



## Baillie Gifford Worldwide Global Strategic Bond Fund

31 March 2021

### Baillie Gifford Update

<b>Philosophy</b>	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
<b>Partnership</b>	100% owned by 46 partners with average 21 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

### Investment Proposition

The Worldwide Global Strategic Bond Fund gives access to the most compelling investment ideas from across our Credit team in a single portfolio. With the freedom to pursue well-rewarded credit risk wherever it might appear - across borders and the credit rating spectrum - bonds are added to the portfolio based on company fundamentals. As a result, the Fund is highly differentiated from both its benchmark and its peers and is well positioned to take advantage of the wide opportunity set within global credit markets.

### Fund Facts

Fund Launch Date	10 July 2012
Fund Size	\$337.9m / €287.5m
Index	70% ICE BofAML Global Corporate Index/ 30% ICE BofAML Global High Yield Index (hedged to US\$)
Current Annual Turnover	52%
Current number of issuers	83
Issuers (guideline range)	60-80
Duration (years)	5.7
Average credit rating	BBB
Redemption Yield	2.8
Running Yield	4.0
Fiscal year end	30 September
Structure	Irish UCITS
Base currency	USD

### Key Decision Makers

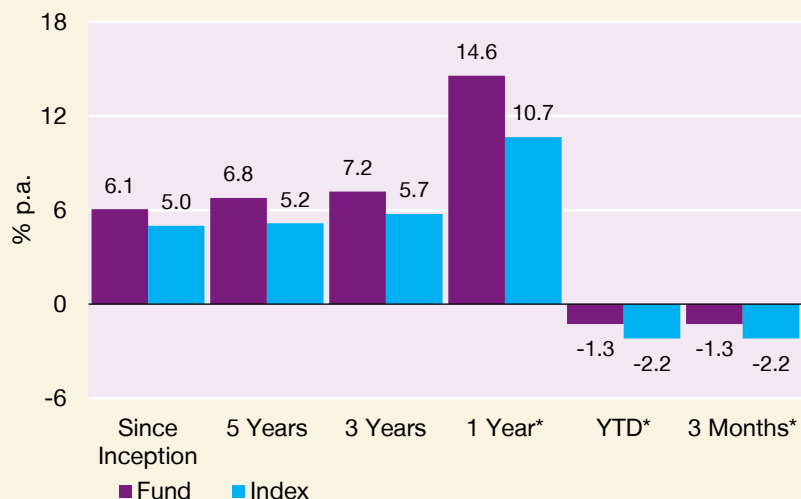
Name	Years' Experience
Rob Baltzer	20
Torcail Stewart	16

### Strategy Details

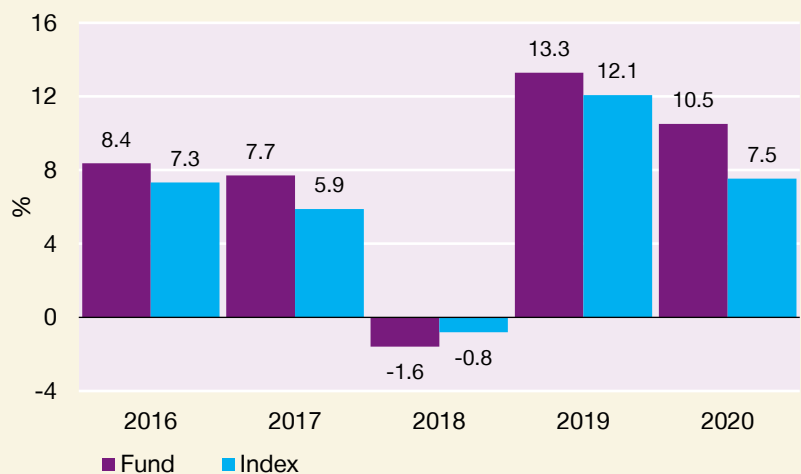
Inception Date	30 September 2012
AUM	\$0.1bn / €0.1bn

