

## 30 June 2019

### Fund Aims

To produce monthly income. Potential capital growth is also sought, subject to prevailing market conditions. The Fund will be actively managed through bond selection and strategic asset allocation. The Fund will invest primarily in a diversified portfolio of fixed interest securities denominated in sterling or denominated in currencies other than sterling and hedged back to sterling. Such securities include investment grade and sub-investment grade bonds issued by companies worldwide. Currency forwards and derivatives may be used from time to time in keeping with the Fund's objective with the intention of either protecting or enhancing the return on the Fund.

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.

### Investment Proposition

Performance is driven by stock selection. Ideas are sourced across both investment grade and high yield and are driven by our fundamental, bottom-up stock analysis. The portfolio is well diversified with exposure typically between 60–80 companies. The portfolio could be characterised as comprising the “best ideas” we can find across the high yield and investment grade markets.

We monitor our performance with reference to an index which comprises 70% investment grade and 30% high yield bonds.

### Top Ten Physical Bond Holdings\*

Holdings	% of Total Assets
1 Netflix 4.625% 2029	2.3
2 Co-operative Group 7.5% 2026	2.1
3 National Grid 5.625% 2025/73	2.1
4 Bank of America 7% 2028	2.1
5 Fidelity 2.5% 2026	1.9
6 Brown-Forman 2.6% 2028	1.9
7 IBRD 5.75% 2032	1.8
8 Darling Ingredients 3.625% 2026	1.7
9 IBRD 1.375% 2020	1.7
10 DS Smith 2.875% 2029	1.7
<b>Total</b>	<b>19.4</b>

\*The Fund also holds derivative positions including interest rate swaps and currency forward contracts.  
Total may not sum due to rounding.

### Charges and Yield

	Initial Charge	Ongoing Charge	Distribution and Underlying Yield
Class B-Inc (%)	0.00	0.52	3.3
Class B-Acc (%)	0.00	0.52	3.3

The ongoing charge figures are at 31 March 2019.

### Periodic Performance

	6 Months	1 Year	3 Years	5 Years
Class B-Inc (%)	7.7	7.2	20.9	30.2
Sector Ranking	17/89	12/88	8/79	7/72
Sector Average (%)	6.3	5.3	12.9	18.9
Index (%)*	6.9	6.2	15.1	29.9

### Annual Discrete Performance

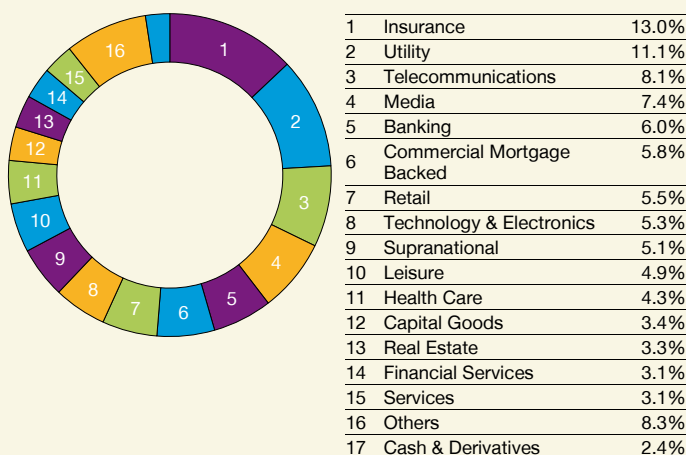
	30/06/14-30/06/15	30/06/15-30/06/16	30/06/16-30/06/17	30/06/17-30/06/18	30/06/18-30/06/19
Class B-Inc (%)	4.2	3.4	10.7	1.8	7.2
Sector Average (%)	2.4	2.9	6.9	0.3	5.3

Performance source: FE, ICE Data Indices, single pricing basis, total return.  
Returns reflect the annual charges but exclude any initial charge paid.

### Key Information

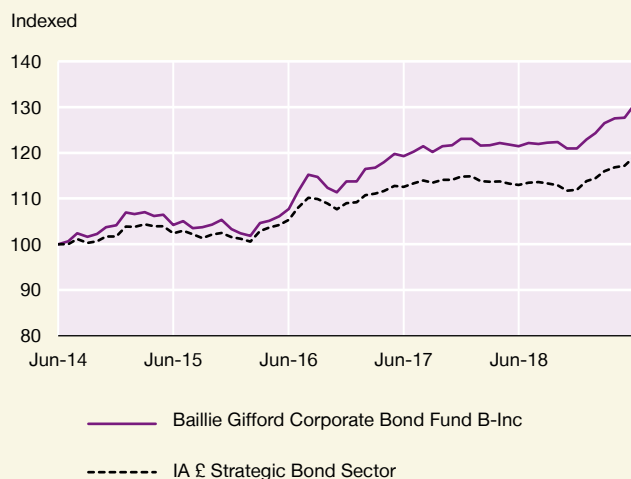
Fund Managers	Torcail Stewart / Lesley Dunn
Launch Date	26 February 1999
Fund Size	£1,031.60m
IA Sector	£ Strategic Bond

### Sector Analysis of Total Assets



Total may not sum due to rounding.

### Performance



## 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 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.baillieghifford.com](http://www.baillieghifford.com)

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## 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.baillieghifford.com](http://www.baillieghifford.com), fax us on **0131 275 3955** or email [trustenquiries@baillieghifford.com](mailto:trustenquiries@baillieghifford.com)

## 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.

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.baillieghifford.com](http://www.baillieghifford.com), or the Prospectus which is available by calling the ACD.

## 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.

## Target Market

This Fund is suitable for **all investors** seeking a fund that aims to deliver **income** with a **medium or long** investment time horizon as a **core or component of a portfolio** of investments. The Fund will allow **ready access** to the investment. The investor should be **prepared to bear losses**. This Fund is compatible for **mass market** distribution. This Fund may not be compatible for investors outside the target market.



This Fund is rated by Square Mile Investment Consulting & Research, for more information go to: [www.squaremileresearch.com](http://www.squaremileresearch.com)\*



This Fund is rated by FundCalibre, for more information go to: [www.fundcalibre.com](http://www.fundcalibre.com)



This Fund is rated by Dynamic Planner, for more information go to: [www.dynamicplanner.com](http://www.dynamicplanner.com)

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