

BAILLIE GIFFORD

Baillie Gifford UK & Balanced Funds ICVC

Annual Report & Financial Statements

for the year ended 31 January 2021



Contents

| | |
|---|-----|
| About the Company* | 1 |
| Statement of Authorised Corporate Directors' Responsibilities | 5 |
| Statement of Depositary's Responsibilities and Report to Shareholders | 6 |
| Report of the Independent Auditor | 7 |
| Accounting Policies | 10 |
| Risk Disclosures | 13 |
| Remuneration Report | 15 |
| Baillie Gifford British Smaller Companies Fund* | 17 |
| Baillie Gifford Global Alpha Growth Fund* | 41 |
| Baillie Gifford Global Income Growth Fund* | 69 |
| Baillie Gifford International Fund * | 105 |
| Baillie Gifford Managed Fund * | 133 |
| Baillie Gifford Responsible Global Equity Income Fund* | 175 |
| Baillie Gifford UK and Worldwide Equity Fund* | 207 |
| Baillie Gifford UK Equity Alpha Fund * | 233 |
| Baillie Gifford UK Equity Focus Fund* | 259 |
| Glenfinlas Global Fund * | 281 |
| General Information | 295 |
| The Group's Funds | 303 |

*Collectively these comprise the Authorised Corporate Director's Report as required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

About the Company

Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) (the 'Company') is an umbrella UK Open-Ended Investment Company ('OEIC') under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001. An OEIC is a collective investment vehicle in which your funds are pooled with those of other investors and spread across a portfolio of companies, thus reducing risk.

At 31 January 2021 the Company offered nine sub-funds, and the range may be varied in the future. Each sub-fund is valued on a daily basis and is subject to different charging structures and subscription limits. All shares are single priced. Details of the sub-funds and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus was last revised on 1 February 2021 and the Instrument of Incorporation was last revised on 1 February 2021. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

The Company is registered in Scotland, registered number SI 8, and the address of its Head Office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. The operation of the Company is governed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') ('the Regulations'), its Instrument of Incorporation and its Prospectus.

The Company's shareholders are not liable for its debts beyond the amount subscribed. Each sub-fund is classed as a UK UCITS retail scheme under COLL.

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

Glenfinlas Global Fund

On 13 November 2015 the shareholders in the Fund redeemed their holdings. Consequently, the ACD is no longer actively seeking subscriptions for the Fund.

Addition of New Sub-Fund

Baillie Gifford Global Alpha Paris-Aligned Fund was authorised by the FCA on 10 November 2020 and the launch date is yet to be determined.

Amendment to the ACD's Annual Fee

With effect from 1 October 2020, the annual fee rate for Class A Shares of Baillie Gifford Global Income Growth Fund decreased from 1.42% per annum to 1.35% per annum.

With effect from 1 October 2020, the annual fee rate for Class B Shares of Baillie Gifford Global Income Growth and Baillie Gifford Responsible Global Equity Income Fund decreased from 0.57% per annum to 0.50% per annum.

Changes to Share Classes

Class J Income and Accumulation Shares were launched in the sub-funds, Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, on 30 March 2020.

Class P Income and Accumulation Shares were launched in the sub-funds, Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, on 1 October 2020.

Amendments to the Investment Objectives of the Funds

Please note that with effect from 31 January 2021 the investment objectives of Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund will be amended to change the reference index from FTSE All World Index to MSCI ACWI Index.

Assessment of Value for the Sub-Funds

Under COLL 6.6.20R (1), Baillie Gifford & Co Limited, the ACD of the Company, must conduct an assessment at least annually for each UK authorised sub-fund it

manages, of whether the payments out of the sub-funds set out in the prospectus are justified in the context of the overall value delivered to shareholders. This assessment of value must, as a minimum, consider seven criteria, namely: quality of service, performance, authorised fund manager costs, economies of scale, comparable market rates, comparable services and classes of shares. The ACD will issue the statement of value in a separate composite report, performing the assessment across their full range of UK authorised sub-funds. The ACD has chosen a reference date of 31 March and will publish a composite report by 31 July each year which will be available on their website at www.bailliegifford.com.

