








City of Gainesville Employees' Pension Plan Fund

September 2024

Baillie Gifford™

Portfolio Construction Group

International Growth strategy managed by seven people with an average of 19 years at Baillie Gifford

						
Tom Coutts	Lawrence Burns	Julia Angeles	Brian Lum	Robert Wilson	Nick Thomas	David Salter
Chair*	Deputy Chair*	Investment Manager*	Investment Manager	Investment Manager	Client Relationship Director*	Client Relationship Director*
<i>25 years' experience (25)</i>	<i>15 years' experience (15)</i>	<i>16 years' experience (16)</i>	<i>18 years' experience (18)</i>	<i>8 years' experience (8)</i>	<i>26 years' experience (26)</i>	<i>27 years' experience (23)</i>

As at 30 June 2024. *Partner. (Years with Baillie Gifford).

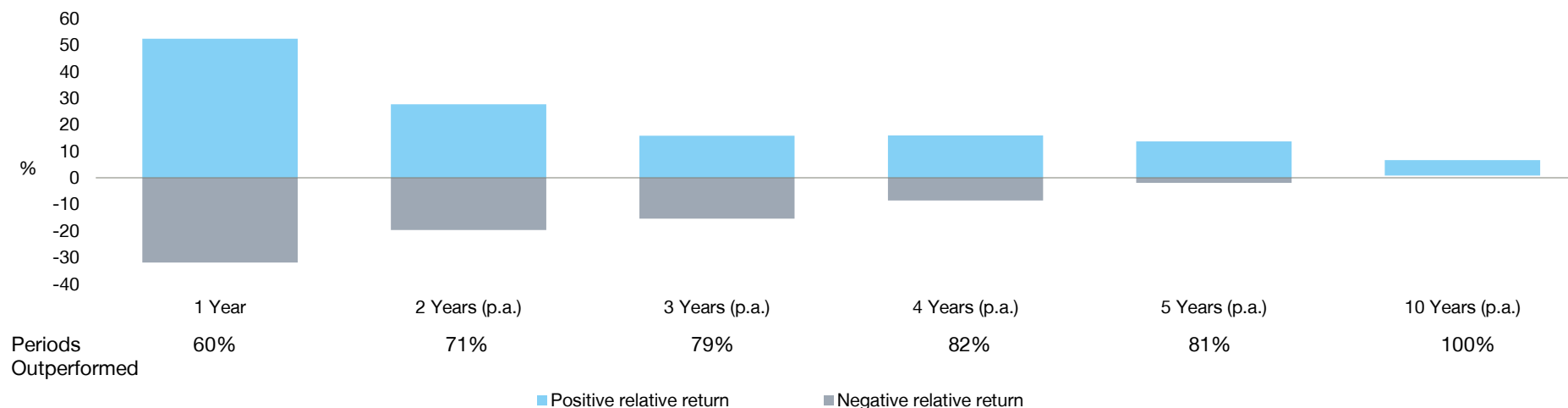
Performance

NAV investment returns to 31 August 2024

	Fund %	Index %	Difference %
Since inception* (p.a.)	7.65	6.20	+1.46
10 years (p.a.)	6.22	5.21	+1.01
5 years (p.a.)	6.53	8.13	-1.60
3 years (p.a.)	-10.44	2.63	-13.07
12 months	13.17	18.79	-5.62
3 months	2.70	5.22	-2.52
1 month	3.89	2.87	+1.02

Positive long-term returns for most of your investment period

Range of relative returns over rolling periods (annualised)[†]



Source: Bank of New York Mellon, Revolution, MSCI. Totals may not sum due to rounding. NAV returns are based on share class 2 of the Baillie Gifford International Growth Fund. Index: MSCI ACWI ex US Index (MSCI EAFE prior to 22/11/2019).

*7 October 2009. All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices. [†]Based on the Baillie Gifford International Growth fund.

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

Attribution by stock

Top and bottom ten relative stock contributors to 30 June 2024

12 months

Stock	Fund (avg. weight) %	Index (avg. weight) %	Contribution %
Spotify	5.18	0.00	3.14
MercadoLibre	6.76	0.00	1.57
ASML	6.77	1.28	1.42
Wix.com	2.28	0.03	1.32
TSMC	3.70	2.05	0.83
PDD Holdings	2.42	0.28	0.83
Ferrari	5.08	0.18	0.70
Atlas Copco	3.64	0.17	0.67
Nu Holdings	1.27	0.00	0.54
Elastic	1.50	0.00	0.39
Adyen	4.11	0.11	-2.06
Genmab	3.16	0.09	-1.54
Kering	2.70	0.13	-1.29
Delivery Hero	1.42	0.02	-1.04
AIA	2.58	0.39	-1.01
M3	1.18	0.03	-0.97
HelloFresh	0.66	0.01	-0.81
Ocado	1.30	0.02	-0.80
WuXi Biologics	0.71	0.06	-0.79
Sartorius Group	1.67	0.04	-0.72