### US Dollar Performance

#### Periodic



#### Calendar



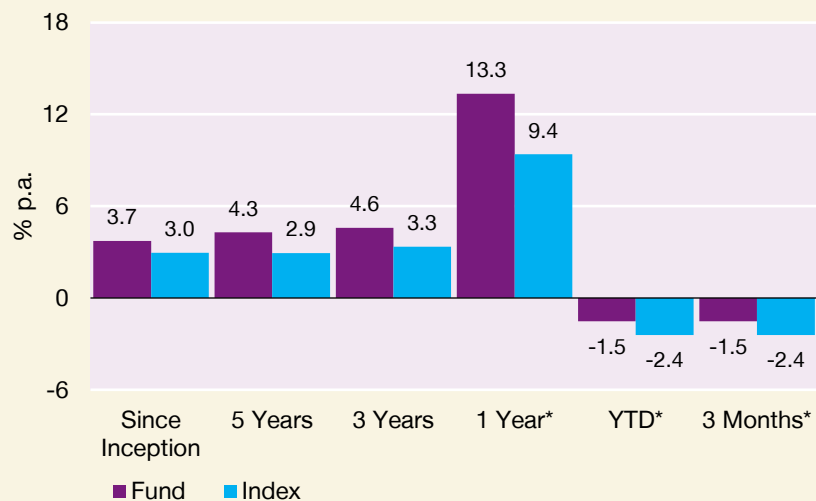
#### Discrete

	31/03/16- 31/03/17	31/03/17- 31/03/18	31/03/18- 31/03/19	31/03/19- 31/03/20	31/03/20- 31/03/21
Fund Net (%)	8.0	4.3	4.4	3.0	14.6
Index (%)	5.5	3.1	5.1	1.7	10.7

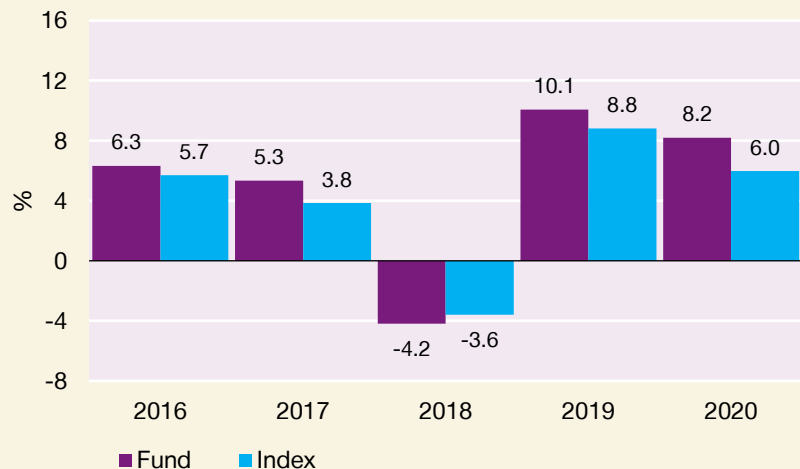
\*Not annualised. Fund Inception: 23 July 2015  
 Index: Bloomberg Barclays Global Credit (hedged €) to 15/01/2021 thereafter 70% ICE BofAML Global Corporate Index/30% ICE BofAML Global High Yield Index (hedged \$)  
 Source: StatPro, Bloomberg Barclays, ICE Data Indices. Net of fees  
 US dollar.  
 Baillie Gifford Worldwide Global Strategic Bond Fund performance based on Class B USD Acc, 10am prices. Index calculated close to close.  
 As at 31 March 2021

### Euro Performance

#### Periodic



#### Calendar



#### Discrete

	31/03/16- 31/03/17	31/03/17- 31/03/18	31/03/18- 31/03/19	31/03/19- 31/03/20	31/03/20- 31/03/21
Fund Net (%)	5.7	2.0	1.6	-0.6	13.3
Index (%)	3.8	0.9	2.0	-1.1	9.4

\*Not annualised. Share Class Inception: 06 August 2015

Index: Bloomberg Barclays Global Credit (hedged €) to 15/01/2021 thereafter 70% ICE BofAML Global Corporate Index/30% ICE BofAML Global High Yield Index (hedged €)

Source: StatPro, Bloomberg Barclays, ICE Data Indices. Net of fees.

US dollar converted into euro.

Baillie Gifford Worldwide Global Strategic Bond Fund performance based on Class B EUR Acc (Hgd), 10am prices. Index calculated close to close.

As at 31 March 2021.

### Top and Bottom Ten Contributors to Stock Selection

#### Quarter to March 31, 2021

Issue (Maturity Date)	Contribution (%)
Target Hospitality 9.5% 2024 (	0.1
AT&T 3.65% 2059	0.0
Rabobank 6.5% Perp	0.0
Temasek 5.375% 2039 (RegS)	0.0
EIB 4.875% 2036	0.0
Apple 4.5% 2036	0.0
Victoria 3.625% 2026	0.0
Volkswagen 4.625% 2028 Perp	0.0
Swiss Re 4.625% 2022 Perp	0.0
Cheniere Energy 4.625% 2028	0.0
Time Warner Cable 6.55% 2037	0.0
MercadoLibre 3.125% 2031	0.0
Alibaba 4% 2037	0.0
ANGI Homeservices 3.875% 2028	0.0
Fraport 2.125% 2027	0.0
Berkshire Hathaway 2.85% 2050	0.0
American Water 4.2% 2048	0.0
Corning 5.45% 2079	0.0
Vonovia 5% 2023 (144a)	0.0
US 5yr Note Jun 21	0.0

