company whose share price was unsettled by the possibility of a deteriorating macroeconomic backdrop was Mettler Toledo, the Swiss manufacturer of precision weighing equipment. Despite a broadly positive earnings announcement for the second quarter of 2019, management cautioned that the immediate outlook was uncertain.

There were some positive stories over the quarter. Novocure, the US-listed cancer treatment company, announced a strong increase in quarterly revenues, as well as the approval of new treatments. This is a young company which offers a unique form of brain cancer treatment, using electric fields to stop the division of cancer cells. We are excited by the progress the company has been making in its approved brain cancer therapy, but also in broadening out the technology into other tumour types. Recent share price strength reflects good results with, for example, management reporting quarterly revenue growth of 41% versus the same period in 2018.

The Fund's underweight positioning in oil and gas companies was also helpful as increasing tensions in the Middle East led to oil price volatility. Being underweight in Shell and having no exposure to BP, both large UK index constituents, was therefore beneficial.

Within fixed income, it is probably no surprise that amidst the recent market volatility, safe-haven assets performed well. In fact, a long-dated US treasury position was one of the top stock contributors over the quarter. Central bank support has also been supportive across all areas of fixed income, with yields falling. As a result, at their July meeting, the Policy Setting Group, which oversees asset allocation, decided to reduce the portfolio's exposure to fixed income in favour of a higher cash holding as valuations in some bond markets are looking a little stretched.

Over the 12 months, the Fund delivered a positive return in absolute terms, and which was only marginally behind the benchmark. Again, US companies were among the largest detractors, as mentioned previously, albeit there were also some strong performances from others. In particular, MarketAxess and Shopify, both companies we mentioned in last quarter's letter, were the two largest stock contributors over the 12 months.

MarketAxess, the online trading platform for fixed income instruments, has seen record trading volumes across all its core products. Interestingly, it appears that algorithmic-driven automated trading is gaining momentum in fixed income globally. MarketAxess is in a strong position to benefit from this structural shift. Notably, the company showed strong market share gains when it published May trading volumes – which supports this thesis.

Shopify is becoming increasingly important to entrepreneurs and large enterprises alike as they grow their businesses online. Its technological solutions such as shipping, payments and Shopify Capital, are helping to drive significant revenue growth. Large numbers of merchants are joining the Shopify platform. During the second quarter of 2019, Shopify also announced at its annual partner and developer conference, Unite, that it was launching the Shopify Fulfilment Network, which aims to offer merchants access to two-day shipping. This should further enhance Shopify's competitive advantage and make its platform increasingly attractive to merchants.

…the fixed income part of the portfolio is there to provide protection during periods of equity market volatility.

The standout region for equity performance was Emerging Markets when looking at the 12 month period. Mercadolibre, the dominant e-commerce platform in Latin American reported excellent results earlier in the year, whilst Norilsk Nickel, the Russian miner, has benefitted from a surge in the nickel price – up around 60% year to date.

Over the 12 months, fixed income has been the best performing asset class. This is pleasing to see, as the fixed income part of the portfolio is there to provide protection during periods of equity market volatility. As with the quarter, developed market government bonds were helpful for performance. The aforementioned change in tone from central banks, who had been expected to gradually tighten monetary policy, was supportive and the expectation now is that it will remain looser for longer. This has, in turn, been supportive for your emerging market government bond and credit holdings as well.

This recent short-term volatility serves to remind us that growth rarely comes in a straight line; nor do businesses grow overnight. However, our willingness to be different and embrace uncertainty, without being beholden to short-term market noise, means that we can focus on our core task of finding and backing businesses that will shape the future and deliver good returns for your portfolio.

Performance Objective

To achieve capital growth over rolling five-year periods.

Performance

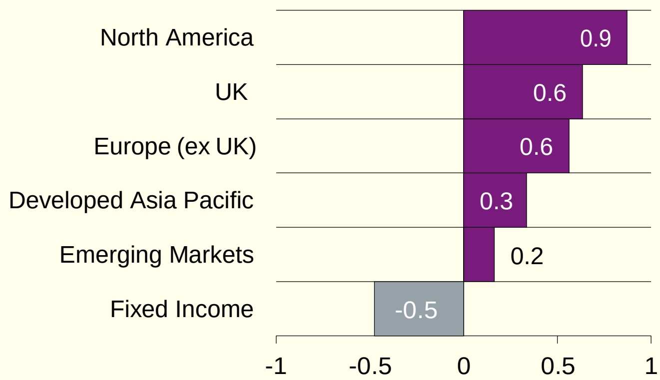
This table indicates the absolute and relative performance of the portfolio together with benchmark returns.

	Fund Net (%)	Benchmark (%)	Difference (%)
Five Years (p.a.)	10.7	6.9	3.8
Three Years (p.a.)	9.9	6.3	3.5
One Year	3.8	4.5	-0.7
Quarter	-0.5	2.2	-2.7

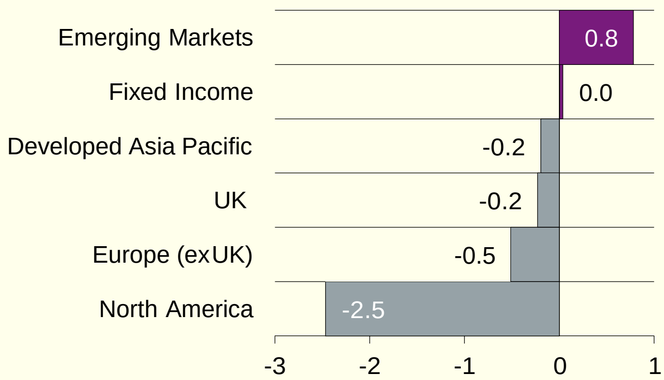
Source: StatPro, Financial Express

Stock Selection Contribution by Asset Class (%)

Five Years (p.a.)



One Year



Source: StatPro

Returns by Asset Class

Five Years (p.a.)

	Fund (%)	Benchmark (%)
North America	22.5	16.4
Developed Asia Pacific	15.3	11.8
Europe (ex UK)	13.7	9.9
Emerging Markets	11.9	8.1
UK	9.3	6.8
Fixed Income	4.1	7.3
Total	10.7	6.9

One Year

	Fund (%)	Benchmark (%)
Fixed Income	14.9	14.6
Emerging Markets	14.1	4.1
Europe (ex UK)	2.7	6.2
Developed Asia Pacific	2.2	3.8
UK	1.4	2.7
North America	-3.3	10.4
Total	3.8	4.5

Source: StatPro, Financial Express, Bloomberg Barclays, FTSE, ICE Data Indices, JP Morgan, MSCI

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

Top and Bottom Ten Contributors

Five Years (p.a.)

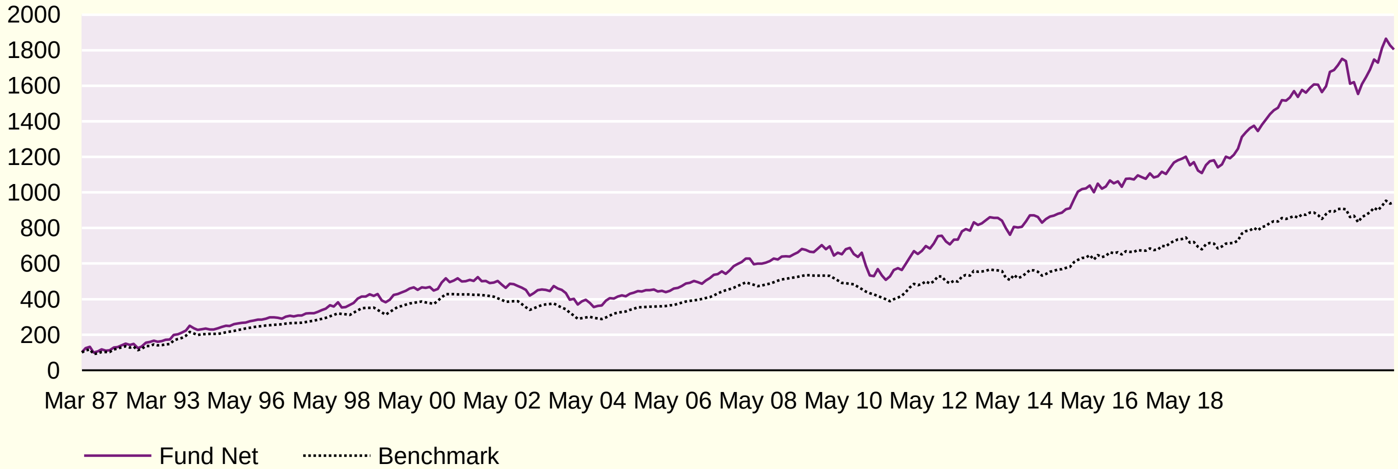
Asset Name	Ave Fund Weight (%)	Benchmark (%)	% Relative Impact
Amazon	1.5	0.3	0.3
MarketAxess Holdings	0.8	0.0	0.2
Carl Zeiss Meditec	0.6	0.0	0.1
Baillie Gifford Japanese Smaller	1.0	0.0	0.1
Shiseido	0.4	0.0	0.1
Shopify ‘A’	0.2	0.0	0.1
Mettler-Toledo	0.7	0.0	0.1
Mastercard	0.5	0.1	0.1
Wayfair Inc	0.4	0.0	0.1
Facebook	0.8	0.2	0.1
BG WW Cash Plus	1.8	0.0	-0.2
BG WW Global Credit	2.1	0.0	-0.1
Mircosoft	0.0	0.4	-0.1
Capita	0.2	0.1	-0.1
TripAdvisor	0.3	0.0	-0.1
Apple	0.0	0.6	-0.1
Dia	0.3	0.0	-0.1
Enquest	0.1	0.0	-0.1
Svenska Handelsbanken	1.1	0.1	-0.1
DistributionNow	0.3	0.0	-0.1

Source: StatPro, Financial Express, Bloomberg Barclays, FTSE, ICE Data Indices, JP Morgan, MSCI

One Year

Asset Name	Ave Fund Weight (%)	Benchmark (%)	% Relative Impact
MarketAxess Holdings	1.0	0.0	0.5
Shopify 'A'	0.7	0.0	0.5
MercadoLibre	0.6	0.0	0.3
Roku	0.3	0.0	0.2
US Treasury 3% 15/11/2045	1.0	0.0	0.2
Royal Dutch Shell	0.7	2.5	0.2
BP	0.0	1.3	0.2
Mmc Norilsk Nickel	0.5	0.0	0.2
Tableau Software Class A	0.3	0.0	0.2
US Treasury 6.25% 2023	0.7	0.0	0.2
GrubHub Inc	0.7	0.0	-0.8
Abiomed	0.7	0.0	-0.6
Netflix Inc	1.0	0.1	-0.3
Amazon.com	2.2	0.5	-0.3
Spotify Technology SA	0.6	0.0	-0.3
Wayfair Inc	0.9	0.0	-0.2
Alfa Laval	0.7	0.0	-0.2
Hexpol AB	0.6	0.0	-0.2
Stitch Fix	0.2	0.0	-0.2
2U	0.1	0.0	-0.2

Long Term Portfolio and Benchmark Returns*



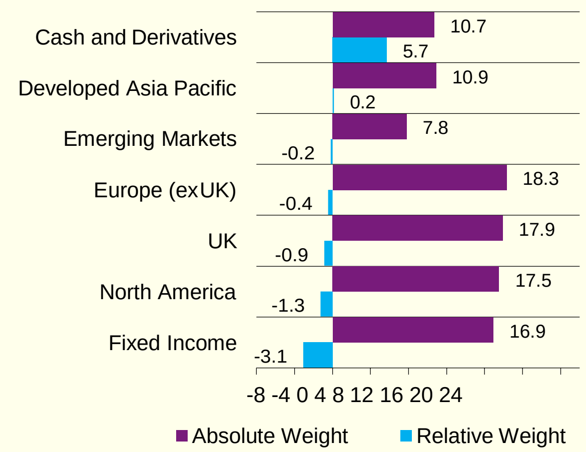
*31 March 1987
Source: StatPro, Financial Express

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

Top Twenty Equity Holdings

Company Name	Description of Business	% of Portfolio
Amazon.com	Online retail and computing infrastructure	2.0
MarketAxess	Electronic bond trading platform	1.1
IMCD	Speciality only chemical distributor	1.0
Shopify	A cloud-based commerce platform provider	1.0
Mettler-Toledo	Swiss manufacturer of precision weighing equipment	0.9
ASML	Semiconductor equipment manufacturer	0.9
BHP Billiton	Diversified miner	0.9
Sartorius Stedim Biotech	France-based international provider of laboratory and process technologies and equipment	0.9
Alphabet	Online search engine	0.8
Bechtle	German IT systems integrator	0.8
DSV	Transport and logistics company	0.8
Kingspan Group	Provides high performance insulation and building envelope technologies	0.8
Tesla Inc	Electric cars and renewable energy solutions	0.8
Illumina	Gene sequencing equipment and consumables	0.8
MasterCard	Global electronic payments network and related services	0.8
Prudential	International life insurer	0.8
Diageo	International drinks company	0.7
Unilever	Multinational consumer goods company	0.7
Netflix	Subscription service for TV shows and movies	0.7
NIBE	International heating technology company	0.7
Total		18.0

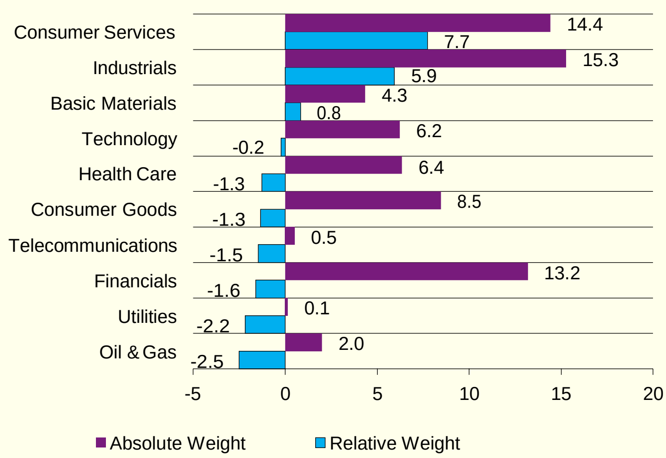
Asset Allocation Positions* (%)



Source: Baillie Gifford & Co, Bloomberg Barclays, FTSE, JP Morgan

*Measured relative to the Fund's Strategic Asset Allocation: 75% equities, 20% bonds and 5% cash. 75% equities comprised of: 18.75% UK, North America, Europe (ex UK) and Asia (of which 10.75% is Developed Asia and 8% is Emerging Markets).
**Excludes Pooled Funds.