Five years

Stock	Fund (avg. weight) %	Index (avg. weight) %	Contribution %
ASML	6.99	0.99	8.96
MercadoLibre	5.08	0.00	3.98
Ferrari	4.98	0.13	3.49
Spotify	3.55	0.00	3.15
Atlas Copco	2.54	0.15	1.68
M3	3.09	0.07	1.46
WiseTech Global	1.19	0.02	1.37
argenx	2.15	0.06	1.16
PDD Holdings	0.69	0.15	0.95
Nu Holdings	0.38	0.00	0.88
Kering	3.95	0.20	-2.11
Ocado	1.59	0.04	-2.10
Zalando	2.80	0.04	-1.80
WuXi Biologics	0.52	0.09	-1.62
Nidec Corporation	1.83	0.15	-1.57
Rolls-Royce	0.41	0.07	-1.46
Novo Nordisk	0.00	0.84	-1.43
AIA	2.63	0.54	-1.34
Adyen	3.43	0.13	-1.29
Temenos	0.99	0.03	-1.08

Source: Revolution, MSCI. Totals may not sum due to rounding. Based on the Baillie Gifford International Growth Fund.

Index: MSCI ACWI ex US Index (MSCI EAFE prior to 22/11/2019).

All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.

Attribution by country

Top and bottom ten geographic location contributors to 30 June 2024

12 months

Geographic location	Fund	Index	Contribution
Sweden	9.54	2.02	3.33
Brazil	8.03	1.50	2.36
Italy	5.70	1.72	0.76
Taiwan	3.70	4.56	0.56
South Korea	1.55	3.46	0.47
Israel	3.12	0.44	0.41
Switzerland	1.70	6.30	0.32
Australia	2.29	4.71	0.21
Singapore	0.67	0.89	0.19
Mexico	0.00	0.73	0.12
Germany	6.50	5.50	-3.66
Denmark	5.61	2.23	-2.40
Japan	5.65	14.74	-2.11
France	6.45	7.78	-1.36
UK	2.51	9.56	-1.00
Hong Kong	3.35	1.37	-0.96
India	0.63	4.67	-0.90
Belgium	1.18	0.62	-0.69
Netherlands	18.04	3.07	-0.40
China	10.09	7.76	-0.23

Five years

Geographic location	Fund	Index	Contribution
Netherlands	14.42	2.90	9.12
Brazil	5.46	1.38	5.31
Sweden	7.57	2.16	3.50
Italy	5.64	1.62	3.26
Russia	0.00	0.45	1.13
Australia	1.51	4.83	0.91
Thailand	0.00	0.51	0.33
South Korea	0.56	3.26	0.31
South Africa	0.00	0.93	0.21
Finland	0.00	0.66	0.14
Germany	9.19	5.81	-4.84
UK	2.40	10.03	-3.71
Denmark	5.60	1.76	-2.50
France	6.92	7.69	-2.46
India	0.56	3.27	-1.79
Japan	9.81	15.73	-1.40
Switzerland	1.21	6.61	-1.22
Canada	0.11	6.72	-1.00
Taiwan	1.84	3.84	-0.93
Belgium	1.72	0.64	-0.83


Source: Revolution, MSCI. Totals may not sum due to rounding. Based on the Baillie Gifford International Growth Fund.
Index: MSCI ACWI ex US Index (MSCI EAFE prior to 22/11/2019).
All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.

Portfolio holdings by country

Holding	%				
Netherlands	18.2	GMO Payment Gateway	0.4	Australia	3.3
ASML (-)	7.0	CyberAgent	0.3	WiseTech Global	2.8
Adyen (+)	3.8	Denmark	5.4	Atlassian	0.5
argenx (-)	3.2	Genmab	2.3	Hong Kong	2.8
Elastic (+)	2.2	Vestas Wind Systems	1.4	AIA	2.1
Exor N.V.	1.9	Ambu	1.0	HKExchanges & Clearing	0.7
Sweden	10.3	Zealand Pharma (NB)	0.5	South Korea	2.6
Spotify (-)	5.6	Taiwan	5.3	Coupang (+)	2.6
Atlas Copco	4.1	TSMC (-)	5.3	UK	2.3
Kinnevik	0.5	France	5.3	Wise (+)	1.0
China	10.2	L'Oréal	3.0	Wizz Air (NB)	0.6
Meituan	2.8	Kering (-)	1.3	Ocado	0.6
PDD Holdings	2.7	Hermès International (NB)	0.7	Switzerland	1.7
Tencent (-)	2.4	Soitec	0.4	VAT Group	1.1
BYD Company (NB)	1.9	Italy	5.2	Temenos	0.6
WuXi Biologics	0.3	Ferrari (-)	4.4	Canada	1.5
Ganfeng Lithium	0.1	Prysmian	0.8	Shopify (+)	0.8
Brazil	7.9	Germany	3.8	Kinaxis (NB)	0.7
MercadoLibre (-)	6.2	Sartorius Group	1.1	India	1.3
Nu Holdings	1.7	Delivery Hero	1.0	HDFC Bank	0.8
Japan	5.7	Zalando (-)	0.8	MakeMyTrip (NB)	0.5
SMC	1.5	Aixtron	0.7	Singapore	1.0
Nidec Corporation	1.3	HelloFresh	0.2	Sea Limited	1.0
Advantest (NB)	0.8	Israel	3.4	New Zealand	1.0
SBI Holdings	0.7	Wix.com	2.9	Xero	1.0
M3	0.7	Mobileye	0.5	Belgium	0.7
		SolarEdge	0.1	Umicore	0.7
				Norway	0.3
				AutoStore	0.3
				Total number of holdings	60
				Annual portfolio turnover %	13.7

