

BAILLIE GIFFORD

Baillie Gifford UK & Balanced Funds ICVC

Annual Report and Financial Statements

for the year ended 31 January 2016



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About the Company

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

At 31 January 2016 the Company offered seven sub-funds, which may be varied in the future. Each sub-fund is valued on a daily basis except for Glenfinlas Global Fund which is priced on both the 15th and the last day of each month (if the relevant day is not a Dealing Day, then the preceding Dealing Day is used). The share classes available for each sub-fund are noted in the Prospectus. All seven sub-funds are subject to different charging structures and subscription limits. All shares are single priced. Details of the sub-funds and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus and the Instrument of Incorporation were last revised on 4 January 2016. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie

Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

The Company is registered in Scotland, registered number SI 8, and the address of its Head Office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. The operation of the Company is governed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') ('the Regulations'), its Instrument of Incorporation and its Prospectus.

The Company's shareholders are not liable for its debts beyond the amount subscribed. Each sub-fund is classed as a UCITS retail scheme under COLL.

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

Glenfinlas Global Fund

On 13 November 2015 the shareholders in the Fund redeemed their holdings. Consequently, the ACD is no longer actively seeking subscriptions for the Fund.

Sub-fund Cross-holdings Table

Sub-fund	Cross-holding	Number of Shares	Value of Shares £'000
Baillie Gifford Managed Fund	Baillie Gifford British Smaller Cos Fund C Net Acc	636,100	4,481

At the year end no other sub-funds had any cross-holdings.

Statement of Authorised Corporate Director's Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of UK Authorised Funds issued in 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- take reasonable steps for the prevention and detection of fraud and irregularities.

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

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

A W Paterson, Chairman
C M Fraser, Director
Baillie Gifford & Co Limited
31 March 2016

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Baillie Gifford UK & Balanced Funds ICVC ('The Company') for the Year Ended 31 January 2016

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with Regulations, the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

*National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh
1 February 2016*

Report of the Independent Auditor

Independent auditor's report to the shareholders of Baillie Gifford UK & Balanced Funds ICVC ('the Company')

We have audited the financial statements of the Company for the year ended 31 January 2016 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 178 and the accounting policies set out on pages 6 and 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director ('ACD') Baillie Gifford & Co Limited and auditor

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 2 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 31 January 2016 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to the Financial Statements of UK Authorised Funds and the COLL Rules.

Emphasis of Matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements which explains that the financial statements have been prepared on the going concern basis, with the exception of Glenfinlas Global Fund which has been prepared on a break up basis.

Opinion on other matters prescribed by the COLL Rules

In our opinion the information given in the ACD's Report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

**Matters on which we are required to report
by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

*Catherine Burnet
for and on behalf of KPMG LLP
Statutory Auditor
Chartered Accountants
Edinburgh
31 March 2016*

Accounting Policies

(1) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with UK generally accepted accounting principles, the Instrument of Incorporation, the Statement of Recommended Practice ('SORP') relating to the Financial Statements of UK Authorised Funds issued in 2014, the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Financial Conduct Authority's Investment Funds Sourcebook ('FUND').

This is the first set of final financial statements to be prepared for the Company under the 2014 SORP. Unless otherwise stated all other accounting policies are consistent with those of the prior year. Please note that the changes in the SORP are presentational and have no impact on the current or previous year Net Asset Value.

The financial statements have been prepared on the going concern basis, with the exception of Glenfinlas Global Fund. Glenfinlas Global Fund is no longer considered to be a going concern because all shareholders redeemed their shares during the year and it is the ACD's intention to terminate the sub-fund. Consequently the sub-fund is not a going concern and the financial statements have been prepared on a break up basis. There is no impact on the financial statements or disclosure notes of the sub-fund on the basis that the assets and liabilities on the balance sheet are valued at fair value and costs relating to the disposal of assets and settlement of liabilities are deemed to be not material.

(2) Recognition of income

Equities: Dividends on equities and property income are recognised when the security is quoted ex-dividend. The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and, where applicable, is included in the distributions. Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

Debt securities: Income on debt securities is recognised on an effective interest basis by reference to the purchase price. Income on high risk debt securities is subject to provisioning where there is reasonable doubt that payment may not be received in the future.

Collective investment schemes: Distributions and accumulations from holdings in collective investment schemes are recognised when the scheme units go ex-dividend or ex-interest; where a scheme reports income that amount is recognised when the report is made. Amounts stated as equalisation on units in distributions or reports are treated as a return of capital and deducted from the cost of investment.

Deposits and other income: Interest on deposits is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Other income is accounted for on either an accruals or a receipts basis depending on the circumstances of each particular case.

(3) Treatment of management expenses

For all the sub-funds, all management expenses, other than those relating to the purchase and sale of investments and custodian transaction costs, have been allocated against revenue. For Baillie Gifford Global Income Growth Fund, for the purpose of the distribution, a percentage of the ACD's periodic charge, with the agreement of the Depositary, is allocated to capital. For all of the sub-funds VAT is written off to the extent that it is not considered to be recoverable.

(4) Allocation of revenue and expenses to share classes

Revenue is allocated when earned in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund. Expenses incurred solely in respect of a share class are allocated directly to that class. Expenses incurred in respect of, or attributable to, the relevant sub-fund as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund.

(5) Distribution policies

Distributions: Baillie Gifford Global Income Growth Fund distributes net income quarterly and pays dividend distributions. Baillie Gifford Global Alpha Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund and Baillie Gifford UK Equity Alpha Fund distribute net income six monthly and pay dividend distributions. Baillie Gifford British Smaller Companies Fund and Glenfinlas Global Fund distribute net income annually and pay dividend distributions.

Equalisation on units in collective investment schemes: Equalisation declared on distributions/accumulations or reports for units held in collective investment schemes reduces the cost of investment and does not form part of the distribution/accumulation to shareholders.

Accounting Policies cont.

(6) Taxation

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses allocated to revenue. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted. Deferred tax assets are not discounted.

(7) Basis of valuation of investments

The investments of the sub-funds have been valued at closing bid prices on 31 January 2016, or the Investment Adviser's valuation where indicated.

(8) Foreign exchange

All foreign securities and currencies held at the year end have been translated into sterling at the rate of exchange ruling at 31 January 2016. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

Risk Disclosures

General Risk Management Process

The Company's overall risk management process is the responsibility of the ACD. Risks which are specific to the sub-funds are managed by the ACD in accordance with the Risk Management Policy, with oversight by the Depositary. The ACD has established a risk management framework, including a permanent risk management function, to monitor the risks in relation to the sub-funds. Where appropriate, the risk management function builds on the existing parts of the risk management framework of the Investment Advisor to make use of expertise and advice, and avoid unnecessary duplication.

The risk profile of each of the sub-funds is considered by the ACD to determine the nature and extent of risk management procedures and assess the appropriateness of disclosures made to investors. The ACD then considers the material risks facing the sub-funds via the receipt of quarterly reports from the risk management function.

Sub-Fund Risk Profile

The risk profile of a sub-fund is determined using a number of factors including market risk (comprising foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and operational risk. As described above, the ACD operates a risk management framework to oversee the risks that the sub-funds are exposed to and assess the sensitivity of a sub-fund's portfolio to these risks. The approach to managing these risks is set out below with oversight and monitoring provided by the ACD's risk management function.

Market Risk

Market risk is the potential for changes in the market value of underlying investments in a sub-fund. This comprises foreign currency risk, interest rate risk and other price risk.

Asset allocation is determined by the Investment Adviser who ensures that the distribution of the sub-funds' assets is appropriate in terms of the investment objectives. Divergence from the target asset allocation is strictly controlled and the portfolio closely monitored in terms of risk.

A sub-fund may use derivatives for the purposes of hedging (which includes efficient portfolio management) and also, in the case of Baillie Gifford Managed Fund, for the purposes of meeting its investment objectives.

For Baillie Gifford Managed Fund, the strategies that may be used include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies. In addition, derivatives and forwards may be used for the purposes of efficient portfolio management for any sub-fund. The Investment Adviser may make use of these strategies as and when it considers it appropriate to do so. Derivative instruments (which may be exchange-traded and/or off-exchange) are undertaken on a covered basis and the types of asset which underlie the derivative contract are appropriate for the context of the sub-fund.

The Investment Adviser's use of derivatives is constrained to a level that this risk and exposure is within the prescribed limits. The Investment Adviser does not consider the use of derivatives to be either extensive and complex or significant for any sub-fund and accordingly no value at risk or sensitivity analysis information is given.

Foreign currency risk

The Investment Adviser has identified three principal areas where foreign currency risk could impact the sub-funds, being where movements in exchange rates affect the value of investments, short-term timing differences and the revenue received.

A proportion of the net assets of Baillie Gifford Global Alpha Growth Fund, Baillie Gifford Global Income Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund and Glenfinlas Global Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements. The balance sheet currency exposure is disclosed in the Notes to the Financial Statements of each sub-fund, where appropriate.

The sub-funds may be subject to short-term exposure to exchange rate movements, for instance where the date of an investment purchase and the date when the settlement occurs are different. To reduce this risk the Investment Adviser will normally execute a foreign currency contract on the transaction date wherever practicable.

The sub-funds may receive revenue in currencies other than sterling and hence movements in exchange rates can affect the sterling value of this revenue. To minimise this risk arrangements are in place to convert all revenue receipts to sterling on, or shortly after, the date of receipt.

Risk Disclosures cont.

Interest rate risk

The majority of the financial assets of Baillie Gifford British Smaller Companies Fund, Baillie Gifford Global Alpha Growth Fund, Baillie Gifford Global Income Growth Fund, Baillie Gifford International Fund, Baillie Gifford UK Equity Alpha Fund and Glenfinlas Global Fund are equities and other investments which neither pay interest nor have a maturity date. Therefore, these sub-funds' direct exposure to interest rate risk is not considered to be significant.

The majority of Baillie Gifford Managed Fund's financial assets are equities and other investments which neither pay interest nor have a maturity date. 16.72% of Baillie Gifford Managed Fund is exposed to interest rate risk through investments in OEICs.

Other price risk

Market price risk arises mainly from uncertainty about future prices of the financial instruments held. It represents the potential loss the sub-funds might suffer through holding market positions in the face of price movements.

Credit risk

The Investment Adviser monitors both the creditworthiness of counterparties and the extent to which the counterparty risk is diversified. The organisations with whom derivative transactions are arranged are either top rated institutions themselves or subsidiaries of such institutions. The aim is to strike a balance between spreading counterparty risk amongst a number of institutions and keeping costs low by achieving economies of scale.

Stock settlement is normally on a delivery versus payment (DVP) basis where the payment for stock is due at the time of delivery. Where stock settlement is not on a DVP basis, additional procedures are in place and approvals required to manage the settlement risks that may arise.

Liquidity risk

The sub-funds' assets mainly consist of readily realisable securities. This enables the payment of any investor redemptions without unbalancing the portfolio. During the year, there have been no new arrangements put in place for managing the liquidity of the sub-funds with no assets subject to special arrangements.

Operational risk

Failure of Baillie Gifford's accounting systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Baillie Gifford have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The ACD reviews Baillie Gifford & Co's report on internal controls and the reports by other key third party providers.

Fair values

The financial assets and liabilities of the sub-funds are included in the valuation at market value. These values have been determined by reference to prices available from the markets on which the instruments are traded.

BAILLIE GIFFORD

Baillie Gifford British Smaller Companies Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford British Smaller Companies Fund

Investment Objective

The Fund aims to produce attractive returns, mainly through capital growth, over the long term.

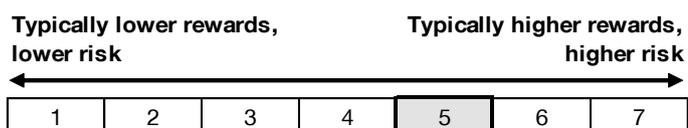
the remainder will be taken from capital. This will reduce the capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Policy

To invest in any economic sector of the UK, either directly or indirectly. Investment will be mainly in shares of smaller companies. We will decide what constitutes smaller companies.

Risk and Reward Profile

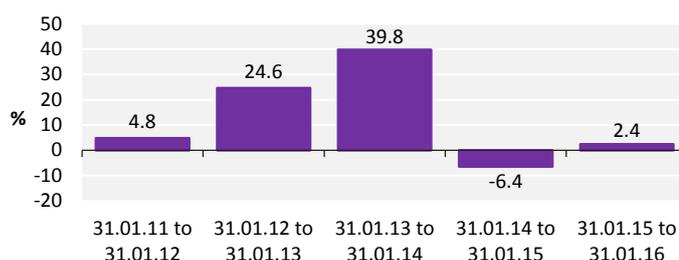
The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future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



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments, such as bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund's concentrated portfolio and long-term approach to investment may result in large movements in the share price. Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue,

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Accumulation Shares was 1.5%² compared to the return on the FTSE Small Cap (ex-Investment Trust) Index of 5.8%³. On a more positive note the absolute return of 1.5% was significantly better than broader indices. As ever, such a period is far too short to infer anything meaningful since the relative outcome for a genuinely actively managed portfolio over a single year will always be largely random. We suggest that five years is a more sensible time frame over which to judge performance.

The relative underperformance during the period was largely the result of a number of holdings suffering large price falls in the face of limited new information. Such periods when sentiment drives share prices are quite common in smaller companies and we are confident this one will pass as our holdings report on the development of their operations. Examples include investment companies Mercia Technologies, IP Group and Imperial Innovations, recruitment consultants Robert Walters and engineer Renishaw. Inevitably some of our holdings did announce disappointing results, the most notable of which was the distributor Brammer which has been hurt by the slowdown in the European industrial economy. We do not believe that there has been a fundamental deterioration in the long-term prospects of this business and have therefore decided to retain the holding.

We continue to see a good flow of new ideas and took a number of new holdings including Hostelworld and Majestic Wine. Hostelworld, is the leading online booking site for hostel accommodation and is winning market share in a growing market. Majestic Wines runs a chain of high street wine merchants and more interestingly the online business Naked Wines which is growing quickly in the UK and US.

We enter 2016 cognisant of the many risks and uncertainties which are currently impacting markets. We are however optimistic and excited that the Fund includes some fabulous businesses, which have the potential to grow their earnings and cash flows for many years ahead. If the management teams we entrust on your behalf can execute on that potential then the Fund should deliver superior investment returns.

Andrew Strathdee, 12 February 2016

¹Source: FE, 10am dealing prices, net income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset values, net income accumulated. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
IP Group	5.68
Abcam	5.26
Ricardo	3.81
NCC Group	3.58
Ted Baker	3.37
Vectura Group Plc	2.78
Renishaw	2.76
Shaftesbury	2.43
Cineworld	2.41
Robert Walters	2.41

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
Cityfibre Infrastructure	2,033	Beazely	5,198
Abzena	1,625	ASOS.com	3,506
Safestyle	1,584	RPC Group	3,415
Fevertree Drinks Plc	1,326	Dignity	3,109
Reneuron Group	1,242	Intermediate Capital Group	2,794
Horizon Discovery Group	1,239	Diploma	2,605
Gooch & Housego	1,228	H&T Group	2,220
Applied Graphene Materials	1,221	E2V	2,181
Benchmark Holdings	1,219	Cineworld	2,174
4imprint Group	1,115	IP Group	1,913
Ilika	1,024	RM	1,761
Majestic Wine	1,023	Severfield-Rowan	1,495
Redx Pharma	993	Xchanging	1,492
Hostelworld Group	993	Ted Baker	858
Boohoo Com	856	Caretech Holdings	506
Tissue Regenix Group	745	Ricardo	490
AO World Plc	661	Robert Walters	459
NCC Group	538	Clipper Logistics Plc	424
Science In Sport	510	Renishaw	407
Utilitywise	356	NCC Group	370
Other purchases	122	Other sales	2,635
Total Purchases	21,653	Total Sales	40,012

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
Basic Materials - 3.40% (3.96%)			
Applied Graphene Materials	513,655	873	0.46
Porvair	623,108	1,807	0.95
Velocys Plc	742,142	219	0.12
Victrex	228,913	3,544	1.87
Industrials - 23.27% (26.88%)			
Brammer	571,791	963	0.51
Ceres Power	13,557,736	847	0.45
Clipper Logistics Plc	1,225,000	3,491	1.84
Dialight	195,395	872	0.46
Diploma	442,914	2,952	1.56
E2V	1,637,287	3,471	1.83
Fisher (James) & Sons	137,274	1,481	0.78
Gooch & Housego	167,768	1,510	0.80
Ilika	1,294,608	816	0.43
Oxford Instruments	499,722	3,643	1.92
Renishaw	288,864	5,228	2.76
Ricardo	914,630	7,230	3.81
Robert Walters	1,383,160	4,564	2.41
RPC Group	264,784	1,986	1.05
Utilitywise	905,383	1,607	0.85
Xaar	363,779	1,738	0.92
Xeros Group	963,000	1,685	0.89
Consumer Goods - 1.24% (0.00%)			
Fevertree Drinks Plc	292,633	1,926	1.02
Science In Sport	863,336	423	0.22
Healthcare - 19.28% (15.52%)			
Abcam	1,546,266	9,966	5.26
Abzena	3,097,768	1,518	0.80
Avacta Group Plc	1,287,126	1,545	0.81
Benchmark Holdings	2,703,968	1,839	0.97
Clinigen Group Plc	540,621	3,438	1.81
Genus	215,353	3,095	1.63
Horizon Discovery Group	2,005,710	2,808	1.48
Hvivo Plc	822,000	1,586	0.84
Midatech Pharma	373,000	642	0.34
Nanoco Group	2,512,980	1,125	0.59

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Redx Pharma	1,168,542	549	0.29
Reneuron Group	25,644,247	705	0.37
Tissue Regenix Group	16,543,697	2,482	1.31
Vectura Group Plc	3,152,093	5,270	2.78
Consumer Services - 23.00% (20.80%)			
4imprint Group	97,685	1,143	0.60
AO World Plc	1,019,457	1,550	0.82
Boohoo Com	8,993,100	3,575	1.89
Cineworld	906,204	4,572	2.41
Dignity	170,424	3,993	2.11
Dunelm	470,535	4,122	2.17
easyHotel	1,163,000	1,105	0.58
Hostelworld Group	528,951	1,071	0.55
ITE Group	613,742	856	0.45
M&C Saatchi	1,369,768	4,137	2.18
Majestic Wine	290,238	1,036	0.55
Matomy	834,401	893	0.47
Safestyle	646,814	1,599	0.84
Ted Baker	212,210	6,385	3.37
Wilmington	1,355,393	3,524	1.86
YouGov	2,850,500	4,076	2.15
Telecommunications - 2.51% (1.21%)			
Cityfibre Infrastructure	5,089,470	2,952	1.56
Manx Telecom	899,444	1,799	0.95
Financials - 16.84% (23.72%)			
ACP Capital ¹	2,956,052	-	0.00
City of London Investment Group	586,722	1,760	0.93
Helical Bar	980,476	3,951	2.08
Imperial Innovations Gp.	765,804	2,872	1.51
IP Group	5,840,055	10,763	5.68
LondonMetric Property	968,322	1,566	0.83
Mercia Technologies	3,865,238	1,585	0.84
Numis Corporation	1,003,480	2,248	1.19
Shaftesbury	548,204	4,602	2.43
U and I Group Plc	1,211,463	2,550	1.35

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Technology - 7.19% (6.51%)			
Craneware	295,000	2,153	1.14
Emis Group	125,000	1,223	0.64
Imagination Technologies	670,000	889	0.47
NCC Group	2,151,118	6,787	3.58
Quixant	1,263,182	1,958	1.03
Revolymmer Plc	984,268	630	0.33
Portfolio of investments		183,369	96.73
Net other assets - 3.27% (1.40%)		6,197	3.27
Net assets		189,566	100.00

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

Figures in brackets refer to 31 January 2015.

¹This stock was in liquidation at the period end and has been valued at the Investment Adviser's valuation.