Equity Portfolio Industry Positions (%)**

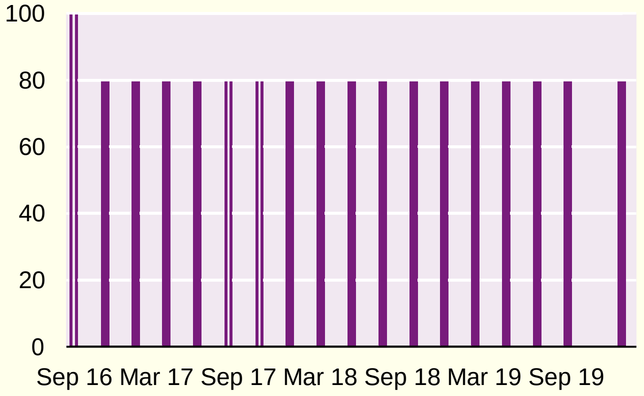


Source: Baillie Gifford & Co, FTSE

Our approach to risk is influenced by our belief that risk is a complex topic which cannot be reduced to a single statistic

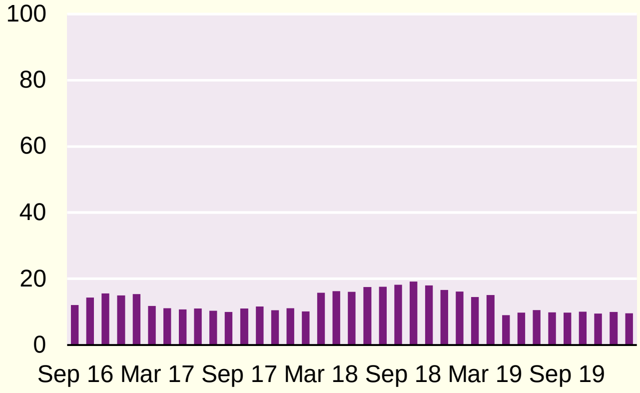
Consequently, this page contains a selection, but by no means all, of the metrics we use to help monitor and control the risk exposures in the portfolio - some of which are there to help ensure we are taking sufficient risk to meet your investment objective

Active Share (%)



Source: APT, FTSE
Active Share – This is a measure of how actively managed the equity in your portfolio is. “Active Share” ranges from 0% to 100%. If the fund is exactly in line with the index then “Active Share” will be 0%. If the fund has no commonality with the index then “Active Share” will be 100%. Active Share is calculated by taking 100 minus “Common Money” (the % of the portfolio that overlaps with the index). For the calculation of “Common Money”, for each stock the smaller of either the portfolio or index weight is taken, and these numbers are then summed.

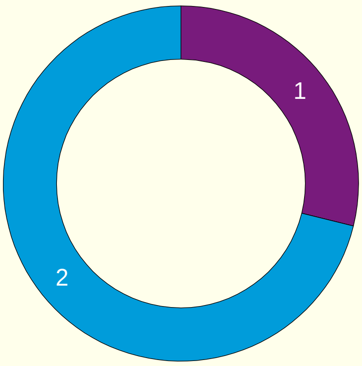
Rolling One Year Turnover (%)



Rolling One Year Turnover is calculated as the lesser of the sum of all equity purchases and the sum of all equity sales in each month divided by the monthly average market value of the equity and cash portions, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon.

Predicted Tracking Error 2.9%

Tracking Error Split



1 Stock Specific	29%
2 Themes (Industry and Style)	71%

Source:APT, Bloomberg Barclays, FTSE, JP Morgan. Tracking error is the standard deviation of returns relative to index and is sometimes called relative risk. Tracking error indicates how far performance might differ from the index under certain assumptions. A higher number indicates a greater potential difference between fund and index returns under these assumptions.

Ten Largest Contributors to Stock Specific Risk

Name	% Active Weight	% of Stock Specific Risk
Roku	0.4	8.9
Shopify 'A'	1.0	6.2
The Trade Desk	0.6	5.6
Wayfair Inc	0.7	4.9
Tesla Inc	0.7	3.7
Amazon.com	1.5	3.7
Novocure Ltd	0.6	3.5
MarketAxess Holdings	1.1	3.4
Zalando SE	0.7	2.3
MercadoLibre	0.6	2.2

APT risk models are used to generate the predicted tracking error shown and to split between themes and stock specific risk. APT also identifies the stock positions which add most specific risk to the portfolio. APT is a third party system which computes tracking error based on the past 3.5 years of asset return data.

Asset Name	Fund %
Equities	
UK	
Prudential	0.76
Diageo	0.74
Unilever	0.74
Royal Dutch Shell B Shares	0.70
BHP Billiton	0.68
Baillie Gifford British Smaller Cos Fund C Acc	0.59
Rio Tinto	0.59
St. James's Place	0.57
Bunzl	0.48
Compass	0.46
Informa	0.42
Rightmove	0.41
Hargreaves Lansdown	0.41
Ashtead	0.40
Legal & General	0.40
Burberry	0.40
RELX	0.39
HomeServe	0.38
HSBC	0.36
British American Tobacco	0.36
Meggitt	0.35
Standard Chartered	0.34
Inchcape	0.34
Howden Joinery Group	0.33
Hiscox	0.32
Auto Trader	0.31
PageGroup	0.31
Halma	0.30
Ultra Electronics	0.28
Carnival	0.28
Hikma Pharmaceuticals	0.26
Just Eat	0.26
Mitchells & Butlers	0.26
Rolls-Royce	0.24
Intermediate Capital Group	0.22
Melrose Industries	0.22
Victrex	0.21
Jupiter Fund Management	0.21
Fisher (James) & Sons	0.21
Bodycote	0.19
Euromoney Institutional Investor	0.19

Asset Name	Fund %
Johnson Matthey	0.19
Genus	0.16
Just Group	0.16
IG Group	0.15
Scottish & Southern Energy	0.14
Schroders Nv.	0.14
Abcam	0.13
Trainline Plc	0.12
Renishaw	0.12
Helical	0.11
Breedon Group	0.11
Wood Group	0.09
IntegraFin	0.09
Volution Group	0.09
Enquest	0.09
FDM Group	0.08
Keller	0.05
Ted Baker	0.04
Total UK	17.94

North America	
Amazon.com	2.00
MarketAxess Holdings	1.14
Shopify 'A'	1.02
Tesla Inc	0.77
Illumina	0.76
MasterCard	0.76
Netflix Inc	0.74
Wayfair Inc	0.73
Facebook	0.72
Alphabet Inc Class C	0.68
The Trade Desk	0.58
Novocure Ltd	0.57
First Republic Bank	0.53
GrubHub Inc	0.46
Roku	0.45
CoStar Group	0.41
Watsco Inc	0.40
Abiomed	0.39
HEICO	0.35
Glaukos Corp	0.33
Interactive Brokers Group	0.26
Penumbra Inc	0.26

Asset Name	Fund %
Alnylam Pharmaceuticals	0.24
Fortive Corp	0.22
Chegg	0.19
Markel	0.19
Chewy	0.19
Appian Corp	0.19
Yext Inc	0.18
Redfin	0.18
Activision Blizzard Inc	0.17
NVIDIA	0.16
Stitch Fix	0.16
New Relic	0.15
Alphabet Inc Class A	0.15
Zillow Group Inc Class A	0.13
Denali Therapeutics	0.13
Now Inc	0.12
Lyft Inc	0.12
Eventbrite Inc Class A	0.10
Moderna Inc	0.09
Agios Pharmaceuticals	0.07
2U	0.05
Total North America	17.48

Europe (ex UK)	
IMCD Group NV	1.03
Mettler-Toledo	0.94
ASML	0.90
Sartorius Stedim Biotech	0.89
Bechtle AG	0.80
DSV	0.79
Kingspan Group	0.77
Nibe Industrier AB 'B' Shares	0.74
Zalando SE	0.73
Atlas Copco B	0.71
adidas	0.71
L'Oreal	0.70
Schindler	0.70
Inditex	0.68
Carl Zeiss Meditec	0.66
Investor	0.58
Takeaway.com	0.57
Legrand	0.55
Ryanair	0.54

Asset Name	Fund %
Novozymes	0.53
Alfa Laval	0.52
Hexpol AB	0.52
Spotify Technology SA	0.47
Avanza Bank Holding	0.46
Svenska Handelsbanken	0.45
Adevinta Asa B	0.41
Beijer Ref	0.41
Kering	0.33
Epiroc B	0.26
Total Europe (ex UK)	18.32

Developed Asia Pacific	
Baillie Gifford Japanese Smaller Cos Fund C Acc	0.83
Shiseido	0.66
United Overseas Bank	0.44
SMC	0.38
SBI Holdings	0.38
MS&AD Insurance	0.37
SoftBank Group	0.35
Olympus	0.35
Shimano	0.31
Sugi Holdings	0.30
Pigeon	0.29
Kakaku.com	0.28
Treasury Wine Estates	0.27
SEEK	0.27
Tsingtao Brewery 'H'	0.26
Cochlear	0.26
Hong Kong Exchanges & Clearing	0.25
Recruit Holdings	0.24
FANUC	0.24
Washington Soul Pattinson	0.24
Galaxy Entertainment Group	0.22
BHP Billiton (Aus. listing)	0.22
James Hardie Industries	0.22
Fast Retailing	0.21
Murata	0.21
Makita Corporation	0.20
Jardine Matheson	0.19
Nidec	0.18
TPG Telecom	0.18
AIA Group	0.18

Asset Name	Fund %
Denso	0.17
IRESS LTD	0.17
CyberAgent Inc	0.16
Techtronic Industries	0.16
Misumi	0.14
REA Group	0.13
Bridgestone	0.13
Asahi Group Holdings	0.13
Keyence	0.13
Sysmex Corp.	0.13
Ryman Healthcare Ltd	0.12
INPEX	0.12
Thai Beverage PCL (Singapore)	0.09
Xero Ltd	0.05
Mesoblast	0.05
Total Developed Asia Pacific	10.86

Emerging Markets	
Norilsk Nickel ADR	0.67
MercadoLibre	0.64
TSMC	0.62
Alibaba	0.54
Petrobras Common ADR	0.48
Ping An Insurance	0.43
Sberbank Spon ADR	0.42
Reliance Industries Ltd.	0.41
Banco Bradesco Pref	0.40
Samsung Electronics	0.38
Bank Rakyat Indonesia	0.38
ICICI Prudential Life Insurance	0.37
Tencent	0.35
Geely Automobile Holdings	0.31
Siam Commercial Bank P-NVDR	0.30
Grupo Financiero Banorte O	0.26
Cemex ADR	0.23
Naspers	0.21
NAVER Corp	0.17
Netmarble Games	0.11
Prosus N.V.	0.10
Total Emerging Markets	7.76

Total Equities	72.36

Fixed Income	
Overseas Bonds	
Credit	5.94
Index Linked	2.92
Government	6.45
Total Overseas Bonds	15.30

UK Bonds	
Credit	1.49
Government	0.14
Total UK Bonds	1.62

Total Fixed Income	16.93

Cash & Derivatives	
Cash & Derivatives	10.72
Total Cash & Derivatives	10.72

Total Fund	100.00

New Purchases

Stock Name	Transaction Rationale
Adevinta Asa B	Adevinta is a spin off from the Norwegian media group Schibsted. Its most important assets are online classifieds businesses in France, Spain and Brazil. We believe these businesses have strong competitive positions in their local markets and benefit from network effects. The economics of online classified businesses are highly attractive; Adevinta is in a great position to improve the monetization of its assets over time which should lead to higher margins and higher returns on capital. We regard Adevinta as a business with fantastic assets run by a talented, well-aligned management team and have therefore decided to take a holding.
Appian Corp	Appian is a leader in the emerging area of "low-code" application development. An intuitive, web-based drag-and-drop interface allows software developers to build applications without writing any new code. Instead, Appian creates re-usable components and templates which can be packaged by developers as flowcharts to represent complex business logic processes. This enables much cheaper and faster development times whilst still allowing a degree of customisation. With an industry-wide shortage of software development talent and a growing need to digitise across multiple areas of business, we see a vast opportunity for Appian's scalable software development tools.
FDM Group	We have bought a holding in FDM, the IT outsourcing company. FDM has a unique business model which has allowed it to develop a large and loyal client base. The company recruits graduates and ex-services personnel, and then trains them with the skills necessary to complete contracts for clients. Trainees typically work for FDM for two years after which most become permanent employees of FDM's clients. The firm's 180+ customers include large blue-chip firms and government departments, with the majority of revenue coming from the financial sector. The greater use of IT outsourcing allows businesses to operate a more flexible workforce in addition to filling specific skill gaps. FDM's business model has proved successful over a number of years and we believe that the demand for its services remains robust, suggesting that it can grow profitably well into the future.
Ryman Healthcare Ltd	Ryman is a New Zealand based developer of aged care facilities. The company has an attractive growth opportunity driven by the demographics of its home country and its entry into new markets (most recently Australia). Its know-how, scale and brand give it a strong competitive advantage and we believe the company will be able to grow profitably over several years. The management of Ryman have an excellent track record and we believe they have built a strong, long-term focussed culture. We believe the potential for many more years of profitable growth is not captured in the current valuation and we have taken a holding for your portfolio.
Xero Ltd	Xero is a New Zealand based company that sells accounting software for SMEs. We think that the shift to "software as a service" will be a significant tailwind for industry growth and that Xero's investment in product and reputation, and its popularity with accountants, position it well to take advantage of this industry growth. We are confident that Xero can continue to grow attractively in the large UK market and that in due course it will turn its attention to other global markets, allowing this growth to persist for many years. We do not think that this growth potential is captured in the prevailing valuation and have therefore decided to take a holding.

Notable Additions

Stock Name	Transaction Rationale
Takeaway.com	We added to your holding in Takeaway.com, the Dutch food delivery business. We remain upbeat on the size of the growth opportunity and believe its acquisition of Delivery Hero's German assets has created a better competitive position in the German market.
Yext Inc	We made a small addition to the software company Yext. This is a newer holding and we are gradually building up our holding size as we gain more conviction in its ability to carve out a unique position in the rapidly evolving field of corporate knowledge management.

Complete Sales

Stock Name	Transaction Rationale
Infineon Technologies AG	We have decided to sell your holding in Infineon following the company's decision to acquire Cypress Semiconductors, which develops and sells microcontrollers and connectivity solutions. In our view the price Infineon is paying is high and the addition of Cypress' businesses will dilute the quality of Infineon's power semiconductor business.
SK Hynix Inc	We sold your holding in memory semiconductor maker, SK Hynix. A cyclical downturn in the industry is underway, with demand from data centre and mobile phone customers being particularly weak. This could last several quarters. We retain a large holding for your portfolio in industry leader Samsung Electronics, which has a more balanced revenue mix and is therefore better placed to weather the current industry weakness.
Tableau Software Class A	We have sold Tableau following its agreed takeover by Salesforce.com.

