

## 30 June 2021

### Fund Objective

To outperform (after deduction of costs) the TOPIX, as stated in sterling, by at least 1% per annum over rolling five-year periods through a combination of income and capital growth whilst maintaining a portfolio yield higher than the TOPIX.

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 Japan Sector.

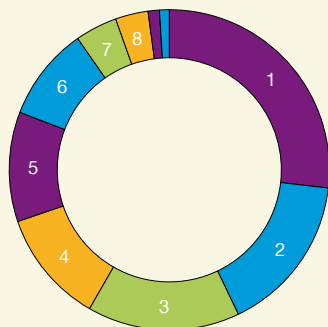
There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

### Key Information

Fund Managers	Matt Brett / Karen See
Launch Date	04 July 2016
Fund Size	£962.06m
IA Sector	Japan
Active Share	79%*
Annual Turnover	9%

\*Relative to TOPIX. Source: Baillie Gifford & Co, Tokyo Stock Exchange.

### Sector Analysis of Total Assets



1 Man & Machinery	26.8%
2 Commerce & Services	16.1%
3 Financials	15.4%
4 Electricals & Electronics	11.5%
5 Chemicals & Other Materials	11.1%
6 Info, Comm And Utilities	9.5%
7 Real Estate & Construction	4.3%
8 Pharmaceuticals & Foods	3.3%
9 Retail	1.1%
10 Cash	1.0%

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

### Performance

#### Periodic Performance

	6 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)†
Class B-Inc (%)	1.1	13.8	5.2	10.7
Index (%)*	0.2	10.7	4.7	8.6
Target (%)**	0.7	11.8	5.8	9.6
Sector Average (%)***	-0.1	13.3	5.7	9.7
Sector Ranking	31/92	23/91	45/84	27/78

Performance source: StatPro, FE, Tokyo Stock Exchange, total return in sterling.

†04 July 2016.

\*TOPIX.

\*\*TOPIX +1%.

\*\*\*IA Japan Sector.

### Investment Proposition

The Fund applies the same well-tested growth investing philosophy and process that we use across all of our Japanese investments. For the Japanese Income Growth Fund, we combine this approach with a focus on companies that are improving returns on capital and balance sheet efficiency, to generate a portfolio of growth companies with a yield orientation. In this way we hope to generate strong long-term total returns as well as provide those investors that require it with a higher than market yield along the way. The strategy balances current income generation with growing that income over time, and invests across the market cap spectrum.

### Top Ten Holdings

Holdings	% of Total Assets
1 DENSO	4.4
2 Pola Orbis	4.1
3 FANUC	3.6
4 SoftBank Group	3.5
5 GMO Internet	3.3
6 SBI Holdings	3.0
7 Bridgestone	3.0
8 Kubota	2.9
9 DMG Mori	2.8
10 MS&AD Insurance	2.8
<b>Total</b>	<b>33.4</b>

Total may not sum due to rounding.

### Charges and Yield

	Initial Charge	Ongoing Charge	Historic Yield
Class B-Inc (%)	0.00	0.62	2.08
Class B-Acc (%)	0.00	0.62	2.08

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

#### Annual Discrete Performance

	30/06/16-30/06/17	30/06/17-30/06/18	30/06/18-30/06/19	30/06/19-30/06/20	30/06/20-30/06/21
Class B-Inc (%)	N/A	17.5	0.7	1.8	13.8
Index (%)*	N/A	9.5	-2.1	6.1	10.7
Target (%)**	N/A	10.5	-1.2	7.1	11.8
Sector Average (%)***	N/A	10.7	-3.4	7.8	13.3

## Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford Investment Funds II 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 yields quoted are historic yields based on distributions paid by the Fund in the previous 12 months as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their distributions. The disruption caused by the Coronavirus to global economies, markets and companies could reduce the distributions paid by the Fund in the future.

The ongoing charge figure may vary from year to year and will exclude the costs of buying and selling assets for the Fund (unless these assets are shares of another fund). 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).

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. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. We have chosen to show Active Share against the TOPIX.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

## Further Information

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

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

This factsheet has been issued and approved by Baillie Gifford & Co Limited (Financial Services Register 119179), which is wholly owned by Baillie Gifford & Co (Financial Services Register 142597), both of which are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, Stratford, London, E20 1JN.

## Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver income and capital growth 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.

## 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 involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund's exposure to a single market and currency may increase share price movements.
- The Fund has exposure to a foreign currency and changes in the rate 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.
- 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.
- For distribution purposes the ACD has the facility to allocate part or all of the Authorised Corporate Director's (ACD) fee to capital. This will reduce the capital value of the Fund. For the year to 30 June 2020 100% of expenses were allocated to capital. The figure for the current financial period has not yet been determined however this number may 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, copies of which are available at [bailliegifford.com](http://bailliegifford.com), or the Prospectus which is available by calling the ACD.

## Legal Notices

The TOPIX Index Value and the TOPIX Marks are subject to the proprietary rights owned by Tokyo Stock Exchange, Inc. and Tokyo Stock Exchange, Inc. owns all rights and know-how relating to the TOPIX such as calculation, publication and use of the TOPIX Index Value and relating to the TOPIX Marks. No Product is in any way sponsored, endorsed or promoted by Tokyo Stock Exchange, Inc.

## 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 [crtaillenquiries@bailliegifford.com](mailto:crtaillenquiries@bailliegifford.com).



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For disclosure and detailed information about this fund please refer to full Morningstar Global Fund Report that can be accessed here: [bailliegifford.com/globalfundreport-japaneseincomegrowthfund](http://bailliegifford.com/globalfundreport-japaneseincomegrowthfund).



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\*These ratings are designed for use by professional advisers and intermediaries as part of their advice process. These ratings are not a recommendation to buy. If you need further information or are in doubt then you should consult a professional adviser.

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