Comparative Tables

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	544.10p	573.20p	411.10p
Return before operating charges ¹	8.35p	(20.88p)	169.54p
Operating charges	(0.10p)	(8.22p)	(7.44p)
Return after operating charges ¹	8.25p	(29.10p)	162.10p
Closing net asset value per share	552.35p	544.10p	573.20p
Retained distributions on accumulation shares	1.78p	1.32p	2.20p
¹ After direct transaction costs of:	0.10p	0.19p	0.39p
Performance:			
Return after charges	1.52%	(5.08%)	39.43%
Other information:			
Closing net asset value (£'000)	6,515	14,679	25,245
Closing number of shares	1,179,558	2,697,953	4,404,226
Operating charges	1.52%	1.53%	1.49% ³
Direct transaction costs ²	0.02%	0.04%	0.08%
Prices:			
Highest share price	618.3p	604.4p	589.3p
Lowest share price	529.4p	479.2p	414.5p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

³As at 31 January 2014 the ACD considered 1.55% to be a more indicative rate for the ongoing charges figure for Class A Net Accumulation Shares.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	454.10p	479.40p	344.80p
Return before operating charges ¹	14.08p	(17.37p)	142.77p
Operating charges	(3.28p)	(3.04p)	(2.85p)
Return after operating charges ¹	10.80p	(20.41p)	139.92p
Distributions on income shares	(5.63p)	(4.89p)	(5.32p)
Closing net asset value per share	459.27p	454.10p	479.40p
¹ After direct transaction costs of:	0.11p	0.21p	0.34p
Performance:			
Return after charges	2.38%	(4.26%)	40.58%
Other information:			
Closing net asset value (£'000)	3,176	3,735	3,961
Closing number of shares	691,594	822,578	826,194
Operating charges	0.67%	0.68%	0.67%
Direct transaction costs ²	0.02%	0.05%	0.08%
Prices:			
Highest share price	518.4p	505.7p	498.2p
Lowest share price	445.5p	403.2p	347.7p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

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Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	617.10p	644.60p	458.40p
Return before operating charges ¹	19.18p	(23.48p)	189.96p
Operating charges	(4.46p)	(4.02p)	(3.76p)
Return after operating charges ¹	14.72p	(27.50p)	186.20p
Closing net asset value per share	631.82p	617.10p	644.60p
Retained distributions on accumulation shares	7.64p	6.65p	7.14p
¹ After direct transaction costs of:	0.18p	0.35p	0.68p
Performance:			
Return after charges	2.38%	(4.27%)	40.62%
Other information:			
Closing net asset value (£'000)	47,404	40,317	20,665
Closing number of shares	7,502,699	6,533,241	3,205,891
Operating charges	0.67%	0.67%	0.65%
Direct transaction costs ²	0.03%	0.06%	0.12%
Prices:			
Highest share price	704.5p	680.0p	662.5p
Lowest share price	605.5p	542.2p	462.3p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	455.20p	480.60p	345.30p
Return before operating charges ¹	14.07p	(17.39p)	143.43p
Operating charges	(0.15p)	(0.14p)	(0.20p)
Return after operating charges ¹	13.92p	(17.53p)	143.23p
Distributions on income shares	(8.83p)	(7.87p)	(7.93p)
Closing net asset value per share	460.29p	455.20p	480.60p
¹ After direct transaction costs of:	0.00p	0.22p	0.16p
Performance:			
Return after charges	3.06%	(3.65%)	41.48%
Other information:			
Closing net asset value (£'000)	5	1,689	1,783
Closing number of shares	1,000	371,002	371,002
Operating charges	0.03%	0.03%	0.05%
Direct transaction costs ²	0.00%	0.05%	0.04%
Prices:			
Highest share price	521.6p	507.2p	502.0p
Lowest share price	449.5p	406.1p	348.2p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	679.20p	704.90p	498.30p
Return before operating charges ¹	20.94p	(25.50p)	206.90p
Operating charges	(0.22p)	(0.20p)	(0.30p)
Return after operating charges ¹	20.72p	(25.70p)	206.60p
Closing net asset value per share	699.92p	679.20p	704.90p
Retained distributions on accumulation shares	13.20p	11.54p	11.44p
¹ After direct transaction costs of:	0.18p	0.31p	0.30p
Performance:			
Return after charges	3.05%	(3.65%)	41.46%
Other information:			
Closing net asset value (£'000)	132,466	141,000	151,859
Closing number of shares	18,926,012	20,759,909	21,543,289
Operating charges	0.03%	0.03%	0.05%
Direct transaction costs ²	0.02%	0.05%	0.05%
Prices:			
Highest share price	778.2p	743.9p	724.4p
Lowest share price	670.6p	595.6p	502.5p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		3,124		(11,485)
Revenue	3	3,812		3,485	
Expenses	4	(524)		(566)	
Net revenue/(expense) before taxation		3,288		2,919	
Taxation	5	-		-	
Net revenue/(expense) after taxation			3,288		2,919
Total return/(deficit) before distributions			6,412		(8,566)
Distributions	6		(3,288)		(2,919)
Change in net assets attributable to shareholders from investment activities			3,124		(11,485)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		201,418		203,512
Amounts receivable on issue of shares	8,088		29,022	
Amounts payable on cancellation of shares	(26,312)		(22,719)	
		(18,224)		6,303
Dilution adjustment		156		262
Stamp duty reserve tax		-		(40)
Change in net assets attributable to shareholders from investment activities		3,124		(11,485)
Retained distributions on accumulation shares		3,092		2,866
Closing net assets attributable to shareholders		189,566		201,418

Financial Statements cont.

Balance Sheet as at 31 January 2016

		2016	2015
	Notes	£'000	£'000
Assets:			
Fixed assets:			
Investments		183,369	198,602
Current assets:			
Debtors	8	250	232
Cash and bank balances	9	6,672	3,100
Total assets		190,291	201,934
Liabilities:			
Creditors:			
Distributions payable		(39)	(69)
Other creditors	10	(686)	(447)
Total liabilities		(725)	(516)
Net assets attributable to shareholders		189,566	201,418

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	3,126	(11,481)
Custodian transaction charges	(2)	(4)
Net gains/(losses)	3,124	(11,485)

	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchases of equity excluding transaction costs	21,632	39,980
Commissions	11	17
Taxes	10	62
Total purchases of equity transaction costs ¹	21	79
Purchases including transaction costs	21,653	40,059

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.05	0.04
Taxes on equity purchases	0.05	0.16

	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales of equity excluding transaction costs	40,041	25,531
Commissions	(29)	(16)
Taxes	-	-
Total sales of equity transaction costs ¹	(29)	(16)
Sales net of transaction costs	40,012	25,515

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.07)	(0.06)
Taxes on equity sales	-	-

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	40	0.02	33	0.02
Taxes	10	-	62	0.03
Total direct transaction costs	50	0.02	95	0.05

	2016	2015
	%	%
Average portfolio dealing spread	1.35	1.07

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	3,631	3,332
Overseas dividends	157	30
Bank interest	10	11
Property income	14	85
Underwriting commission	-	27
Total revenue	3,812	3,485

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	483	524
Registrar's fees	5	7
	488	531
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	25	24
Bank charges	5	5
	30	29
Other expenses:		
Audit fee	6	6
Total expenses	524	566

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Corporation tax	-	-

The Fund is subject to corporation tax at 20% (2015: 20%), however, UK dividends are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2016, the Fund had surplus management expenses of £2,247,000 (2015: £1,748,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	3,288	2,919
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	658	584
Effects of:		
UK dividends	(726)	(666)
Non-taxable overseas dividends	(32)	(6)
Excess management expenses	100	88
Current tax charge (see above)	-	-

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Final to 31 January	3,131	2,935
Amounts deducted on cancellation of shares	247	146
Amounts added on issue of shares	(90)	(162)
Total finance costs: Distributions	3,288	2,919

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Table.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	3,288	2,919
Add distributable revenue brought forward	2	2
Less distributable revenue carried forward	(2)	(2)
Net distributions for the year	3,288	2,919

	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issue of shares	77	79
Accrued income	173	153
Total debtors	250	232

	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	6,672	3,100

	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	641	392
Due to the ACD or associates	35	44
Due to the Depositary or associates	3	4
Other accrued expenses	7	7
Total creditors	686	447

Notes to the Financial Statements cont.

	2016	2015
	%	%
11 Related party transactions		
The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:		
A Net Accumulation	-	-
B Net Income	31.6	26.5
B Net Accumulation	17.9	20.6
C Net Income	100.0	100.0
C Net Accumulation	100.0	100.0
The following shareholder owns more than 20% of the value of the Fund:		
Baillie Gifford Life Limited	24.4	25.3

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	A Net	B Net	2016	C Net	C Net
	Accumulation	Income	B Net	Income	Accumulation
			Accumulation		
12 Reconciliation of shares in issue					
Opening shares in issue	2,697,953	822,578	6,533,241	371,002	20,759,909
Shares issued	74,117	83,942	1,097,778	-	815
Shares cancelled	(446,966)	(222,559)	(1,129,621)	(370,002)	(1,834,712)
Shares converted	(1,145,546)	7,633	1,001,301	-	-
Closing shares in issue	1,179,558	691,594	7,502,699	1,000	18,926,012

	2016	2015
	Assets	Assets
	£'000	£'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	183,369	198,602
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-1	-1
Total	183,369	198,602

[†]The investment included in valuation techniques using non-observable data represents one security (31 January 2015: one security) valued at the Investment Adviser's valuation.

Distribution Table

Final Distribution for the year ended 31 January 2016

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Accumulation				
Group 1	1.78000	-	1.78000	1.32000
Group 2	0.48834	1.29166	1.78000	1.32000
B Net Income				
Group 1	5.63000	-	5.63000	4.89000
Group 2	2.54942	3.08058	5.63000	4.89000
B Net Accumulation				
Group 1	7.64000	-	7.64000	6.65000
Group 2	3.06660	4.57340	7.64000	6.65000
C Net Income				
Group 1	8.83000	-	8.83000	7.87000
Group 2	8.83000	-	8.83000	7.87000
C Net Accumulation				
Group 1	13.20000	-	13.20000	11.54000
Group 2	13.20000	-	13.20000	11.54000

BAILLIE GIFFORD

Baillie Gifford Global Alpha Growth Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford Global Alpha Growth Fund

Investment Objective

The Fund aims to produce attractive returns, mainly through capital growth, over the long term.

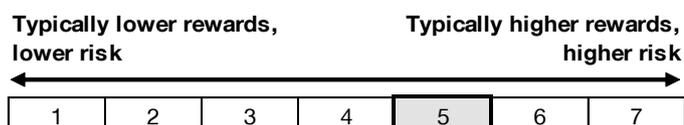
associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Policy

To invest mainly in shares of companies worldwide.

Risk and Reward Profile

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



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment. Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund. Further details of the risks

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Accumulation Shares was -1.5%² compared to the return on the MSCI All Country World Index of -1.3%³, in sterling terms. We believe that shorter-term performance measurements are of limited relevance in assessing investment ability and suggest that five years is a more sensible time frame over which to judge performance.

In performance terms, the last 12 months have been relatively unusual, in that the vast bulk of the positive contribution came from a small number of stocks. Three made most of the running: Amazon.com, Ryanair and Alphabet. These companies delivered strong operational results, and their share prices rose significantly. In contrast a small number of stocks exposed to the oil price were unsurprisingly weak.

Trading activity (taking the lower of purchases or sales) was low, at 12%. We sold a small number of stocks for which the outlook is uninspiring – these include Arcos Dorados (McDonald's franchisee in Latin America), Tokyo Electron (semiconductor equipment manufacturer) and Jyske Bank (Danish retail bank). We have tended to re-invest the proceeds in young companies that demonstrate disruptive innovation and that pose a

threat to mature incumbents. For example, we took a holding in Zillow (online US real estate portal). We also purchased Autohome, a Chinese website that is capitalising on a rapidly growing domestic market for cars. Elsewhere, we think the US economy offers attractive investment opportunities; this led to the purchase of CH Robinson, a third party logistics provider that should benefit both from a cyclical recovery in volumes and also secular growth in the shipping broker market.

At the time of writing, equity markets are weak as a result of uncertainty around the strength of economies – particularly China. Despite this, we are encouraged by the number of attractive investment opportunities open to us. We continue to look through the market volatility and expect the underlying growth of the companies in the portfolio to underpin above average returns over the long term.

Baillie Gifford & Co, 12 February 2016

¹Source: FE, 10am dealing prices, net income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset values, net income accumulated. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
Amazon.com	3.69
Royal Caribbean Cruises	3.58
Prudential	3.29
Naspers	2.80
Alphabet Inc Class C	2.67
CRH	2.62
TSMC ADR	2.45
SAP	2.19
Markel	2.15
Anthem Inc	2.14

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
CRH	14,798	Roche Holding	15,786
MS&AD Insurance	11,154	FLIR Systems	8,189
Alibaba	10,135	Royal Caribbean Cruises	7,436
CH Robinson	8,901	Ryanair	7,219
SAP	8,691	Bunzl	7,179
HDFC Corp	5,746	Paypal Holdings Inc	6,406
Prudential	5,376	Naspers	5,756
Anylam Pharmaceuticals	4,850	Harley-Davidson	5,746
Yandex	4,196	China Resources Enterprise	5,516
MTN Group	4,144	Tokyo Electron	5,354
Banco Popular	4,127	Coca Cola HBC (CDI)	3,839
Zillow Group Inc Class A	4,039	Jyske Bank	3,689
Sands China	3,934	Dragon Oil	3,528
Facebook	3,929	Norsk Hydro	3,352
Autohome Inc - ADR	3,857	Shandong Weigao Group Medical H	2,790
Grubhub Inc	3,784	Mindray Medical International ADR	2,632
Royal Caribbean Cruises	3,066	Dolby Laboratories	2,590
Financial Engines	2,960	Moody's	2,571
ICICI Bank Ltd	2,908	Teradata	2,402
Kirby	2,693	INPEX	2,394
Other purchases	53,765	Other sales	20,865
Total Purchases	167,053	Total Sales	125,239

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
UK - 5.89% (7.96%)			
Aggreko	156,546	1,335	0.16
Hays	3,475,375	4,407	0.54
Prudential	1,959,855	26,781	3.29
Rolls-Royce	911,801	5,056	0.62
Wolseley	299,922	10,368	1.28
North America - 48.04% (46.22%)			
Canada - 1.67% (1.59%)			
Fairfax Financial Holdings	24,670	8,849	1.09
Ritchie Bros Auctioneers	291,185	4,697	0.58
United States - 46.37% (44.63%)			
Anylam Pharmaceuticals	74,388	3,611	0.44
Alphabet Inc Class C	41,406	21,678	2.67
Amazon.com	72,728	30,012	3.69
American Express	135,859	5,123	0.64
Anthem Inc	189,918	17,440	2.14
CarMax	302,091	9,400	1.16
CH Robinson	178,424	8,146	1.00
Colgate-Palmolive	182,764	8,697	1.07
DistributionNOW	366,260	3,499	0.43
Dolby Laboratories	182,303	4,625	0.57
eBay	263,725	4,352	0.54
EOG Resources	188,480	9,434	1.16
Facebook	142,458	11,262	1.39
Financial Engines	202,185	3,843	0.47
First Republic Bank	359,910	17,236	2.12
Grubhub Inc	211,894	2,814	0.35
Harley-Davidson	120,502	3,398	0.42
Howard Hughes	41,200	2,757	0.34
Intuitive Surgical	8,169	3,113	0.38
Kirby	79,896	2,852	0.35
Leucadia National	264,000	3,078	0.38
Lincoln Electric Hdg.	183,299	6,878	0.85
M&T Bank	151,263	11,748	1.44
Markel	29,542	17,466	2.15
Martin Marietta Materials	98,878	8,754	1.08
Mastercard	180,964	11,329	1.39
Monsanto	102,122	6,520	0.80

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Moody's	191,295	12,023	1.48
Myriad Genetics Inc	375,477	10,313	1.27
Praxair	75,863	5,345	0.66
Qualcomm	154,300	4,929	0.61
Royal Caribbean Cruises	504,239	29,127	3.58
Seattle Genetics	248,467	5,775	0.71
TD Ameritrade Holding Corp	685,270	13,319	1.64
Teradyne	595,346	8,142	1.00
Tesla Motors	50,374	6,786	0.83
TripAdvisor	115,492	5,431	0.67
Twitter Inc	79,347	939	0.12
Ultra Petroleum	597,190	947	0.12
Visa Inc-Class A Shares	246,181	12,881	1.58
Waters	120,433	10,288	1.27
Xilinx	257,721	9,132	1.12
Zillow Group Inc Class A	54,494	831	0.10
Zillow Group Inc Class C	108,988	1,574	0.19
Europe (ex-UK) - 19.89% (19.82%)			
Denmark - 0.86% (1.21%)			
Carlsberg	118,815	6,983	0.86
Germany - 3.06% (1.47%)			
Deutsche Boerse	118,217	7,079	0.87
SAP	320,283	17,812	2.19
Ireland - 5.65% (3.77%)			
Bank of Ireland	34,244,186	7,836	0.96
CRH	1,151,141	21,342	2.62
Ryanair	1,620,836	16,870	2.07
Italy - 0.60% (0.63%)			
Ferrari NV	64,099	1,789	0.22
Fiat Chrysler Automobiles	640,991	3,127	0.38
Netherlands - 0.55% (0.46%)			
Qiagen	278,900	4,463	0.55

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Norway - 1.20% (1.75%)			
Schibsted	253,012	5,173	0.64
Schibsted B	233,195	4,560	0.56
Spain - 0.86% (0.70%)			
Banco Popular	1,204,447	2,278	0.28
Dia	1,253,578	4,730	0.58
Sweden - 2.64% (3.23%)			
Atlas Copco A	50,328	756	0.09
Atlas Copco B	515,549	7,354	0.90
Svenska Handelsbanken	1,055,312	9,292	1.14
Volvo	654,123	4,160	0.51
Switzerland - 4.47% (6.60%)			
Coca Cola HBC (CDI)	282,185	4,032	0.50
Nestle	293,584	15,179	1.87
OC Oerlikon	309,350	1,935	0.24
Richemont	110,133	5,020	0.62
Schindler	93,999	10,115	1.24
Japan - 6.79% (7.02%)			
CyberAgent Inc	178,800	5,831	0.72
INPEX	1,117,300	6,854	0.84
Japan Exchange Group	469,000	4,605	0.57
MS&AD Insurance	793,800	14,907	1.83
Olympus	276,700	7,476	0.92
Rohm	129,200	4,055	0.50
SMC	43,500	6,768	0.83
THK	428,900	4,735	0.58
Pacific (ex-Japan) - 3.70% (3.36%)			
Australia - 0.90% (0.89%)			
Brambles	1,316,431	7,280	0.90

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Hong Kong - 2.09% (1.73%)			
AIA Group	3,489,600	13,560	1.67
Sands China	1,410,800	3,418	0.42
Singapore - 0.71% (0.74%)			
Jardine Matheson	155,800	5,759	0.71
Emerging Markets - 13.63% (14.64%)			
Argentina - 0.00% (0.16%)			
Brazil - 0.34% (0.38%)			
BM&F Bovespa	1,545,700	2,781	0.34
China - 3.57% (4.08%)			
Alibaba	239,580	11,292	1.39
Autohome Inc - ADR	127,520	2,209	0.27
Baidu.com ADR	89,400	10,279	1.26
Mindray Medical International ADR	172,688	3,286	0.40
Tsingtao Brewery 'H'	808,000	2,013	0.25
India - 1.65% (1.21%)			
HDFC Corp	430,311	5,274	0.65
ICICI Bank Ltd	3,393,993	8,113	1.00
Korea - 1.54% (2.20%)			
Samsung Elec. Common GDR Reg S	30,087	10,033	1.23
SK Hynix Inc	157,070	2,517	0.31
Russia - 1.02% (0.20%)			
Sberbank Spon ADR	794,937	3,076	0.38
Yandex	549,400	5,197	0.64

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
South Africa - 3.06% (3.75%)			
MTN Group	349,107	2,138	0.26
Naspers	260,834	22,783	2.80
Taiwan - 2.45% (2.34%)			
TSMC ADR	1,265,485	19,948	2.45
Other Emerging - 0.00% (0.32%)			
Portfolio of investments		796,412	97.94
Net other assets - 2.06% (0.98%)		16,728	2.06
Net assets		813,140	100.00

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

Figures in brackets refer to 31 January 2015.

Comparative Tables

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	161.30p	139.00p	123.50p
Return before operating charges ¹	(0.03p)	24.57p	17.45p
Operating charges	(2.47p)	(2.27p)	(1.95p)
Return after operating charges ¹	(2.50p)	22.30p	15.50p
Closing net asset value per share	158.80p	161.30p	139.00p
Retained distributions on accumulation shares	0.00p	0.00p	0.15p
¹ After direct transaction costs of:	0.09p	0.03p	0.01p
Performance:			
Return after charges	(1.55%)	16.04%	12.55%
Other information:			
Closing net asset value (£'000)	16,256	582	1,074
Closing number of shares	10,236,676	360,808	772,283
Operating charges	1.51%	1.53%	1.42% ³
Direct transaction costs ²	0.06%	0.02%	0.01%
Prices:			
Highest share price	177.4p	165.2p	145.6p
Lowest share price	148.5p	137.3p	123.3p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

³As at 31 January 2014 the ACD considered 1.54% to be a more indicative rate for the ongoing charges figure for Class A Net Accumulation Shares.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	160.60p	138.30p	122.70p
Return before operating charges ¹	0.00p	24.38p	17.60p
Operating charges	(1.11p)	(1.01p)	(0.91p)
Return after operating charges ¹	(1.11p)	23.37p	16.69p
Distributions on income shares	(1.04p)	(1.07p)	(1.09p)
Closing net asset value per share	158.45p	160.60p	138.30p
¹ After direct transaction costs of:	0.08p	0.05p	0.21p
Performance:			
Return after charges	(0.69%)	16.90%	13.60%
Other information:			
Closing net asset value (£'000)	207,102	177,280	142,374
Closing number of shares	130,701,474	110,361,764	102,979,929
Operating charges	0.68%	0.68%	0.66%
Direct transaction costs ²	0.05%	0.04%	0.15%
Prices:			
Highest share price	177.0p	165.1p	145.2p
Lowest share price	148.4p	136.5p	122.5p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	168.80p	144.30p	127.10p
Return before operating charges ¹	0.00p	25.56p	18.16p
Operating charges	(1.17p)	(1.06p)	(0.96p)
Return after operating charges ¹	(1.17p)	24.50p	17.20p
Closing net asset value per share	167.63p	168.80p	144.30p
Retained distributions on accumulation shares	1.10p	1.11p	1.10p
¹ After direct transaction costs of:	0.07p	0.05p	0.17p
Performance:			
Return after charges	(0.69%)	16.98%	13.53%
Other information:			
Closing net asset value (£'000)	234,248	238,610	242,189
Closing number of shares	139,739,414	141,323,919	167,828,014
Operating charges	0.68%	0.68%	0.68%
Direct transaction costs ²	0.04%	0.03%	0.12%
Prices:			
Highest share price	186.0p	172.9p	150.9p
Lowest share price	156.2p	142.5p	126.9p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	174.10p	147.90p	129.40p
Return before operating charges ¹	(0.02p)	26.25p	18.56p
Operating charges	(0.05p)	(0.05p)	(0.06p)
Return after operating charges ¹	(0.07p)	26.20p	18.50p
Closing net asset value per share	174.03p	174.10p	147.90p
Retained distributions on accumulation shares	2.30p	2.17p	2.04p
¹ After direct transaction costs of:	0.08p	0.06p	0.14p
Performance:			
Return after charges	(0.04%)	17.71%	14.30%
Other information:			
Closing net asset value (£'000)	355,535	356,386	293,023
Closing number of shares	204,295,607	204,644,302	198,140,227
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs ²	0.04%	0.04%	0.10%
Prices:			
Highest share price	192.1p	178.3p	154.6p
Lowest share price	161.7p	146.0p	129.2p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(10,522)		110,007
Revenue	3	11,625		10,787	
Expenses	4	(3,216)		(2,760)	
Net revenue/(expense) before taxation		8,409		8,027	
Taxation	5	(1,056)		(901)	
Net revenue/(expense) after taxation			7,353		7,126
Total return/(deficit) before distributions			(3,169)		117,133
Distributions	6		(7,394)		(7,120)
Change in net assets attributable to shareholders from investment activities			(10,563)		110,013

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		772,861		678,660
Amounts receivable on issue of shares	90,074		99,432	
Amounts payable on cancellation of shares	(45,662)		(105,325)	
Stocks transferred out on cancellation of shares	-		(16,166)	
		44,412		(22,059)
Dilution adjustment		186		231
Stamp duty reserve tax		-		(3)
Change in net assets attributable to shareholders from investment activities		(10,563)		110,013
Retained distributions on accumulation shares		6,244		6,019
Closing net assets attributable to shareholders		813,140		772,861