Notable Reductions

Stock Name	Transaction Rationale
Bridgestone	We have made a reduction to your holding in Bridgestone. This does not represent a fundamental change in view but rather we are using the recent strength in the share price to fund the addition elsewhere in the portfolio.
Cochlear	We made a small reduction in this holding to fund new purchases elsewhere in the portfolio.
Hong Kong Exchanges & Clearing	We made a small reduction to this holding to fund new ideas.
SEEK	We made a small reduction in this holding to fund new purchases elsewhere in the portfolio.
Tencent	We have made a small reduction to your holding in Tencent to help fund purchases elsewhere in your portfolio.

Fund Name	Update
Baillie Gifford Managed Fund	There was relatively little change to overall positioning within the fixed income portion of the Managed Fund this quarter. The economic backdrop has continued to deteriorate, with global trade tensions escalating, and central bank efforts to ease financial conditions are the main driver of bond markets at present. In Europe, further quantitative easing - that is, the European Central Bank buying more bonds - is supportive of valuations. Therefore, we increased allocations to areas of the bond market which should benefit, namely investment grade corporate and peripheral European government bonds. We closed an underweight position in Italy and added to Spanish bonds. At the same time, the global economic backdrop is more challenging for some riskier areas of the market where valuations look stretched. We therefore reduced the Fund's allocation to high yield corporate bonds by a small amount and sold our holding in Turkish US dollar-denominated bonds. Within currency positioning we added an overweight position in Russian rouble. We believe the threat and impact of sanctions has receded at present, while we think supply disruptions will limit any material fall in the oil price - an important factor for the value of Russian assets. Conversely, we expect demand for copper to fall, particularly from China, and so we introduced an underweight in Chilean peso given its sensitivity to the copper price. We also closed the small remaining position in Argentine peso as the outlook for Argentina has materially changed following the recent election primary which points towards a change of government in the near future. Among new additions to the corporate bonds in the Fund were Neptune Energy and Antero Resources. Neptune Energy is a UK-headquartered oil and gas producer benefitting from low-cost but historically under-managed assets, with growth potential under a focused management team. Organic and acquired growth could well lead to credit rating upgrades thanks to the benefits of further scale and diversification. We believe recent gas price weakness may only be temporary and Antero, which is a US gas exploration and production company, should benefit from any recovery. Elsewhere. we have sold your holding in Enquest, the North Sea oil exploration and production company. The company has high debt levels and we believe it is running out of time to improve the strength of its balance sheet. We therefore decided this was an opportune time to sell out of the position.

Performance to 30 September (%)

	Fund Gross	Fund Net†	Base Rate +3.5%
Five Years (p.a.)	4.8	4.1	4.0
Three Years (p.a.)	5.0	4.3	4.0
One Year	5.7	5.0	4.3
Quarter	2.2	2.0	1.1

†Net of pooled fund's standard management charge.
The Fund's objective is to outperform the UK Base Rate by at least 3.5% per annum (net of fees) over rolling five-year periods with an annualised volatility of less than 10%.
Source: StatPro

Summary Risk Statistics (%)

Delivered Volatility	4.1

Annualised volatility, calculated over 5 years to the end of the reporting quarter
Source: Baillie Gifford & Co

Global economic growth is around its long-term trend, though it remains under pressure from slowing export levels and weakness across western manufacturing

While several asset classes still offer the potential for good returns, valuations are beginning to look more expensive, especially in credit markets

The Fund has adopted a slightly more cautious stance, reducing exposure to some of the more economically exposed asset classes

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

The direction of travel for investment markets in 2019 has been a positive one, meaning most asset classes are looking more expensive now than they were at the beginning of the year. When looking at the returns from across the broad range of assets in which we invest, this is especially the case with regards to the Fund's exposure to commodities, which was the best performing asset class in the Fund over the latest quarter.

The focus in the first part of this quarterly commentary, therefore, is related to one of the investments in this asset class, namely nickel.

Nickel is a metal used in many industrial and manufacturing processes, but predominantly in the manufacturing of stainless steel. And, increasingly, it is also a key component in the batteries which are used to power electric vehicles.

In the following note, Nicoleta Dumitru, a portfolio manager in the Multi Asset team, recounts her visit to a mining village in Indonesia to get closer to the investment case for nickel.

March 2019

Morowali used to be a quiet, remote Indonesian fishing village.

Until 2013, that is, when Tsingshan, a Chinese steel conglomerate, arrived. That is why my first trip to Indonesia earlier this year was not to the bright lights and idyllic beaches of Bali, but instead on a tiny, well-worn plane to a village in Central Sulawesi, an island which sits in the middle of Indonesia's archipelago, and is home to some three million people.

...nickel is also a key component in the batteries which are used to power electric vehicles.

Tsingshan is the biggest stakeholder in an Australian company called Nickel Mines. It produces a core ingredient in the manufacture of stainless steel – nickel pig iron (NPI). More excitingly from our perspective as investors in nickel, a purer form of the metal is also a key ingredient in the batteries used to power electric vehicles (EVs).

This is the core of our investment case for nickel: a view that in the longer term, demand for high-grade nickel should exceed supply due to a rise in EV adoption.

I wanted to understand two aspects which are critical to support our investment case. Firstly, how fast could Indonesia increase its nickel production; and secondly, could the less pure version of nickel (NPI, of which there is a larger volume) be used as a substitute for pure nickel in stainless steel, thus freeing up more of the pure nickel for EV batteries?

One possible threat to the investment case is the adoption of a technology called high pressure acid leaching (HPAL), used to process NPI and transform it into the purer form of nickel. This is of potentially far-reaching significance if it can create a path to producing the higher-grade nickel material used in EV batteries from NPI material.

Shortly before my visit, Tsingshan had teamed up with a lithium-ion battery manufacturer to produce battery-grade nickel in Indonesia using HPAL technology. But HPAL is very capital intensive and difficult to operate, so scaling up HPAL production has so far been a big challenge.

Being on the ground gives you a proper sense of the scale of the operation. The Morowali facility is one of very few in the world that are integrated. This meant I was able to see the entire process, from the nickel being mined right through to its application in the output of the stainless steel.

The integration of the process means the smelted NPI is transported to the stainless-steel facility while still hot, making it very cost-competitive, further enhancing Indonesia's dominant position.

Being on the ground also gives direct access to market intelligence. At one evening reception I learned from a Tsingshan director that the costs associated with the HPAL facility would be much higher than previously expected. This was new information and was somewhat reassuring – if the actual cost of the HPAL investment was much higher than the market expected, then the nickel price would need to be much higher than it is today to incentivise the opening of similar HPAL ventures.

We continue to believe that EV adoption will be a game changer for a nickel market already struggling to meet demand. There are always unknowns that might upset our hypothesis; China could well find a way to reduce the costs of HPAL, or alternative technologies could dent the growth for lithium-ion batteries, but, on balance, we do not think those are imminent threats.

I returned from my trip with a more positive investment case. The nickel investment hinges on our ability, as investors, to take a long-term view, and on our collaboration with many of the other 100 plus investment professionals at Baillie Gifford who continue to think long and hard about the future of transportation. We believe the investment case for nickel is positive and therefore we remain happy holders at the current time.

In more recent news, it has been interesting to note the effect of the Indonesian government's decision to bring forward a proposed ban on exports of nickel ore. This means the nickel supply will likely fall below overall demand for the foreseeable future. This has resulted in a significant increase in the nickel price during the most recent quarter.

Performance, outlook and positioning

The asset classes which have done particularly well over the past 12 months include commodities (for reasons mentioned above), together with emerging market bonds and infrastructure, both of which have benefited from reasonable global growth, low interest rates and a more subdued US dollar. This is consistent with the three-month attribution, albeit that the Fund's investments in UK property have recently done well, making up some of the losses they experienced earlier in the year, and therefore helping the asset class to feature amongst the better returning ones in the shorter term.

At the other end of the spectrum, insurance linked securities (ILS) and government bonds were the main detractors for the 12 months. The negative impact of the Californian wildfires in late 2018, to which the Fund had direct exposure through bonds, alongside the losses experienced within the externally managed ILS funds were the main contributors to the losses in the asset class. The government bond exposure in the Fund is to inflation breakevens. These positions require two sides to be effective: exposure to a 'long' inflation-linked bond, offset by a corresponding, duration-matched, 'short' nominal bond. And while the inflation-linked side of these breakeven positions has performed well, the 'short' nominal bonds have detracted to a slightly greater degree, hence the small negative contribution over the year.

At an overall level, the Fund returned 2% during the third quarter, and 5% in the 12-month period. In line with the objectives of the Fund, it has returned 4.1% p.a. over the past five years (where all performance numbers are stated net of fees), and the delivered volatility of the Fund has been 4.1% p.a. over the past five years.

This performance is against a backdrop in which the global economy has continued to slow, a trend which has been developing for some time. The question is: can the pace of this slowdown be stemmed, or are we heading for a soft landing, perhaps even something worse?

Some of the concerns in investment markets can be accounted for by observing slowing levels of trade, with most of the noise emanating from the ongoing US-China tariffs war. And how these trade negotiations are resolved – if they are at all – is, in our view, the single biggest determinant of the global economy over the next 12 months. But weakness in global activity is not confined solely to these two economic powerhouses: India, the 'other' engine of Asia, is losing momentum, while the EU, led by Germany, is also struggling to stimulate growth. Manufacturing levels are falling quickly, and confidence that a resolution might be found to solve a series of geopolitical and financial conundrums is being eroded.

It would appear, however, that central banks are alive to these risks. While borrowing costs are already at ultra-low levels, markets are assuming that both the Federal Reserve and the European Central Bank will further ease monetary policy over the coming months. The Bank of England has also hinted that it will lower rates if current uncertainties persist. And there's more talk of governments increasing spending to support growth, and of Germany relaxing long-standing federal laws to provide fiscal stimulus.

While much of this may look like 'late-cycle' scrabbling, it's not all bad news: in the absence of many of the usual harbingers of recession – labour markets are strong, inflation is contained, credit conditions are helpful and many asset prices are not evidently inflated – our view is more optimistic than markets (bond markets in particular) may otherwise suggest.

The global economy is undoubtedly facing a wide range of real challenges, and while growth may continue to slow, we do not think the threat of broad-based recession is imminent. This is reflected in the overall asset allocation of the portfolio. While we have been trimming exposure to some of those asset classes which have done particularly well, including emerging market bonds (both local and hard currency), infrastructure (US utilities and UK renewables), and listed equities, we retain a reasonable degree of exposure to these areas, alongside other investments which still offer the prospect of decent returns in a moderate growth environment.

At the same time, however, we have added to some of the more defensive positions in the Fund. Inflation is, in our view, still a key risk for financial markets. As well as retaining inflation 'breakeven' positions in Japan, Europe and the US, we have recently added a position in Australian breakevens. This is an economy where the market is, in our opinion, underestimating Australia's economic fundamentals, and, in turn, where inflation may get to. We have also added some direct investments in investment grade structured finance, as well as increasing the level of cash and equivalents in the portfolio.

In summary, while we are still modestly optimistic with regards to the outlook for the global economy, we do recognise that it is undoubtedly facing a wide range of challenges. So, while growth may continue to slow, we do not currently think it necessary to move to an overly defensive portfolio, favouring instead a more balanced asset allocation, which we think will produce good returns across a range of economic scenarios.

Performance Objective

To achieve (after deduction of costs):

- an annualised return over five years that is at least 3.5% more than UK Base Rate
- a positive return over three-year periods
- annualised volatility of returns below 10%

There is no guarantee that a positive return will be achieved over three-year periods, or any time period, and capital may be at risk.

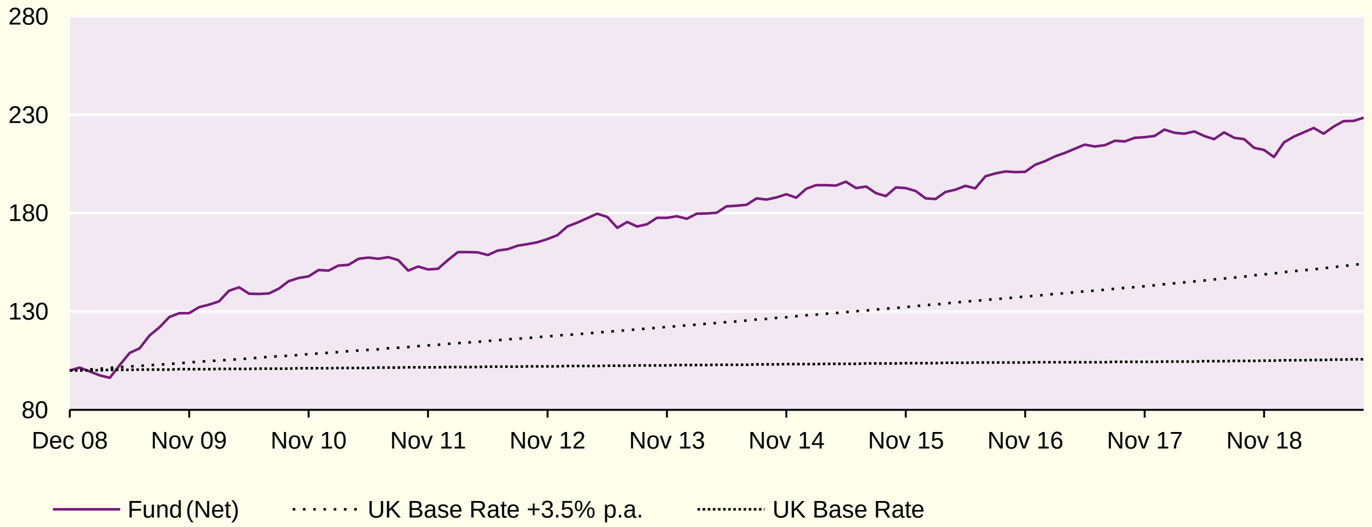
Performance

This table indicates the net performance of the Fund together with the UK Base Rate and the UK Base Rate +3.5%.

	Fund Net (%)	Base Rate (%) +3.5%	Base Rate (%)
Five Years (p.a.)	4.1	4.0	0.5
Three Years (p.a.)	4.3	4.0	0.5
One Year	5.0	4.3	0.8
Quarter	2.0	1.1	0.2

Source: StatPro

Fund, UK Base Rate and UK Base Rate +3.5% Returns Since Launch of the Fund*



*22 December 2008
Source: StatPro. All figures are total returns in sterling from 22/12/08, net of fees.