Source: Baillie Gifford & Co, MSCI.
As at 30 June 2024. Cash: 0.8%.
Based on the Baillie Gifford International Growth Fund.
Totals may not sum due to rounding.
Notable transactions 6 months to 30 June 2024.

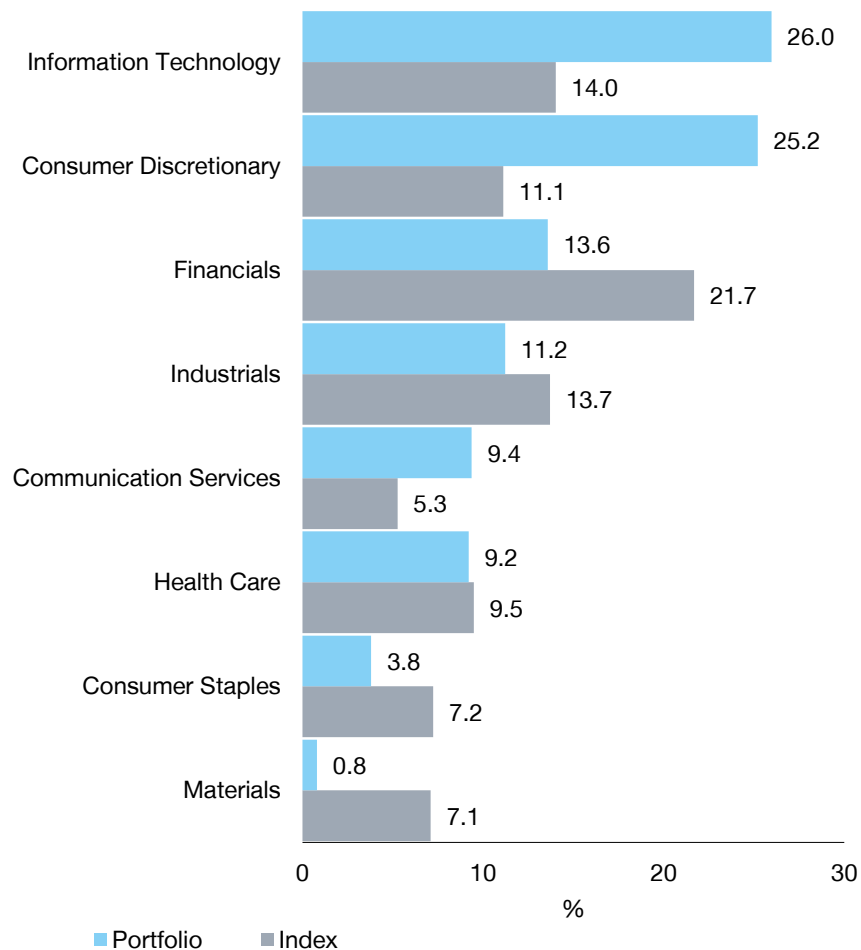
**New buys (NB), additions (+),
reductions (-).
Complete sales: NIO.**

 Geographical location overweight relative to MSCI ACWI ex US Index.

