

High Yield Bond Fund



30 September 2019

Fund Objective

To produce a combination of income and capital growth.

Investment Proposition

The Fund seeks a high total return relative to an index comprised of sub-investment grade bonds.

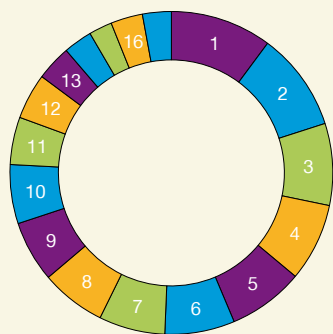
We aim to invest in companies that will weather economic fluctuations, rather than attempting to time markets. We emphasise detailed bottom-up research and invest according to the strength of our conviction in the prospects and risks of each holding. Our portfolio is well diversified, with exposure to between 50–90 companies typically.

High yield bonds carry greater risk but pay higher yields than investment grade or government bonds. Over time, the majority of return is likely to be earned through income rather than capital gains.

Key Information

Fund Managers	Robert Baltzer / Lucy Isles
Launch Date	30 November 2001
Fund Size	£718.87m
IA Sector	£ High Yield

Sector Analysis of Total Assets



1	Telecommunications	10.2%
2	Basic Industry	9.9%
3	Media	8.2%
4	Retail	7.8%
5	Capital Goods	7.6%
6	Financial Services	7.0%
7	Insurance	6.6%
8	Leisure	6.5%
9	Services	6.1%
10	Automotive	5.9%
11	Banking	4.8%
12	Real Estate	4.6%
13	Health Care	3.5%
14	Utility	2.9%
15	Technology & Electronics	2.3%
16	Others	3.2%
17	Cash & Derivatives	2.9%

Total may not sum due to rounding.

Performance

Periodic Performance

	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Inc (%)	5.1	6.8	6.0	4.7
Sector Average (%)	3.8	4.7	4.5	4.0

Performance source: FE, total return in sterling.

Returns reflect the annual charges but exclude any initial charge paid.

Top Ten Physical Bond Holdings*

Holdings	% of Total Assets
1 Netflix 4.625% 2029	2.6
2 Aroundtown Properties 3.75% 2023 Perp	2.3
3 Darling Ingredients 3.625% 2026	2.3
4 Unicredit 4.875% 2024/29	2.2
5 Residomo 3.375% 2024	2.1
6 Co-operative Group 7.5% 2026	2.0
7 Arqiva Group 6.75% 2023	2.0
8 LeasePlan 7.375% 2024 Perp AT1	1.8
9 Pure Gym 6.375% 2025	1.7
10 Virgin Media 5% 2027	1.7
Total	20.5

*The Fund may also hold derivative positions for hedging purposes. Total may not sum due to rounding.

Charges and Yield

	Initial Charge	Ongoing Charge	Distribution and Underlying Yield
Class B-Inc (%)	0.00	0.37	4.2
Class B-Acc (%)	0.00	0.37	4.2

The ongoing charge figures are at 31 March 2019.

Annual Discrete Performance

	30/09/14- 30/09/15	30/09/15- 30/09/16	30/09/16- 30/09/17	30/09/17- 30/09/18	30/09/18- 30/09/19
Class B-Inc (%)	-3.1	8.9	9.2	2.0	6.8
Sector Average (%)	-1.6	8.5	7.4	1.4	4.7

Performance source: FE, total return in sterling.

Returns reflect the annual charges but exclude any initial charge paid.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford Bond Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The Distribution Yield reflects the annualised income net of expenses of the Fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the Fund (excluding tax) as at the date shown. As management expenses are charged from revenue for the Fund and income is distributed on an effective yield basis, the Underlying Yield is the same as the Distribution Yield.

The manager believes an appropriate comparison for this Fund is the Investment Association Sterling High Yield Bond sector average given the investment policy of the Fund and the approach taken by the manager when investing.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, www.bailliegifford.com

Further Information

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

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary.

This factsheet has been issued and approved by Baillie Gifford & Co Limited (Financial Services Register 119179), which is wholly owned by Baillie Gifford & Co (Financial Services Register 142597), both of which are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, Stratford, London, E20 1JN.

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. Past performance is not a guide to future returns.

The specific risks associated with the Fund include:

- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund's concentrated portfolio relative to similar funds may result in large movements in the share price in the short term.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- Market values for securities which are difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Fund might receive upon their sale.
- Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.
- The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document, copies of which are available at www.bailliegifford.com, or the Prospectus which is available by calling the ACD.

Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the below address, call our Client Relations Team on **0800 917 2113** (your call may be recorded for training or monitoring purposes), visit our website at www.bailliegifford.com, fax us on **0131 275 3955** or email trutenquiries@bailliegifford.com

Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver income and capital growth over a medium- or long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors seeking capital protection and investing for less than three years.



This Fund is rated by FundCalibre, for more information go to: www.fundcalibre.com



This Fund is rated by Rayner Spencer Mills Research, for more information go to: www.rsmgroup.co.uk*



This Fund is rated by The Adviser Centre part of the Embark Group, for more information go to: www.theadvisercentre.co.uk*



This Fund is rated by Square Mile Investing Consulting & research, for more information go to: www.squaremileresearch.com*

*These ratings are designed for use by professional advisers and intermediaries as part of their advice process. These ratings are not a recommendation to buy. If you need further information or are in doubt then you should consult a professional adviser.



© 2017 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <http://www.morningstar.com>. For disclosure and detailed information about this fund please refer to full Morningstar Global Fund Report that can be accessed here <http://www.bailliegifford.com/globalfundreport-highyieldbondfund>

Institutional Enquiries

Tel: +44 (0)131 275 2000
email: Institutional.Enquiries@bailliegifford.com

Intermediary Enquiries

Tel: 0800 917 4752
email: trutenquiries@bailliegifford.com

Baillie Gifford & Co Limited

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

Your call may be recorded for training or monitoring purposes
Copyright © Baillie Gifford & Co 2009.

Ref:42908 INF FF 0484