

## Baillie Gifford Emerging Markets Bond Fund

31 March 2024

### Fund Objective

To outperform (after deduction of costs) the J.P. Morgan GBI-EM Global Diversified Index unhedged in sterling by 0.6% 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 Global Emerging Markets Bonds Sector - Local Currency.

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.

### Investment Proposition

The Fund invests predominantly in local currency emerging market bonds. We aim to add value by investing in a broad range of positions while controlling overall risk versus the benchmark. Active currency management is an important part of our strategy. We make use of derivatives to take active positions and to manage unwanted risks. The Fund is managed by active investors who are focused on the fundamental attractiveness of individual countries and markets. It is invested with a longer time horizon; this is reflected in the way we closely manage the diversity of the portfolio and the scale of positions.

### Performance Overview

#### Periodic Performance

	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Inc (%)	2.9	4.1	2.9	1.7
Index (%)*	2.2	2.7	1.3	0.8
Target (%)**	2.5	3.3	1.9	1.4
Sector Average (%)***	3.2	3.3	2.5	1.5
Sector Ranking	20/34	16/34	15/34	9/30

Source: FE, Revolution, JP Morgan. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

\*J.P. Morgan GBI-EM Global Diversified Index (unhedged in sterling).

\*\*J.P. Morgan GBI-EM Global Diversified Index (unhedged in sterling) plus 0.6% per annum over rolling three-year periods.

\*\*\*IA Global Emerging Markets Bonds - Local Currency Sector.

### Portfolio Overview

#### Fund Facts

Launch Date	25 June 2008
Fund Size	£92.30m
IA Sector	Global Emerging Markets Bonds - Local Currency
Current Number of Issuers	30
Duration	5.8
Average Credit Rating	BBB
Redemption Yield	8.7
Running Yield	6.7

Source: Baillie Gifford & Co.

#### Fund Managers

Name	Baillie Gifford years' experience	Industry years' experience
Sally Greig	19	23
Mindaugas Lepaska	5	15
Yannis Lykouris	13	13

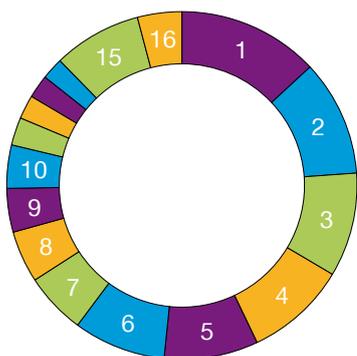
#### Annual Discrete Performance

	31/03/19-31/03/20	31/03/20-31/03/21	31/03/21-31/03/22	31/03/22-31/03/23	31/03/23-31/03/24
Class B-Inc (%)	-5.7	6.0	-0.3	4.9	4.1
Index (%)*	-1.8	1.6	-4.2	5.7	2.7
Target (%)**	-1.2	2.2	-3.6	6.4	3.3
Sector Average (%)***	-4.3	4.4	-2.0	6.2	3.3

#### Top Ten Physical Bond Holdings\*

	Holdings	% of Total Assets
1	Colombia 7% 26/03/2031	10.8
2	Brazil 10% 01/01/2027	8.5
3	Mexico 7.75% 23/11/2034	7.4
4	Indonesia 8.375% 15/04/2039	5.9
5	Mexico 8.5% 31/05/2029	5.7
6	Hungary 4.5% 23/03/2028	5.7
7	Malaysia 3.906% 15/07/2026	5.7
8	Czech Republic 0.25% 10/02/2027	4.1
9	Poland 6% 25/10/2033	4.0
10	South Africa 6.5% 28/02/41	3.8
Total		61.5

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



## Geographical allocation

	Fund (%)	
1	Mexico	13.5
2	Colombia	11.1
3	Indonesia	10.0
4	Malaysia	9.7
5	South Africa	9.0
6	Brazil	8.8
7	Hungary	5.9
8	Thailand	5.0
9	Czech Republic	4.2
10	Poland	4.2
11	Dominican Republic	3.4
12	Romania	2.7
13	Turkey	2.3
14	Chile	2.2
15	Others	7.1
16	Cash & Derivatives	1.0

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

## Charges

Share Class	ISIN	SEDOL	Annual Management Charge (%)	Ongoing Charges Figure (%)	Distribution Yield (%)	Underlying Yield (%)
Class B-Inc	GB00B39RMQ20	B39RMQ2	0.40	0.50*	8.10	7.50
Class B-Acc	GB00B7MCJT41	B7MCJT4	0.40	0.50*	8.10	7.60

The table displays the primary share classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

## Key Terms

**Periodic Performance** is a method of evaluating how a fund is doing over time. It compares a fund's performance in each period to its performance in past periods. It also looks at the performance of the fund to the performance of an index or its peers.

**Discrete Performance** is a method of evaluating the degree to which a fund performs compared against its benchmark on a given date.

**Hedging** is a strategy used to reduce or limit investment exposure to a particular risk. It involves taking an offsetting position in another asset to balance the risk associated with the original investment.

**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.

**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.

**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.

## Additional Fund Information

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. The Ongoing Charge Figure (OCF) is at the latest annual or interim period. The OCF may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather than we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). 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). Where the share class has been launched during the financial period and / or expenses during the period are not representative, an estimate of expenses may have been used instead. Baillie Gifford operates a single swinging price for the Fund and, therefore, may apply a dilution adjustment to the price to protect long-term investors from the costs associated with buying and selling underlying investments that result from other investors joining or leaving the Fund. This adjustment will affect relative performance, either positively or negatively. All figures are rounded, so any totals 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, which is wholly owned by Baillie Gifford & Co, both of which are authorised and regulated by the Financial Conduct Authority.

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 and is authorised and regulated by the Financial Conduct Authority.

## Target Market

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

## 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:

- Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund invests in emerging markets, which includes China, where difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation could arise, resulting in a negative impact on the value of your investment. The Fund's investment in frontier markets may increase this risk.
- 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.
- The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
- 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.
- The manager can charge some, or all, expenses to the Fund's capital, reducing its value. This amount can vary from year to year.

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).

## Legal Notices

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2024, J.P. Morgan Chase & Co. All rights reserved.

## Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact our Client Relations Team on 0800 917 2113, visit our website at [bailliegifford.com](http://bailliegifford.com), or email [enquiries@bailliegifford.com](mailto:enquiries@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

(i) La presente oferta se acoge a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile. (ii) 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; (iii) 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; y (iv) Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente. (v) Este material no constituye una evaluación o recomendación para invertir en instrumentos financieros o proyectos de inversión.

### 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 Fund has not and will not be registered in the Public Registry of the Capital Market (Registro Público del Mercado de Valores) regulated by the Superintendency of the Capital Market (Superintendencia del Mercado de Valores – “SMV”). Therefore, neither this document, nor any other document related to the program has been submitted to or reviewed by the SMV. The Fund will be placed through a private offer aimed exclusively at institutional investors. Persons and/or entities that do not qualify as institutional investors should refrain from participating in the private offering of the Fund.

#### Institutional Enquiries

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

#### Intermediary Enquiries

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

#### Baillie Gifford & Co Limited

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN

Telephone +44 (0) 131 275 2000

Website: [bailliegifford.com](http://bailliegifford.com)