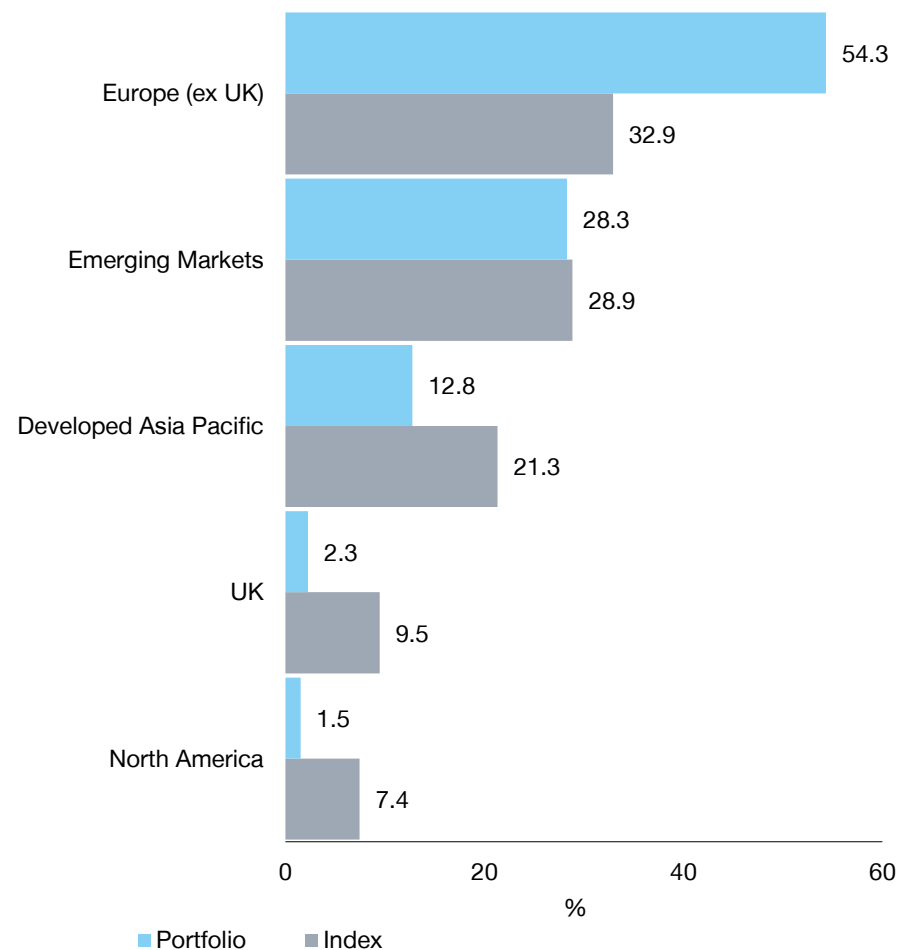
 Geographical location underweight relative to MSCI ACWI ex US Index.

Portfolio positioning

Sector distribution



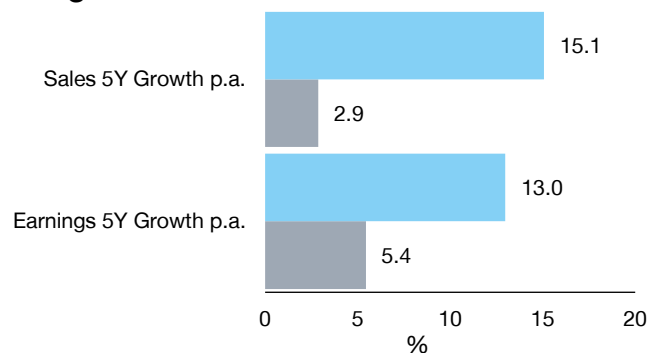
Regional allocation



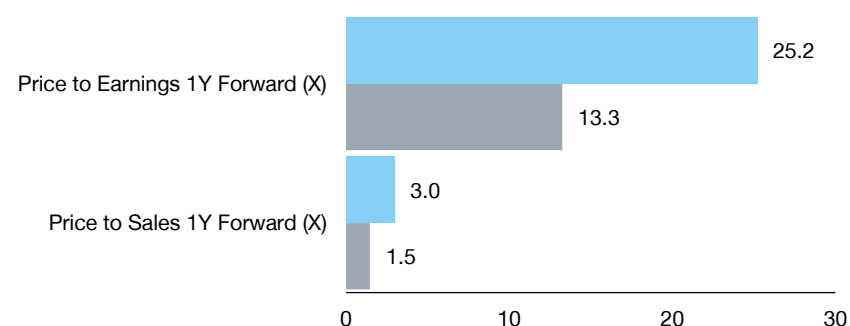
Source: Baillie Gifford & Co, MSCI. Index: MSCI ACWI ex US Index.
Based on a representative International Growth portfolio. As at 30 June 2024. Excludes cash.