Summary Risk Statistics (%)

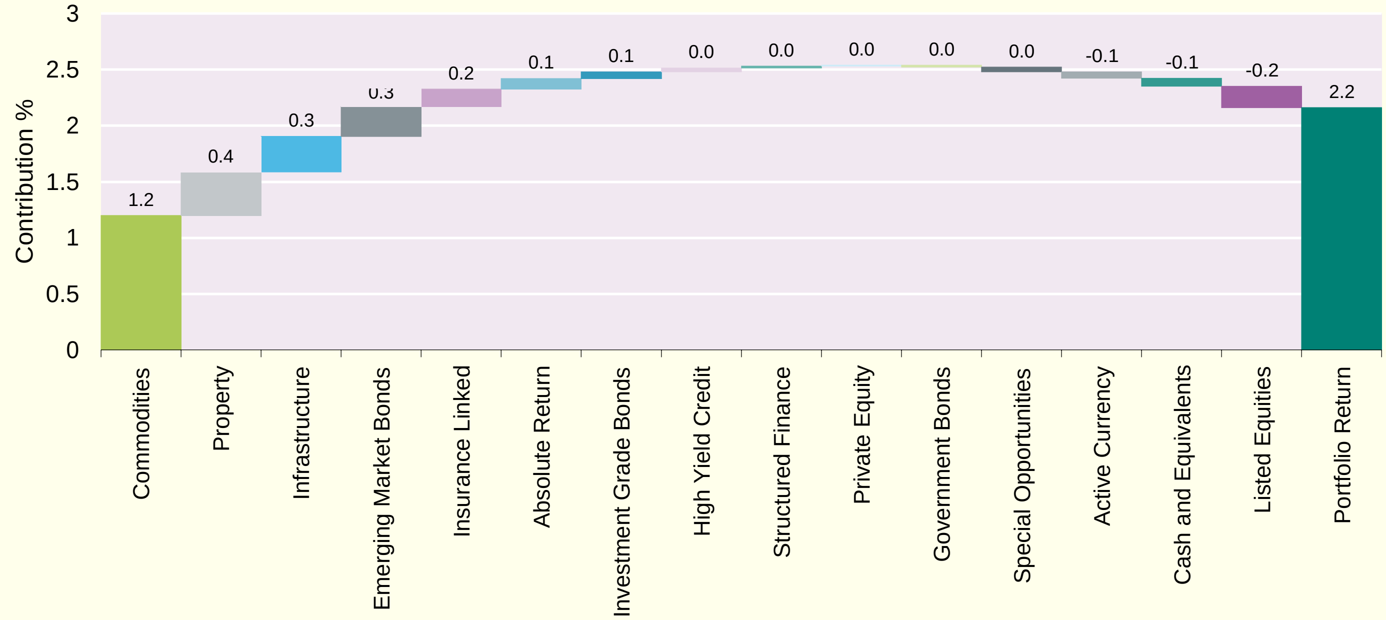
Delivered Volatility	4.1

Annualised volatility, calculated over 5 years to the end of the reporting quarter
Source: Baillie Gifford & Co

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

Asset Class Contributions to Performance

Quarter to 30 September 2019



% Ave. Exposure	5.7	9.8	10.2	16.1	3.2	4.6	2.2	3.9	4.1	0.4	-1.7	0.7	-0.1	6.6	18.3
% Return	22.0	4.0	3.1	1.5	5.0	2.0	2.7	0.9	0.4	2.5	1.0	-6.2	-0.1	0.2	0.3

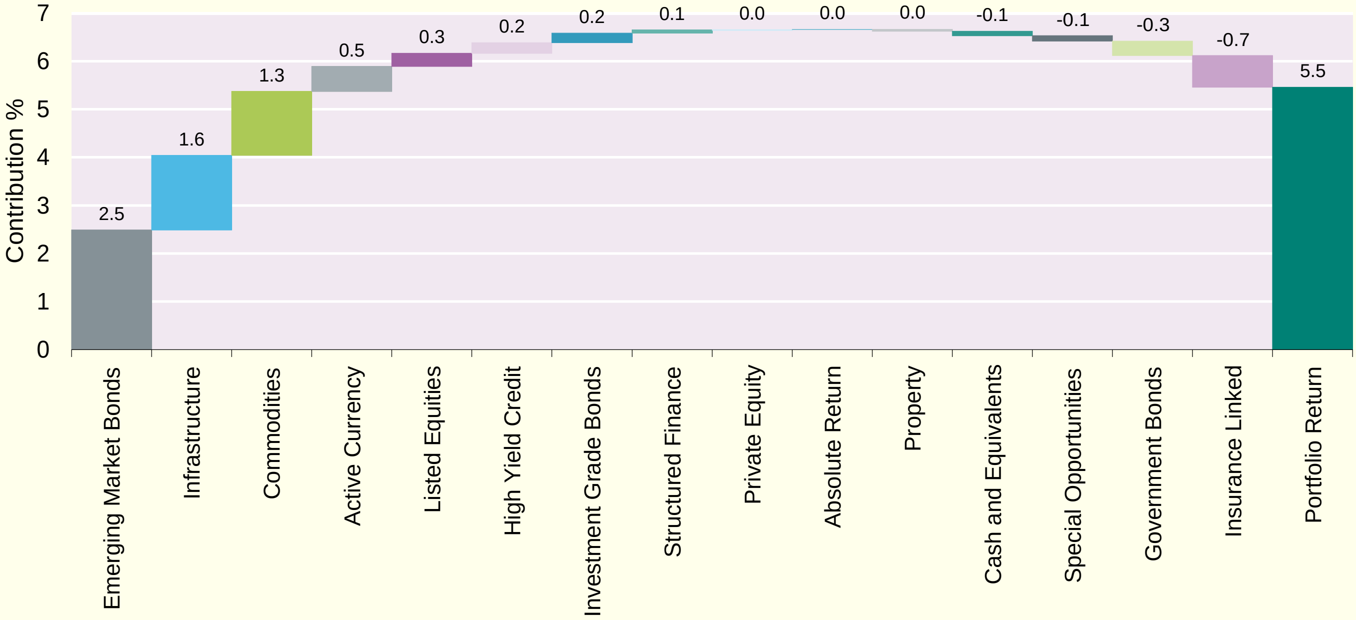
Source: StatPro, gross of fees in sterling. Totals may not sum due to rounding

Average exposure includes all futures positions shown at their average net exposure. Please see Further Notes page for details of futures positions.

Active currency exposure reflects the average net unrealised profit or loss of open positions in the Fund over the period.

The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

One Year to 30 September 2019



% Ave. Exposure	18.7	10.5	3.9	-0.1	18.5	4.2	2.1	4.1	0.5	4.5	8.8	7.1	0.6	1.2	3.4
% Return	12.6	15.0	27.0	0.5	1.1	4.2	9.4	1.6	3.7	2.6	-1.6	0.7	-15.2	5.1	-14.5

Source: StatPro, gross of fees in sterling. Totals may not sum due to rounding

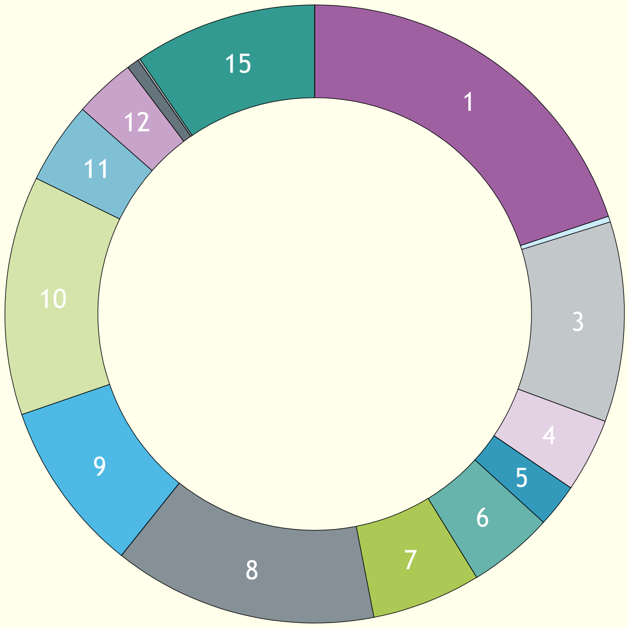
Average exposure includes all futures positions shown at their average net exposure. Please see Further Notes page for details of futures positions.

Active currency exposure reflects the average net unrealised profit or loss of open positions in the Fund over the period.

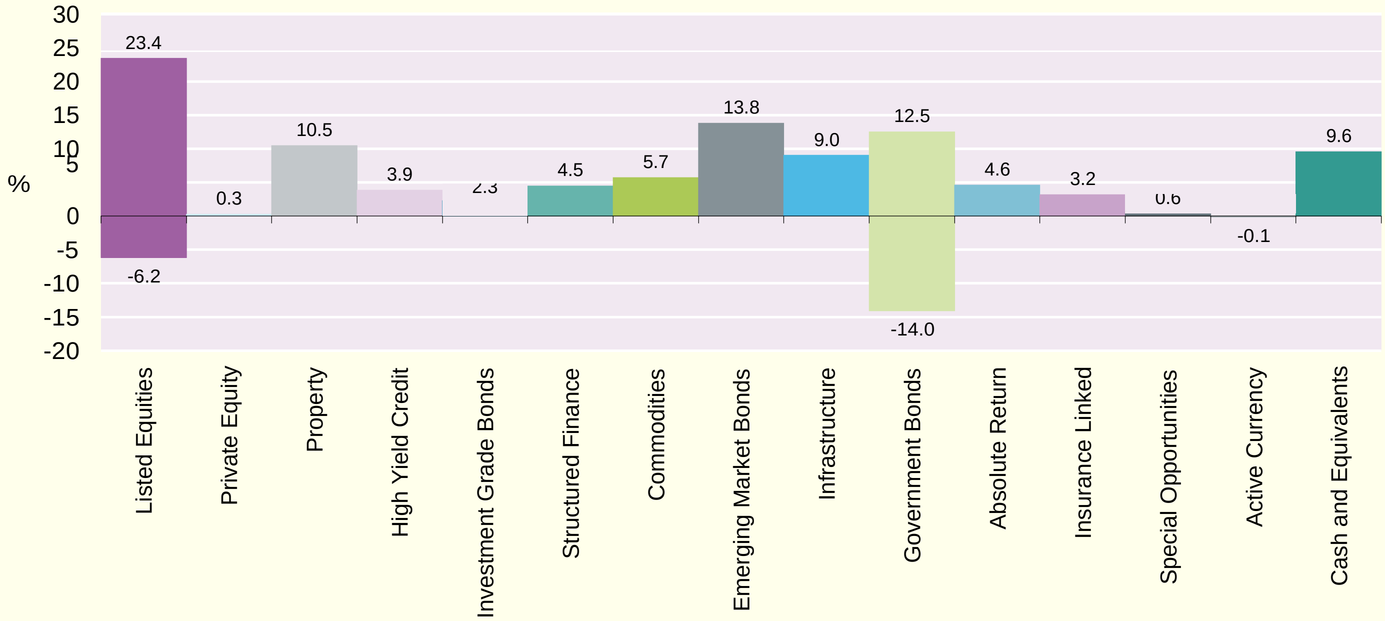
The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

Asset Allocation at Quarter End

		(%)
1	Listed Equities	19.9
2	Private Equity	0.3
3	Property	10.5
4	High Yield Credit	3.9
5	Investment Grade Bonds	2.3
6	Structured Finance	4.5
7	Commodities	5.7
8	Emerging Market Bonds	13.8
9	Infrastructure	9.0
10	Government Bonds	12.5
11	Absolute Return	4.3
12	Insurance Linked	3.2
13	Special Opportunities	0.6
14	Active Currency	-0.1
15	Cash and Equivalents	9.6
	Total	100.0