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		796,412	765,250
Current assets:			
Debtors	8	7,263	970
Cash and bank balances	9	14,806	7,703
Total assets		818,481	773,923
Liabilities:			
Creditors:			
Distributions payable		(1,098)	(629)
Other creditors	10	(4,243)	(433)
Total liabilities		(5,341)	(1,062)
Net assets attributable to shareholders		813,140	772,861

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(10,651)	109,790
Currency gains/(losses)	137	224
Custodian transaction charges	(8)	(7)
Net gains/(losses)	(10,522)	110,007
	2016	2015
	£'000	£'000
2 Purchases, sales and transaction costs		
Gross purchases of equity excluding transaction costs	166,770	185,541
Commissions	82	66
Taxes	201	109
Total purchase transaction costs ¹	283	175
Purchases including transaction costs	167,053	185,716
	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.05	0.04
Taxes on equity purchases	0.12	0.06
	2016	2015
	£'000	£'000
Sales and transaction costs		
Sales of equity	125,319	187,635
Equity transferred out	-	15,619
Gross sales of equity excluding transaction costs	125,319	203,254
Commissions	(69)	(62)
Taxes	(11)	(18)
Total sales of equity transaction costs ¹	(80)	(80)
Sales net of transaction costs	125,239	203,174
	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.06)	(0.03)
Taxes on equity sales	(0.01)	(0.01)

¹ These amounts have been deducted in determining net capital gains/(losses)

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	151	0.02	128	0.02
Taxes	212	0.03	127	0.02
Total direct transaction costs	363	0.04	255	0.04

	2016	2015
	%	%
Average portfolio dealing spread	0.12	0.09

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	1,111	1,362
Overseas dividends	10,496	9,417
Bank interest	18	8
Total revenue	11,625	10,787

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,019	2,586
Registrar's fees	1	1
	3,020	2,587
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	86	74
Bank charges	91	82
	177	156
Other expenses:		
Audit fee	6	6
Professional fees	13	11
	19	17
Total expenses	3,216	2,760

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Overseas tax	1,056	923
Tax recoverable on overseas dividends	-	(22)
Total taxation	1,056	901

The Fund is subject to corporation tax at 20% (2015: 20%), however, the majority of dividends are not liable to corporation tax. Accordingly, the tax deductible expenses combined with offsettable overseas tax substantially exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

At 31 January 2016, the Fund had surplus management expenses of £9,030,000 (2015: £5,869,000) which has not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	8,409	8,027
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	1,682	1,605
Effects of:		
UK dividends	(222)	(272)
Non-taxable overseas dividends	(2,069)	(1,883)
Overseas tax on dividends	1,056	923
Tax recoverable on overseas dividends	-	(22)
Surplus management expenses	609	550
Current tax charge (see above)	1,056	901

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Interim to 31 July	1,708	2,797
Final to 31 January	5,861	4,397
	7,569	7,194
Amounts deducted on cancellation of shares	182	544
Amounts added on issue of shares	(357)	(618)
Total finance costs: Distributions	7,394	7,120

The distributions take account of revenue transactions on the creation and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	7,353	7,126
Add capital transfers for deficits of income	35	1
Add distributable income brought forward	24	17
Less distributable income carried forward	(18)	(24)
Net distributions for the year	7,394	7,120

	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issues of shares	1,477	179
Sales awaiting settlement	4,949	78
Accrued income	349	338
Overseas tax recoverable	483	372
VAT recoverable	4	3
Other debtors	1	-
Total debtors	7,263	970

	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	10,854	7,047
Foreign currency bank accounts	3,952	656
Total cash and bank balances	14,806	7,703

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	89	89
Purchases awaiting settlement	3,862	64
Due to the ACD or associates	244	222
Due to the Depositary or associates	40	46
Other accrued expenses	8	12
Total creditors	4,243	433

	2016	2015
	%	%
11 Related party transactions		
The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:		
A Net Accumulation	-	-
B Net Income	4.4	5.2
B Net Accumulation	12.7	13.3
C Net Accumulation	100.0	100.0
The following shareholder owns more than 20% of the value of the Fund:		
Baillie Gifford Diversified Growth Fund	40.2	42.3

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	2016			
	A Net Accumulation Shares	B Net Income Shares	B Net Accumulation Shares	C Net Accumulation Shares
12 Reconciliation of shares in issue				
Opening shares in issue	360,808	110,361,764	141,323,919	204,644,302
Shares issued	10,162,924	33,265,645	11,984,200	-
Shares cancelled	(129,780)	(12,925,935)	(13,717,955)	(348,695)
Shares converted	(157,277)	-	149,250	-
Closing shares in issue	10,236,676	130,701,474	139,739,414	204,295,607

Notes to the Financial Statements cont.

	2016 Assets £'000	2015 Assets £'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	796,412	765,250
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
Total	796,412	765,250

14 Derivatives and other financial instruments**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets 2016			Net foreign currency assets 2015		
	Monetary exposures	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Australian dollar	-	7,280	7,280	-	6,883	6,883
Brazilian real	-	2,781	2,781	-	2,927	2,927
Canadian dollar	-	8,849	8,849	-	8,361	8,361
Danish krone	-	6,983	6,983	-	9,377	9,377
Euro	-	61,521	61,521	-	44,871	44,871
Hong Kong dollar	-	18,991	18,991	-	22,893	22,893
Indian rupee	2,188	13,387	15,575	-	9,371	9,371
Japanese yen	-	55,231	55,231	-	54,322	54,322
Norwegian krone	-	9,733	9,733	-	13,523	13,523
South African rand	-	24,921	24,921	-	28,995	28,995
South Korean won	-	2,517	2,517	-	3,984	3,984
Swedish krona	-	21,562	21,562	-	25,011	25,011
Swiss franc	-	32,249	32,249	-	45,072	45,072
US dollar	1,764	457,086	458,850	656	413,860	414,516

Short term debtors and creditors have not been disclosed.

Distribution Tables

Interim Distribution for the period ended 31 July 2015

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 July 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.15)	Distribution (paid/accumulated 30.09.14)
	31.07.15 pence per share	31.07.15 pence per share	31.07.15 pence per share	31.07.14 pence per share
A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Net Income				
Group 1	0.20000	-	0.20000	0.50000
Group 2	-	0.20000	0.20000	0.50000
B Net Accumulation				
Group 1	0.25000	-	0.25000	0.50000
Group 2	-	0.25000	0.25000	0.50000
C Net Accumulation				
Group 1	0.55000	-	0.55000	0.75000
Group 2	0.55000	-	0.55000	0.75000

Distribution Tables cont.

Final Distribution for the year ended 31 January 2016

Group 1 : shares purchased prior to 1 August 2015

Group 2 : shares purchased 1 August 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Net Income				
Group 1	0.84000	-	0.84000	0.57000
Group 2	0.06546	0.77454	0.84000	0.57000
B Net Accumulation				
Group 1	0.85000	-	0.85000	0.61000
Group 2	0.02413	0.82587	0.85000	0.61000
C Net Accumulation				
Group 1	1.75000	-	1.75000	1.42000
Group 2	1.75000	-	1.75000	1.42000

BAILLIE GIFFORD

Baillie Gifford Global Income Growth Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford Global Income Growth Fund

Investment Objective

The Fund aims to achieve a higher level of income than is generally available from shares worldwide; and both income and capital growth, over the longer term.

Investment Policy

To invest mainly in shares of companies worldwide. Investment may also be in bonds issued by governments, government agencies, companies and certain supranational organisations; and convertibles.

Risk and Reward Profile

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



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares and bonds which generally provide higher rewards and higher risks than other investments such as investment solely in bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund invests in emerging markets where

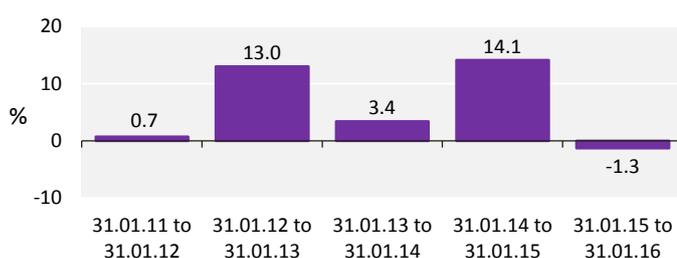
difficulties in trading could arise, resulting in a negative impact on the value of your investment. Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund may invest, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount. Part or all of the Authorised Corporate Director's annual fee will be taken from the Fund's capital. This will reduce the capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Fees Charged to Capital

To assist in achieving the Fund's investment objective 62% (2015: 100%) of the ACD's annual fee was charged to capital.

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Income Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Income Shares was 1.9%² compared to the return on the FTSE All World Index of -0.7%³, in sterling terms. We believe that shorter-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance.

We would also emphasise that successfully producing both a high and growing income is a key part of what we are seeking to achieve, together with an attractive total return relative to global equities. Acknowledging the vagaries of shorter time periods, the Fund did hold up well during the sharp sell-offs in equity markets over the summer and in early 2016, helped by the strong and resilient cash flows of the businesses it owns. In relative terms, the biggest strength was the Fund's financial holdings, where many of the niche, focused financials performed strongly in both operational and share price terms.

On the income front, the underlying income growth for the portfolio this year has also been healthy. By 'underlying' income, we mean the ordinary income for the year excluding special dividends; we believe this measure gives a better feel for the underlying growth of the portfolio.

Portfolio turnover overall remains low. However, some changes were made which we believe improved the longer-term income growth potential and dependability of the portfolio's income. As an example, an in-depth review of the banks led to the purchases of new holdings in United Overseas

Bank and Bankinter, funded by the sales of HSBC and Itau Unibanco. Other changes included the sales of insurer Amlin, which was subject to a bid from a Japanese peer and Nintendo, after strong share price performance had left its growth potential fully discounted.

Despite continuing macro-economic uncertainty, we believe that the Fund is well-positioned to deliver an above average dividend yield and reliable growth in that dividend income, together with capital growth over time. Additionally, we believe that it is a portfolio which should prove resilient if economic or political challenges were to intensify from here.

Dominic Neary, James Dow & Toby Ross, 1 February 2016

¹Source: FE, 10am dealing prices, net income reinvested. ²Source: Baillie Gifford & Co Limited, closing mid prices, net income reinvested. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
WPP Group	2.73
Microsoft	2.68
Hiscox plc	2.56
Coca Cola	2.54
TSMC ADR	2.43
Procter & Gamble	2.21
Reynolds American	2.17
Deutsche Boerse	2.15
McDonald's	2.12
Linear Technology	2.04

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
Procter & Gamble	6,863	Amlin	6,617
Fastenal	5,981	Progressive	5,059
WPP Group	5,016	Metropole TV	4,386
CH Robinson	4,709	Kraft Foods Group	3,719
Bankinter SA	4,090	Nintendo	3,623
Kimberly-Clark De Mexico	3,759	Provident Financial	3,443
United Overseas Bank	3,707	HSBC	3,344
Sumitomo Mitsui Trust	3,614	Vodafone	3,006
GEA Group	3,404	IHS	2,801
Admiral Group	3,302	Konecranes	2,722
Prudential	3,251	Tortoise Energy Infrastructure	2,602
Syngenta	3,219	Industrial & Infrastructure Fund	2,558
MTN Group	3,113	Samsung Electronics GDR	2,478
Want Want China	2,997	AES Tiete Pref	2,345
Ambev SA	2,537	China Resources Enterprise	2,343
Hong Kong Exchanges & Clearing	2,469	General Cable Corp	2,288
AES Tiete	2,351	Amazon	2,276
Scottish & Southern Energy	1,946	Norsk Hydro	2,164
Sonic Healthcare	1,812	Rexam	2,068
Zillow Group Inc Class A	1,715	Quanta Services	2,012
Other purchases	16,177	Other sales	10,162
Total Purchases	86,032	Total Sales	72,016

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
UK Equities - 23.75% (25.16%)			
Aberforth Geared Trust	2,480,016	4,613	1.37
Admiral Group	338,290	5,998	1.78
Aviva	1,138,422	5,470	1.62
BG Group	162,479	1,713	0.51
BHP Billiton	246,953	1,670	0.50
British American Tobacco	88,435	3,444	1.02
Capita	512,282	6,019	1.78
Doric Nimrod Air One Limited	144,000	156	0.05
Doric Nimrod Air Two Limited	371,717	807	0.24
Experian	443,363	5,272	1.56
Greencoat UK Wind	2,194,791	2,272	0.67
Hays	3,031,885	3,844	1.14
Hiscox plc	870,579	8,636	2.56
Pearson	190,956	1,507	0.45
Provident Financial	202,212	5,941	1.76
Prudential	233,295	3,188	0.95
Rexam	195,435	1,172	0.35
Rio Tinto	261,153	4,475	1.33
Scottish & Southern Energy	322,284	4,663	1.38
WPP Group	607,546	9,216	2.73
North America - 33.46% (29.20%)			
Alphabet Inc Class A	7,325	3,924	1.16
Alphabet Inc Class C	2,253	1,180	0.35
Analog Devices	168,394	6,393	1.90
Apple	69,039	4,726	1.40
CH Robinson	99,187	4,528	1.34
Coca Cola	282,840	8,556	2.54
Dolby Laboratories	114,366	2,902	0.86
Fastenal	227,812	6,512	1.93
Harley-Davidson	100,281	2,828	0.84
Johnson & Johnson	83,362	6,131	1.82
Linear Technology	228,706	6,888	2.04
McDonald's	81,861	7,142	2.12
Microsoft	232,830	9,034	2.68
New York Community Bank	545,319	5,947	1.76

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Pepsico	90,308	6,306	1.87
Philip Morris	60,957	3,868	1.15
Procter & Gamble	129,302	7,448	2.21
Reynolds American	207,494	7,304	2.17
TJX Companies	77,427	3,887	1.15
UPS	95,351	6,262	1.86
Zillow Group Inc Class A	23,915	365	0.11
Zillow Group Inc Class C	47,406	685	0.20
Europe (ex-UK) - 18.78% (18.81%)			
Finland - 0.00% (1.07%)			
France - 2.96% (4.90%)			
Edenred	258,047	3,407	1.01
Total	211,300	6,588	1.95
Germany - 4.17% (2.68%)			
Deutsche Boerse	121,099	7,252	2.15
GEA Group	113,640	3,326	0.99
SAP	62,552	3,479	1.03
Norway - 0.35% (1.60%)			
Aker Solutions Holding	561,002	1,183	0.35
Spain - 2.40% (0.96%)			
Bankinter SA	832,433	4,069	1.21
DIA	1,062,878	4,011	1.19
Sweden - 3.13% (3.48%)			
Atlas Copco A	253,074	3,803	1.13
Sandvik	407,680	2,383	0.71
Svenska Handelsbanken	495,331	4,361	1.29
Switzerland - 5.77% (4.12%)			
Nestle	68,720	3,553	1.05
Partners Group	25,940	6,568	1.95
Roche	31,097	5,644	1.67
Syngenta	14,405	3,724	1.10

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Japan - 1.95% (2.66%)			
Sumitomo Corp.	581,600	4,023	1.19
Sumitomo Mitsui Trust	1,153,000	2,550	0.76
Pacific (ex-Japan) - 8.27% (6.93%)			
Australia - 4.49% (4.01%)			
Brambles	886,595	4,903	1.45
Cochlear	118,486	5,540	1.64
Sonic Healthcare	513,991	4,713	1.40
Hong Kong - 2.83% (1.97%)			
ANTA Sports Products	2,478,327	4,193	1.24
BOC Hong Kong	1,573,500	2,922	0.87
Hong Kong Exchanges & Clearing	157,300	2,434	0.72
Singapore - 0.95% (0.00%)			
United Overseas Bank	359,100	3,216	0.95
Thailand - 0.00% (0.95%)			
Emerging Markets - 13.05% (15.43%)			
Brazil - 1.52% (1.99%)			
Ambev SA	843,400	2,757	0.82
BM&F Bovespa	1,307,100	2,352	0.70
China - 3.18% (4.94%)			
China Mobile	777,500	6,050	1.79
Want Want China	10,193,000	4,672	1.39
Korea - 0.81% (2.13%)			
SK Telecom	22,163	2,717	0.81
Mexico - 1.94% (0.46%)			
Kimberly-Clark De Mexico	3,886,400	6,528	1.94

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
South Africa - 1.92% (1.95%)			
AVI	1,332,321	4,702	1.39
MTN Group	292,157	1,789	0.53
Taiwan - 3.68% (3.96%)			
Asustek Computer GDR	149,703	4,227	1.25
TSMC ADR	519,942	8,196	2.43
Portfolio of investments		334,727	99.26
Net other assets - 0.74% (1.81%)		2,504	0.74
Net assets		337,231	100.00

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

Figures in brackets refer to 31 January 2015.

Comparative Tables

Comparative Table: A Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	457.10p	417.50p	417.60p
Return before operating charges ¹	15.93p	60.78p	25.03p
Operating charges	(7.02p)	(6.86p)	(6.73p)
Return after operating charges ¹	8.91p	53.92p	18.30p
Distributions on income shares	(13.10p)	(14.32p)	(18.40p)
Closing net asset value per share	452.91p	457.10p	417.50p
¹ After direct transaction costs of:	0.19p	0.31p	0.69p
Performance:			
Return after charges	1.95%	12.91%	4.38%
Other information:			
Closing net asset value (£'000)	1,588	2,385	3,146
Closing number of shares	350,570	521,604	753,558
Operating charges	1.53%	1.55%	1.54%
Direct transaction costs ²	0.04%	0.07%	0.16%
Prices:			
Highest share price	492.6p	469.8p	457.2p
Lowest share price	419.7p	411.5p	411.8p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	867.10p	766.40p	734.10p
Return before operating charges ¹	17.02p	113.38p	44.74p
Operating charges	(0.38p)	(12.68p)	(12.44p)
Return after operating charges ¹	16.64p	100.70p	32.30p
Closing net asset value per share	883.74p	867.10p	766.40p
Retained distributions on accumulation shares	25.08p	26.43p	31.61p
¹ After direct transaction costs of:	0.38p	0.54p	0.68p
Performance:			
Return after charges	1.92%	13.14%	4.40%
Other information:			
Closing net asset value (£'000)	3,744	4,888	5,489
Closing number of shares	423,617	563,688	716,275
Operating charges	1.53%	1.54%	1.60%
Direct transaction costs ²	0.04%	0.07%	0.09%
Prices:			
Highest share price	934.5p	884.9p	814.3p
Lowest share price	808.3p	756.5p	731.2p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	510.60p	462.10p	459.60p
Return before operating charges ¹	17.83p	67.75p	26.60p
Operating charges	(3.55p)	(3.41p)	(3.24p)
Return after operating charges ¹	14.28p	64.34p	23.36p
Distributions on income shares	(16.87p)	(15.84p)	(20.86p)
Closing net asset value per share	508.01p	510.60p	462.10p
¹ After direct transaction costs of:	1.34p	0.46p	1.10p
Performance:			
Return after charges	2.80%	13.92%	5.08%
Other information:			
Closing net asset value (£'000)	11,068	10,484	6,151
Closing number of shares	2,178,732	2,053,155	1,331,246
Operating charges	0.69%	0.69%	0.67%
Direct transaction costs ²	0.26%	0.09%	0.23%
Prices:			
Highest share price	551.2p	524.7p	504.5p
Lowest share price	471.1p	456.1p	454.7p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	900.70p	789.40p	751.70p
Return before operating charges ¹	31.35p	117.19p	43.04p
Operating charges	(6.33p)	(5.89p)	(5.34p)
Return after operating charges ¹	25.02p	111.30p	37.70p
Closing net asset value per share	925.72p	900.70p	789.40p
Retained distributions on accumulation shares	30.11p	27.32p	34.64p
¹ After direct transaction costs of:	0.46p	0.65p	1.86p
Performance:			
Return after charges	2.78%	14.10%	5.02%
Other information:			
Closing net asset value (£'000)	15,318	13,927	11,721
Closing number of shares	1,654,737	1,546,357	1,484,749
Operating charges	0.69%	0.69%	0.66%
Direct transaction costs ²	0.05%	0.08%	0.23%
Prices:			
Highest share price	972.3p	919.0p	839.9p
Lowest share price	843.7p	779.7p	751.7p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	552.60p	497.00p	491.70p
Return before operating charges ¹	19.28p	72.89p	28.05p
Operating charges	(0.22p)	(0.21p)	(0.31p)
Return after operating charges ¹	19.06p	72.68p	27.74p
Distributions on income shares	(19.77p)	(17.08p)	(22.44p)
Closing net asset value per share	551.89p	552.60p	497.00p
¹ After direct transaction costs of:	0.28p	0.39p	0.71p
Performance:			
Return after charges	3.45%	14.62%	5.64%
Other information:			
Closing net asset value (£'000)	727	728	725
Closing number of shares	131,808	131,808	145,907
Operating charges	0.04%	0.04%	0.06%
Direct transaction costs ²	0.05%	0.07%	0.14%
Prices:			
Highest share price	597.3p	567.7p	540.8p
Lowest share price	511.7p	490.7p	487.7p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	926.30p	806.90p	764.30p
Return before operating charges ¹	32.32p	119.75p	43.09p
Operating charges	(0.38p)	(0.35p)	(0.49p)
Return after operating charges ¹	31.94p	119.40p	42.60p
Closing net asset value per share	958.24p	926.30p	806.90p
Retained distributions on accumulation shares	33.42p	28.00p	35.47p
¹ After direct transaction costs of:	0.49p	0.66p	1.31p
Performance:			
Return after charges	3.45%	14.80%	5.57%
Other information:			
Closing net asset value (£'000)	304,786	294,637	256,637
Closing number of shares	31,806,751	31,806,751	31,806,751
Operating charges	0.04%	0.04%	0.06%
Direct transaction costs ²	0.05%	0.08%	0.16%
Prices:			
Highest share price	1001p	945.1p	857.6p
Lowest share price	870.9p	797.1p	765.9p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(782)		32,233
Revenue	3	12,590		10,846	
Expenses	4	(379)		(358)	
Net revenue/(expense) before taxation		12,211		10,488	
Taxation	5	(645)		(896)	
Net revenue/(expense) after taxation			11,566		9,592
Total return before distributions			10,784		41,825
Distributions	6		(11,736)		(9,842)
Change in net assets attributable to shareholders from investment activities			(952)		31,983

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		327,049		283,869
Amounts receivable on issue of shares	9,423		5,564	
Amounts payable on cancellation of shares	(9,592)		(3,868)	
		(169)		1,696
Dilution adjustment		33		16
Stamp duty reserve tax		-		(1)
Change in net assets attributable to shareholders from investment activities		(952)		31,983
Retained distributions on accumulation shares		11,270		9,486
Closing net assets attributable to shareholders		337,231		327,049

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		334,727	321,117
Current assets:			
Debtors	8	6,611	822
Cash and bank balances	9	3,533	5,370
Total assets		344,871	327,309
Liabilities:			
Creditors:			
Bank overdrafts	9	(608)	-
Distributions payable		(123)	(94)
Other creditors	10	(6,909)	(166)
Total liabilities		(7,640)	(260)
Net assets attributable to shareholders		337,231	327,049

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(630)	32,316
Currency gains/(losses)	(148)	(81)
Custodian transaction costs	(4)	(2)
Net gains/(losses)	(782)	32,233

	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchases of equity excluding transaction costs	85,913	80,129
Commissions	47	79
Taxes	72	53
Total purchases of equity transaction costs ¹	119	132
Purchases including transaction costs	86,032	80,261

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.06	0.10
Taxes on equity purchases	0.08	0.07

	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales of equity excluding transaction costs	72,068	72,643
Commissions	(49)	(98)
Taxes	(3)	(2)
Total sales of equity transaction costs ¹	(52)	(100)
Sales net of transaction costs	72,016	72,543

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.07)	(0.13)
Taxes on equity sales	(0.00)	(0.00)

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	96	0.03	177	0.05
Taxes	75	0.02	55	0.02
Total direct transaction costs	171	0.05	232	0.07

	2016	2015
	%	%
Average portfolio dealing spread	0.12	0.13

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	3,468	2,728
Overseas dividends	9,109	8,114
Bank interest	13	4
Total revenue	12,590	10,846

Notes to the Financial Statements cont.