Portfolio characteristics

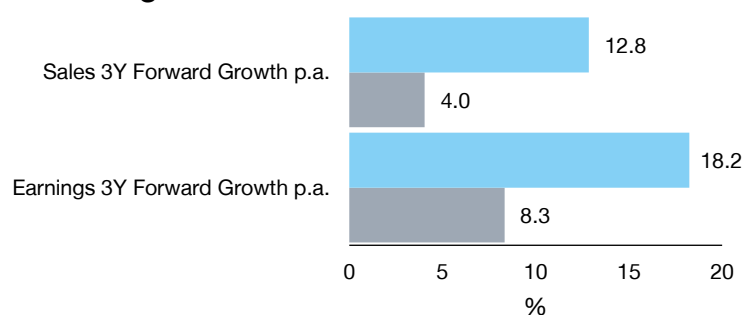
Historical growth



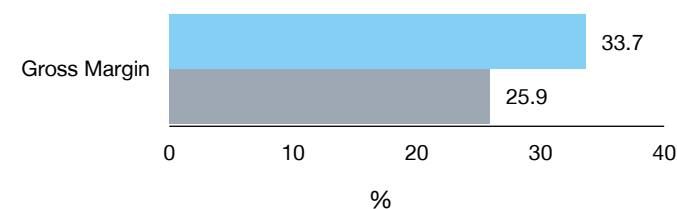
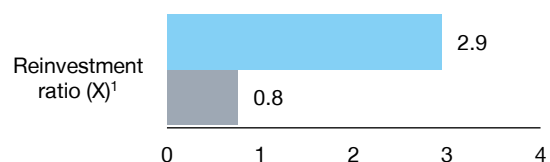
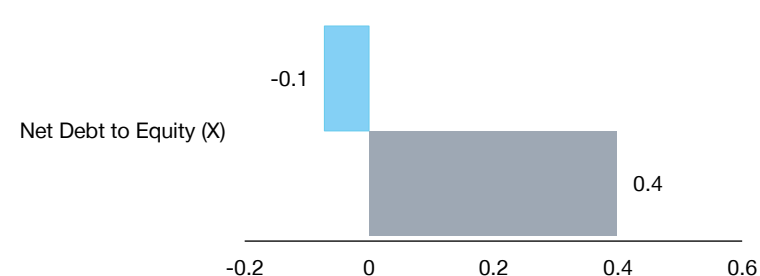
Valuation



Forward growth



Quality



■ Portfolio
■ Index

Source: Baillie Gifford & Co, FactSet, MSCI. US dollar. As at 30 June 2024. Based on a representative International Growth portfolio.

Index: MSCI ACWI ex US Index.

¹Capex – Depreciation + R&D / Buybacks and dividends. Portfolio and index earnings figures exclude companies with negative earnings. Portfolio and index net debt to equity figures exclude financials.

Fundamental risk management process

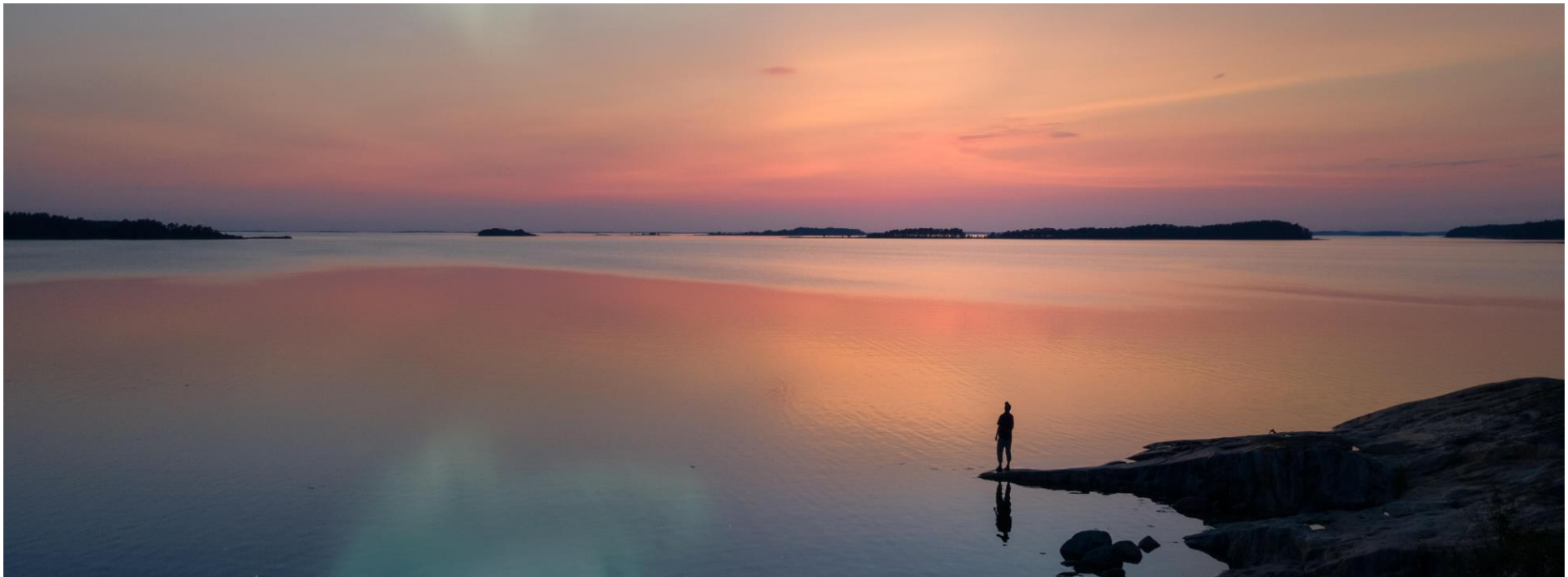
A committed growth portfolio with improved risk controls