Source: StatPro, Bloomberg Barclays, ICE Data Indices

#### One Year to March 31, 2021

Issue (Maturity Date)	Contribution (%)
Laredo Petroleum 10.125% 2028	0.3
Target Hospitality 9.5% 2024 (	0.2
Neptune 6.625% 2025	0.2
Swiss Re 4.625% 2022 Perp	0.1
International Game Technology	0.1
EDF 6% 2026 Perp	0.1
Range Resources 4.875% 2025	0.1
Welltower 4% 2025	0.1
Rothsay Life 8% 2025	0.1
Unicredit 6.625% 2023 Perp	0.1
IBRD 4.75% 2035	-0.3
AstraZeneca 6.45% 2037	-0.2
E.ON 6.65% 2038	-0.1
AT&T 5.3% 2058	-0.1
Vonovia 5% 2023 (144a)	-0.1
Ziggo 4.875% 2030 (144A)	-0.1
Mitchells & Butl 6.469% 2030	-0.1
OCI 5.25% 2024 (144A)	-0.1
Netflix 4.625% 2029	-0.1
KPN 8.375% 2030	-0.1

Source: StatPro, Bloomberg Barclays, ICE Data Indices

An accelerating roll out of the vaccines that were announced towards the end of 2020 increased growth expectations and buoyed risk assets during the quarter. The improvement in sentiment was also helped by the results of a run-off election in the US state of Georgia which gave the Democrat party and President Biden control of the Senate. Following the result, the government rapidly passed another economic stimulus package of nearly US\$2 trillion. For bond markets, which had been priced for a prolonged period of ultra-low interest rates, these events resulted in yields rising significantly. Long-dated US treasuries have fallen in price since their most recent peak by more than any other time in the past 30 years.

In aggregate, global corporate bonds produced negative returns during the quarter. Investment grade bonds were most affected by a rise in underlying government bond yields - the additional yield spread offered by high quality corporate bonds remained relatively stable. High yield bonds performed better, however, benefiting from the asset class's low interest rate sensitivity.

The Fund outperformed the benchmark index over the quarter. This was driven by credit selection, with a wide range of bonds adding value. Amongst the top contributors over the period was energy company, Laredo Petroleum.

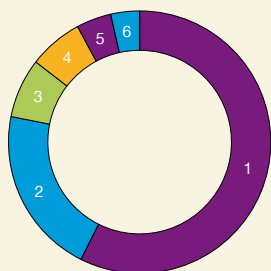
Laredo Petroleum, Inc., an independent energy company, engages in the acquisition, exploration, and development of oil and natural gas properties in the Permian Basin of West Texas, the United States. Laredo performed strongly during the quarter as markets revised up oil price expectations in anticipation of a swift recovery.

Amongst the bottom contributors over the period was education and media company, Graham Holdings. During the quarter, the bond underperformed on concerns around increased leverage and continued challenges with the education business. Graham Holdings continues to follow a sensible strategy of diversifying its operations away from education and broadcasting. This is a resilient business available at an attractive valuation that we will continue to hold.

*The views expressed are those of Sandy Jones. They reflect personal opinion and should not be considered as advice or a recommendation to buy, sell or hold a particular investment*

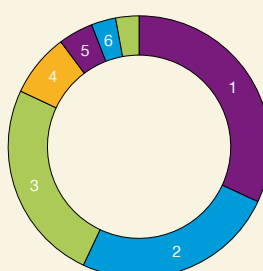
Fund Name	Update
Baillie Gifford Worldwide Global Strategic Bond Fund	<p>In aggregate, global corporate bonds produced negative returns during the quarter. Investment grade bonds were most affected by a rise in underlying government bond yields - the additional yield spread offered by high quality corporate bonds remained relatively stable. High yield bonds performed better, however, benefiting from the asset class's low interest rate sensitivity.</p> <p>Among the new additions to the Fund this quarter were AMS and ANGI HomeServices (ANGI). AMS is a leading global supplier of high-performance sensor solutions. Its recent merger with OSRAM diversifies the business and creates new opportunities to combine research and development. We believe the company's status as a key supplier for Apple offers opportunities as well as risks. Achieving an investment grade rating is a stated objective of the management team and we expect an upgrade in the long term.</p> <p>ANGI is in the very early stages of disrupting the sizeable US home services industry using an innovative marketplace model that connects households with tradespersons/contractors. With a clear first-mover advantage, the business benefits from classic flywheel effects, and we think its new 'fixed price' initiatives will provide a strong kicker to growth in the coming years. Given ANGI's conservative balance sheet and low capital requirements, we believe its bonds are mispriced for the risk and decided to take a position for the Fund.</p> <p>Strong returns led us to take profits where the yields on offer no longer looked compelling. We sold the holding in British packaging company, DS Smith in order to reinvest in bonds with more attractive upside potential. Cheniere Corpus Christi bonds have performed extremely well since our first purchase. With the company continuing to execute successfully in terms of LNG terminal development, we took the opportunity to sell the existing holding to reinvest in its higher-yielding bonds lower down the capital structure.</p>

