

## 31 July 2022

### Fund Objective

To outperform (after deduction of costs) the ICE Bank of America sterling Non-Gilt Index by 0.5% per annum over rolling three-year periods.

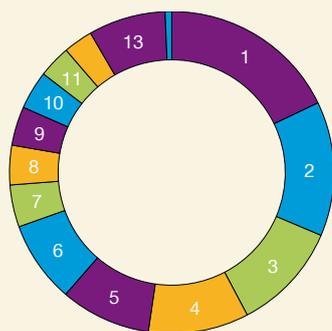
The manager believes this is an appropriate target given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Sterling Corporate Bond Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

### Key Information

|              |                  |
|--------------|------------------|
| Fund Manager | Paul Dilworth    |
| Launch Date  | 30 November 2001 |
| Fund Size    | £134.93m         |
| IA Sector    | £ Corporate Bond |
| Duration     | 6.7              |

### Sector Analysis of Total Assets



|    |                            |       |
|----|----------------------------|-------|
| 1  | Banking                    | 17.9% |
| 2  | Government Guaranteed      | 13.5% |
| 3  | Supranational              | 10.9% |
| 4  | Financial Services         | 10.0% |
| 5  | Utility                    | 9.0%  |
| 6  | Real Estate                | 8.2%  |
| 7  | Insurance                  | 4.2%  |
| 8  | Telecommunications         | 4.0%  |
| 9  | Commercial Mortgage Backed | 3.9%  |
| 10 | Asset Backed               | 3.9%  |
| 11 | Sovereign                  | 3.2%  |
| 12 | Automotive                 | 2.9%  |
| 13 | Others                     | 7.7%  |
| 14 | Cash & Derivatives         | 0.7%  |

A negative cash position may sometimes occur due to obligations awaiting settlement.

### Performance

#### Periodic Performance

|                       | 6 Months | 1 Year | 3 Years (p.a.) | 5 Years (p.a.) |
|-----------------------|----------|--------|----------------|----------------|
| Class B-Inc (%)       | -8.8     | -12.9  | -1.9           | 0.4            |
| Index (%)*            | -7.3     | -11.8  | -1.7           | 0.6            |
| Target (%)**          | -7.0     | -11.3  | -1.2           | 1.1            |
| Sector Average (%)*** | -7.7     | -11.3  | -1.2           | 0.7            |
| Sector Ranking        | 75/102   | 75/100 | 74/96          | 64/91          |

Performance source: FE, StatPro, ICE Data Indices, total return in sterling.

\*ICE Bank of America Sterling Non Gilts Index.

\*\*ICE Bank of America sterling Non-Gilt Index plus 0.5% per annum over rolling three-year periods.

\*\*\*IA £ Corporate Bond Sector.

### Investment Proposition

The Fund seeks to maximise total return relative to an index comprised of sterling investment grade bonds. Performance is driven by stock selection. Ideas are sourced primarily from investment grade bonds and are driven by fundamental, bottom-up stock analysis. Our portfolio is well diversified, with exposure to between 50-90 companies typically. Holdings are sized according to our level of conviction in their prospects and the risks they pose.

### Top Ten Physical Bond Holdings\*

| Holdings                  | % of Total Assets |
|---------------------------|-------------------|
| 1 KfW 6% 2028             | 2.4               |
| 2 Network Rail 4.75% 2024 | 2.3               |
| 3 LCR Finance 4.5% 2028   | 2.0               |
| 4 KfW 0.875% 2026         | 1.8               |
| 5 EIB 4.5% 2044           | 1.7               |
| 6 EIB 6% 2028             | 1.7               |
| 7 KfW 1.25% 2023          | 1.7               |
| 8 KfW 0.875% 2024         | 1.7               |
| 9 EIB 1.375% 2025         | 1.6               |
| 10 IBRD 0.25% 2026        | 1.6               |
| <b>Total</b>              | <b>18.5</b>       |

\*The Fund may also hold derivative positions for hedging purposes.

### Charges and Yield

|                 | Initial Charge | Ongoing Charge | Distribution Yield | Underlying Yield |
|-----------------|----------------|----------------|--------------------|------------------|
| Class B-Inc (%) | 0.00           | 0.28           | 2.80               | 2.50             |
| Class B-Acc (%) | 0.00           | 0.28           | 2.80               | 2.50             |

The ongoing charge figure is at the latest annual or interim period.

### Annual Discrete Performance

|                       | 30/06/17-30/06/18 | 30/06/18-30/06/19 | 30/06/19-30/06/20 | 30/06/20-30/06/21 | 30/06/21-30/06/22 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Class B-Inc (%)       | 0.4               | 6.6               | 5.1               | 3.5               | -14.2             |
| Index (%)*            | 0.7               | 6.0               | 6.5               | 1.8               | -12.9             |
| Target (%)**          | 1.2               | 6.5               | 7.0               | 2.4               | -12.5             |
| Sector Average (%)*** | 0.6               | 5.6               | 5.8               | 3.3               | -12.9             |

## Additional Fund Information

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

The Distribution Yield reflects the annualised income of the Fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the Fund (excluding tax) as at the date shown. It is based on a snapshot of the portfolio on that day.

The Underlying Yield reflects the annualised income net of expenses of the Fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the Fund (excluding tax) as at the date shown. It is based on a snapshot of the portfolio on that day.

The Distribution yield is higher than the Underlying Yield because the Fund's expenses are charged to capital. This has the effect of increasing distributions and constraining the Fund's capital performance.

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

The Duration is a measure of how sensitive the price of a bond (or other debt instrument) is to a change in interest rates. In general, the higher the duration, the more a bond's price will drop in response to a rise in interest rates.

All figures are rounded, so any totaling may not sum.

## Further Information

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

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

This factsheet has been issued and approved by Baillie Gifford & Co Limited (Financial Services Register 119179), which is wholly owned by Baillie Gifford & Co (Financial Services Register 142597), both of which are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, Stratford, London, E20 1JN. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

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## Risk Warnings

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

The specific risks associated with the Fund include:

- Market values for illiquid securities which are difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Fund might receive upon their sale. In certain circumstances it can be difficult to buy or sell the Fund's holdings and even small purchases or sales can cause their prices to move significantly, affecting the value of the Fund and the price of shares in the Fund.
- Custody of assets involves a risk of loss if a 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 may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund's concentrated portfolio relative to similar funds may result in large movements in the share price in the short term.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.
- Expenses are taken from the Fund's capital. This will reduce the capital value of the Fund. The figure for the current financial period has not yet been determined.
- More than 35% of scheme property may be invested in securities issued or guaranteed by Governments and / or other organisations worldwide. For further details please see the Prospectus.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at [bailliegifford.com](http://bailliegifford.com).

## Target Market

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

## Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at [bailliegifford.com](http://bailliegifford.com) or email [crtallenquiries@bailliegifford.com](mailto:crtallenquiries@bailliegifford.com).

### **Important Information Israel**

This Factsheet, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Investment Advice Law (“Qualified Clients”).

### **Important Information Chile**

La presente oferta se acoje a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile.

La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización.

Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

### **Important Information Mexico**

The Fund has not and will not be registered in the National Registry of Securities maintained by the National Banking and Securities Commission, and therefore may not be offered or sold publicly in Mexico. The Fund may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Securities Market Law as part of a private offer.

### **Important Information Colombia**

The securities have not been, and will not be, registered with the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). Unless so registered, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange. The investor acknowledges that certain Colombian laws and regulations (including but not limited to foreign exchange and tax regulations) may apply in connection with the investment in the securities and represents that is the sole liable party for full compliance therewith.

### **Important Information Peru**

The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

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