Strengthened Investment team

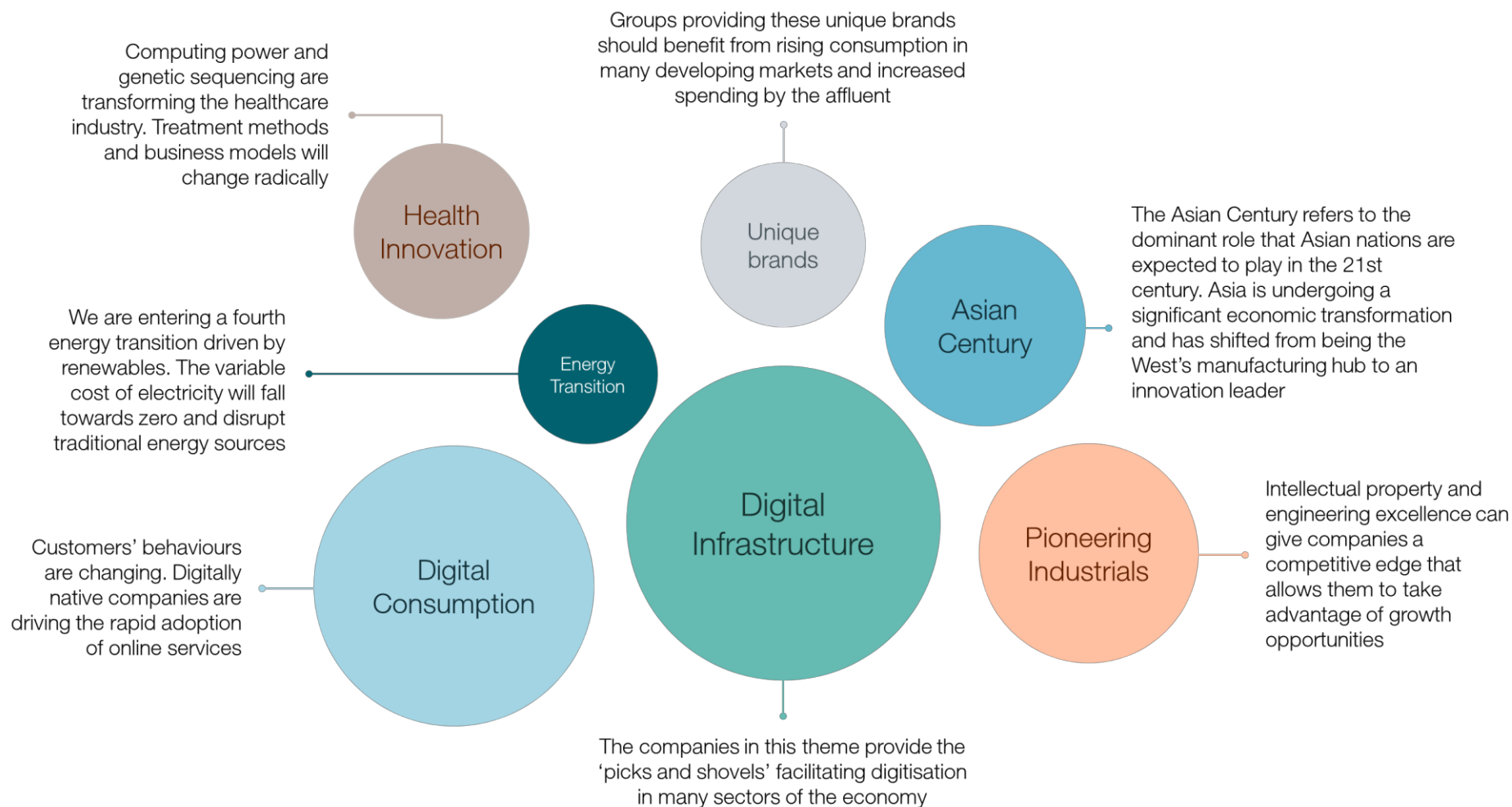
Increased cadence of portfolio management meetings

More regular and deeper interaction with our Investment Risk Team

- Focused analysis on diversification measures
- Improved assessment of portfolio volatility relative to benchmark



Portfolio insights



As at 30 June 2024. Based on a representative International Growth portfolio.

Our portfolio insights analysis is a subjective representation of the various investment themes present in the portfolio. The diagram is an output of our bottom-up stock selection, and not the result of a top down asset allocation. We classify each stock in the portfolio into a maximum of three themes out of the seven possible. We then calculate a weighted average of its holding size in the portfolio. The size of each circle reflects the sum of the weighted averages of the underlying stocks. This thematic analysis represents the underlying growth trends in the economy we are excited about both today and going forward. We believe representing the portfolio in this way is more insightful than looking at standard industry or sector classifications.