**Sector Exposure**



		%
1	Industrials	57.4
2	Financial	20.7
3	Utility	7.3
4	Quasi & Foreign Government	6.7
5	Cash, Futures and Forwards	4.3
6	Securitized	3.5

**Geographic Exposure**



		%
1	North America	31.9
2	Europe	25.1
3	United Kingdom	25.0
4	Emerging Markets	7.8
5	Cash, Futures and Forwards	4.3
6	Developed Asia	3.0
7	Supranational	2.9

**Top Ten Issuers**

Holdings	Fund %
1 Coop Wholesale Society	2.5
2 Temasek Holdings (Private) Limited	2.4
3 Netflix	2.2
4 EIB	2.1
5 Pension Insurance Corp	2.1
6 Fidelity International Ltd.	2.0
7 Time Warner Cable	2.0
8 Apple	1.7
9 Cheniere Energy, Inc.	1.7
10 EDF	1.7

**Distribution of Portfolio by Credit Rating Band**

	Fund Weight (%)	Benchmark Weight (%)
AAA	6.7	0.7
AA*	6.4	5.6
A*	8.0	27.3
BBB*	32.7	35.7
BB	33.6	18.5
B*	8.4	9.2
CCC-D	0.0	3.0
Cash	4.3	0.0

## Active Share Classes

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Share Class	Share Class Inception Date	ISIN	Bloomberg	SEDOL	WKN	Valoren	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class C USD Acc	10 July 2012	IE00B7960C91	BGWGCCU ID	B7960C9	A2QC29	20340561	0.00	0.12
Class B USD Acc	23 July 2015	IE00BYM6HL37	BGWGBUA ID	BYM6HL3	A2QC3B	32454865	0.23	0.35
Class B EUR Acc (Hgd)	06 August 2015	IE00BW0DJM76	BGWGBEA ID	BW0DJM7	A2AF51	29199201	0.23	0.37
Class B EUR Inc (Hgd)	04 November 2015	IE00BZ1F1L67	BGWGBEI ID	BZ1F1L6	A2AF52	30339154	0.23	0.37
Class B GBP Acc (Hgd)	30 October 2018	IE00BF199C54	BGWBGAAH ID	BF199C5	A2QC3C	44597427	0.23	0.37
Class A USD Acc	18 February 2020	IE00BK70YV13	BWGAUA ID	BK70YV1	A2PZH8	52699669	1.00	1.12
Class B USD Inc	08 June 2020	IE00BMZ81091	BAWGCBU ID	BMZ8109	A2QC3D	55199065	0.23	0.35
Class B GBP Inc (Hgd)	24 June 2020	IE00BMZ81109	BAWGCBG ID	BMZ8110	A2QC3E	55199079	0.23	0.37

Share classes in other currencies and currency hedged share classes are available on request. For a full list of available share classes, please see the prospectus.

Please note that the management fee of the B Acc share class is at a reduced rate as specified in the Prospectus, for a limited period of time. Please refer to the Prospectus and Key Investor Information Document for further details. Until the expiry of this offer, the ongoing charges are also reduced.



## Awards and Ratings



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This document does not provide you with all the facts that you need to make an informed decision about investing in the Fund. Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document, copies of which are available at [bailliegifford.com](http://bailliegifford.com), or the Prospectus which is available by calling the appropriate contact below. Both the Key Investor Information Document and the Prospectus are available in the English language.

Nothing in the document should be construed as advice and it is therefore not a recommendation to buy or sell shares.

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 ongoing charges figure is based on actual expenses for the latest financial period. 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. It may vary from year to year. It excludes the costs of buying and selling assets for the Fund although custodian transaction costs are included. Where a share class has not been seeded an estimate of expenses has been used.

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## Address:

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30 Herbert Street, Dublin 2, D02 W329, Ireland  
Further information about the Fund can also be obtained from locally appointed agents, details of which are available from the country specific pages at [bailliegifford.com](http://bailliegifford.com).

## Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth and income over a 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 who are concerned about short-term volatility and performance and investing for less than five years. This Fund does not offer capital protection.

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