	2016 £'000	2015 £'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	274	250
Registrar's fees	2	3
	276	253
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	38	30
Bank charges	44	49
	82	79
Other expenses:		
Audit fee	7	6
Professional fees	14	20
	21	26
Total expenses	379	358

	2016 £'000	2015 £'000
5 Taxation		
Analysis of charge in the year		
Prior year under accrued corporation tax	-	13
Overseas tax	613	892
Prior year tax reclaims written off	32	-
Tax recoverable on overseas dividends	-	(9)
Total taxation	645	896

The Fund is subject to corporation tax at 20% (2015: 20%), however, UK dividends and the majority of overseas dividends are not liable to corporation tax and, therefore, the tax deductible expenses are sufficient to cover the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2016, the Fund had surplus management expenses of £422,000 (2015: £196,000) which have not been recognised as a deferred tax asset. This is because, while the Fund may generate taxable income in a future period in excess of the deductible expenses of that future period, there is no guarantee that such a scenario will arise and, accordingly, the Fund may be unable to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	12,211	10,488
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	2,442	2,098
Effects of:		
UK dividends	(693)	(546)
Non-taxable overseas dividends	(1,794)	(1,591)
Overseas tax on dividends	613	892
Prior year under accrued corporation tax	-	13
Prior year tax reclaims written off	32	-
Tax recoverable on overseas dividends	-	(9)
Surplus management expenses	84	43
Expense relief claimed on overseas tax	-	(4)
Utilisation of excess management expenses	(39)	-
Current tax charge (see above)	645	896

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Interim to 30 April	2,573	2,552
Interim to 31 July	2,580	2,545
Interim to 31 October	2,607	2,511
Final to 31 January	3,984	2,247
	11,744	9,855
Amounts deducted on cancellation of shares	113	37
Amounts added on issue of shares	(121)	(50)
Total finance costs: Distributions	11,736	9,842

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	11,566	9,592
Add ACD's periodic charge allocated to capital	170	251
Add distributable revenue brought forward	3	2
Less distributable revenue carried forward	(3)	(3)
Net distributions for the year	11,736	9,842

	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issue of shares	21	103
Sales awaiting settlement	6,010	-
Accrued income	355	313
Overseas tax recoverable	224	180
VAT recoverable	1	1
Other debtors	-	225
Total debtors	6,611	822

	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	3,533	4,495
Foreign currency bank accounts	-	875
	3,533	5,370
Sterling bank accounts overdrawn	(608)	-
Total cash and bank balances	2,925	5,370

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	56	103
Purchases awaiting settlement	6,810	-
Due to the ACD or associates	20	22
Due to the Depositary or associates	16	26
Other accrued expenses	7	15
Total creditors	6,909	166

	2016	2015
	%	%
11 Related party transactions		
The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:		
A Net Income	-	-
A Net Accumulation	-	-
B Net Income	37.9	40.0
B Net Accumulation	-	-
C Net Income	100.0	100.0
C Net Accumulation	100.0	100.0

The following shareholder owns more than 20% of the value of the Fund:

Baillie Gifford Diversified Growth Fund	88.7	88.4
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Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	2016					
	A Net Income Shares	A Net Accumulation Shares	B Net Income Shares	B Net Accumulation Shares	C Net Income Shares	C Net Accumulation Shares
12 Reconciliation of shares in issue						
Opening shares in issue	521,604	563,688	2,053,155	1,546,357	131,808	31,806,751
Shares issued	34,151	36,204	528,569	687,134	-	60
Shares cancelled	(129,912)	(71,294)	(527,878)	(617,278)	-	(60)
Shares converted	(75,273)	(104,981)	124,886	38,524	-	-
Closing shares in issue	350,570	423,617	2,178,732	1,654,737	131,808	31,806,751

Notes to the Financial Statements cont.

	2016	2015
	Assets	Assets
	£'000	£'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	334,727	321,117
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
Total	334,727	321,117

14 Derivatives and other financial instruments**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	2016			2015		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	15,156	15,156	-	13,103	13,103
Brazilian real	-	5,109	5,109	-	5,738	5,738
Egyptian pound	-	-	-	160	-	160
Euro	-	32,132	32,132	-	31,428	31,428
Hong Kong dollar	-	20,271	20,271	-	22,596	22,596
Japanese yen	-	6,673	6,673	-	8,704	8,704
Korean won	-	2,717	2,717	-	3,843	3,843
Mexican peso	-	6,528	6,528	-	1,518	1,518
Norwegian krone	-	1,183	1,183	-	5,240	5,240
Singapore dollar	-	3,216	3,216	-	-	-
South African rand	-	6,491	6,491	-	6,369	6,369
Swedish krona	-	10,547	10,547	-	11,385	11,385
Swiss franc	-	19,489	19,489	-	13,476	13,476
Thai baht	-	-	-	-	3,122	3,122
US dollar	-	125,239	125,239	715	112,284	112,999

Short term debtors and creditors have not been disclosed.

Distribution Tables

First Interim Distribution for the period ended 30 April 2015

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 30 April 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.06.15)	Distribution (paid/accumulated 30.06.14)
	30.04.15 pence per share	30.04.15 pence per share	30.04.15 pence per share	30.04.14 pence per share
A Net Income				
Group 1	3.58000	-	3.58000	3.78000
Group 2	0.54101	3.03899	3.58000	3.78000
A Net Accumulation				
Group 1	6.78000	-	6.78000	6.86000
Group 2	1.80276	4.97724	6.78000	6.86000
B Net Income				
Group 1	4.00000	-	4.00000	4.15000
Group 2	1.59668	2.40332	4.00000	4.15000
B Net Accumulation				
Group 1	7.05000	-	7.05000	7.08000
Group 2	2.96414	4.08586	7.05000	7.08000
C Net Income				
Group 1	4.33000	-	4.33000	4.46000
Group 2	4.33000	-	4.33000	4.46000
C Net Accumulation				
Group 1	7.27000	-	7.27000	7.25000
Group 2	7.27000	-	7.27000	7.25000

Distribution Tables cont.

Second Interim Distribution for the period ended 31 July 2015

Group 1 : shares purchased prior to 1 May 2015

Group 2 : shares purchased 1 May 2015 to 31 July 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.15)	Distribution (paid/accumulated 30.09.14)
	31.07.15 pence per share	31.07.15 pence per share	31.07.15 pence per share	31.07.14 pence per share
A Net Income				
Group 1	3.58000	-	3.58000	3.78000
Group 2	-	3.58000	3.58000	3.78000
A Net Accumulation				
Group 1	6.78000	-	6.78000	6.86000
Group 2	-	6.78000	6.78000	6.86000
B Net Income				
Group 1	4.00000	-	4.00000	4.15000
Group 2	-	4.00000	4.00000	4.15000
B Net Accumulation				
Group 1	7.05000	-	7.05000	7.08000
Group 2	-	7.05000	7.05000	7.08000
C Net Income				
Group 1	4.33000	-	4.33000	4.46000
Group 2	4.33000	-	4.33000	4.46000
C Net Accumulation				
Group 1	7.27000	-	7.27000	7.25000
Group 2	7.27000	-	7.27000	7.25000

Distribution Tables cont.

Third Interim Distribution for the period ended 31 October 2015

Group 1 : shares purchased prior to 1 August 2015

Group 2 : shares purchased 1 August 2015 to 31 October 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.12.15)	Distribution (paid/accumulated 31.12.14)
	31.10.15 pence per share	31.10.15 pence per share	31.10.15 pence per share	31.10.14 pence per share
A Net Income				
Group 1	3.58000	-	3.58000	3.58000
Group 2	-	3.58000	3.58000	3.58000
A Net Accumulation				
Group 1	6.78000	-	6.78000	6.73000
Group 2	-	6.78000	6.78000	6.73000
B Net Income				
Group 1	4.00000	-	4.00000	4.00000
Group 2	-	4.00000	4.00000	4.00000
B Net Accumulation				
Group 1	7.05000	-	7.05000	6.96000
Group 2	-	7.05000	7.05000	6.96000
C Net Income				
Group 1	4.33000	-	4.33000	4.32000
Group 2	4.33000	-	4.33000	4.32000
C Net Accumulation				
Group 1	7.27000	-	7.27000	7.14000
Group 2	7.27000	-	7.27000	7.14000

Distribution Tables cont.

Final Distribution for the period ended 31 January 2016

Group 1 : shares purchased prior to 1 November 2015

Group 2 : shares purchased 1 November 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Income				
Group 1	2.36000	-	2.36000	3.18000
Group 2	-	2.36000	2.36000	3.18000
A Net Accumulation				
Group 1	4.74000	-	4.74000	5.98000
Group 2	-	4.74000	4.74000	5.98000
B Net Income				
Group 1	4.87000	-	4.87000	3.54000
Group 2	-	4.87000	4.87000	3.54000
B Net Accumulation				
Group 1	8.96000	-	8.96000	6.20000
Group 2	-	8.96000	8.96000	6.20000
C Net Income				
Group 1	6.78000	-	6.78000	3.84000
Group 2	6.78000	-	6.78000	3.84000
C Net Accumulation				
Group 1	11.61000	-	11.61000	6.36000
Group 2	11.61000	-	11.61000	6.36000

BAILLIE GIFFORD

Baillie Gifford International Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford International Fund

Investment Objective

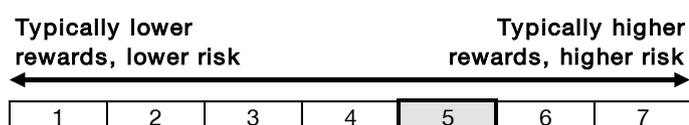
The Fund aims to produce attractive returns, mainly through capital growth, over the long term.

Investment Policy

To invest mainly in shares of companies worldwide excluding the UK.

Risk and Reward Profile

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

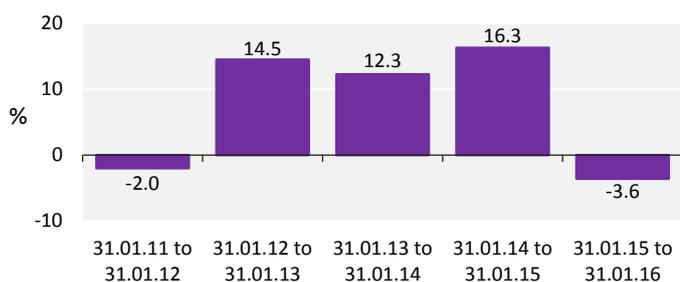


Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment. Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the

capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Accumulation Shares was -0.4%² compared to the return on the MSCI All Country World ex-UK Index of -0.9%³, in sterling terms. We believe that shorter-term performance measurements are of limited relevance in assessing investment ability and suggest that five years is a more sensible time frame over which to judge performance.

In performance terms, the last 12 months have been relatively unusual, in that the vast bulk of the positive contribution came from a small number of stocks. Three made most of the running: Amazon.com, Ryanair and Alphabet. These companies delivered strong operational results, and their share prices rose significantly. In contrast a small number of stocks exposed to the oil price were unsurprisingly weak.

Trading activity (taking the lower of purchases or sales) was low, at 11%. We sold a small number of stocks for which the outlook is uninspiring – these include Arcos Dorados (McDonald's franchisee in Latin America), Tokyo Electron (semiconductor equipment manufacturer) and Jyske Bank (Danish retail bank). We have tended to re-invest the proceeds in young companies

that demonstrate disruptive innovation and that pose a threat to mature incumbents. For example, we took a holding in Zillow (online US real estate portal). We also purchased Autohome, a Chinese website that is capitalising on a rapidly growing domestic market for cars. Elsewhere, we think the US economy offers attractive investment opportunities; this led to the purchase of CH Robinson, a third party logistics provider that should benefit both from a cyclical recovery in volumes and also secular growth in the shipping broker market.

At the time of writing, equity markets are weak as a result of uncertainty around the strength of economies – particularly China. Despite this, we are encouraged by the number of attractive investment opportunities open to us. We continue to look through the market volatility and expect the underlying growth.

Baillie Gifford & Co, 12 February 2016

¹Source: FE, 10am dealing prices, net income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset value, net income accumulated. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
Amazon.com	3.92
Royal Caribbean Cruises	3.81
Naspers	2.99
CRH	2.79
Alphabet Inc Class C	2.79
AIA Group	2.68
TSMC ADR	2.54
SAP	2.32
Anthem Inc	2.26
Markel	2.25

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
CRH	9,982	Roche	10,141
MS&AD Insurance	7,680	FLIR Systems	5,227
AIA Group	7,182	China Resources Enterprise	4,306
Alibaba	6,871	Royal Caribbean Cruises	4,284
SAP	6,313	PayPal Holdings Inc	4,271
CH Robinson	5,983	Ryanair	4,192
HDFC Corp	3,937	Tokyo Electron	3,819
Amylam Pharmaceuticals	3,446	Harley-Davidson	3,714
MTN Group	2,956	Naspers	3,355
Yandex	2,955	Dragon Oil	3,031
Banco Popular	2,875	Norsk Hydro	2,545
Sands China	2,763	Jyske Bank	2,419
Zillow Group Inc Class A	2,749	Shandong Weigao Group Medical 'H'	1,962
Autohome Inc ADR	2,738	Teradata	1,940
Royal Caribbean Cruises	2,680	Moody's	1,894
Facebook	2,630	Mindray Medical International ADR	1,811
Grubhub Inc	2,590	Dolby Laboratories A	1,789
Naspers	2,232	Inpex	1,496
ICICI Bank Ltd	2,130	Coca Cola HBC (CDI)	1,430
Financial Engines	1,990	AIA Group	996
Other purchases	50,352	Other sales	7,718
Total Purchases	133,034	Total Sales	72,340

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
North America - 50.46% (49.87%)			
Canada - 1.75% (1.76%)			
Fairfax Financial Holdings	16,987	6,093	1.15
Ritchie Bros Auctioneers	197,353	3,183	0.60
United States - 48.71% (48.11%)			
Anylam Pharmaceuticals	52,851	2,566	0.49
Alphabet Inc Class C	28,181	14,754	2.79
Amazon.com	50,327	20,768	3.92
American Express	93,387	3,521	0.67
Anthem Inc	130,596	11,993	2.26
CarMax	205,335	6,389	1.21
CH Robinson	123,467	5,637	1.06
Colgate-Palmolive	125,120	5,954	1.12
DistributionNOW	256,590	2,451	0.46
Dolby Laboratories	126,923	3,220	0.61
eBay	187,439	3,093	0.58
EOG Resources	129,969	6,505	1.23
Facebook	96,727	7,647	1.44
Financial Engines	131,700	2,503	0.47
First Republic Bank	245,902	11,776	2.22
Grubhub Inc	145,015	1,926	0.36
Harley-Davidson	84,276	2,376	0.45
Howard Hughes	29,100	1,947	0.37
Intuitive Surgical	5,803	2,212	0.42
Kirby	55,289	1,974	0.37
Leucadia National	172,800	2,015	0.38
Lincoln Electric Hdg.	124,678	4,679	0.88
M&T Bank	104,938	8,150	1.54
Markel	20,144	11,910	2.25
Martin Marietta Materials	66,479	5,885	1.11
Mastercard	121,876	7,630	1.44
Monsanto	71,671	4,576	0.86
Moody's	129,712	8,152	1.54
Myriad Genetics Inc	253,856	6,972	1.32
Praxair	50,539	3,561	0.67
Qualcomm	109,200	3,489	0.66
Royal Caribbean Cruises	349,605	20,195	3.81

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Seattle Genetics	179,240	4,166	0.79
TD Ameritrade Holding Corp	466,512	9,067	1.71
Teradyne	400,344	5,475	1.03
Tesla Motors	32,542	4,384	0.83
TripAdvisor	79,001	3,715	0.70
Twitter Inc	51,556	610	0.12
Ultra Petroleum	399,391	633	0.12
Visa Inc - Class A Shares	168,660	8,825	1.67
Waters	80,588	6,884	1.30
Xilinx	175,320	6,212	1.17
Zillow Group Inc Class A	37,093	566	0.11
Zillow Group Inc Class C	74,186	1,072	0.20
Europe (ex-UK) - 20.97% (21.48%)			
Denmark - 0.90% (1.29%)			
Carlsberg	81,323	4,780	0.90
Germany - 3.20% (1.62%)			
Deutsche Boerse	77,447	4,638	0.88
SAP	220,864	12,283	2.32
Ireland - 5.99% (4.25%)			
Bank of Ireland	23,183,450	5,305	1.00
CRH	796,093	14,760	2.79
Ryanair	1,117,711	11,633	2.20
Italy - 0.64% (0.75%)			
Ferrari NV	44,088	1,230	0.23
Fiat Chrysler Automobiles	440,883	2,151	0.41
Netherlands - 0.58% (0.56%)			
Qiagen	190,900	3,055	0.58
Norway - 1.28% (1.89%)			
Schibsted	168,290	3,440	0.65
Schibsted B	170,149	3,327	0.63

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Spain - 0.93% (0.71%)			
Banco Popular	838,871	1,586	0.30
Dia	885,492	3,341	0.63
Sweden - 2.79% (3.54%)			
Atlas Copco A	32,193	484	0.09
Atlas Copco B	359,576	5,129	0.97
Svenska Handelsbanken	721,480	6,353	1.20
Volvo	438,594	2,789	0.53
Switzerland - 4.66% (6.87%)			
Coca Cola HBC (CDI)	186,611	2,667	0.51
Nestle	195,940	10,131	1.91
OC Oerlikon	218,229	1,365	0.26
Richemont	75,716	3,451	0.65
Schindler	65,294	7,026	1.33
Japan - 7.20% (7.72%)			
CyberAgent Inc	121,000	3,946	0.75
Inpex	749,700	4,599	0.87
Japan Exchange Group	318,100	3,123	0.59
MS&AD Insurance	540,200	10,145	1.92
Olympus	196,800	5,317	1.00
Rohm	91,300	2,866	0.54
SMC	30,300	4,714	0.89
THK	308,200	3,403	0.64
Pacific (ex-Japan) - 4.83% (3.66%)			
Australia - 0.95% (0.95%)			
Brambles	909,892	5,032	0.95
Hong Kong - 3.13% (1.84%)			
AIA Group	3,653,600	14,197	2.68
Sands China	990,800	2,401	0.45
Singapore - 0.75% (0.87%)			
Jardine Matheson	107,900	3,988	0.75

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Emerging Markets - 14.42% (15.99%)			
Argentina - 0.00% (0.20%)			
Brazil - 0.35% (0.44%)			
BM&F Bovespa	1,039,200	1,870	0.35
China - 3.79% (4.45%)			
Alibaba	163,463	7,705	1.46
Autohome Inc - ADR	92,894	1,609	0.30
Baidu.com ADR	61,700	7,094	1.34
Mindray Medical International ADR	118,814	2,261	0.43
Tsingtao Brewery 'H'	544,000	1,355	0.26
India - 1.74% (1.37%)			
HDFC Corp	295,199	3,618	0.68
ICICI Bank Ltd	2,343,602	5,602	1.06
Korea - 1.62% (2.37%)			
Samsung Elec. Common GDR Reg S	20,591	6,866	1.30
SK Hynix Inc	105,060	1,683	0.32
Russia - 1.10% (0.25%)			
Sberbank Spon ADR	565,306	2,187	0.41
Yandex	386,900	3,660	0.69
South Africa - 3.28% (4.03%)			
MTN Group	250,978	1,537	0.29
Naspers	181,008	15,810	2.99
Taiwan - 2.54% (2.53%)			
TSMC ADR	852,789	13,443	2.54
Other Emerging - 0.00% (0.35%)			
Portfolio of investments		518,266	97.88
Net other assets - 2.12% (1.28%)		11,242	2.12
Net assets		529,508	100.00

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

Figures in brackets refer to 31 January 2015.

