

## 31 August 2021

### Fund Objective

To produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions.

The manager believes an appropriate comparison for this Fund is the Investment Association Sterling Strategic Bond Sector average given the investment policy of the Fund and the approach taken by the manager when investing.

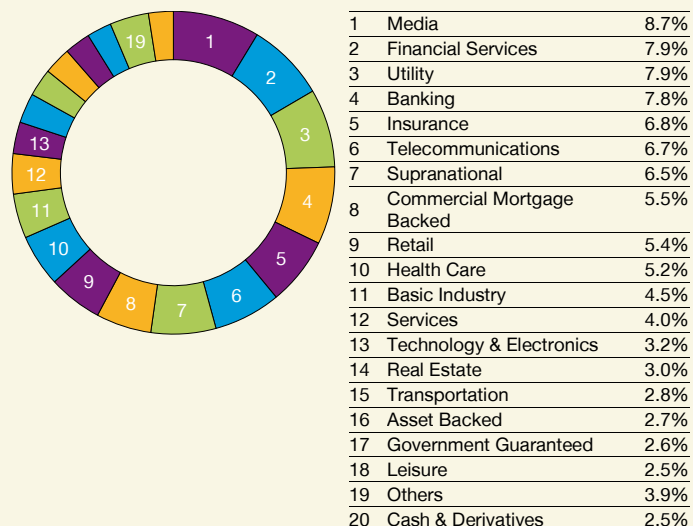
### Investment Proposition

Performance is driven by bond selection. Ideas are sourced across both investment grade and high yield and are driven by our fundamental, bottom-up stock analysis. The portfolio is well diversified with exposure typically between 60-85 companies. The portfolio could be characterised as comprising the "best ideas" we can find across the high yield and investment grade markets.

### Key Information

Fund Managers	Lesley Dunn / Torcail Stewart
Launch Date	26 February 1999
Fund Size	£1,348.50m
IA Sector	£ Strategic Bond

### Sector Analysis of Total Assets



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 (%)	3.3	6.8	6.0	4.8
Sector Average (%)*	2.6	5.3	5.2	3.7
Sector Ranking	30/88	28/85	20/78	16/69

Performance source: FE, total return in sterling.

\*IA £ Strategic Bond Sector.

### Top Ten Physical Bond Holdings\*

Holdings	% of Total Assets
1 EIB 0.75% 2024	2.5
2 Svenska Handelsbanken 6.25% 2024 Perp	2.5
3 National Grid 5.625% 2025/73	2.4
4 Netflix 4.625% 2029	2.4
5 Rabobank 6.5% Perp	2.3
6 Virgin Media 5% 2027	2.0
7 J.P. Morgan 1.895% 2033	1.9
8 EDP 4.496% 2024/79	1.8
9 EIB 3.875% 2037	1.8
10 LeasePlan 7.375% 2024 Perp AT1	1.7
<b>Total</b>	<b>21.3</b>

\*The Fund may also hold derivative positions including swaps, futures and currency forward contracts.

Total may not sum due to rounding.

### Charges and Yield

	Initial Charge	Ongoing Charge	Distribution Yield	Underlying Yield
Class B-Inc (%)	0.00	0.52	3.20	2.60
Class B-Acc (%)	0.00	0.52	3.20	2.60

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 (%)	10.7	1.8	7.2	3.4	6.7
Sector Average (%)*	6.9	0.3	5.3	3.8	6.1

## 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).

## 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 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:

- 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.

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.

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



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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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