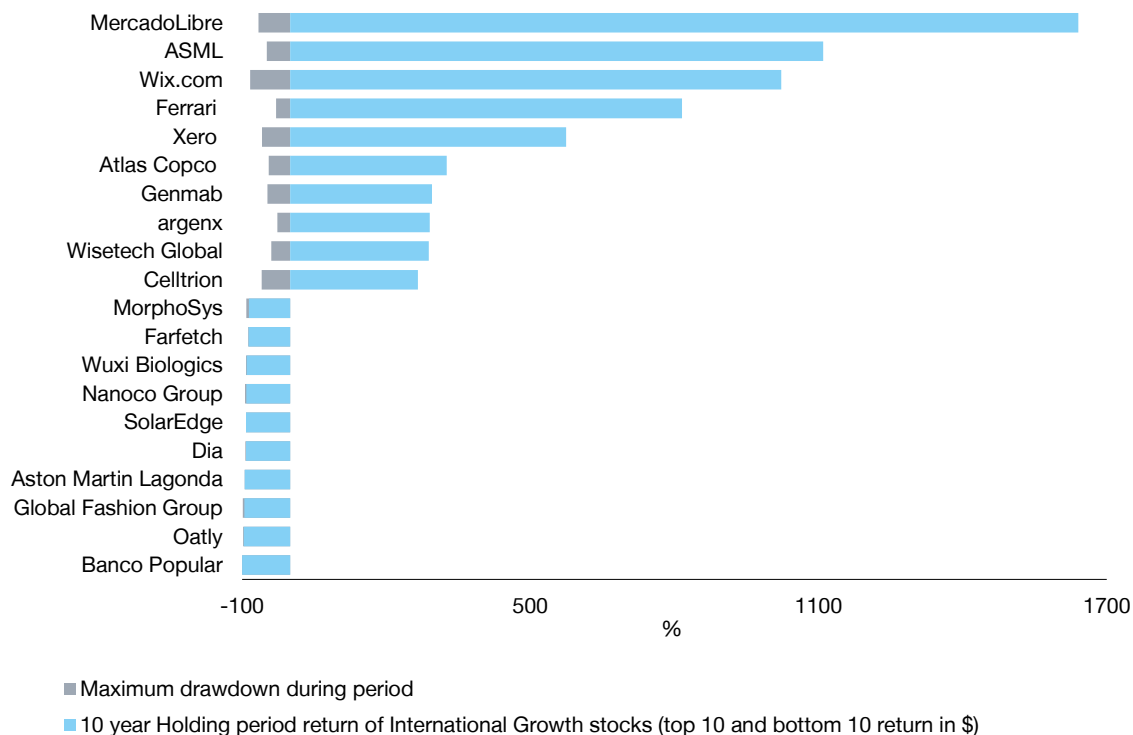
Appendices



Exceptional outliers and their inevitable drawdowns

Some stocks offer huge upside

But even the biggest wealth creators experience large drawdowns



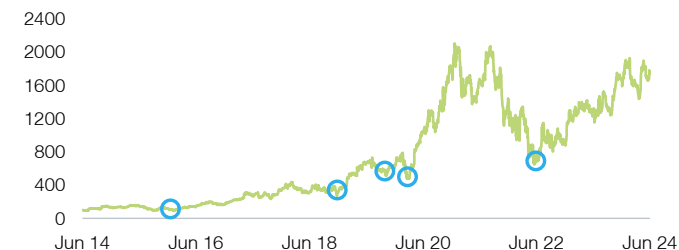
Source: Revolution. Based on International Growth composite. US dollar.
30 June 2014 to 30 June 2024.
Some stocks were only held for part of the period.

Learning from academia

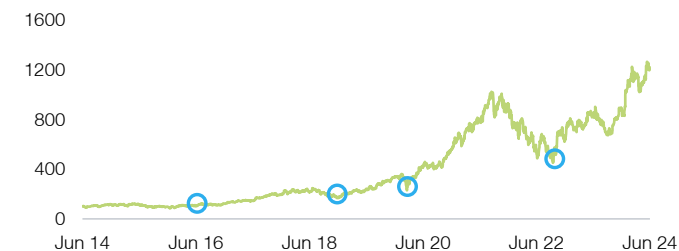
‘Even those investments that are the most successful at long horizons typically involve painful losses over shorter horizons.’