Asset Class Exposures at Quarter End

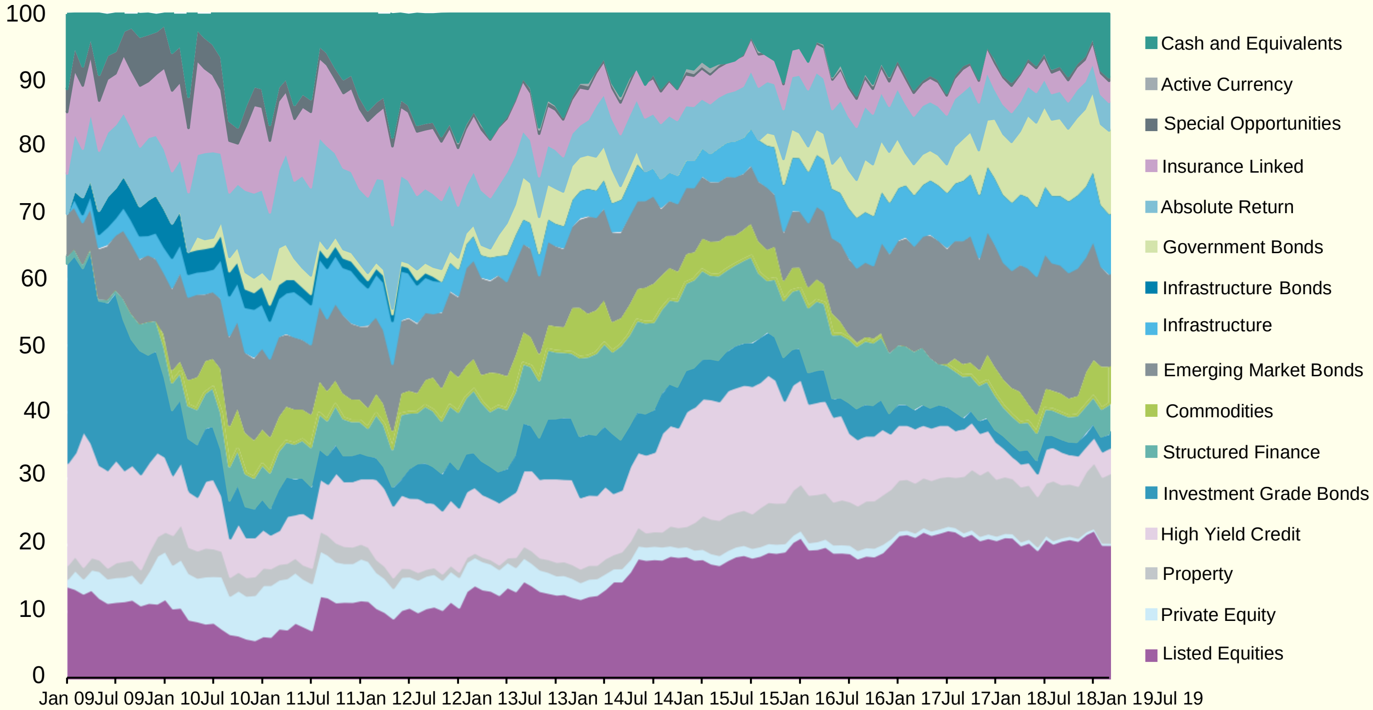


Source: Baillie Gifford & Co

Total may not sum due to rounding

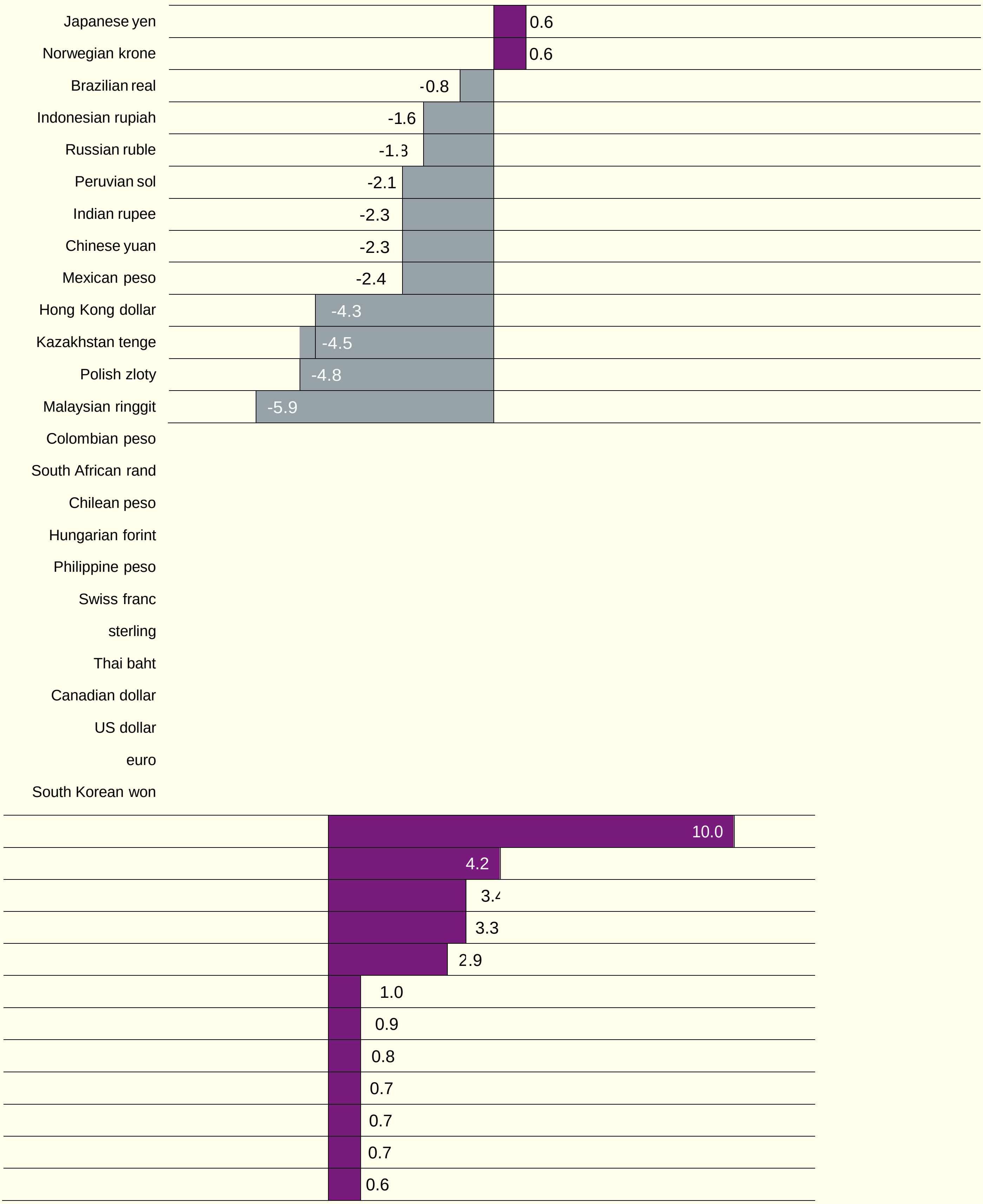
Any difference between asset class exposure and asset class weight relates to futures positions. Please see Further Notes page for details of futures positions.
Active currency exposure reflects the net unrealised profit or loss of open positions in the Fund as at 30 September 2019.
In other asset classes, any negative exposures relate to futures positions. Please see Further Notes page for details of futures positions.

Changes in Asset Allocation Since Launch of the Fund† (%)



† 22 December 2008

Net Currency Exposures at Quarter End



-8 - 4 -2 0 2 4 6 8 10 12
6 -

Exposure (%)

Source: Baillie Gifford & Co. Only includes relative currency positions greater than +/- 0.5%.

The chart shows material currency positions in the Fund relative to the sterling denominated index.

The bars represent net long and short currency positions held in the portfolio. Currency positions include:

- Exposures gained through unhedged investments in non-sterling assets, and;
- Active Currency: a series of return-seeking currency exposures managed by Baillie Gifford's specialist Rates & Currencies team, and any additional positions taken by the Multi Asset Team, which may be return-seeking or portfolio hedges.

Predicted volatility is based on a snapshot of the portfolio at the end of the quarter, and provides a one-year prediction of the volatility of returns.

Risk Statistics (%)

Predicted Volatility	6.6

Source: Baillie Gifford & Co, Moody's Analytics UK Limited

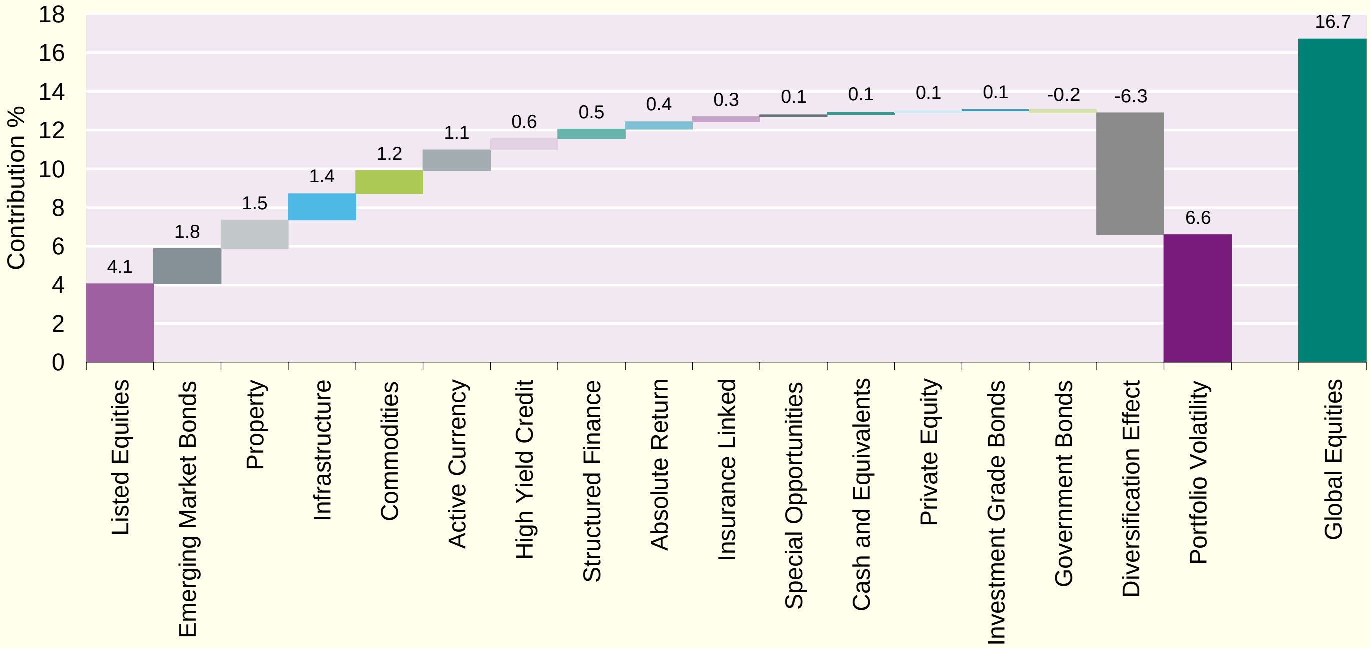
The main risk to our economic outlook remains the deterioration of trade negotiations, though we note the US and China are to resume trade talks in October

As inflationary pressure remains subdued and global growth is slowing, markets are pricing-in further monetary policy stimulus across much of the developed world

We believe that a broadly-diversified portfolio with select hedges against specific risks remains appropriate

The risk attribution chart shows the contribution to predicted volatility of each asset class held in the portfolio at the end of the quarter. The diversification offset bar depicts the benefits of diversification, reflecting that asset classes are not perfectly correlated and therefore do not fluctuate in precisely the same manner over time. Therefore, the overall volatility of the portfolio is lower than the sum of the standalone volatility for each asset class. The last bar on the chart shows the one year predicted volatility for a global equity portfolio, and is provided for context only.

Predicted Volatility – Attribution by Asset Class



Source: Baillie Gifford & Co, Moody's Analytics UK Limited
Total may not sum due to rounding

Asset Name	Weight (%)	Exposure (%)
Listed Equities		
Baillie Gifford Global Income Growth Fund C Acc	5.3	5.3
Baillie Gifford Global Alpha Growth Fund C Acc	5.1	5.1
Baillie Gifford LTGG Investment Fund C Acc	3.5	3.5
Baillie Gifford Worldwide Japanese Fund C GBP Acc	2.9	2.9
Baillie Gifford Pacific Fund C Acc	1.4	1.4
China A Shares ETC - CSI 300	0.8	0.8
China A Shares ETC - CSI 500	0.7	0.7
Fondul Proprietatea GDR	0.3	0.3
Euro Stoxx 50 Index Dividend Futures 23	0.0	0.9
Euro Stoxx 50 Index Dividend Futures 22	0.0	0.8
Euro Stoxx 50 Index Dividend Futures 24	0.0	0.7
Euro Stoxx 50 Index Dividend Futures 20	0.0	0.6
Euro Stoxx 50 Index Dividend Futures 21	0.0	0.5
Euro Stoxx 50 Future Dec 19	0.0	-1.0
S&P 500 Index Future Dec 19	0.0	-5.1
Total Listed Equities	19.9	17.3
Private Equity		
NB Private Equity Partners (USD)	0.2	0.2
HarbourVest Global Private Equity	0.1	0.1
ICG Graphite Enterprise Trust	0.0	0.0
Better Capital	0.0	0.0
Eurovestech	0.0	0.0
Total Private Equity	0.3	0.3
Property		
Land Securities	1.5	1.5
British Land	1.4	1.4
Deutsche Wohnen	1.4	1.4
Hammerson	1.2	1.2
Hibernia	0.6	0.6
LondonMetric Property	0.5	0.5
Icade	0.4	0.4
Gecina	0.4	0.4
Tritax Big Box REIT	0.4	0.4
Vonovia SE	0.4	0.4
LEG Immobilien	0.4	0.4
LXi REIT	0.3	0.3
Merlin Properties	0.3	0.3
Target Healthcare Reit Plc	0.3	0.3

Asset Name	Weight (%)	Exposure (%)
UK Commercial Property Trust	0.2	0.2
Impact Healthcare REIT	0.2	0.2
Covivio REIT	0.2	0.2
Vastned Retail	0.2	0.2
Immobiliare	0.2	0.2
Ediston Property Investment Company	0.2	0.2
ADO Properties	0.1	0.1
Terra Catalyst Fund	0.0	0.0
Total Property	10.5	10.5
High Yield Credit		
Baillie Gifford High Yield Bond Fund C Acc	1.4	1.4
NN (L) Flex Senior Loans	0.6	0.6
Sequoia Economic Infrastructure Income Fund	0.5	0.5
Baillie Gifford US High Yield Credit	0.4	0.4
Henderson Secured Loans Fund	0.3	0.3
NB Global Floating Rate Income Fund	0.3	0.3
SQN Asset Finance Income Fund	0.1	0.1
BlackRock Floating Rate Income Trust	0.1	0.1
NB Distressed Debt Investment Fund EL	0.1	0.1
Invesco Senior Income Trust	0.1	0.1
Pioneer Floating Rate Trust	0.1	0.1
Nuveen Senior Income Fund	0.0	0.0
SQN Asset Finance Income Fund C Shares	0.0	0.0
Total High Yield Credit	3.9	3.9
Investment Grade Bonds		
BG Worldwide Global Credit Fund C USD Acc	2.3	2.3
Total Investment Grade Bonds	2.3	2.3
Structured Finance		
Metreta Fund	1.9	1.9
Galene Fund	1.3	1.3
HSBC Global Asset Backed High Yield Bond Fund	0.6	0.6
TwentyFour Income Fund	0.3	0.3
JUBIL 2016-17X CR	0.1	0.1
ALME 4X CR	0.0	0.0
ALME 5X DR	0.0	0.0
HLAE 2016-1X DR	0.0	0.0
BLUME 2016-1X DR	0.0	0.0
CGMSE 2014-3X CR	0.0	0.0

Asset Name	Weight (%)	Exposure (%)
MILPK 1X D	0.0	0.0
ACCUN 3X C	0.0	0.0
CGMSE 2018-2X C	0.0	0.0
JUBIL 2018-20X DNE	0.0	0.0
CADOG 12X C	0.0	0.0
MRLPK 1X C	0.0	0.0
GLGE 1X CRR	0.0	0.0
CGMSE 2014-1X DRN	0.0	0.0
OCPE 2017-2X C	0.0	0.0
Total Structured Finance	4.5	4.5

Commodities		
ETFS Nickel	3.8	3.8
ETFS Brent Crude	1.9	1.9
Total Commodities	5.7	5.7

Emerging Market Bonds		
Baillie Gifford Emerging Markets Bond Fund C Acc	7.1	7.1
Baillie Gifford EM Government Bonds(Hard Currency)	5.0	5.0
India 8.6% 02/06/2028	0.7	0.7
Peru 6.95% 12/08/2031	0.6	0.6
Egypt T Bill 07/01/2020	0.2	0.2
Egypt T Bill 17/12/2019	0.1	0.1
Total Emerging Market Bonds	13.8	13.8

Infrastructure		
HICL Infrastructure Plc	1.6	1.6
John Laing Group	1.1	1.1
International Public Partnerships	0.8	0.8
BBGI	0.7	0.7
Foresight Solar Fund	0.6	0.6
NextEnergy Solar Fund	0.5	0.5
Renewables Infrastructure Group	0.5	0.5
Hydro One	0.4	0.4
EDP Renovaveis	0.4	0.4
TerraForm Power	0.4	0.4
Greencoat UK Wind	0.3	0.3
Italgas S.p.A	0.3	0.3
3i Infrastructure	0.2	0.2
Greencoat Renewables	0.2	0.2
Keppel Infrastructure Trust	0.2	0.2

Asset Name	Weight (%)	Exposure (%)
US Solar Fund	0.2	0.2
John Laing Environmental Assets Group	0.2	0.2
Tenaga Nasional	0.2	0.2
Korea Electric Power	0.2	0.2
Bluefield Solar Income Fund	0.2	0.2
Total Infrastructure	9.0	9.0

Government Bonds		
Japan (Govt) 0.1% CPI Linked 10/03/2027	3.2	3.2
US TII 0.625% 15/01/2026	3.0	3.0
France 0.7% IL 25/07/2030	2.1	2.1
Germany 0.1% IL 15/04/2026	2.1	2.1
Australia 2.5% IL 20/09/2030	1.0	1.0
Australia 0.75% IL 21/11/2027	1.0	1.0
Euro-Bobl Future Dec 19	0.0	-1.0
Euro-Bund Future Dec 19	0.0	-1.7
Australia 10yr Bond Future Dec 19	0.0	-2.0
Euro-OAT 10yr Dec 19	0.0	-2.7
US 10yr Note Future Dec 19	0.0	-3.1
Japan 10yr Bond (OSE) Future Dec 19	0.0	-3.6
Total Government Bonds	12.5	-1.5