Comparative Tables

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	3,289.00p	2,835.00p	2,529.00p
Return before operating charges ¹	38.83p	500.42p	348.82p
Operating charges	(51.45p)	(46.42p)	(42.82p)
Return after operating charges ¹	(12.62p)	454.00p	306.00p
Closing net asset value per share	3,276.38p	3,289.00p	2,835.00p
Retained distributions on accumulation shares	0.00p	0.00p	2.25p
¹ After direct transaction costs of:	0.94p	0.98p	1.27p
Performance:			
Return after charges	(0.38%)	16.01%	12.10%
Other information:			
Closing net asset value (£'000)	15,222	38,195	42,458
Closing number of shares	464,584	1,161,358	1,497,830
Operating charges	1.53%	1.53%	1.54%
Direct transaction costs ²	0.03%	0.03%	0.05%
Prices:			
Highest share price	3634p	3372p	2957p
Lowest share price	3028p	2795p	2522p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	3,141.00p	2,701.00p	2,406.00p
Return before operating charges ¹	36.48p	478.54p	331.75p
Operating charges	(21.85p)	(19.76p)	(18.50p)
Return after operating charges ¹	14.63p	458.78p	313.25p
Distributions on income shares	(18.53p)	(18.78p)	(18.25p)
Closing net asset value per share	3,137.10p	3,141.00p	2,701.00p
¹ After direct transaction costs of:	1.70p	0.94p	1.21p
Performance:			
Return after charges	0.47%	16.99%	13.02%
Other information:			
Closing net asset value (£'000)	101,086	55,786	50,517
Closing number of shares	3,222,273	1,776,211	1,870,327
Operating charges	0.68%	0.68%	0.70%
Direct transaction costs ²	0.05%	0.03%	0.05%
Prices:			
Highest share price	3476p	3230p	2826p
Lowest share price	2901p	2663p	2399p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	3,684.00p	3,148.00p	2,785.00p
Return before operating charges ¹	42.63p	559.13p	384.33p
Operating charges	(25.69p)	(23.13p)	(21.33p)
Return after operating charges ¹	16.94p	536.00p	363.00p
Closing net asset value per share	3,700.94p	3,684.00p	3,148.00p
Retained distributions on accumulation shares	21.74p	21.91p	21.74p
¹ After direct transaction costs of:	1.75p	1.10p	1.42p
Performance:			
Return after charges	0.46%	17.03%	13.03%
Other information:			
Closing net asset value (£'000)	363,230	326,650	232,278
Closing number of shares	9,814,535	8,867,762	7,378,406
Operating charges	0.68%	0.68%	0.69%
Direct transaction costs ²	0.05%	0.03%	0.05%
Prices:			
Highest share price	4077p	3776p	3293p
Lowest share price	3407p	3104p	2778p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	3,144.00p	2,703.00p	2,407.00p
Return before operating charges ¹	36.81p	479.92p	333.11p
Operating charges	(0.97p)	(1.13p)	(1.33p)
Return after operating charges ¹	35.84p	478.79p	331.78p
Distributions on income shares	(39.58p)	(37.79p)	(35.78p)
Closing net asset value per share	3,140.26p	3,144.00p	2,703.00p
¹ After direct transaction costs of:	1.47p	0.92p	1.22p
Performance:			
Return after charges	1.14%	17.71%	13.78%
Other information:			
Closing net asset value (£'000)	2	2	7,061
Closing number of shares	50	50	261,253
Operating charges	0.03%	0.04%	0.05%
Direct transaction costs ²	0.05%	0.03%	0.05%
Prices:			
Highest share price	3485p	3246p	2839p
Lowest share price	2911p	2665p	2401p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	3,969.00p	3,370.00p	2,963.00p
Return before operating charges ¹	45.96p	600.10p	408.63p
Operating charges	(1.22p)	(1.10p)	(1.63p)
Return after operating charges ¹	44.74p	599.00p	407.00p
Closing net asset value per share	4,013.74p	3,969.00p	3,370.00p
Retained distributions on accumulation shares	49.94p	47.01p	43.86p
¹ After direct transaction costs of:	1.92p	1.18p	1.49p
Performance:			
Return after charges	1.13%	17.77%	13.74%
Other information:			
Closing net asset value (£'000)	49,968	45,447	36,800
Closing number of shares	1,244,921	1,145,029	1,091,904
Operating charges	0.03%	0.03%	0.05%
Direct transaction costs ²	0.05%	0.03%	0.05%
Prices:			
Highest share price	4399p	4068p	3514p
Lowest share price	3685p	3324p	2955p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(2,399)		63,188
Revenue	3	7,183		5,931	
Expenses	4	(3,450)		(2,874)	
Net revenue/(expense) before taxation		3,733		3,057	
Taxation	5	(685)		(475)	
Net revenue/(expense) after taxation			3,048		2,582
Total return before distributions			649		65,770
Distributions	6		(3,091)		(2,652)
Change in net assets attributable to shareholders from investment activities			(2,442)		63,118

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		466,078		369,113
Amounts receivable on issue of shares	85,436		68,104	
Amounts payable on cancellation of shares	(22,446)		(36,796)	
		62,990		31,308
Dilution adjustment		131		107
Change in net assets attributable to shareholders from investment activities		(2,442)		63,118
Retained distributions on accumulation shares		2,751		2,432
Closing net assets attributable to shareholders		529,508		466,078

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		518,266	460,109
Current assets:			
Debtors	8	3,962	1,119
Cash and bank balances	9	11,057	5,432
Total assets		533,285	466,660
Liabilities:			
Creditors:			
Distributions payable		(459)	(176)
Other creditors	10	(3,318)	(406)
Total liabilities		(3,777)	(582)
Net assets attributable to shareholders		529,508	466,078

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(2,534)	63,120
Currency gains/(losses)	143	79
Custodian transaction costs	(8)	(11)
Net gains/(losses)	(2,399)	63,188
	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchases of equity excluding transaction costs	132,841	113,383
Commissions	59	59
Taxes	134	40
Total purchases of equity transaction costs ¹	193	99
Total purchases of equity including transaction costs	133,034	113,482
	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.04	0.05
Taxes on equity purchases	0.10	0.04
	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales of equity excluding transaction costs	72,393	79,863
Commissions	(44)	(32)
Taxes	(9)	(5)
Total sales of equity transaction costs ¹	(53)	(37)
Total sales of equity including transaction costs	72,340	79,826
	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.06)	(0.04)
Taxes on equity sales	(0.01)	(0.01)

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio direct transaction costs				
Commissions	103	0.02	91	0.02
Taxes	143	0.03	45	0.01
Total direct transaction costs	246	0.05	136	0.03

	2016	2015
	%	%
Average portfolio dealing spread	0.13	0.10

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	-	25
Overseas dividends	7,162	5,885
Bank interest	21	21
Total revenue	7,183	5,931

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,311	2,761
Registrar's fees	2	3
	3,313	2,764
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	55	44
Bank charges	64	47
	119	91
Other expenses:		
Audit fee	6	6
Professional fees	12	13
	18	19
Total expenses	3,450	2,874

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Overseas tax	685	584
Tax recoverable on overseas dividends	-	(109)
Total taxation	685	475

The Fund is subject to corporation tax at 20% (2015: 20%), however, the majority of dividends are not liable to corporation tax. Accordingly, the tax deductible expenses combined with offsettable overseas tax substantially exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

At 31 January 2016, the Fund had surplus management expenses of £13,525,000 (2015: £10,088,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	3,733	3,057
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015 : 20%)	747	611
Effects of:		
UK dividends	-	(5)
Non-taxable overseas dividends	(1,418)	(1,177)
Overseas tax on dividends	685	584
Tax recoverable on overseas dividends	-	(109)
Surplus management expenses	671	571
Current tax charge (see above)	685	475

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Interim to 31 July	775	1,225
Final to 31 January	2,561	1,580
	3,336	2,805
Amounts deducted on cancellation of shares	67	129
Amounts added on issue of shares	(312)	(282)
Total finance costs: Distributions	3,091	2,652

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	3,048	2,582
Add capital transfers for deficits of income	42	70
Add distributable revenue brought forward	1	1
Less distributable revenue carried forward	-	(1)
Net distributions for the year	3,091	2,652

	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issue of shares	149	578
Sales awaiting settlement	3,361	55
Accrued income	139	218
Overseas tax recoverable	309	266
VAT recoverable	2	2
Other debtors	2	-
Total debtors	3,962	1,119

	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	8,169	2,521
Foreign currency bank accounts	2,888	2,911
Total cash and bank balances	11,057	5,432

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	289	73
Purchases awaiting settlement	2,736	42
Due to the ACD or associates	258	250
Due to the Depositary or associates	27	30
Other accrued expenses	8	11
Total creditors	3,318	406

	2016	2015
	%	%
11 Related party transactions		
The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:		
A Net Accumulation	-	-
B Net Income	74.3	59.3
B Net Accumulation	20.9	23.1
C Net Income	100.0	100.0
C Net Accumulation	100.0	100.0

No shareholder owns more than 20% of the value of the Fund.

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	2016				
	A Net	B Net	B Net	C Net	C Net
	Accumulation	Income	Accumulation	Income	Accumulation
	Shares	Shares	Shares	Shares	Shares
12 Reconciliation of shares in issue					
Opening shares in issue	1,161,358	1,776,211	8,867,762	50	1,145,029
Shares issued	25,250	1,489,424	858,469	-	99,892
Shares cancelled	(189,991)	(48,330)	(380,967)	-	-
Shares converted	(532,033)	4,968	469,271	-	-
Closing shares in issue	464,584	3,222,273	9,814,535	50	1,244,921

Notes to the Financial Statements cont.

	2016	2015
	Assets	Assets
	£'000	£'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	518,266	460,109
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
Total	518,266	460,109

14 Derivatives and other financial instruments**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets			Net foreign currency assets		
	2016		Total	2015		Total
	Monetary exposures	Non-monetary exposures		Monetary exposures	Non-monetary exposures	
£'000	£'000	£'000	£'000	£'000	£'000	
Australian dollar	-	5,032	5,032	-	4,427	4,427
Brazilian real	-	1,870	1,870	-	2,053	2,053
Canadian dollar	-	6,093	6,093	-	5,355	5,355
Danish krone	-	4,780	4,780	-	5,995	5,995
Euro	-	42,167	42,167	-	30,082	30,082
Hong Kong dollar	-	17,953	17,953	-	15,148	15,148
Indian rupee	1,555	9,220	10,775	-	6,386	6,386
Japanese yen	-	38,113	38,113	-	35,884	35,884
Korean won	-	1,683	1,683	-	2,724	2,724
Norwegian krone	-	6,767	6,767	-	8,841	8,841
South African rand	-	17,347	17,347	-	18,792	18,792
Swedish krona	-	14,755	14,755	-	16,465	16,465
Swiss franc	-	21,973	21,973	-	28,929	28,929
US dollar	1,333	313,086	314,419	2,911	270,223	273,134

Short term debtors and creditors have not been disclosed.

Distribution Tables

Interim Distribution for the period ended 31 July 2015

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 July 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.15)	Distribution (paid/accumulated 30.09.14)
	31.07.15 pence per share	31.07.15 pence per share	31.07.15 pence per share	31.07.14 pence per share
A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Net Income				
Group 1	4.30000	-	4.30000	8.90000
Group 2	-	4.30000	4.30000	8.90000
B Net Accumulation				
Group 1	5.10000	-	5.10000	10.00000
Group 2	-	5.10000	5.10000	10.00000
C Net Income				
Group 1	9.50000	-	9.50000	14.75000
Group 2	9.50000	-	9.50000	14.75000
C Net Accumulation				
Group 1	12.25000	-	12.25000	16.60000
Group 2	-	12.25000	12.25000	16.60000

Distribution Tables cont.

Final Distribution for the period ended 31 January 2016

Group 1 : shares purchased prior to 1 August 2015

Group 2 : shares purchased 1 August 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Net Income				
Group 1	14.23000	-	14.23000	9.88000
Group 2	0.282020	13.94798	14.23000	9.88000
B Net Accumulation				
Group 1	16.64000	-	16.64000	11.91000
Group 2	0.30769	16.33231	16.64000	11.91000
C Net Income				
Group 1	30.08000	-	30.08000	23.04000
Group 2	30.08000	-	30.08000	23.04000
C Net Accumulation				
Group 1	37.69000	-	37.69000	30.41000
Group 2	37.69000	-	37.69000	30.41000

BAILLIE GIFFORD

Baillie Gifford Managed Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford Managed Fund

Investment Objective

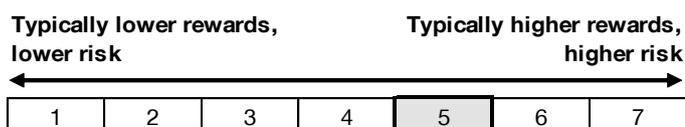
The Fund aims to produce attractive returns, mainly through capital growth, over the long term.

Investment Policy

To invest in any economic sector worldwide, either directly or indirectly. Investment will mainly be in shares of companies, bonds and other funds. Derivatives, which are a type of financial contract, may be used to protect or increase the value of the Fund.

Risk and Reward Profile

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

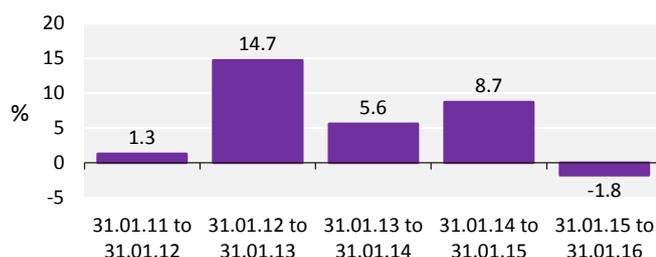


Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests mainly in company shares, bonds and other funds which generally provide higher rewards and higher risks than other investments such as investment solely in bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care. 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, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount. 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. Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Accumulation Shares was -0.6% ² compared to the return on the mean of the Investment Association Mixed 40%-85% Shares Sector of -3.6% ³. We believe that shorter-term performance measures are of limited relevance in assessing investment ability and would suggest that five years is a more sensible time frame over which to judge performance.

2015 proved to be a turbulent year for the financial markets and, having started 2016 in a gloomy fashion, both equities and bonds finished down a little over the 12 months to 31 January. This is understandable given the variety of headwinds faced by investors over the period: a further sovereign debt crisis in Greece, a remarkable decline in the price of oil and other commodities, peaks and troughs in Chinese equity markets and, of course, the first US interest rate hike in nearly a decade. Clearly, each of these events has had an effect on sentiment, and ultimately combined to keep markets down.

The Fund's performance was satisfactory given this difficult backdrop, with helpful contributions from stockpicking across the regional equity portfolios. It is pleasing to note that there were numerous examples of where good underlying operational performance was rewarded in share price terms. For example property portal Rightmove, online retailer Amazon.com and budget airline Ryanair all rose strongly over the period. While there were some stock specific disappointments, this is to be expected in an actively managed portfolio.

Looking ahead, none of the headwinds referred to above have been truly resolved at the time of writing. That said, there remains much to be excited about on a company by company basis, and hence turnover of the portfolio has remained low as we are confident in the stocks held. Moreover, having allowed the cash allocation in the Fund to rise higher than would typically be the case, we are ready to step in and invest if further opportunities arise.

Baillie Gifford & Co, 11 February 2016

¹Source: FE, 10am dealing prices, net income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset values, net income accumulated. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
Baillie Gifford Worldwide Active Cash Plus Fund C Acc GBP	3.84
Baillie Gifford Worldwide Global Credit Fund C Acc GBP	3.73
Baillie Gifford Active Long Gilt Plus Fund C Gross Acc	2.23
Baillie Gifford Emerging Markets Bond Fund C Gross Acc	2.12
Baillie Gifford Emerging Markets Leading Cos Fund C Net Acc	2.11
Baillie Gifford Active Gilt Plus Fund C Gross Acc	1.97
Baillie Gifford Global Bond Fund C Gross Acc	1.65
St. James's Place	1.39
Baillie Gifford Japanese Smaller Cos Fund C Net Acc	1.34
Alphabet Inc	1.33

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
Baillie Gifford Active Long Gilt Plus Fund C Gross Acc	20,508	Baillie Gifford Emerging Markets Bond Fund C Gross Acc	28,924
Baillie Gifford Active Gilt Plus Fund C Gross Acc	17,956	Baillie Gifford Emerging Markets Leading Cos Fund C Net Acc	19,452
Baillie Gifford Investment Grade Bond Fund C Gross Acc	11,328	Baillie Gifford Emerging Markets Growth Fund C Net Acc	10,556
Nibe Industrier AB 'B' Shares	4,643	Deutsche Boerse	6,752
CH Robinson	4,540	Kraft Foods Group	6,743
Illumina	4,437	Johnson & Johnson	6,130
Tesla Motors	4,394	Markel	6,114
Qualcomm	4,143	Fairfax Financial Holdings	6,066
Capita	3,873	Danaher	5,372
GKN	3,136	Spirax-Sarco	5,307
Denso	3,126	Berkshire Hathaway B	5,098
Howden Joinery Group Plc	3,100	NTT	3,740
Waters	3,028	Diploma	3,705
Facebook	2,917	Trend Micro	3,293
Whole Foods Market	2,802	Aggreko	3,290
Olympus	2,747	PepsiCo	3,164
Rolls-Royce	2,567	Investor	3,030
Aldermore Group	2,496	Xilinx	2,854
Etsy	2,247	Oracle	2,843
Makita Corporation	2,133	Hong Kong Exchanges & Clearing	2,717
Other purchases	41,615	Other sales	31,398
Total Purchases	147,736	Total Sales	166,548

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
Fixed Interest - 16.72% (14.85%)			
Baillie Gifford Active Gilt Plus Fund C Gross Acc	7,850,000	18,487	1.97
Baillie Gifford Active Long Gilt Plus Fund C Gross Acc	9,350,000	20,991	2.23
Baillie Gifford Emerging Markets Bond Fund C Gross Acc	13,800,000	19,969	2.12
Baillie Gifford Global Bond Fund C Gross Acc	7,771,863	15,481	1.65
Baillie Gifford Investment Grade Bond Fund C Gross Acc	6,000,000	11,082	1.18
Baillie Gifford Worldwide Active Cash Plus Fund C Acc GBP	3,593,000	36,119	3.84
Baillie Gifford Worldwide Global Credit Fund C Acc GBP	2,945,000	35,092	3.73
UK Equities - 29.13% (29.07%)			
Oil & Gas - 2.14% (2.22%)			
BG Group	751,738	7,927	0.84
Enquest	3,612,088	560	0.06
Petrofac	296,039	2,333	0.25
Royal Dutch Shell A(Lse)	282,590	4,283	0.46
Royal Dutch Shell B Shares	31,656	481	0.05
Wood Group	702,118	4,507	0.48
Basic Materials - 1.20% (1.88%)			
BHP Billiton	315,704	2,135	0.23
Johnson Matthey	139,587	3,438	0.37
Rio Tinto	199,500	3,418	0.36
Victrex	143,308	2,218	0.24
Industrials - 5.74% (7.29%)			
Ashtead	952,191	8,560	0.91
Bodycote	941,400	5,154	0.55
Bunzl	491,568	9,173	0.98
Capita	308,600	3,626	0.39
Halma	573,077	4,794	0.51
Meggitt	834,732	3,032	0.32
Michael Page	1,294,186	5,258	0.56
Rolls-Royce	628,622	3,486	0.37
Travis Perkins	273,320	4,988	0.53
Ultra Electronics Hdg.	231,690	4,414	0.47
Weir	158,500	1,371	0.15
Consumer Goods - 4.16% (3.57%)			
Bellway	212,208	5,895	0.63
British American Tobacco	259,623	10,112	1.08

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Burberry	412,712	4,928	0.52
GKN	1,116,026	3,111	0.33
SABMiller	170,000	7,110	0.76
Unilever	256,100	7,898	0.84
Healthcare - 0.33% (0.12%)			
Vectura Group Plc	1,871,643	3,129	0.33
Consumer Services - 3.83% (2.80%)			
Auto Trader Group	675,160	2,643	0.28
Carnival	152,700	5,314	0.56
Howden Joinery Group Plc	638,421	3,198	0.34
Inchcape	831,090	5,955	0.63
Pearson	377,400	2,978	0.32
Rightmove	270,600	10,759	1.14
United Business Media	1,011,384	5,269	0.56
Open Ended Investment Companies - 0.48% (0.45%)			
Baillie Gifford British Smaller Cos Fund C Net Acc	636,100	4,481	0.48
Utilities - 0.44% (0.47%)			
Scottish & Southern Energy	284,800	4,121	0.44
Financials - 10.11% (9.49%)			
Aberforth Smaller Companies IT	1,044,000	11,411	1.21
Aldermore Group	867,689	1,877	0.20
Amlin	887,931	5,940	0.63
Hansteen Holdings	5,066,071	5,623	0.60
Hargreaves Lansdown	672,154	9,155	0.97
Hiscox Plc	478,505	4,747	0.50
HSBC	840,540	4,138	0.44
IG Group	650,454	4,764	0.51
Intermediate Capital Group	890,228	5,181	0.55
Jardine Lloyd Thompson	389,860	3,232	0.34
Jupiter Fund Management	1,156,660	4,805	0.51
Just Retirement Group	1,139,227	1,686	0.18
Legal & General	2,697,800	6,564	0.70
Prudential	783,727	10,710	1.14
St. James's Place	1,368,100	13,031	1.39
Standard Chartered	474,473	2,235	0.24

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Technology - 0.70% (0.78%)			
ARM Holdings	601,400	5,969	0.63
Imagination Technologies	498,500	662	0.07
North America - 15.25% (14.96%)			
Canada - 0.00% (0.68%)			
United States - 15.25% (14.28%)			
Alphabet Inc Class A	11,382	6,098	0.65
Alphabet Inc Class C	12,295	6,437	0.68
Amazon.com	21,489	8,868	0.94
American Express	75,805	2,859	0.30
Apache	56,959	1,706	0.18
Berkshire Hathaway B	43,050	3,930	0.42
CH Robinson	106,191	4,848	0.52
Colgate-Palmolive	57,710	2,746	0.29
DistributionNOW	265,236	2,534	0.27
eBay	144,673	2,388	0.25
EOG Resources	69,897	3,499	0.37
Etsy	207,401	1,135	0.12
Facebook	114,709	9,068	0.96
First Republic Bank	142,021	6,801	0.72
Grubhub Inc	102,886	1,366	0.15
Harley-Davidson	127,237	3,588	0.38
HEICO	32,175	1,261	0.13
Illumina	35,986	4,005	0.43
M&T Bank	55,353	4,299	0.46
Markel	8,057	4,764	0.51
MarketAxess Holdings	87,770	7,186	0.76
Martin Marietta Materials	50,627	4,482	0.48
Mastercard	80,382	5,032	0.53
Monsanto	21,451	1,369	0.15
Moody's	32,899	2,068	0.22
On Deck Capital	256,930	1,434	0.15
PayPal Holdings Inc	138,583	3,517	0.37
Qualcomm	93,500	2,987	0.32
Seattle Genetics	37,200	865	0.09
TD Ameritrade Holding Corp	211,999	4,120	0.44
Tesla Motors	28,755	3,874	0.41
TripAdvisor	92,727	4,360	0.46