Professor Hendrick Bessembinder

MercadoLibre - 5 drawdowns >30%



ASML - 4 drawdowns >30%



Wix.com - 5 drawdowns >30%

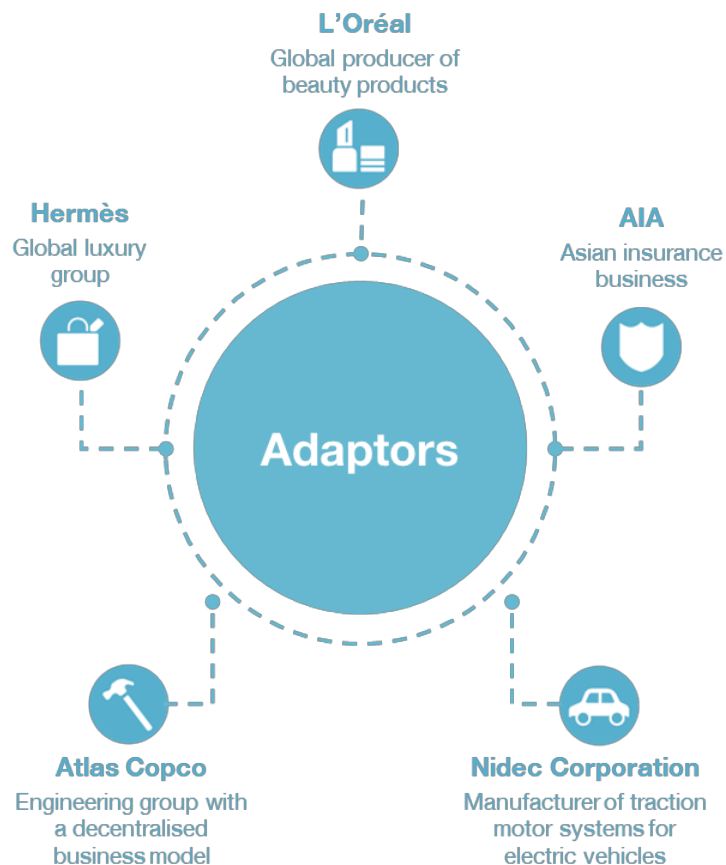


○ Drawdown events

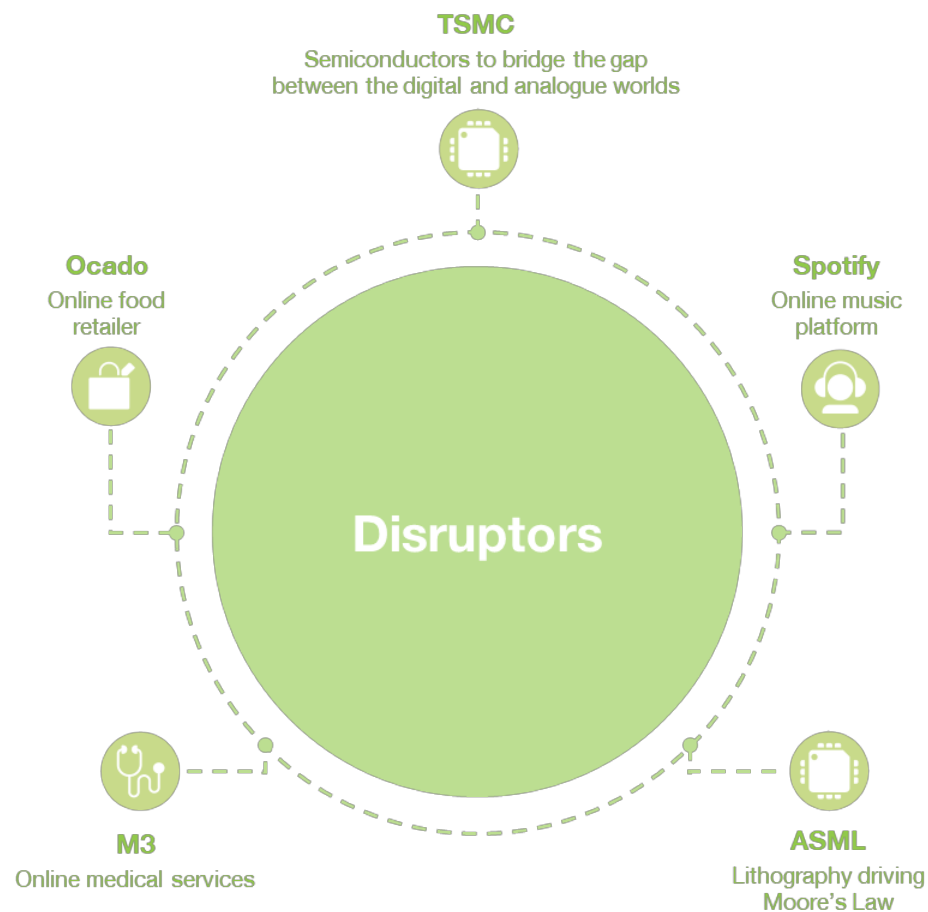
Source: Revolution, Eikon data from Refinitiv, MSCI. Data rebased to 100. As at 30 June 2024. US dollar.

Adaptors and Disruptors

Evolving over time as their environments change



Driving change in their industry



As at 30 June 2024.

The holdings used to produce the above diagram are based on an illustrative portfolio and may differ from the portfolio shown elsewhere in this document.

City of Gainesville Employees' Pension Plan Fund
September 2024

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Head Office:

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

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