Absolute Return		
Nomura Cross Asset Momentum Fund	1.1	1.1
Aspect Core Trend Fund	1.0	1.0
Goldman Sachs Cross Asset Trend Portfolio	1.0	1.0
Credit Suisse Lux Multi-Trend Fund	1.0	1.0
Boussard & Gavaudan	0.2	0.2
CBOE VIX Future Dec 19	0.0	0.3
Total Absolute Return	4.3	4.6

Insurance Linked		
Kilimanjaro II Re 2017-1 C	0.4	0.4
Golden State Re II 2018-1A	0.2	0.2
Kilimanjaro II Re 2017-2 C	0.2	0.2
IBRD CAR 111-Class A	0.2	0.2
Sanders Re 2018-1 A	0.2	0.2
Manatee Re II 2018-1 - A	0.2	0.2
Horse Capital 1 C	0.2	0.2
Vitality Re VII A	0.2	0.2
Sanders Re 2019-1 B	0.2	0.2
Operational Re B	0.1	0.1
Operational Re A	0.1	0.1

Asset Name	Weight (%)	Exposure (%)
Frontline Re 2018-1 A	0.1	0.1
Operational Re II 2018 B	0.1	0.1
Vitality Re VII B	0.1	0.1
Caelus Re V Limited 2018-1 C	0.1	0.1
Horse Capital 1 B	0.1	0.1
Northshore Re II 2019 A	0.1	0.1
IBRD CAR 114-Class B	0.1	0.1
CatCo Reinsurance Opportunity Fund	0.1	0.1
Operational Re II 2018 A	0.1	0.1
CatCo Reinsurance Opportunities Fund C Shares 2017	0.1	0.1
Blue Capital Reinsurance Holdings Fund	0.1	0.1
IBRD CAR 112-Class B	0.0	0.0
Manatee Re II 2018-1 - B	0.0	0.0
Caelus Re V Limited 2018-1 D	0.0	0.0
Blue Capital Global Reinsurance Fund	0.0	0.0
Residential Re Ltd 2018-I Class 11	0.0	0.0
Total Insurance Linked	3.2	3.2
Special Opportunities		
Amedeo Air Four Plus Limited	0.4	0.4
DP Aircraft I	0.2	0.2
Doric Nimrod Air Two	0.1	0.1
Juridica Investments	0.0	0.0
Total Special Opportunities	0.6	0.6
Active Currency†		
Total Active Currency	-0.1	-0.1
Cash and Equivalents		
Total Cash and Equivalents	9.6	9.6
Total	100.0	83.6*

Totals may not sum due to rounding.

* Futures positions are included at their net exposure weight in the portfolio exposure column, and cash includes collateral held to back all long futures positions. Therefore total portfolio exposure may not sum to 100%. Please see Further Notes page for details of futures positions.

† The number shown against active currency reflects the net unrealised profit or loss of open positions in the Fund as at 30 September 2019.

Fund Name	Update
Baillie Gifford Diversified Growth Fund	Asset class valuations have risen across several markets year-to-date and, in some instances, now appear expensive. We have reduced our exposure to some of the more economically-sensitive asset classes where the near-term return prospects look less compelling. Earlier in the quarter, we made a small reduction to our infrastructure holdings, specifically the basket of four UK-based renewable funds, based upon their improved valuations. We also completely sold our US utility holdings. They had experienced strong share price appreciation over recent months and now appear fully-valued. At a Fund level, the combined value of these sales was c.3%. We have also reduced our global equity position by around 2%, making small reductions to the internally managed global equity funds as well as the Japanese Fund, capturing some of their recent good performance. Within commodities, we trimmed our position in nickel in response to a strong price rise in early September. Indonesia, one of the world's largest nickel producers, announced it would ban exports of the raw metal in December 2019. This resulted in a surge in the nickel price as the market took this as a sign that supply may not keep up with increasing levels of demand. Yields on local currency emerging market government bonds fell over the quarter and are now trading at multi-year lows. Although it remains one of our higher return-seeking asset classes, we took some profits from our local currency positions via a small reduction to our in-house Emerging Market Bond Fund and the sale of our directly held Mexican Index-Linked and Indonesian government bond positions which had performed well. As a result of the reductions to economically-sensitive asset classes, cash levels increased over the quarter. Elsewhere, we added some small, direct positions within structured finance. These are credit instruments which give us exposure to a pool of corporate loans which currently offer an excess return over the equivalently-rated corporate bonds. Mindful of the potential for political events to derail markets, we increased the protective positions in the portfolio. We maintain the view that the market is mis-pricing the prospects for inflation in several developed economies, prompting us to increase the Fund's exposure to 'breakeven inflation' positions. This is the difference between the yield on index-linked bonds and the yield on conventional, nominal bonds, and it represents the bond market's view on how high or low inflation is likely to be in the future. This quarter, we added a 2% Australian breakeven inflation position and reduced our US exposure by c.1%. We maintain Japan and European breakeven inflation positions. Overall, the portfolio is more cautiously positioned than when we entered the summer. We maintain a well-diversified portfolio which is positioned to deliver returns, and to be robust to a number of risks.

Information on Futures Positions

The Fund has the flexibility to use futures either to gain exposure to an asset class by taking a long position, or to reduce exposure to an asset class by taking a short position. Futures positions may also be used to hedge existing holdings against adverse market movements. A long futures position is gained by purchasing a futures contract, thus giving exposure to an underlying asset with the expectation that asset will rise in value. Conversely, a short futures position is gained by selling a futures contract, where the expectation is that the value of the underlying asset will fall.

When calculating the portfolio's asset class weightings, all futures positions are included at 0% weight. When calculating the portfolio's asset class exposures, all futures are included at their exposure size. Cash is held to back all long futures positions. The below table summarises the portfolio's current futures positions.

Baillie Gifford Diversified Growth Fund

Position	Position size	Asset Class	Position held alongside	Investment Rationale
S&P 500 Index Future	5.1% short	Listed Equities	Global Equity Funds	Reduces exposure to the US equity component of our global equity funds
Eurostoxx 50 Index Future	1.0% short	Listed Equities	Global Equity Funds	Reduces exposure to the European equity component of our global equity funds
Eurostoxx 50 Index Dividend Futures	3.5% long	Listed Equities	n/a	Gives exposure to the future level of dividends paid by companies in the Eurostoxx 50 Index
Euro Bobl Future	1.0% short	Government Bonds	Fixed coupon European High Yield and Investment Grade Bonds	Reduces exposure to Eurozone duration risk within European High Yield and Investment Grade bonds.
Euro-Bund Future	1.7% short	Government Bonds	German Inflation Linked Government Bonds	Removes German interest rate risk, leaving only the desired German inflation exposure
Euro-OAT 10yr	2.7% short	Government Bonds	French Inflation Linked Government Bonds	Removes French interest rate risk, leaving only the desired French inflation exposure
Japan 10yr Bond (OSE) Future	3.6% short	Government Bonds	Japanese Inflation Linked Government Bonds	Removes Japanese interest rate risk, leaving only the desired Japanese inflation exposure
US 10yr Note Future	3.1% short	Government Bonds	US Treasury Inflation Protected Securities	Removes US interest rate risk, leaving only the desired US inflation exposure
Australia 10yr Bond Future	2.0% short	Government Bonds	Australian Inflation Linked Government Bonds	Removes Australian interest rate risk, leaving only the desired Australian inflation exposure
CBOE VIX Future	0.3% long	Absolute Return	n/a	Gives exposure to the VIX (volatility) Index

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	48	Companies	18	Companies	2
Resolutions	555	Resolutions	30	Resolutions	2

The US Business Roundtable published a new statement of purpose in August

Recent changes to the UK Corporate Governance Code signalled the move to a more multi-stakeholder approach to corporate decision making

We are very comfortable with the international convergence towards a more balanced approach to corporate decision making

Company Engagement

Engagement Type	Company
Corporate Governance	Abcam plc, Alibaba Group Holding Limited, Alphabet Inc., Amazon.com, Inc., Boussard & Gavaudan Holding Limited, CATCo Reinsurance Opportunities Fund Ltd., Facebook Inc., Hargreaves Lansdown plc, Hiscox, Illumina, Inc., Keller Group plc, Kering SA, Ryanair Holdings plc, Shopify Inc., Tesla, Inc.
Environmental/Social	Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel
AGM or EGM Proposals	ABIOMED, Inc., Abcam plc, British American Tobacco Plc, DP Aircraft I Limited, Fanuc Corporation, HomeServe plc, MISUMI Group Inc., Mettler-Toledo International Inc., Olympus Corporation, SMC Corporation, Sequoia Economic Infrastructure Income Fund Limited
Executive Remuneration	BHP Group Plc, Genus plc, John Wood Group PLC, Victrex plc, Volution Group plc

Notes on company engagements highlighted in blue can be found in this report. Notes on other company engagements are available on request.

We have all become used to the increasingly mainstream public debate on corporate governance and responsible business issues. Phrases such as ‘CEO pay ratio,’ and ‘carbon footprint’ are now widely used in the media. For veterans working in the ESG field, this emergence from obscurity is still something of a welcome surprise. However, the levels of interest in what you might call stakeholder governance theory went up a whole level in August after the US Business Roundtable published a new statement of purpose, signed by over 180 of its corporate members.

The revolutionary semantic step taken by this usually lower key grouping of US corporations was to relegate shareholders to just one of several important stakeholder groups. In their own words from the accompanying press release:

> Since 1978, Business Roundtable has periodically issued Principles of Corporate Governance. Each version of the document since 1997 has endorsed principles of shareholder primacy – that corporations exist principally to serve shareholders. With today’s announcement, the new statement supersedes previous statements and outlines a modern standard for corporate responsibility.
>
> “The American dream is alive, but fraying,” said Jamie Dimon, Chairman and CEO of JPMorgan Chase & Co. and Chairman of Business Roundtable. “Major employers are investing in their workers and communities because they know it is the only way to be successful over the long term. These modernized principles reflect the business community’s unwavering commitment to continue to push for an economy that serves all Americans.”

What should we make of this significant change in tone from the top of corporate America? For some investors, the initial reaction might well echo that of the US Council of Institutional Investors (CII) (note: we are an associate member) which was clearly unimpressed: “The [Business Roundtable] statement undercuts notions of managerial accountability to shareholders… Accountability to everyone means accountability to no one.”

However, in many parts of the world, stakeholder governance has always been business as usual. For example, in Japan, which has long championed an approach to business that is less directly beholden to investors, executives might understandably be wondering what all the fuss is about. Similarly, German companies, which have legally enshrined employee representation in their corporate governance, may have shrugged and wondered why it has taken so long for Anglo-Saxon capitalism to catch up with the programme.

In reality, the Business Roundtable statement is just the final nail in the coffin of the Chicago School of Economics inspired dogma of relentless focus on profit maximisation as an end in itself. The best companies – and the ones that we particularly like to invest in – have long understood that focusing on delighting their customers and enduring business excellence is the surest way to sustainable long-term profits. The recent changes to the UK Corporate Governance Code, which enshrine the importance of corporate purpose and director accountability to the workforce, signalled the change to a more multi-stakeholder approach to corporate decision making.

Taking the long view, it is the last 50 years that will come to be seen as the aberration. Corporations were originally set up and licensed to carry out a particular (socially useful) purpose. They have a distinct and separate legal form from ordinary businesses, and they enjoy legal personage and the right to own property and intellectual capital. Therefore, if well run, they enjoy a type of commercial immortality. The idea that corporations could take this special social licence to operate and use it only for short-term profit maximisation with no wider social purpose is out of step with the historical spirit of the joint stock corporation as well as the current zeitgeist.

Shareholder value theory served an important purpose at a time when many companies had lost their way and weren’t necessarily delivering much value for anyone, but the philosophical pendulum swung too far. Either way, society’s mood music has decidedly moved on, and right across the political spectrum. The Business Roundtable, for whatever reasons or motives, has recognised this and moved on too.

We do, of course, have sympathy with the CII’s concerns about potentially less accountable corporations merely going through the motions of stakeholder-driven decision making. We also share the view that far too many companies struggle to set long-term growth targets that are aligned with investor interests, and instead resort to short-term measures to try and boost the share price to achieve executive compensation milestones. The CII is also absolutely right in that too many companies have been run for decades for the sole purpose of enriching their executives, and we need to collectively push back against this.

To conclude, we are very comfortable with the international convergence towards a more balanced approach to corporate decision making, and the idea of a wider set of goals for big business as a means to long-term value creation.

This may be a timely opportunity to introduce Baillie Gifford's own Stewardship Principles, which we published earlier this year. The principles very much focus on the themes discussed. They are included below for information, and will be incorporated in the next version of our Governance and Sustainability policy. Importantly, these are very much live principles, which we use in our ongoing engagement with your holdings as we push for best practice standards in corporate governance.

Baillie Gifford stewardship principles: reclaiming activism for long-term growth investors

We have a responsibility to behave as supportive and constructively engaged long-term shareholders. We invest in companies at different stages in their evolution, across vastly different industries and geographies, and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation, but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others don't.

A constructive and purposeful board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair treatment of stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable business practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if the long-run impact of a business on society and the environment is taken into account. Management and boards should, therefore, understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

We take our responsibilities seriously. We will encourage focus on the building of lasting competitive advantage, and we will enthusiastically support those with a thoughtful approach, using voting to support our five core principles. At a time when the word ‘activism’ is synonymous with those targeting short-term gains, we would like to reclaim the term for the long-term growth investor.