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
UPS	65,387	4,294	0.46
US Bancorp	141,407	3,991	0.42
Waters	55,506	4,742	0.50
Watsco Inc	56,338	4,616	0.49
Whole Foods Market	120,300	2,485	0.27
Europe (ex-UK) - 15.86% (16.45%)			
Belgium - 1.83% (1.69%)			
Colruyt	151,354	5,677	0.60
GBL	159,704	8,502	0.90
Sofina	41,941	3,111	0.33
Denmark - 1.35% (1.17%)			
Carlsberg	122,716	7,213	0.77
Jyske Bank	177,134	5,454	0.58
Finland - 0.35% (0.45%)			
Konecranes	212,686	3,293	0.35
France - 1.15% (1.17%)			
L'Oreal	43,312	5,203	0.55
Total	180,156	5,617	0.60
Germany - 0.90% (1.32%)			
Carl Zeiss Meditec	213,530	4,411	0.47
Elringklinger	228,663	4,065	0.43
Greece - 0.26% (0.28%)			
Titan Cement	181,185	2,419	0.26
Ireland - 0.75% (0.56%)			
Ryanair	674,758	7,023	0.75
Italy - 0.37% (0.58%)			
EXOR	153,402	3,502	0.37
Spain - 0.47% (0.54%)			
CF Alba	35,000	969	0.10
DIA	931,703	3,516	0.37

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Sweden - 5.44% (5.87%)			
Alfa Laval	345,830	4,160	0.44
Atlas Copco B	491,190	7,006	0.74
Hexpol AB	1,102,330	6,851	0.73
Investor	386,240	9,063	0.96
Kinnevik	204,362	3,686	0.39
Nibe Industrier AB 'B' Shares	258,047	5,242	0.56
Svenska Handelsbanken	1,337,094	11,773	1.25
Volvo	551,476	3,507	0.37
Switzerland - 2.99% (2.82%)			
Coca Cola HBC (CDI)	353,909	5,057	0.54
Mettler-Toledo	23,126	5,098	0.54
Nestle	234,687	12,134	1.29
Schindler	53,880	5,798	0.62
Japan - 7.47% (5.52%)			
Advantest Corp	246,500	1,586	0.17
Asahi Group Holdings	86,200	1,926	0.20
Baillie Gifford Japanese Smaller Cos Fund C Net Acc	465,294	12,637	1.34
Bridgestone	162,000	4,090	0.43
Denso	93,900	2,821	0.30
FANUC	26,900	2,476	0.26
Fast Retailing	7,100	1,589	0.17
Japan Exchange Group	290,400	2,851	0.30
Japan Tobacco	137,600	3,735	0.40
Kakaku.com	276,200	3,712	0.39
Makita Corporation	59,000	2,298	0.24
MS&AD Insurance	230,100	4,321	0.46
Olympus	110,900	2,996	0.32
Pigeon	130,400	1,930	0.21
Rakuten	441,400	3,158	0.35
Shimano	52,200	5,775	0.61
Shiseido	286,900	3,742	0.40
SMC	18,700	2,910	0.31
SoftBank	43,100	1,321	0.14
Sugi Holdings	39,000	1,406	0.15
Yamaha Motor	215,100	2,972	0.32

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Pacific (ex-Japan) - 4.13% (4.58%)			
Australia - 2.51% (2.17%)			
Aristocrat Leisure	905,204	4,627	0.49
BHP Billiton (Aus. listing)	184,951	1,416	0.15
Brambles	359,436	1,988	0.21
Cochlear	68,621	3,209	0.34
James Hardie Industries	351,729	2,799	0.30
Mesoblast	853,066	644	0.07
SEEK	288,101	2,073	0.22
Treasury Wine Estates	1,051,704	4,741	0.50
Washington Soul Pattinson	255,766	2,144	0.23
Hong Kong - 1.04% (1.58%)			
BOC Hong Kong	1,838,000	3,413	0.36
Galaxy Entertainment Group	606,000	1,323	0.14
Hong Kong Exchanges & Clearing	199,000	3,079	0.33
Pax Global Technology Ltd	1,278,000	904	0.11
Sands China	369,600	896	0.10
New Zealand - 0.00% (0.18%)			
Singapore - 0.58% (0.65%)			
Jardine Matheson	50,800	1,878	0.20
Sarine Technologies	517,000	392	0.04
United Overseas Bank	362,037	3,242	0.34
Emerging Markets - 3.25% (7.02%)			
Baillie Gifford Emerging Markets Growth Fund C Net Acc	2,242,214	10,698	1.14
Baillie Gifford Emerging Markets Leading Companies Fund C Net Acc	7,638,919	19,892	2.11
Portfolio of investments		863,590	91.81
Net other assets - 8.19% (7.55%)		77,012	8.19
Net assets		940,602	100.00

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

Figures in brackets refer to 31 January 2015.

Comparative Tables

Comparative Table: A Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	503.00p	464.90p	441.00p
Return before operating charges ¹	4.88p	49.26p	34.39p
Operating charges	(7.90p)	(7.55p)	(7.41p)
Return after operating charges ¹	(3.02p)	41.71p	26.98p
Distributions on income shares	(4.00p)	(3.61p)	(3.08p)
Closing net asset value per share	495.98p	503.00p	464.90p
¹ After direct transaction costs of:	0.07p	0.08p	0.09p
Performance:			
Return after charges	(0.60%)	8.97%	6.12%
Other information:			
Closing net asset value (£'000)	2,872	5,449	6,876
Closing number of shares	579,132	1,083,301	1,479,000
Operating charges	1.54%	1.55%	1.57%
Direct transaction costs ²	0.01%	0.02%	0.02%
Prices:			
Highest share price	543.2p	509.5p	494.8p
Lowest share price	478.1p	462.6p	443.1p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	628.30p	576.60p	543.20p
Return before operating charges ¹	6.14p	61.08p	42.43p
Operating charges	(9.87p)	(9.38p)	(9.03p)
Return after operating charges ¹	(3.73p)	51.70p	33.40p
Closing net asset value per share	624.57p	628.30p	576.60p
Retained distributions on accumulation shares	5.00p	4.50p	3.92p
¹ After direct transaction costs of:	0.09p	0.09p	0.11p
Performance:			
Return after charges	(0.59%)	8.97%	6.15%
Other information:			
Closing net asset value (£'000)	16,994	29,534	43,746
Closing number of shares	2,720,932	4,700,334	7,587,345
Operating charges	1.54%	1.55%	1.55%
Direct transaction costs ²	0.01%	0.01%	0.02%
Prices:			
Highest share price	678.5p	633.9p	609.5p
Lowest share price	598.3p	573.9p	546.7p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	503.00p	464.80p	440.90p
Return before operating charges ¹	4.81p	49.36p	34.44p
Operating charges	(2.26p)	(2.15p)	(2.23p)
Return after operating charges ¹	2.55p	47.21p	32.21p
Distributions on income shares	(9.64p)	(9.01p)	(8.31p)
Closing net asset value per share	495.91p	503.00p	464.80p
¹ After direct transaction costs of:	0.12p	0.10p	0.10p
Performance:			
Return after charges	0.51%	10.16%	7.31%
Other information:			
Closing net asset value (£'000)	151,076	147,386	107,580
Closing number of shares	30,464,532	29,302,399	23,143,384
Operating charges	0.44%	0.44%	0.47%
Direct transaction costs ²	0.02%	0.02%	0.02%
Prices:			
Highest share price	544.4p	512.1p	496.1p
Lowest share price	479.8p	462.6p	443.1p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	715.70p	649.50p	605.30p
Return before operating charges ¹	6.75p	69.22p	47.27p
Operating charges	(3.22p)	(3.02p)	(3.07p)
Return after operating charges ¹	3.53p	66.20p	44.20p
Closing net asset value per share	719.23p	715.70p	649.50p
Retained distributions on accumulation shares	13.74p	12.62p	11.47p
¹ After direct transaction costs of:	0.16p	0.13p	0.15p
Performance:			
Return after charges	0.49%	10.19%	7.30%
Other information:			
Closing net asset value (£'000)	650,975	665,827	553,890
Closing number of shares	90,509,823	93,035,424	85,280,007
Operating charges	0.44%	0.44%	0.47%
Direct transaction costs ²	0.02%	0.02%	0.02%
Prices:			
Highest share price	774.5p	721.8p	681.1p
Lowest share price	685.7p	646.4p	608.1p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	503.50p	465.30p	441.30p
Return before operating charges ¹	4.82p	49.41p	34.55p
Operating charges	(0.21p)	(0.24p)	(0.33p)
Return after operating charges ¹	4.61p	49.17p	34.22p
Distributions on income shares	(11.72p)	(10.97p)	(10.22p)
Closing net asset value per share	496.39p	503.50p	465.30p
¹ After direct transaction costs of:	0.11p	0.09p	0.10p
Performance:			
Return after charges	0.92%	10.57%	7.75%
Other information:			
Closing net asset value (£'000)	2	3	2
Closing number of shares	500	500	500
Operating charges	0.04%	0.05%	0.07%
Direct transaction costs ²	0.02%	0.02%	0.02%
Prices:			
Highest share price	545.4p	513.9p	497.0p
Lowest share price	480.9p	463.1p	443.5p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014 ³
Change in net assets per share:			
Opening net asset value per share	712.40p	644.00p	671.30p
Return before operating charges ¹	6.70p	68.74p	(26.77p)
Operating charges	(0.29p)	(0.34p)	(0.53p)
Return after operating charges ¹	6.41p	68.40p	(27.30p)
Closing net asset value per share	718.81p	712.40p	644.00p
Retained distributions on accumulation shares	16.61p	15.24p	0.08p
¹ After direct transaction costs of:	0.16p	0.12p	3.46p
Performance:			
Return after charges	0.90%	10.62%	(4.07%)
Other information:			
Closing net asset value (£'000)	43,042	42,659	38,561
Closing number of shares	5,988,024	5,988,024	5,988,024
Operating charges	0.04%	0.05%	0.09%
Direct transaction costs ²	0.02%	0.02%	0.59%
Prices:			
Highest share price	771.6p	718.5p	671.3p
Lowest share price	684.2p	641.0p	642.9p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

³The launch date for this share class was 21 January 2014.

Comparative Tables cont.

Comparative Table: K Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	629.40p	577.30p	543.70p
Return before operating charges ¹	6.01p	61.20p	42.36p
Operating charges	(9.61p)	(9.10p)	(8.76p)
Return after operating charges ¹	(3.60p)	52.10p	33.60p
Closing net asset value per share	625.80p	629.40p	577.30p
Retained distributions on accumulation shares	5.20p	4.74p	4.08p
¹ After direct transaction costs of:	0.14p	0.11p	0.12p
Performance:			
Return after charges	(0.57%)	9.02%	6.18%
Other information:			
Closing net asset value (£'000)	75,641	75,687	68,658
Closing number of shares	12,087,101	12,025,918	11,893,656
Operating charges	1.50%	1.50%	1.50%
Direct transaction costs ²	0.02%	0.02%	0.02%
Prices:			
Highest share price	679.8p	635.0p	610.2p
Lowest share price	599.4p	574.6p	547.2p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(15,257)		69,539
Revenue	3	22,904		20,639	
Expenses	4	(5,062)		(4,841)	
Net revenue/(expense) before taxation		17,842		15,798	
Taxation	5	(417)		(449)	
Net revenue/(expense) after taxation			17,426		15,349
Total return/(deficit) before distributions			2,169		84,888
Distributions	6		(17,423)		(15,345)
Change in net assets attributable to shareholders from investment activities			(15,254)		69,543

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		966,545		819,313
Amounts receivable on issue of shares	54,506		91,869	
Amounts payable on cancellation of shares	(79,769)		(27,756)	
		(25,263)		64,113
Dilution adjustment		276		291
Stamp duty reserve tax		-		(28)
Change in net assets attributable to shareholders from investment activities		(15,254)		69,543
Retained distributions on accumulation shares		14,298		13,313
Closing net assets attributable to shareholders		940,602		966,545

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		863,590	893,559
Current assets:			
Debtors	8	21,866	1,804
Cash and bank balances	9	80,362	73,661
Total assets		965,818	969,024
Liabilities:			
Creditors:			
Distributions payable		(2,239)	(1,432)
Other creditors	10	(22,977)	(1,047)
Total liabilities		(25,216)	(2,479)
Net assets attributable to shareholders		940,602	966,545

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(15,227)	69,606
Currency gains/(losses)	(23)	(63)
Custodian transaction charges	(7)	(4)
Net gains/(losses)	(15,257)	69,539

	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchase of equity excluding transaction costs	147,594	130,468
Commissions	54	42
Taxes	88	72
Total purchases of equity transaction costs ¹	142	114
Purchases including transaction costs	147,736	130,582

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.04	0.03
Taxes on equity purchases	0.06	0.06

	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales of equity excluding transaction costs	166,618	87,128
Commissions	(61)	(50)
Taxes	(9)	(3)
Total sale transaction costs ¹	(70)	(53)
Sales net of transaction costs	166,548	87,075

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.04)	(0.06)
Taxes on equity sales	(0.01)	0.00

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	115	0.01	92	0.01
Taxes	97	0.01	75	0.01
Total direct transaction costs	212	0.02	167	0.02

	2016	2015
	%	%
Average portfolio dealing spread	0.08	0.07

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	9,973	8,086
Overseas dividends	9,102	8,669
Interest on debt securities	3,425	3,574
Bank interest	261	243
Property income	143	67
Total revenue	22,904	20,639

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,877	4,655
Registrar's fees	5	7
	4,882	4,662
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	108	106
Bank charges	71	58
	179	164
Other expenses:		
Audit fee	7	6
Professional fees	(6)	9
	1	15
Total expenses	5,062	4,841

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Overseas tax	455	786
Tax recoverable on overseas dividends	(38)	(337)
Total taxation	417	449

The Fund is subject to corporation tax at 20% (2015: 20%), however, the majority of dividends are not liable to corporation tax. Accordingly, the tax deductible expenses combined with offsettable overseas tax substantially exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

At 31 January 2016, the Fund had surplus management expenses of £3,304,000 (2015: £2,125,000) which has not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	17,842	15,798
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	3,568	3,160
Effects of:		
UK dividends	(1,995)	(1,617)
Non-taxable overseas dividends	(1,810)	(1,695)
Overseas tax on dividends	455	786
Tax recoverable on overseas dividends	(38)	(337)
Surplus management expenses	237	152
Current tax charge (see above)	417	449

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Interim to 31 July	4,252	6,992
Final to 31 January	12,990	8,980
	17,242	15,972
Amounts deducted on cancellation of shares	898	259
Amounts added on issue of shares	(717)	(886)
Total finance costs: Distributions	17,423	15,345
The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.		
	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	17,426	15,349
Add distributable revenue brought forward	9	5
Less distributable revenue carried forward	(12)	(9)
Net distributions for the year	17,423	15,345
	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issue of shares	149	214
Sales awaiting settlement	20,482	447
Accrued income	539	634
Overseas tax recoverable	454	491
VAT recoverable	1	2
Other debtors	241	16
Total debtors	21,866	1,804
	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	80,362	73,661

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	2,266	264
Purchases awaiting settlement	20,290	307
Due to the ACD or associates	373	410
Due to the Depositary or associates	30	45
Other accrued expenses	18	21
Total creditors	22,977	1,047

	2016	2015
	%	%

11 Related party transactions

The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:

A Net Income	-	-
A Net Accumulation	-	-
B Net Income	75.6	79.5
B Net Accumulation	15.7	15.3
C Net Income	100.0	100.0
C Net Accumulation	100.0	100.0
K Net Accumulation	-	-

No shareholder owns more than 20% of the value of the Fund.

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	A Net Income Shares	A Net Accumulation Shares	B Net Income Shares	B Net Accumulation Shares	C Net Income Shares	C Net Accumulation Shares	K Net Accumulation Shares
12 Reconciliation of shares in issue							
Opening shares in issue	1,083,301	4,700,334	29,302,399	93,035,424	500	5,988,024	12,025,918
Shares issued	34,859	343,763	1,387,200	6,108,527	-	-	131,170
Shares cancelled	(273,797)	(505,753)	(697,381)	(10,074,827)	-	-	(64,731)
Shares converted	(265,231)	(1,817,412)	472,314	1,440,699	-	-	(5,256)
Closing shares in issue	579,132	2,720,932	30,464,532	90,509,823	500	5,988,024	12,087,101

Notes to the Financial Statements cont.

	2016 Assets £'000	2015 Assets £'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	863,590	893,559
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
Total	863,590	893,559

14 Derivatives and other financial instruments**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets			Net foreign currency assets		
	2016		Total £'000	2015		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000		Monetary exposures £'000	Non-monetary exposures £'000	
Australian dollar	-	23,641	23,641	-	20,997	20,997
Canadian dollar	-	-	-	-	6,581	6,581
Danish krone	-	12,667	12,667	-	11,351	11,351
Euro	-	57,308	57,308	-	63,390	63,390
Hong Kong dollar	-	9,615	9,615	-	15,296	15,296
Japanese yen	-	57,615	57,615	-	43,562	43,562
New Zealand dollar	-	-	-	-	1,784	1,784
Singapore dollar	-	3,634	3,634	-	4,130	4,130
Swedish krona	-	51,288	51,288	-	56,865	56,865
Swiss franc	-	17,932	17,932	-	17,290	17,290
US dollar	-	150,598	150,598	-	146,411	146,411

Short term debtors and creditors have not been disclosed.

Distribution Tables

Interim Distribution for the period ended 31 July 2015

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 July 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.15)	Distribution (paid/accumulated 30.09.14)
	31.07.15 pence per share	31.07.15 pence per share	31.07.15 pence per share	31.07.14 pence per share
A Net Income				
Group 1	0.90000	-	0.90000	1.50000
Group 2	-	0.90000	0.90000	1.50000
A Net Accumulation				
Group 1	1.10000	-	1.10000	2.00000
Group 2	-	1.10000	1.10000	2.00000
B Net Income				
Group 1	2.35000	-	2.35000	4.20000
Group 2	-	2.35000	2.35000	4.20000
B Net Accumulation				
Group 1	3.35000	-	3.35000	5.65000
Group 2	-	3.35000	3.35000	5.65000
C Net Income				
Group 1	2.90000	-	2.90000	4.95000
Group 2	2.90000	-	2.90000	4.95000
C Net Accumulation				
Group 1	4.05000	-	4.05000	4.95000
Group 2	4.05000	-	4.05000	4.95000
K Net Accumulation				
Group 1	1.15000	-	1.15000	2.00000
Group 2	-	1.15000	1.15000	2.00000

Distribution Tables cont.

Final Distribution for the period ended 31 January 2016

Group 1 : shares purchased prior to 1 August 2015

Group 2 : shares purchased 1 August 2015 to 31 January 2016

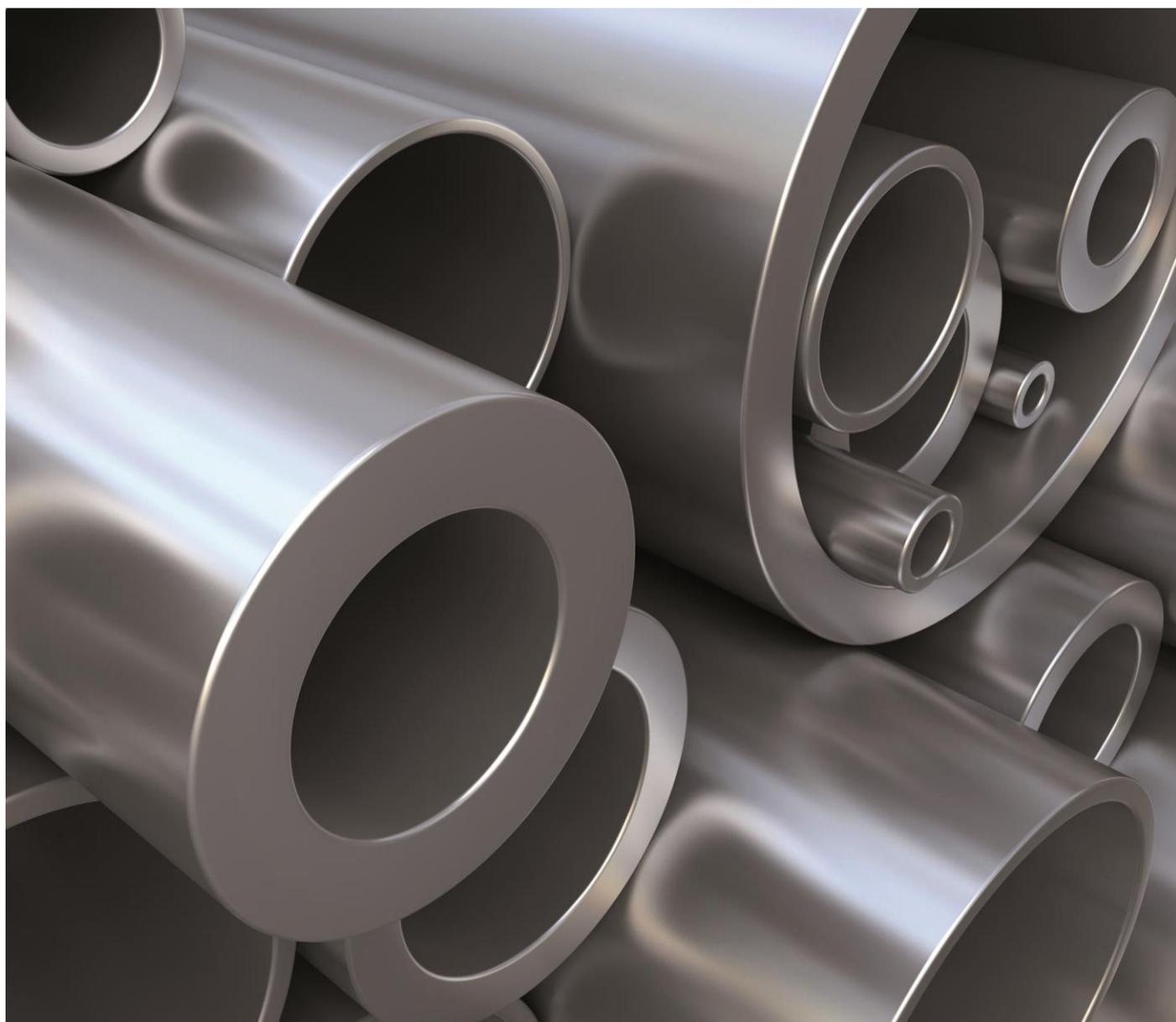
	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Income				
Group 1	3.10000	-	3.10000	2.11000
Group 2	-	3.10000	3.10000	2.11000
A Net Accumulation				
Group 1	3.90000	-	3.90000	2.50000
Group 2	-	3.90000	3.90000	2.50000
B Net Income				
Group 1	7.29000	-	7.29000	4.81000
Group 2	0.84980	6.44020	7.29000	4.81000
B Net Accumulation				
Group 1	10.39000	-	10.39000	6.97000
Group 2	1.25296	9.13704	10.39000	6.97000
C Net Income				
Group 1	8.82000	-	8.82000	6.02000
Group 2	8.82000	-	8.82000	6.02000
C Net Accumulation				
Group 1	12.56000	-	12.56000	10.29000
Group 2	12.56000	-	12.56000	10.29000
K Net Accumulation				
Group 1	4.05000	-	4.05000	2.74000
Group 2	-	4.05000	4.05000	2.74000

BAILLIE GIFFORD

Baillie Gifford UK Equity Alpha Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Baillie Gifford UK Equity Alpha Fund

Investment Objective

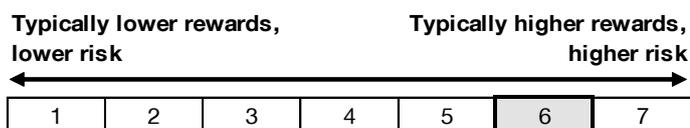
The Fund aims to produce attractive returns, mainly through capital growth, which exceeds that of the FTSE All Share Index, over the long term.

Investment Policy

To invest mainly in shares of UK companies. At least 90% in value of the Fund will generally be invested in shares of companies listed in the FTSE All Share Index. The Fund will be concentrated and typically comprise of between 30 and 40 holdings.

Risk and Reward Profile

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

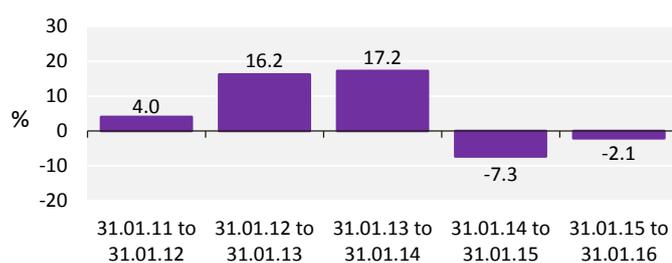


Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund's concentrated portfolio and long-term

approach to investment may result in large movements in the share price. Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2016 the return on A Net Accumulation Shares was -0.7%² compared to the return on the FTSE All Share Index of -4.6%³. The portfolio return was better than the wider UK stock market over the year, although that uninspiring market background arguably wasn't setting the bar very high. As ever, such a period is far too short to infer anything meaningful. Please only consider periods of at least three and preferably more than five years when considering the investment outcome.

Notable features during this very brief period include a helpful contribution from Hargreaves Lansdown, the UK savings administration platform. That business has continued to deliver pleasing growth in customers and new savings per customer. Mainly owing to the decision to reduce its fee levels, profit progression has been a bit pedestrian recently, but we think that reduction will further bolster its competitive position in the longer term, and will enhance the value of the business. Elsewhere, the Fund enjoyed a helpful early contribution from Auto Trader Group, the advertising portal for second hand cars in the UK. We bought this earlier in 2015 when its previous private equity owners sold down their position – something we tend not to do too often. It is very early days, but so far things seem to be going well.

We enter 2016 cognisant of the many risks and uncertainties ahead. Interest rates (at least in America) are now eventually starting to normalise. We see this as a healthy indication that the world economy is improving, although nobody really knows the precise impact of gradually reversing the exceptionally loose monetary policy from recent years, and markets might understandably be a bit nervous. We are, however, optimistic and excited that the Fund holds some fabulous businesses, which have the potential to grow their earnings and cash flows for many years. If the management teams we entrust on your behalf can execute well, then the portfolio should deliver superior investment returns.

Baillie Gifford & Co, 18 February 2016

¹Source: FE, 10am dealing prices, net income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset value, net income accumulated. ³Source: FE, net income. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
Rightmove	8.72
Hargreaves Lansdown	6.26
ARM Holdings	6.25
Abcam	4.88
Schroders	4.51
Johnson Matthey	4.27
BG Group	4.18
ASOS	3.40
SABMiller	3.36
Auto Trader Group	3.16

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
ARM Holdings	3,802	Imperial Tobacco	6,585
Burberry	2,551	Rightmove	5,069
Capita	2,546	Mitchells & Butlers	2,477
Auto Trader Group	2,246	BG Group	1,039
PureTech Health	1,286	Pearson	968
Oxford Instruments	1,000	Amlin	958
Renishaw	706	Standard Chartered	942
		Diageo	822
		ASOS	809
		Abcam	788
		Hargreaves Lansdown	634
		SABMiller	546
		Carnival	412
		Schroders Nv.	409
		Aggreko	405
		Kazakhmys	336
		Wood Group	314
		Ocado Group	278
		Intertek	271
		Experian	271
		Other sales	249
Total Purchases	14,137	Total Sales	24,582

All purchases and the top 20 sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
Oil & Gas - 6.45% (6.81%)			
AMEC	249,200	1,027	0.87
BG Group	469,395	4,950	4.18
Wood Group	258,021	1,657	1.40
Basic Materials - 7.41% (11.45%)			
BHP Billiton	256,355	1,734	1.46
Johnson Matthey	205,615	5,064	4.27
Rio Tinto	115,935	1,987	1.68
Industrials - 17.28% (15.56%)			
Aggreko	120,562	1,028	0.87
Capita	199,600	2,345	1.98
Experian	238,900	2,841	2.40
Intertek	93,548	2,647	2.23
Keller	317,441	2,602	2.20
Oxford Instruments	340,890	2,485	2.09
Renishaw	164,373	2,975	2.51
Spectris	159,173	2,518	2.12
Weir	121,262	1,049	0.88
Consumer Goods - 8.24% (11.32%)			
Burberry	186,800	2,230	1.88
Diageo	188,500	3,552	3.00
SABMiller	95,183	3,981	3.36
Healthcare - 8.19% (5.18%)			
Abcam	898,250	5,789	4.88
Genus	190,966	2,744	2.31
PureTech Health	803,628	1,185	1.00
Consumer Services - 22.29% (22.31%)			
ASOS	130,193	4,033	3.40
Auto Trader Group	955,872	3,742	3.16
Carnival	92,300	3,212	2.71
Mitchells & Butlers	52,183	151	0.13
Ocado Group	1,312,709	3,467	2.92
Pearson	188,005	1,483	1.25
Rightmove	260,013	10,338	8.72

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Financials - 19.51% (19.64%)			
Amlin	304,876	2,040	1.72
Hargreaves Lansdown	544,972	7,423	6.26
Intermediate Capital Group	428,891	2,496	2.11
IP Group	1,040,033	1,917	1.62
Jupiter Fund Management	640,354	2,660	2.24
Schroders Nv.	263,727	5,346	4.51
Standard Chartered	265,182	1,249	1.05
Technology - 9.09% (6.51%)			
ARM Holdings	746,137	7,405	6.25
Aveva Group	162,098	2,158	1.82
Imagination Technologies	911,051	1,209	1.02
Portfolio of investments		116,719	98.46
Net other assets - 1.54% (1.22%)		1,822	1.54
Net assets		118,541	100.00

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

Figures in brackets refer to 31 January 2015.

Comparative Tables

Comparative Table: A Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	286.80p	308.70p	267.90p
Return before operating charges ¹	2.73p	(15.19p)	47.17p
Operating charges	(4.72p)	(4.45p)	(4.73p)
Return after operating charges ¹	(1.99p)	(19.64p)	42.44p
Distributions on income shares	(3.38p)	(2.26p)	(1.64p)
Closing net asset value per share	281.43p	286.80p	308.70p
¹ After direct transaction costs of:	0.08p	0.51p	0.18p
Performance:			
Return after charges	(0.70%)	(6.36%)	15.84%
Other information:			
Closing net asset value (£'000)	135	424	601
Closing number of shares	47,822	147,803	194,767
Operating charges	1.53%	1.52%	1.60%
Direct transaction costs ²	0.03%	0.17%	0.06%
Prices:			
Highest share price	332.5p	326.4p	331.3p
Lowest share price	268.1p	253.6p	268.9p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: A Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	369.20p	394.30p	340.20p
Return before operating charges ¹	3.34p	(19.32p)	59.94p
Operating charges	(6.01p)	(5.78p)	(5.84p)
Return after operating charges ¹	(2.67p)	(25.10p)	54.10p
Closing net asset value per share	366.53p	369.20p	394.30p
Retained distributions on accumulation shares	4.36p	2.89p	2.30p
¹ After direct transaction costs of:	0.17p	0.55p	0.24p
Performance:			
Return after charges	(0.72%)	(6.37%)	15.90%
Other information:			
Closing net asset value (£'000)	2,741	4,677	10,802
Closing number of shares	747,863	1,266,818	2,739,795
Operating charges	1.52%	1.53%	1.56%
Direct transaction costs ²	0.04%	0.14%	0.06%
Prices:			
Highest share price	428.0p	416.8p	421.5p
Lowest share price	345.7p	324.5p	341.3p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	286.70p	308.70p	267.90p
Return before operating charges ¹	2.59p	(15.27p)	47.28p
Operating charges	(2.06p)	(1.99p)	(2.10p)
Return after operating charges ¹	0.53p	(17.26p)	45.18p
Distributions on income shares	(5.99p)	(4.74p)	(4.38p)
Closing net asset value per share	281.24p	286.70p	308.70p
¹ After direct transaction costs of:	0.08p	0.68p	0.21p
Performance:			
Return after charges	0.19%	(5.59%)	16.86%
Other information:			
Closing net asset value (£'000)	22,464	24,094	24,190
Closing number of shares	7,987,603	8,402,496	7,835,717
Operating charges	0.67%	0.68%	0.70%
Direct transaction costs ²	0.03%	0.23%	0.07%
Prices:			
Highest share price	333.4p	326.5p	332.5p
Lowest share price	269.5p	253.8p	268.8p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: B Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	422.90p	447.80p	383.10p
Return before operating charges ¹	3.57p	(22.02p)	67.72p
Operating charges	(3.04p)	(2.88p)	(3.02p)
Return after operating charges ¹	0.53p	(24.90p)	64.70p
Closing net asset value per share	423.43p	422.90p	447.80p
Retained distributions on accumulation shares	8.85p	6.88p	6.25p
¹ After direct transaction costs of:	0.24p	1.02p	0.25p
Performance:			
Return after charges	0.12%	(5.56%)	16.89%
Other information:			
Closing net asset value (£'000)	59,196	64,579	44,235
Closing number of shares	13,980,232	15,271,017	9,877,742
Operating charges	0.67%	0.68%	0.70%
Direct transaction costs ²	0.05%	0.24%	0.06%
Prices:			
Highest share price	491.6p	473.7p	478.7p
Lowest share price	399.3p	370.8p	384.5p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Income Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	286.90p	308.90p	268.00p
Return before operating charges ¹	2.47p	(15.26p)	47.39p
Operating charges	(0.09p)	(0.09p)	(0.18p)
Return after operating charges ¹	2.38p	(15.35p)	47.21p
Distributions on income shares	(8.00p)	(6.65p)	(6.31p)
Closing net asset value per share	281.28p	286.90p	308.90p
¹ After direct transaction costs of:	0.15p	0.65p	0.22p
Performance:			
Return after charges	0.83%	(4.97%)	17.62%
Other information:			
Closing net asset value (£'000)	1	1	2
Closing number of shares	500	500	500
Operating charges	0.03%	0.03%	0.06%
Direct transaction costs ²	0.05%	0.22%	0.07%
Prices:			
Highest share price	334.2p	326.9p	333.7p
Lowest share price	270.9p	254.3p	269.0p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Comparative Tables cont.

Comparative Table: C Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	457.90p	481.80p	409.50p
Return before operating charges ¹	3.76p	(23.76p)	72.58p
Operating charges	(0.15p)	(0.14p)	(0.28p)
Return after operating charges ¹	3.61p	(23.90p)	72.30p
Closing net asset value per share	461.51p	457.90p	481.80p
Retained distributions on accumulation shares	12.79p	10.42p	9.69p
¹ After direct transaction costs of:	0.28p	1.21p	0.28p
Performance:			
Return after charges	0.79%	(4.96%)	17.66%
Other information:			
Closing net asset value (£'000)	34,004	36,911	25,842
Closing number of shares	7,367,900	8,060,255	5,363,578
Operating charges	0.03%	0.03%	0.06%
Direct transaction costs ²	0.06%	0.27%	0.06%
Prices:			
Highest share price	533.5p	509.8p	514.9p
Lowest share price	435.1p	400.7p	411.0p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(1,604)		(9,736)
Revenue	3	3,544		2,789	
Expenses	4	(694)		(690)	
Net revenue/(expense) before taxation		2,850		2,099	
Taxation	5	-		-	
Net revenue/(expense) after taxation			2,850		2,099
Total return before distributions			1,246		(7,637)
Distributions	6		(2,850)		(2,099)
Change in net assets attributable to shareholders from investment activities			(1,604)		(9,736)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		130,686		105,672
Amounts receivable on issue of shares	7,329		56,751	
Amounts payable on cancellation of shares	(20,165)		(24,268)	
		(12,836)		32,483
Dilution adjustment		70		392
Stamp duty reserve tax		-		(38)
Change in net assets attributable to shareholders from investment activities		(1,604)		(9,736)
Retained distributions on accumulation shares		2,225		1,913
Closing net assets attributable to shareholders		118,541		130,686

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		116,719	129,093
Current assets:			
Debtors	8	1,170	906
Cash and bank balances	9	2,000	1,197
Total assets		119,889	131,196
Liabilities:			
Creditors:			
Bank overdrafts	9	(891)	(148)
Distributions payable		(368)	(229)
Other creditors	10	(89)	(133)
Total liabilities		(1,348)	(510)
Net assets attributable to shareholders		118,541	130,686

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(1,603)	(9,734)
Custodian transaction charges	(1)	(2)
Net gains/(losses)	(1,604)	(9,736)

	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchases of equity excluding transaction costs	14,076	47,054
Commissions	8	62
Taxes	53	224
Total purchases of equity transaction costs ¹	61	286
Purchases including transaction costs	14,137	47,340

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.06	0.13
Taxes on equity purchases	0.38	0.48

	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales of equity excluding transaction costs	24,594	13,668
Commissions	(12)	(9)
Taxes	-	-
Total sales of equity transaction costs ¹	(12)	(9)
Sales net of transaction costs	24,582	13,659

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.05)	(0.07)
Taxes on equity sales	-	-

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	20	0.01	71	0.05
Taxes	53	0.04	224	0.17
Total direct transaction costs	73	0.05	295	0.22

	2016	2015
	%	%
Average portfolio dealing spread	0.13	0.08

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	3,477	2,783
Overseas dividends	66	-
Bank interest	1	6
Total revenue	3,544	2,789

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	667	663
Registrar's fees	2	3
	669	666
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	16	15
Bank charges	3	3
	19	18
Other expenses:		
Audit fee	6	6
Total expenses	694	690

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Corporation tax	-	-

The Fund is subject to corporation tax at 20% (2015: 20%), however, UK dividends are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2016, the Fund had surplus management expenses of £7,397,000 (2015: £6,704,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

The tax charge is explained as follows:

Net revenue/(expense) before taxation	2,850	2,099
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	570	420
Effects of:		
UK dividends	(695)	(557)
Non-taxable overseas dividends	(13)	-
Surplus management expenses	138	137
Current tax charge (see above)	-	-

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Interim to 31 July	657	926
Final to 31 January	2,051	1,378
	2,708	2,304
Amounts deducted on cancellation of shares	217	129
Amounts added on issue of shares	(75)	(334)
Total finance costs: Distributions	2,850	2,099

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	2,850	2,099
Add distributable revenue brought forward	1	1
Less distributable revenue carried forward	(1)	(1)
Net distributions for the year	2,850	2,099
	2016	2015
	£'000	£'000
8 Debtors		
Receivable for issue of shares	626	661
Sales awaiting settlement	110	-
Accrued income	107	245
Other debtors	327	-
Total debtors	1,170	906
	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	2,000	1,197
Sterling bank accounts overdrawn	(891)	(148)
Total cash and bank balances	1,109	1,049
	2016	2015
	£'000	£'000
10 Creditors		
Payable for cancellation of shares	33	71
Due to the ACD or associates	47	53
Due to the Depositary or associates	2	3
Other accrued expenses	7	6
Total creditors	89	133

Notes to the Financial Statements cont.

	2016	2015
	%	%
11 Related party transactions		
The ACD or clients of Baillie Gifford & Co, the Investment Adviser, own the following percentages of the shares in existence:		
A Net Income	-	-
A Net Accumulation	-	-
B Net Income	77.4	74.6
B Net Accumulation	-	6.3
C Net Income	100.0	100.0
C Net Accumulation	100.0	100.0
The following shareholder owns more than 20% of the value of the Fund:		
Shetland Islands Council Miscellaneous Fund	27.7	28.2

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	2016					
	A Net Income	A Net Accumulation	B Net Income	B Net Accumulation	C Net Income	C Net Accumulation
12 Reconciliation of shares in issue						
Opening shares in issue	147,803	1,266,818	8,402,496	15,271,017	500	8,060,255
Shares issued	9,319	101,558	354,417	1,056,230	4,500	257,360
Shares cancelled	(49,820)	(328,251)	(828,643)	(2,600,983)	(4,500)	(949,715)
Shares converted	(59,480)	(292,262)	59,333	253,968	-	-
Closing shares in issue	47,822	747,863	7,987,603	13,980,232	500	7,367,900

	2016	2015
	Assets	Assets
	£'000	£'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	116,719	129,093
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
Total	116,719	129,093

Distribution Tables

Interim Distribution for the period ended 31 July 2015

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 July 2015

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.15)	Distribution (paid/accumulated 30.09.14)
	31.07.15 pence per share	31.07.15 pence per share	31.07.15 pence per share	31.07.14 pence per share
A Net Income				
Group 1	0.50000	-	0.50000	0.50000
Group 2	-	0.50000	0.50000	0.50000
A Net Accumulation				
Group 1	0.95000	-	0.95000	1.00000
Group 2	0.00367	0.94633	0.95000	1.00000
B Net Income				
Group 1	1.40000	-	1.40000	2.05000
Group 2	1.26574	0.13426	1.40000	2.05000
B Net Accumulation				
Group 1	2.10000	-	2.10000	2.90000
Group 2	0.48697	1.61303	2.10000	2.90000
C Net Income				
Group 1	1.95000	-	1.95000	3.00000
Group 2	1.95000	-	1.95000	3.00000
C Net Accumulation				
Group 1	3.10000	-	3.10000	4.00000
Group 2	3.10000	-	3.10000	4.00000

Distribution Tables cont.

Final Distribution for the period ended 31 January 2016

Group 1 : shares purchased prior to 1 August 2015

Group 2 : shares purchased 1 August 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.16)	Distribution (paid/accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
A Net Income				
Group 1	2.88000	-	2.88000	1.76000
Group 2	0.02210	2.85790	2.88000	1.76000
A Net Accumulation				
Group 1	3.41000	-	3.41000	1.89000
Group 2	0.33675	3.07325	3.41000	1.89000
B Net Income				
Group 1	4.59000	-	4.59000	2.69000
Group 2	0.30145	4.28855	4.59000	2.69000
B Net Accumulation				
Group 1	6.75000	-	6.75000	3.98000
Group 2	0.78511	5.96489	6.75000	3.98000
C Net Income				
Group 1	6.05000	-	6.05000	3.65000
Group 2	6.05000	-	6.05000	3.65000
C Net Accumulation				
Group 1	9.69000	-	9.69000	6.42000
Group 2	0.47048	9.21952	9.69000	6.42000

BAILLIE GIFFORD

Glenfinlas Global Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2016*



Glenfinlas Global Fund

Investment Objective

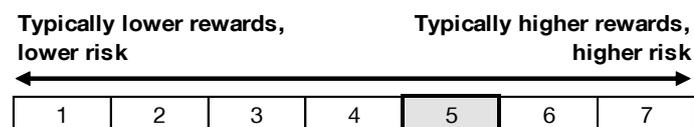
The Fund aims to produce attractive returns, mainly through capital growth, over the long term.

Investment Policy

To invest mainly in shares of companies worldwide. To invest in companies whose share prices at the time of buying do not, in the manager’s opinion, reflect their potential value. To invest in some small and medium sized companies, however investment may be in companies of any size.

Risk and Reward Profile

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

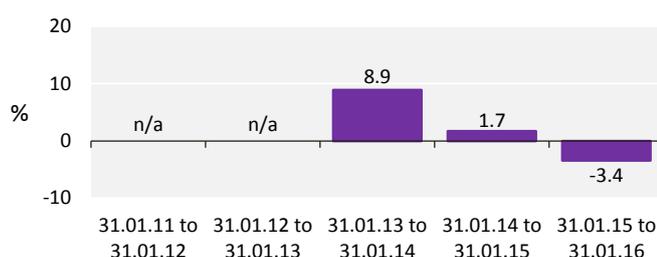


Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. The Fund’s ranking was calculated to 13 November 2015. On that date the shareholders in the Fund redeemed their holdings. Where no share price history is available for any part of the last five years (and thus no returns), the returns of the Fund’s sector are used in its place to calculate the Risk and Reward Indicator. The indicator does not take into account the following relevant material risks: 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 you may not get back the amount invested. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment. Where possible, charges are taken from the Fund’s revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund. Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance¹



The performance figures shown in this graph are for Class Z Net Accumulation Shares. The ACD does not charge an annual fee on Z Net Accumulation Shares and at its discretion may, from time to time, when it considers the ongoing charges figure of the Fund is too high, meet some of the expenses of the Fund out of its own pocket. There are not five full years of performance shown as the Fund was launched on 25 September 2012 and all outstanding shares were redeemed on 13 November 2015. You should be aware that past performance is not a guide to future performance.