Company	Engagement Report
Abcam plc	In our engagement with the CEO and finance director, we discussed board changes, including the appointment of a new independent non-executive director with significant industry experience, and the new five-year plan which provides for an increase in the pace of investment over the medium term. Opportunities for growth, the group's culture and potential risks were also discussed.
Alibaba Group Holding Limited	Co-founder Joe Tsai wanted to discuss succession and culture at Alibaba. He remembers a conversation with us years ago on the advantages of partnerships, and still thinks that a partnership structure confers significant cultural differentiation. The market's preoccupation with co-founder and now former Chairman Jack Ma as the great leader of the company amuses Tsai. No insult implied to Ma - himself an advocate of group leadership - but Tsai has never supported the notion of a single great leader in the company. The ambition was to move leadership down the generations whilst keeping sage veteran advisors available. This increases corporate adaptability. Tsai believes that extended leadership tenure is generally detrimental, a notable exception being Amazon founder CEO Jeff Bezos givn his endless curiosity and relentless reinvention.
Alphabet Inc.	We participated in Alphabet's quarterly call on environmental, social and governance (ESG) issues. The company provided an update on board oversight and operation, executive pay, privacy and user data, as well as sustainability. Whilst there appears to be progress across ESG issues, their approach to engagement remains restrained, with minimal time allotted to topics shareholders see as important. This level of interaction is not consistent with a business of its size and maturity. Consequently, insight to business practices was limited. As a long-term shareholder, we will continue to participate in such calls as part of monitoring the company's ESG practices, but we are realistic on the limited value they add. We also participated in the annual Alphabet seminar for long-term, large shareholders. This allowed us to hear from Chief Financial Officer Ruth Porat and Google CEO Sundar Pichai among others in the management team. Despite the seniority of the speakers, content was limited and certain parts of the business, such as Waymo, were not discussed - we will continue to engage on those aspects. We were encouraged to learn more about efforts to enhance user experience, such as a transformation of its targeted advertising approach thanks to machine learning, thereby avoiding the need for personal data (evidence of adapting to privacy concerns). Set against Alphabet's future growth is the prospect of regulatory intervention. Pichai's view was that regulatory scrutiny is nothing new. He takes comfort from Google's product development approach being focused on maximising helpfulness to users, while its search business cannot make money unless its partners are successful. Indeed, he suggested that regulatory intervention may be beneficial.
Amazon.com, Inc.	A session with founder CEO Jeff Bezos at the Sun Valley conference inevitably led to questions about media criticism and regulation. Bezos remarked that increasing media attention is evidence of Amazon's significance. Although this scrutiny is not new, it is more amplified than before. Amazon's readiness to engage with the issues is encouraging. Recent examples include the company's decision to raise the minimum wage for US workers to $15 per hour and its advocacy to raise the federal minimum wage, as well as a commitment to meet its obligations to the Paris Agreement on climate change a decade early. We continue to engage with Amazon to understand more about its attitudes and actions to addressing social and environmental concerns that may affect its long-term growth. Labour conditions remain an area for further research and we will again visit a fulfilment centre in the coming months.
Boussard & Gavaudan Holding Limited	Boussard & Gavaudan Holding Limited is a closed-ended balanced fund of funds invested in equity and fixed income markets. The board announced that various options had been considered for addressing liquidity and the discount to net asset value (NAV). We are one of the fund's largest shareholders and were particularly keen to engage with the Chairman, Andrew Henton, as we were surprised not to have been consulted before the proposal was made. We confirmed our thinking in writing as a follow up our meeting, stating that the best course of action would be for the company to be wound-up and capital returned to shareholders, rather than the other possible measures we had suggested in our previous communications. These included, for example, improving investment performance and fund marketing activities over a defined timeline.

Company	Engagement Report
CATCo Reinsurance Opportunities Fund Ltd.	We followed up an earlier meeting with a call to the Markel CatCo investment management team. This came after public announcements that the fund will cease accepting new investments, will not write new business, and will commence the orderly run-off of the existing portfolio. Given the change in circumstances and investment objective, we were interested in how the fund's effective return of capital could be aligned with the interest of shareholders. We also communicated our suggestions for Markel to demonstrate more direct shareholder alignment by email to the fund's Chairman, James Keyes. Our suggestions included Markel taking a stake in the C Shares, management fees being paid in company shares and that the change in investment objective and policy be clearly reflected on the company's website and promotional materials.
Facebook Inc.	A meeting with founder CEO Mark Zuckerberg and Chief Operating Officer Sheryl Sandberg made clear that Facebook's acceptance of past errors has turned into action. With the company's operational performance still robust, Facebook is taking an increasingly proactive approach to addressing societal concerns. Indeed, Zuckerberg mentioned discussions with Bill Gates on how to simultaneously run a company and work with regulators. Whilst the advertising model and past errors may mean that being accepted as a force for corporate good in future is improbable, it is what Zuckerberg and Sandberg have in mind. The current modest reputational recovery might become societal forgiveness in the longer term, but we continue to engage with management on these issues.
Hargreaves Lansdown plc	We engaged with the CEO and CFO, and subsequently with the chair. We discussed the the review of the group's governance framework that is in progress following recommendations made in last year's board effectiveness evaluation. We discussed steps being taken to reduce the risk of reputational damage to the business following the suspension in June of the Woodford income fund to which some clients have exposure. The regulatory environment, client service and the decison by executive directors not to take bonuses were also covered. We sought insight into preparations for the re-opening of the Woodford fund whch is currently expected in December.
Hiscox	We engaged with the CFO of Hiscox on the subject of responsible taxation. Hiscox is listed on the London stock exchange but is domiciled in Bermuda. We sought to fully understand the tax consequences of the choice of domicile and the company's approach to taxation. We were assured that existing arrangements were regularly reviewed to ensure they were not just legal but fair. It is encouraging to know that Hiscox regards tax not as a cost to be minimised but more akin to a distribution of the benefits of conducting a successful business. This engagement is an example where encouragement can often be as powerful as challenge.
Illumina, Inc.	Illumina's sequencing and array technologies drive advancements in life science research, translational and consumer genomics, and molecular diagnostics. We had a call with the company to discuss developments in its corporate governance. Recent changes include declassifying the board, annual elections for directors, and removing supermajority voting requirements to amend bylaws. These amendments increase board accountability and provide greater influence to shareholders. The board has been extensively refreshed in recent years, with the recruitment of experienced, high quality non-executive directors to provide oversight and support to management. International experience is the next area the board would like to strengthen. We are encouraged that Illumina's governance practices are evolving in a manner which supports its long-term strategy.
Keller Group plc	We spoke with Peter Hill, Chairman, following the announcement that the CEO is leaving. At our meeting with him in April, we had a candid discussion about the CEO's position following disappointments in the execution of strategy. The CFO is stepping up to Interim CEO until succession is finalised. We will monitor the impact of the leadership change on the company's board and performance.
Kering SA	The potential for CEO François-Henri Pinault to reinforce the adaptability and longevity of Kering through his commitment to sustainability appears be far more than just words. Leather alternatives are on the verge of serious commercial significance and it was clear from our discussion that Kering is positioning itself to reap the benefits. For those who market themselves on the basis of traditional leather, this could become a serious issue (hence our parallel discussions with Hermès).

Company	Engagement Report
Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel	We had an encouraging second meeting with NorNickel where we discussed its approach to climate change and greenhouse gas emissions (GHGs). Following our previous meeting with the COO in 2018, we were disappointed to see little improvement on climate change in this year's sustainability report. However, our research revealed that NorNickel is implementing numerous efficiency and modernisation projects which should reduce its GHG emissions intensity. We therefore feel that the company is missing the opportunity to monitor and report on these emissions reductions. We used this meeting and a letter to the company to encourage it to rectify this. While we believe that NorNickel has a responsibility to better communicate its approach and contribution to climate change, we also expect this to make it a more attractive investment, partner and supplier internationally. We discussed the potential future market for more sustainably produced battery metals and were reassured that NorNickel is considering this as a driver for action. Our sense from the meeting was that improvements to climate change reporting are underway, and we saw early-stage work in this area. We learned that NorNickel is considering a submission to the Task Force for Climate-related Financial Disclosure and will submit at least Scope 1 and 2 emissions to the Carbon Disclosure Project in 2019. We offered our support if required and hope to see improvements soon.
Ryanair Holdings plc	We met Ryanair twice during the quarter. The first meeting was a joint engagement with other shareholders, organised by the Investor Forum. We met five members of the management team, two board members, the senior independent director (SID) and the remuneration committee chair. Our second meeting was to attend the annual shareholder meeting. We had another joint engagement with other shareholders to meet the outgoing chairman, the incoming chairman, the SID and the chair of the remuneration committee. Discussions at the meetings covered Ryanair's approach to the environment, social issues and its governance practices. During the quarter, Ryanair became the first airline to publish regular updates on its carbon footprint, an area where aviation is under increasing scrutiny. Ryanair operates one of the youngest fleets with one of the highest load factors - how full each flight is - and is doing what is within its control. Better disclosure on the footprint was welcomed by shareholders. We received an update on the negotiations with employees since trade unions were recognised. We fed back that we find progress difficult to monitor and would encourage transparency. However, progress is moving in the right direction on reaching final agreements in the company's bases. In relation to governance, the business is in transition as the chair and SID step down in 2020. We met the new chair, who is already on the board, and requested a one-to-one meeting later in the year. One key topic of discussion will be board skills as we would expect the company to add directors given two are standing down. A new CEO of the Ryanair airline company, Eddie Wilson, who was chief people officer, was appointed during the quarter. We met him in our office shortly before his appointment to discuss progress on employee negotiations. The other governance topic was remuneration. We opposed the remuneration report at the recent shareholder meeting on behalf of clients, given concerns regarding the structure of a retention package granted to Michael O'Leary as part of his new five-year contract. The absence of any lock-in feature requiring him to hold the shares after they vest made us concerned about the potential long-term impact of decisions taken during the five-year tenure. A topic discussed at both meetings was the operational impact of the grounding of Boeing 737 max planes. It is too early to know when these planes will be delivered, but the company is beginning to think about alternatives as their delivery is an important factor in ensuring passenger growth and continued low costs. Our next interaction will be with the management team next quarter for the results roadshow.
Shopify Inc.	A meeting with Chief Operating Officer Harvey Finkelstein highlighted that the company's culture is centred on entrepreneurs. This differs from Amazon, where customer-centricity is at the core of the business culture. Shopify does not consider the end customer as unimportant, but believes that reducing the frictions facing entrepreneurs is vital for customers to benefit from greater innovation and choice. Finkelstein combines his commercial oversight with the vision and product genius of founder CEO Tobias Lutke in their ambition to build a 100-year company. He underlined their eagerness to constantly improve culture, particularly as the company grows. Indeed, mentorship is hugely important internally. We were encouraged by Finkelstein's passionate engagement in company culture - a contrast to the lip service which many other executives pay to such questions.

Company	Engagement Report
Tesla, Inc.	Our discussion with CFO Zach Kirkhorn spanned a number of significant issues including: the various pricing adjustments earlier this year; the Shanghai factory; servicing; and the Model Y crossover vehicle. We also discussed a significant development over the past year - the departure of Chief Technology Officer JB Straubel. Credited with much of Tesla's battery prowess to date, Straubel had been a significant figure in the management team since the compny's early days. Kirkhorn informed us that Straubel's outside interests had been building for some time, but he stayed on until the Model 3 production levels were stable. This effectively allowed 6-12 months to prepeare for his successor Drew Baglino to step into the CTO role from the position of vice-president of technology. We pay close attention to succession planning and can take comfort that Baglino was recruited by Straubel back in 2006. We aim to meet Baglino in the coming months.

Votes Cast in Favour

Companies	Voting Rationale
3i Infrastructure, Abiomed, Alibaba, Ashtead, Auto Trader, Bank Rakyat Indonesia, Better Capital, BlackRock Floating Rate Income Trust, Breedon Group, British Land, Burberry, DP Aircraft I, DSV, Diageo, Fondul Proprietatea GDR, HICL Infrastructure Plc, Halma, HarbourVest Global Private Equity, Helical, Hibernia, HomeServe, ICICI Prudential Life Insurance, IG Group, Inditex, Intermediate Capital Group, Invesco Senior Income Trust, James Hardie Industries, John Laing Environmental Assets Group, Johnson Matthey, Land Securities, Local Shopping REIT, LondonMetric Property, NAVER Corp, NB Global Floating Rate Income Fund, Naspers, New Relic, NextEnergy Solar Fund, Norilsk Nickel ADR, Petrobras Common ADR, Pioneer Floating Rate Trust, Reliance Industries Ltd., Ryanair, Ryman Healthcare Ltd, Scottish & Southern Energy, Sequoia Economic Infrastructure Income Fund, Target Healthcare REIT, TwentyFour Income Fund, Xero Ltd	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Better Capital	AGM 12/09/19	1	We opposed the resolution to approve the continuance of the fund as we do not believe it is in the best interests of shareholders to continue paying the Managers a fee to run the fund during the run-off.
British Land	AGM 19/07/19	20, 21	We opposed the authority to issue equity without pre-emption rights as no price assurance was able to be given.
CatCo Reinsurance Opportunities Fund C Shares 2017	CLS 06/09/19	1	We opposed the resolution to approve a tender offer as we do not believe proposed action is aligned with shareholders' best interests.
CatCo Reinsurance Opportunities Fund C Shares 2017	CLS 06/09/19	2	We opposed the authority for market purchase of shares as we are uncomfortable with the conditions attached to the authority.
CatCo Reinsurance Opportunity Fund	CLS 06/09/19	1	We opposed the resolution to approve a tender offer as we do not believe proposed action is aligned with shareholders' best interests.
CatCo Reinsurance Opportunity Fund	CLS 06/09/19	2	We opposed the authority for market purchase of shares as we are uncomfortable with the conditions attached to the authority.
ICICI Prudential Life Insurance	AGM 17/07/19	3	We opposed the election of a non-executive director due to poor attendance at board meetings.
John Laing Environmental Assets Group	AGM 14/08/19	11	We opposed the option to receive a scrip dividend because we do not believe the potential dilution levels are in the interests of shareholders.
Land Securities	AGM 11/07/19	17	We opposed the authority to issue equity with pre-emption rights.
LondonMetric Property	AGM 11/07/19	13	We opposed the proposal that gave the company the right to issue up to two-thirds of its issued share capital which we do not believe to be in our clients' best interests.

Company	Meeting Details	Resolution(s)	Voting Rationale
Ryanair	AGM 19/09/19	2	We opposed remuneration due to concerns regarding the structure of the retention plan for the CEO. Whilst we welcome a scheme which aims to retain talent and incentivise long term performance, we are concerned that the structure of the plan could lead to short term decisions being made if there is a period of poor performance before shares are due to be awarded. We also have concerns that the independent members of the board have received share options.

Companies	Voting Rationale
Land Securities	We opposed the authority to issue equity without pre-emption rights.
Ashtead, Auto Trader, British Land, Helical, Hibernia, HomeServe, IG Group, Intermediate Capital Group, Johnson Matthey	We opposed the proposal that gave the company the right to issue up to two-thirds of its issued share capital via a rights issue under Section 551 of the Companies Act 2006. We do not believe that it is in our clients' best interests to forego the right to vote on a large rights issue at an EGM.
Ashtead, Auto Trader, Halma, Helical, HomeServe, IG Group, Intermediate Capital Group, Johnson Matthey	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Bank Rakyat Indonesia	EGM 02/09/19	3	We abstained on the election of directors due to lack of disclosure of the candidates.
DP Aircraft I	AGM 08/07/19	6	We abstained on the resolution to approve the share repurchase authority as we were uncomfortable with the repurchase price.

Votes Withheld

We did not withhold on any resolutions during the period.

Votes Not Cast

Companies	Voting Rationale
HSBC Global Asset Backed High Yield Bond Fund, NN (L) Flex Senior Loans	We did not vote due to the practise known as "blocking" - the rules in some markets which restrict us from selling your shares during the period between the votes being cast and the date of the meeting.