For the period to 13 November 2015 the return on Z Net Accumulation Shares was -3.4%¹. On that date the shareholders in the Fund redeemed their holdings and the stocks in the portfolio were sold to fund the redemptions.

Prior to 13 November 2015, there were approximately 100 stocks in the portfolio, and these were spread widely both geographically and in terms of industry. The core investment approach was to invest in stocks that were out-of-favour or neglected and were therefore considerably undervalued (based on the fund manager's conservative assessment of their worth), but which had a strong financial position, both in terms of liquidity and solvency. Holdings typically displayed strong signals of capital discipline; such as free cash generation, cost cutting, shareholder returns and debt paydown.

Thematically, a growing proportion of the Fund was invested in companies that were likely to benefit from emerging market growth; such as resources, energy and Brazilian house-builders. These stocks looked heavily discounted, given rising fears around the economic outlook for many emerging economies, especially China. The fund manager believed those economies would recover over the medium term, and these stocks would perform well when they do.

Typical holding periods were likely to be several years, and performance was likely to deviate significantly from comparable indices over shorter measurement periods.

The fund manager paid relatively little attention to geopolitical events, macroeconomic forecasts or short-term performance. Instead, focus was on executing the strategy consistently and carefully, and making improvements to the process where necessary.

Following the exit of shareholders from the Fund, the ACD is no longer actively seeking subscriptions for the Fund.

Baillie Gifford & Co, 17 February 2016

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, net income accumulated. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 January 2016

Investment	Percentage of total Fund
Banca Popolare Dell'Etruria	0.00
Espirito Santo Financial	0.00
SNS Reaal	0.00
African Minerals Ltd	0.00

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015. The remaining holdings have been valued at zero, based on the Investment Adviser's valuation, as detailed in the Portfolio Statement.

Summary of Material Portfolio Changes for the year ended 31 January 2016

Purchases	Cost £'000	Sales	Proceeds £'000
Cloud Peak Energy	94	Man Group	367
Alliance Resource Partners LP	80	Amedisys Inc	338
Alliance Holdings GP LP	79	Magnitogorsk Sponsored GDR Reg S	326
Even Construtora E Incorp	66	Marie Brizard Wine & Spirits (formerly Belvedere)	254
Bradespar Pref	65	Promethean World	254
Direcional Engenharia SA	65	Career Education Corp	232
Apollo Group Inc A	63	Shanda Games ADR 1:2 A	208
WorleyParsons Ltd	51	OZ Minerals Ltd	138
Cyrela Brazil Realty SA Emp	47	Real Nutriceutical Group Ltd	134
Ocwen Financial Corp	45	Italmobiliare SpA	129
Hana Financial Group	44	Pacific Brands Ltd	124
Banco do Estado do Rio Grande do Sul Pref B	42	Sistema JSFC Reg S GDR	123
MRV Engenharia E Participacoes SA	41	Blackberry Ltd	121
Universal Technical Institute	36	Peugeot	121
Globaltrans GDR Reg S	36	Tullett Prebon Plc	119
Hargreaves Services	32	Camarvon Petroleum	115
Hills Holdings Ltd	30	McBride	109
OHL México	30	Geo Holdings Corp	107
Labrador Iron Ore Royalty Corp	28	Tokyo TY Financial Group Inc	99
Xingda International Holdings	27	Cloud Peak Energy	93
Other purchases	332	Other sales	3,610
Total Purchases	1,333	Total Sales	7,121

The top 20 purchases and sales have been shown.

Portfolio Statement as at 31 January 2016

Stock description	Holding	Market value £'000	% of total net assets
Australia - 0.00% (9.57%)			
Brazil - 0.00% (2.92%)			
Canada - 0.00% (3.25%)			
China - 0.00% (3.19%)			
Egypt - 0.00% (1.68%)			
France - 0.00% (4.75%)			
Greece - 0.00% (0.23%)			
Hong Kong - 0.00% (3.13%)			
Indonesia - 0.00% (2.80%)			
Israel - 0.00% (0.39%)			
Italy - 0.00% (2.22%)			
Banca Popolare Dell'Etruria ¹	126,632	-	0.00
Japan - 0.00% (12.82%)			
Lebanon - 0.00% (0.78%)			
Luxembourg - 0.00% (0.00%)			
Espirito Santo Financial ²	32,000	-	0.00
Malaysia - 0.00% (0.97%)			
Mexico - 0.00% (1.21%)			
Netherlands - 0.00% (0.00%)			
SNS Reaal ³	133,875	-	0.00
Norway - 0.00% (0.83%)			
Philippines - 0.00% (0.84%)			

Portfolio Statement as at 31 January 2016 cont.

Stock description	Holding	Market value £'000	% of total net assets
Russia - 0.00% (7.18%)			
Taiwan - 0.00% (4.66%)			
Turkey - 0.00% (1.85%)			
UK - 0.00% (13.88%)			
African Minerals Ltd ⁴	51,500	-	0.00
United States - 0.00% (18.26%)			
Portfolio of investments		-	0.00
Net other assets - 0.00% (2.59%)			
		-	0.00
Net assets		-	0.00

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

Figures in brackets refer to 31 January 2015.

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

¹This stock was suspended at the period end and has been valued at the Investment Adviser's valuation.

²This stock was suspended at the period end and has been valued at the Investment Adviser's valuation.

³This stock was delisted at the period end and has been valued at the Investment Adviser's valuation.

⁴This stock was in administration at the period end and has been valued at the Investment Adviser's valuation.

Comparative Table

Comparative Table: Z Net Accumulation Shares

	Financial Year Ended 31 January 2016	Financial Year Ended 31 January 2015	Financial Year Ended 31 January 2014
Change in net assets per share:			
Opening net asset value per share	117.40p	116.20p	106.80p
Return before operating charges ¹	(4.23p)	1.32p	9.51p
Operating charges	(0.20p)	(0.12p)	(0.11p)
Return after operating charges ¹	(4.43p)	1.20p	9.40p
Return to investors per share on 13 November 2015 ³	(112.97p)	N/A	N/A
Closing net asset value per share	0.00p	117.40p	116.20p
Retained distributions on accumulation shares	0.00p	2.02p	1.45p
¹ After direct transaction costs of:	0.09p	0.08p	0.14p
Performance:			
Return after charges	(3.78%)	1.03%	8.80%
Other information:			
Closing net asset value (£'000)	-	6,177	6,015
Closing number of shares ³	-	5,259,555	5,177,521
Operating charges	0.17%	0.10%	0.10%
Direct transaction costs ²	0.08%	0.06%	0.12%
Prices:			
Highest share price	127.4p	123.9p	120.1p
Lowest share price	108.5p	113.2p	104.9p

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

³This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

Financial Statements

Statement of Total Return for the year ended 31 January 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(249)		(45)
Revenue	3	117		123	
Expenses	4	(9)		(5)	
Net revenue/(expense) before taxation		108		118	
Taxation	5	(11)		(11)	
Net revenue/(expense) after taxation			97		107
Total return/(deficit) before distributions			(152)		62
Distributions	6		(98)		(106)
Change in net assets attributable to shareholders from investment activities			(250)		(44)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		6,177		6,015
Amounts receivable on issue of shares	103		99	
Amounts payable on cancellation of shares	(6,031)		-	
		(5,928)		99
Dilution adjustment charges		1		1
Change in net assets attributable to shareholders from investment activities		(250)		(44)
Retained distributions on accumulation shares		-		106
Closing net assets attributable to shareholders		-		6,177

Financial Statements cont.

Balance Sheet as at 31 January 2016

	Notes	2016 £'000	2015 £'000
Assets:			
Fixed assets:			
Investments		-	6,017
Current assets:			
Debtors	8	1	43
Cash and bank balances	9	21	158
Total assets		22	6,218
Liabilities:			
Creditors:			
Bank overdrafts	9	(9)	-
Other creditors	10	(13)	(41)
Total liabilities		(22)	(41)
Net assets attributable to shareholders		-	6,177

Notes to the Financial Statements

	2016	2015
	£'000	£'000
1 Net capital gains/(losses)		
Non-derivative securities	(230)	(44)
Currency gains/(losses)	(18)	1
Custodian transaction costs	(1)	(2)
Net gains/(losses)	(249)	(45)

	2016	2015
	£'000	£'000
2 Purchases and transaction costs		
Gross purchases of equity excluding transaction costs	1,332	1,711
Commissions	1	1
Taxes	-	-
Total purchases of equity transaction costs ¹	1	1
Purchases including transaction costs	1,333	1,712

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.08	0.06
Taxes on equity purchases	-	-

	2016	2015
	£'000	£'000
Sales and transaction costs		
Gross sales excluding transaction costs	7,125	1,614
Commissions	(2)	(2)
Taxes	(2)	(1)
Total sales of equity transaction costs ¹	(4)	(3)
Sales net of transaction costs	7,121	1,611

¹There were no transaction costs on the purchase or sale of bonds.

	2016	2015
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.03)	(0.12)
Taxes on equity sales	(0.03)	(0.06)

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

	2016		2015	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	3	0.05	3	0.05
Taxes	2	0.03	1	0.02
Total direct transaction costs	5	0.08	4	0.07

	2016	2015
	%	%
Average portfolio dealing spread	0.00	0.68

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

The average dealing spread at the balance sheet date in 2016 is not representative of the typical dealing spread throughout the year because the Fund sold all of its investments in the year.

	2016	2015
	£'000	£'000
3 Revenue		
UK dividends	17	23
Overseas dividends	100	100
Total revenue	117	123

	2016	2015
	£'000	£'000
4 Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
Expenses borne by the ACD	(16)	(16)
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1	1
Bank charges	5	5
	6	6
Other expenses:		
Audit fee	5	5
Professional fees	14	10
	19	15
Total expenses	9	5

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
5 Taxation		
Analysis of charge in the year		
Corporation tax	-	1
Relief for overseas tax	-	(1)
Overseas tax	11	11
Total taxation	11	11

The Fund is subject to corporation tax at 20% (2015: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses combined with offsetable overseas tax exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

The tax charge is explained as follows:

	2016	2015
	£'000	£'000
Net revenue/(expense) before taxation	108	118
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20% (2015: 20%)	22	24
Effects of:		
UK dividends	(3)	(5)
Non-taxable overseas dividends	(20)	(16)
Overseas tax on dividends	11	11
Relief for overseas tax	1	(1)
Utilisation of excess management expenses	-	(2)
Current tax charge (see above)	11	11

	2016	2015
	£'000	£'000
6 Finance costs: Distributions		
Final to 31 January	-	106
Amounts deducted on cancellation of shares	100	-
Amounts added on issue of shares	(2)	-
Total finance costs: Distributions	98	106

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distribution per share is set out in the Distribution Table.

Notes to the Financial Statements cont.

	2016	2015
	£'000	£'000
7 Reconciliation of net revenue to net distributions for the year		
Net revenue/(expense) after taxation for the year	97	107
Add distributable revenue brought forward	1	-
Less distributable revenue carried forward	-	(1)
Net distributions for the year	98	106
	2016	2015
	£'000	£'000
8 Debtors		
Sales awaiting settlement	-	6
Accrued income	-	6
Overseas tax recoverable	1	-
Other debtors	-	31
Total debtors	1	43
	2016	2015
	£'000	£'000
9 Cash and bank balances		
Sterling bank accounts	21	101
Foreign currency bank accounts	-	57
	21	158
Sterling bank accounts overdrawn	(9)	-
Total cash and bank balances	12	158
	2016	2015
	£'000	£'000
10 Creditors		
Purchases awaiting settlement	-	33
Due to the ACD or associates	4	-
Due to the Depositary or associates	-	2
Other accrued expenses	9	6
Total creditors	13	41

Notes to the Financial Statements cont.

	2016	2015
	%	%
11 Related party transactions		
Baillie Gifford & Co, the Investment adviser, owns the following percentage of the shares in existence:		
Z Net Accumulation	-	95.1

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts paid, receivable and payable to related parties have been disclosed in notes 4, 8 and 10 respectively.

	2016
	Z Net Accumulation Shares
12 Reconciliation of shares in issue	
Opening shares in issue	5,259,555
Shares issued	94,680
Shares cancelled	(5,354,235)
Closing shares in issue	-

	2016	2015
	Assets	Assets
	£'000	£'000
13 Valuation technique		
Quoted prices for identical instruments in active markets	-	6,017
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-1	-
Total	-	6,017

¹The investments included in valuation techniques using non-observable data represents four securities (31 January 2015: four securities) valued at the Investment Adviser's valuation.

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	2016		Total	2015		Total
	Monetary exposures £'000	Non-monetary exposures £'000		Monetary exposures £'000	Non-monetary exposures £'000	
Australian dollar	-	-	-	-	592	592
Brazilian real	-	-	-	-	180	180
Canadian dollar	-	-	-	-	201	201
Egyptian pound	-	-	-	-	104	104
Euro	-	-	-	-	444	444
Hong Kong dollar	-	-	-	-	193	193
Indonesian rupiah	-	-	-	-	172	172
Israeli new shekel	-	-	-	-	24	24
Japanese yen	-	-	-	-	792	792
Malaysian ringgit	-	-	-	-	60	60
Mexican peso	-	-	-	-	75	75
Norwegian krone	-	-	-	-	51	51
Philippine peso	-	-	-	-	52	52
Taiwanese dollar	-	-	-	-	288	288
Turkish lira	-	-	-	-	114	114
US dollar	-	-	-	57	1,851	1,908

Short term debtors and creditors have not been disclosed.

Distribution Table

Final Distribution for the year ended 31 January 2016

Group 1 : shares purchased prior to 1 February 2015

Group 2 : shares purchased 1 February 2015 to 31 January 2016

	Net Income (dividend distribution)	Equalisation	Distribution (accumulated 31.03.16)	Distribution (accumulated 31.03.15)
	31.01.16 pence per share	31.01.16 pence per share	31.01.16 pence per share	31.01.15 pence per share
Z Net Accumulation				
Group 1	-	-	-	2.02000
Group 2	-	-	-	2.02000

General Information

Dilution Adjustment

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

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

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

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

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

The ACD is currently of the opinion that it is in the best interests of shareholders in the Company to make a dilution adjustment whenever dealings in the shares of any sub-fund result in shares in that sub-fund being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the relevant sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's stocks results in significant movement in the prices of these stocks the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a sub-fund. Whether an adjustment may be necessary will depend upon the net movement into or out of a sub-fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

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

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

General Information cont.

Dilution Adjustment cont.

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

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

The dilution adjustment can vary over time and vary depending on the assets attributable to the relevant sub-fund.

As dilution is directly related to the inflows and outflows of monies from a sub-fund, it is not possible to predict accurately whether dilution will occur at any point in time. Consequently it is also not possible to predict accurately how frequently the ACD will need to make a dilution adjustment.

Stamp Duty Reserve Tax ('SDRT')

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

European Savings Directive

European Directive 2003/48/EC on taxation of savings in the form of interest payments aims to combat tax evasion by individuals on cross border savings income payments. This will be done by collecting and exchanging information about individuals receiving savings income payments from outside their country of residence.

Distribution payments are reportable if a sub-fund holds more than 15% of its assets in debt claims and proceeds on redemption are reportable if a sub-fund holds

more than 25% of its assets in debt claims. As at 31 January 2016 none of the sub-funds fell under these parameters.

Please note that, subject to certain transitional measures, the above Directive was repealed by the European Council on 10 November 2015 with effect from 1 January 2016.

Share Classes

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

Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement. Class K Shares are only available to persons investing in shares via a Stakeholder Child Trust Fund or Junior ISA. Class Z Shares are only available to Baillie Gifford & Co and such other connected persons to whom the ACD has determined that such shares may be made available.

The minimum lump sum investments are £1,000 for Class A, £10,000 for Class B, £250,000 for Classes C and K and £1,000,000 for Classes Y and Z.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is, depending on the level of income distributed, refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

General Information cont.

Management Expenses

	Class A	Class B	Class C	Class K ¹	Class Y	Class Z
ACD's annual fee:						
Baillie Gifford British Smaller Companies Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Baillie Gifford Global Alpha Growth Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Baillie Gifford Global Income Growth Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Baillie Gifford International Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Baillie Gifford Managed Fund	1.50%	0.40%	Nil	1.50% ¹	n/a	n/a
Baillie Gifford UK Equity Alpha Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Glenfinlas Global Fund ²	n/a	n/a	n/a	n/a	n/a	n/a

¹The ACD's annual fee in respect of the Class K Accumulation Shares of Baillie Gifford Managed Fund will be inclusive of any charges which are not permitted deductions for the purposes of the applicable law and regulations in respect of Stakeholder Child Trust Funds.

²Glenfinlas Global Fund is no longer available for subscription.

Active Share

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. The Active Share as at the year end and the comparative

index for each sub-fund is shown in the table below. The Active Share has been shown against these indices to highlight the active management style against what is deemed to be the most relevant index for each sub-fund.

	Active Share	Comparative Index
Baillie Gifford British Smaller Companies Fund	89%	FTSE Small Cap (ex-Investment Trust) Index
Baillie Gifford Global Alpha Growth Fund	92%	MSCI All Country World Index
Baillie Gifford Global Income Growth Fund	88%	FTSE All World Index
Baillie Gifford International Fund	92%	MSCI All Country World ex-UK Index
Baillie Gifford Managed Fund	83%	Mean of the Investment Association Mixed 40%-85% Shares Sector ¹
Baillie Gifford UK Equity Alpha Fund	87%	FTSE All Share Index

¹As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

General Information cont.

Fund Charges and Costs

Until 18 April 2016, we are obliged to quote performance based on Class A Shares (when available), which have the highest ACD's annual fee. Our Class B Shares carry a lower ACD's annual fee as well as a lower initial charge, than the equivalent Class A Shares, and associated distributions may be higher than the equivalent Class A Shares. If you have any questions on the merits of a conversion to Class B Shares we would suggest that you contact a financial adviser. Performance numbers for Class B Shares are available by contacting Client Relations.

A further explanation of charges and costs relating to the sub-funds of the ICVC can be found in the Enhanced Disclosure of Fund Charges and Costs document for each sub-fund on our website.

Corporate Governance

The Investment Adviser has a clear and considered policy towards its shareholder responsibilities, following its own detailed guidelines, when addressing corporate governance matters at the companies in which it invests and actively exercising its votes. The Investment Manager recognises that companies operate under significantly differing conditions and for this reason it takes a pragmatic and flexible approach to corporate governance, whereby it applies its guidelines with care and gives due consideration to the specific circumstances of individual companies.

The Investment Adviser looks to have confidence in the quality and integrity of management. Consequently, its investment process involves keeping closely in touch with company management, learning how it plans to take the company's business forward and seeking to understand its goals and attitude towards shareholders. It believes that such dialogue is important in selecting successful investments and that it gets at the substance of corporate governance rather than concentrating merely on matters of form. Nevertheless, where the formal aspects of a company's corporate governance fall short of best practice and this is not fully supported by its circumstances, the Investment Adviser encourages

improvements in face to face meetings and, where appropriate, votes against management recommendations at general meetings.

The Investment Adviser recognises that its right to vote on corporate proposals is the key formal mechanism by which shareholders play a role in a company's governance. It makes considered use of these votes and endeavours to contact companies to encourage improvements before it votes against management recommendations. Although the Investment Adviser generally supports management, it assesses each company proposal on its merits and avoids voting in a routine or mechanistic manner. In general, the Investment Adviser focuses on the issues it feels are most significant and where it can be most effective. Such issues include the alignment of management's interests with those of shareholders, the effective operation of the board and its committees and the protection of shareholder rights.

The Investment Adviser's policy on social, environmental and ethical matters is integrated with its approach to corporate governance and, as such, it is based on dialogue and engagement rather than exclusion. Where appropriate, it discusses with company management those areas that may be most closely related to shareholder value such as sustainability, environmental impact, human rights and employee welfare. It also takes account of these matters in the selection, retention and realisation of investments, as part of its normal investment research and analysis process, where it thinks they may have a material impact on current or future valuations.

The Group's Funds

Authorised Unit Trusts

Baillie Gifford Cash Fund
Phoenix Global Growth Fund

Baillie Gifford Bond Funds ICVC

Baillie Gifford Active Gilt Plus Fund
Baillie Gifford Active Index-Linked Gilt Fund
Baillie Gifford Active Index-Linked Gilt Plus Fund
Baillie Gifford Active Long Gilt Plus Fund
Baillie Gifford Corporate Bond Fund
Baillie Gifford Emerging Markets Bond Fund
Baillie Gifford Global Bond Fund
Baillie Gifford High Yield Bond Fund
Baillie Gifford Investment Grade Bond Fund
Baillie Gifford Investment Grade Long Bond Fund

Baillie Gifford Investment Funds ICVC

Baillie Gifford Diversified Growth Fund
Baillie Gifford Multi Asset Growth Fund

Baillie Gifford Investment Funds II ICVC

Baillie Gifford Sterling Aggregate Bond Fund
Baillie Gifford Sterling Aggregate Plus Bond Fund
Baillie Gifford Global Select Fund

Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund
Baillie Gifford Developed Asia Pacific Fund
Baillie Gifford Emerging Markets Growth Fund
Baillie Gifford Emerging Markets Leading Companies Fund
Baillie Gifford European Fund
Baillie Gifford Global Discovery Fund
Baillie Gifford Greater China Fund
Baillie Gifford Japanese Fund
Baillie Gifford Japanese Smaller Companies Fund
Baillie Gifford Long Term Global Growth Fund
Baillie Gifford Pacific Fund

Baillie Gifford UK & Balanced Funds ICVC

Baillie Gifford British Smaller Companies Fund
Baillie Gifford Global Alpha Growth Fund
Baillie Gifford Global Income Growth Fund
Baillie Gifford International Fund
Baillie Gifford Managed Fund
Baillie Gifford UK Equity Alpha Fund
Glenfinlas Global Fund

Authorised Corporate Director

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L M Beattie (Resigned 31 March 2016)
E Delaney
L C Dewar
P J Edwardson
C M Fraser
D S McGowan
A J Telfer
J H Wilson (Resigned 17 June 2015)
M J C Wylie (Appointed 10 November 2015)

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

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

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

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