Fees Paid from NAV and Explicit Transaction Costs

	Fees Paid from NAV (%)					Explicit Transaction Costs (%)	
	Manager's Fees	Expenses	Custody Transaction Fee	Total	Other Indirect Fees	Transaction Taxes	Broker Commissions
Baillie Gifford Diversified Growth Fund B2 Acc	0.65	0.31	0.00	0.96	0.00	0.02	0.01
Baillie Gifford Managed Fund B Accum	0.40	0.03	0.00	0.43	0.00	0.03	0.01

Fees Paid from NAV and Explicit Transaction Costs are disclosed as a % of the Pooled Fund(s) on a historical rolling 12 month basis and will only include Pooled Fund(s) held at the end of the quarter. These have been rounded to the nearest two decimal places.
For a Pooled Fund that has not been in existence for at least a year, we will be reflecting actual incurred explicit transaction costs during the relevant period as opposed to annualised costs.

Manager's Fees represent the standard annual investment management fee for the Pooled Fund(s) listed and may not represent the fee actually paid by you. Please refer to either your Terms & Conditions or Management Agreement, as applicable.

Expenses are calculated in accordance with 'Authorised Funds: Guidance on the ongoing charges calculations' issued by the Investment Management Association in October 2011 and include, but are not limited to, depositary fees, custody safe keeping fees, professional fees (e.g. audit fees) and relevant expenses deducted from the net asset values of holdings of other open-ended pooled funds (indirect fees).
Investments are also made in other investment companies, none of which are managed by Baillie Gifford. The underlying expenses of these companies, like the underlying expenses of listed companies, have not been included in Expenses. See Other Indirect Fees below for more details.

Custody Transaction Fees are charged by the custodian for transacting in a market. These flat fees vary by market being transacted. Please note these are different from the custody safe keeping fees, which are charged on a monthly basis and are included in Expenses.

Total is the sum of Manager's Fees, Expenses, and Custody Transaction Fees set out above. The investments held by the Pooled Fund(s) change from time to time and so the figure quoted is an estimate based on the latest available data and asset allocation. The methodology is consistent with that of the Pooled Fund's quoted Ongoing Charges Figure ('OCF').

Other Indirect Fees are expenses of investment companies that have not been included in Expenses.
We are fully committed to cost transparency so we are disclosing this figure as, under Europe's Markets in Financial Instruments Directive (MiFID II), management fees and underlying expenses of investment products should all be included as part of Fees Paid from NAV.
Some of the companies which we identify as investment companies - rather than investment products - also produce cost disclosures. We view these expenses in the same category as expenses incurred by any listed company rather than investment management costs and, consistent with the expenses incurred by other listed companies, we have excluded these from Fees Paid from NAV. However, where these investment companies disclose costs, we have included these in the interest of transparency.

Explicit Transaction Costs (Transaction Taxes and Broker Commissions) arise when buying or selling stocks in the market. Buying or selling of stocks may result from: individual stock considerations, portfolio changes due to broader implementation of Baillie Gifford's investment policy and from both investment inflows and outflows from the Pooled Fund(s). When the Pooled Fund(s) buys or sells investments in response to investment inflows and outflows an estimate of the Transaction Costs is passed onto the incoming/outgoing investor through the pricing mechanism by means of a dilution adjustment.

A more detailed Costs & Charges disclosure is available upon request.

Comparative Analysis

Fund	Average Commission Rate (%)	Firm-Wide Comparator	Average Commission Rate (%)
Diversified Growth Fund	0.05%	Global	0.04%
Managed Fund	0.04%	Global	0.04%
British Smaller Companies Fund	0.07%	UK	0.04%
Global Income Growth Fund	0.03%	Global	0.04%
Global Alpha Growth Fund	0.04%	Global	0.04%
Worldwide Japanese Fund	0.03%	Japan	0.04%
Japanese Smaller Companies Fund	0.04%	Japan	0.04%
Pacific Fund	0.05%	Pacific (ex Japan)	0.04%
Long Term Global Growth Investment Fund	0.02%	Global	0.04%

Baillie Gifford Pooled Funds gain exposure to equity and bond markets in a number of different ways. Some invest directly, some invest in other Pooled Funds (underlying funds) and some hold a combination of these. Where your Scheme invests in Pooled Funds which have direct investments we have shown an analysis of the commission rates paid by those Pooled Funds. Where your scheme invests in Pooled Funds which have exposure to any underlying funds, we have shown an analysis of the commission rates paid by each of the underlying funds. For comparison purposes, we have also shown the average commission rate for similar asset classes across the firm. This should provide a meaningful breakdown of the commission costs borne by your fund.
If further detail is required, full analysis of commission expenditure for any Baillie Gifford Pooled Fund to which you have exposure is available on request.

IA Pension Fund Disclosure Code (Third Edition)	The Pension Fund Disclosure Code was first adopted in May 2002 and was drawn up by a Joint Working Party of Members of the Investment Association (IA) and the National Association of Pension Funds (NAPF). The purpose of the Code is to promote accountability of fund managers to their clients through increased transparency and to assist clients in their understanding of the charges and costs levied on the fund assets for which they have responsibility. Under the Code, fund managers are required to provide clients with information on how they make choices between trading counterparties and trading venues, more detailed information on how the resulting commission spend is built up, and what services are met out of commission spend, in particular such execution and research services as are permitted by the Financial Conduct Authority (FCA). It also provides a comparison of client specific information on costs and trading with similar firm-wide information. Although the Code was initially drawn up with pension funds in mind, we provide the disclosures for all our clients in compliance with relevant regulatory requirements. There are two distinct types of disclosure required by the Code:- Level 1 requires disclosure of Baillie Gifford's policies, processes and procedures in relation to the management of trading costs incurred on behalf of clients. This disclosure is provided annually to clients and is called the "Trading Procedures and Control Processes" document. This document is also available on request. Level 2 requires client specific information to be provided and is contained within this quarterly report. Level 2 aims to provide comprehensive, clear and standardised disclosure of information from which clients and their advisers can compare and monitor trading costs incurred during the fund management process and the services received in exchange for these commissions. We have included disclosure of transactions and commissions for Equities, Bonds, Currencies and Derivatives, where relevant.
Broker Commission	This page gives information by geographic region on the commission paid by the fund on all commission bearing transactions in directly held equities.
Equity Trading Analysis and Commissions	The trading and commissions analysis on the previous pages represents trading and commissions incurred by the fund over the quarter. Portfolio transactions are analysed by counterparty and type of trade. Transactions listed under "Other Rates" include programme trades, direct market access or algorithmic trades where commission rates may be lower. Commissions have been shown by counterparty where the fund holds stocks directly and relate to the purchase of execution only (no payment for research services). Where the fund gains exposure to equities via Open Ended Investment Companies (OEICs), transactions and commission analysis have been provided at the total fund level. A full disaggregation by counterparty for each of these funds is available on request. Where relevant, the proportion of commissions paid under directed or recapture arrangements is also shown. The fund's analysis of transactions and commissions paid is compared with Baillie Gifford's total transactions and commissions paid across all trading in the same asset classes. The fund's average commission rate is compared with Baillie Gifford's average commission rate across all trading in the same asset classes. A similar analysis for OEIC holdings is shown, at the total fund level.
Non-Equity Trading Analysis	The trading report for bonds shows trading volume by the fund over the quarter, analysed by counterparty. As all trades are executed on a net basis, no commission figures are available. Where derivative transactions are permitted, and executed, these are analysed by counterparty (executing broker) and show market value, underlying exposure and (execution) commission. Where the fund gains exposure to bonds via OEICs, transaction volume by counterparty, is available for each of these funds on request. All foreign exchange activity, for the entire portfolio is analysed by counterparty, distinguishing between spot and forward transactions. As all trades are executed on a net basis, no commission figures are available. Where the fund gains exposure to markets via OEICs, currency transaction volume by counterparty, is available for each of these funds on request.
Income and Costs Summary	This shows costs deducted from the fund on an actual basis. Fund management fees and VAT are included during the period when the invoice is raised. Custody costs are included when the sum is debited from the funds managed by Baillie Gifford. Any holdings of in-house pooled funds are shown together with their total expenses on a rolling yearly basis, expressed as a percentage of fund value. Expenses include broker commission on transactions dealt within the fund, bank charges, audit, registrar, depository and Regulatory fees. Any tax paid by the fund is not included. For A and B class OEIC shares investment management fees are also included. A dilution levy may also be charged on OEIC purchases and sales in the case of large transactions. If the portfolio has a holding in a stock that is not covered by the code, such as third party funds or investment trusts, this is also shown.

Important Note - In view of the new disclosure requirements introduced by MiFID II, the IA has withdrawn the Code effective 3 January 2018. MiFID II requires new disclosures setting out how asset managers and AFMs achieve best execution for their clients. These disclosures are considerably more detailed than the existing order execution policies in the Code ("level one" disclosures). We intend to phase out the existing disclosures (as currently included in your quarterly report) and replace with revised disclosures. A more detailed Costs & Charges disclosure is available on request.

	Proceeds (GBP)	Book Cost (GBP)	Profit/Loss (GBP)
Total Purchases		710,856	
Accrued Interest		0	
		710,856	
Total Sales	0	0	0
Accrued Interest	0		
	0	0	0
Total Net Investment/Disinvestment			710,856
Net Accrued Interest			0
Total			710,856

Trade Date Settlement Date	Asset Name Sedol Code	Quantity Price	Proceeds (GBP)	Book Cost (GBP)	Profit/Loss (GBP)	Quantity Balance	Book Cost Balance (GBP)
Equities							
UK							
Purchases							
30/09/19 30/09/19	Baillie Gifford Managed Fund B Accum 0601016 *(Accumulation Units' Bookcost)*	0.000 GBP 0.00		296,733		5,160,566.004	53,081,582
Total Purchases				296,733			

Total Net Investment/Disinvestment UK	296,733
Total Net Investment/Disinvestment Equities	296,733

Trade Date Settlement Date	Asset Name Sedol Code	Quantity Price	Proceeds (GBP)	Book Cost (GBP)	Profit/Loss (GBP)	Quantity Balance	Book Cost Balance (GBP)
Diversified Growth							
Other							
UK							
Purchases							
17/07/19 22/07/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6	47,057.721 GBP 2.17		102,209		12,517,675.671	25,843,968
24/07/19 29/07/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6	8,583.633 GBP 2.17		18,618		12,526,259.304	25,862,586
14/08/19 19/08/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6	14,276.879 GBP 2.15		30,652		12,540,536.183	25,893,238
31/08/19 31/08/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6 *(Equalisation)*	0.000 GBP 0.00		-1,570		12,540,536.183	26,078,727
31/08/19 31/08/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6 *(Accumulation Units' Bookcost)*	0.000 GBP 0.00		62,353		12,540,536.183	25,955,592
31/08/19 31/08/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6 *(Equalisation)*	0.000 GBP 0.00		-1,466		12,540,536.183	26,077,261
31/08/19 31/08/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6 *(Accumulation Units' Bookcost)*	0.000 GBP 0.00		124,706		12,540,536.183	26,080,298
17/09/19 20/09/19	Baillie Gifford Diversified Growth Fund B2 Acc BYQCYV6	35,998.929 GBP 2.18		78,622		12,576,535.112	26,155,882
Total Purchases				414,124			

Total Net Investment/Disinvestment UK	414,124
Total Net Investment/Disinvestment Other	414,124
Total Net Investment/Disinvestment Diversified Growth	414,124
Total	710,856

Asset Name	Nominal Holding	Market Price	Book Cost (GBP)	Market Value (GBP)	Fund (%)
Equities					
Baillie Gifford Managed Fund B Accum	5,160,566.004	GBP 11.38	53,081,582	58,727,241	68.1
Total Equities			53,081,582	58,727,241	68.1
Diversified Growth					
Baillie Gifford Diversified Growth Fund B2 Acc	12,576,535.112	GBP 2.18	26,155,882	27,454,576	31.9
Total Diversified Growth			26,155,882	27,454,576	31.9
Total			79,237,464	86,181,817	100.0

Valuation of securities	Holdings in Baillie Gifford Pooled Funds are valued at month end using a single price which reflects closing prices of the underlying assets in the funds. This month end price may differ from the price used for transactions in the funds which is calculated daily at 10am and uses intra-day prices. This provides a consistent basis for reporting.

	Market Value 30 June 2019 (GBP)	Net Investment/ Disinvestment (GBP)	Capital Gain/Loss (GBP)	Market Value 30 September 2019 (GBP)
Equities				
Baillie Gifford Managed Fund B Accum	59,036,875	296,733	-606,367	58,727,241
Total Equities	59,036,875	296,733	-606,367	58,727,241
Diversified Growth				
Baillie Gifford Diversified Growth Fund B2 Acc	26,674,652	414,124	365,801	27,454,576
Total Diversified Growth	26,674,652	414,124	365,801	27,454,576
Total	85,711,527	710,856	-240,566	86,181,817

	(GBP)	Book Cost (GBP)	Market Value (GBP)
As at 30 June 2019			
Equities		52,784,849.37	59,036,875.09
Diversified Growth		25,741,758.72	26,674,651.80
		78,526,608.09	85,711,526.89
Income			
Income from Shares and Securities	480,754.89		
Management Fee Rebate	18,617.90		
	499,372.79		
Net Total Income and Charges		499,372.79	499,372.79
Change in Market Value of Investments		0.00	-240,565.89
Cash transferred to/from Portfolio		211,483.49	211,483.49
As at 30 September 2019		79,237,464.37	86,181,817.28
Of which:			
Equities		53,081,581.91	58,727,241.13
Diversified Growth		26,155,882.46	27,454,576.15
Total		79,237,464.37	86,181,817.28

Cash Transfer Detail	
Date	Amount (GBP)
July 2019	102,209.37
August 2019	30,652.46
September 2019	78,621.66
	211,483.49

Holdings Information	Please note the fund portfolio information contained within this report is confidential, proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage
Index Data	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. 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	Source: MSCI. 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	Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2019. FTSE Russell is a trading name of certain of the LSE Group companies. ["FTSE","Russell"] are a trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group 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.
JP Morgan	Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2017, J.P. Morgan Chase & Co. All rights reserved.
ICE Data	ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ice data, its affiliates nor their respective third party providers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. ICE DATA, its affiliates and their respective third party suppliers do not sponsor, endorse, or recommend Baillie Gifford, or any of its products or services.

The report has been issued to the following recipients:

Email

Recipient	Organisation
Ms Lisbeth Craig	The Scottish Parliament
Mr Gil Paterson	The Scottish Parliament
Mr Tavish Scott	The Scottish Parliament
Mr Derek Stein	The Scottish Parliament
Ms Fiona Forrest	The Scottish Public Pensions Agency

Hard Copy

Recipient	Copies	Organisation
The Scottish Parliament - Information Management	1	The Scottish Parliament

Please notify the Administrator Contact (detailed on the contents page) if any of the above recipient details have changed.

Head Office
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +044 (0)131 275 2000