Removal of the 10% deposit limit restriction

On 31 July 2020, and following previous changes to the investment objectives and policies of the funds, the restriction limiting investment in deposits to 10% was removed from the investment objectives and policies of all the funds as it no longer served a useful purpose.

About the Company cont.

Sub-fund Cross-holdings Table

| Sub-fund | Cross-holding | Number of Shares | Value of Shares £'000 |
|--|--|------------------|--------------------------|
| Baillie Gifford Managed Fund | Baillie Gifford British Smaller Companies Fund C Acc | 4,549,433 | 54,457 |
| Baillie Gifford UK and Worldwide Fund | Baillie Gifford British Smaller Companies Fund C Acc | 1,084,440 | 12,981 |

At 31 January 2021 no other sub-funds had any cross-holdings.

About the Company cont.

Authorised Corporate Director

Baillie Gifford & Co Limited
(Authorised & regulated by the Financial Conduct Authority, Financial Services Register No. 119179)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN
Telephone: 0800 917 2113
Fax: 0131 275 3955

Directors of the ACD

Executive

M J C Wylie (Chairman)
E Delaney
C M Fraser
L B S Haddow (appointed 8 September 2020)
D S McGowan
A J Telfer

Independent Non-Executive

D R Buckley
K B M Bolsover

Investment Adviser

Baillie Gifford & Co
(Authorised & regulated by the Financial Conduct Authority, Financial Services Register No. 142597)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN

Depositary

NatWest Trustee and Depositary Services Limited
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No. 794152)
Trustee & Depositary Services,
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ

Registrar

Baillie Gifford & Co Limited
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN

Auditor

PricewaterhouseCoopers LLP
Atria One,
144 Morrison Street
Edinburgh EH3 8EX

Baillie Gifford & Co Limited, the Authorised Corporate Director of the OEIC, is wholly owned by Baillie Gifford & Co. We only provide information about our products and do not provide investment advice.

Statement of Authorised Corporate Directors' Responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') requires the Authorised Corporate Director to prepare financial statements for each interim and annual accounting period which give a true and fair view of the financial position of the Company and of its revenue and expenditure and of its net gains and losses on the property of the Company for the year. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of UK Authorised Funds issued in 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- take reasonable steps for the prevention and detection of fraud and irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and the Regulations.

The Annual Report and Financial Statements were approved by the Authorised Corporate Director and signed on its behalf by:

M J C Wylie, Chairman
C M Fraser, Director
Baillie Gifford & Co Limited
1 April 2021

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Baillie Gifford UK & Balanced Funds ICVC ('The Company') for the Year Ended 31 January 2021

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that the cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of the shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations and;
- the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the

information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

*National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh
1 February 2021*

Independent Auditors' Report to the Shareholders of Baillie Gifford UK & Balanced Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Baillie Gifford UK & Balanced Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 January 2021 and of the net revenue/result and the net capital gains/result of the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Baillie Gifford UK & Balanced Funds ICVC is an Open Ended Investment Company ('OEIC') with ten sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report") which comprise: the balance sheets as at 31 January 2021; the statements of total return and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and notes to the financial statements.

Emphasis of Matter – Basis of Preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy 1 which describes the directors' reasons why the financial statements for the Glenfinlas Global Fund have been prepared on a basis other than going concern. For the avoidance of doubt, all other sub-funds in these financial statements have been prepared on a going concern basis.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

With the exception of circumstances described in the Emphasis of Matter – Basis of Preparation paragraph above regarding the Glenfinlas Global Fund, we have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Shareholders of Baillie Gifford UK & Balanced Funds ICVC cont.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Responsibilities

In our opinion, the information given in the Statement of Authorised Corporate Director's Responsibilities for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the

sub-funds and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
1 April 2021*

Accounting Policies

(1) *Basis of accounting*

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Principles, the Instrument of Incorporation, the Statement of Recommended Practice ('SORP') relating to the Financial Statements of UK Authorised Funds issued in 2014 and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). Unless otherwise stated, accounting policies within these financial statements are consistent with prior year policies.

The financial statements have been prepared on a going concern basis, with the exception of Glenfinlas Global Fund. Glenfinlas Global Fund is no longer considered to be a going concern because all shareholders redeemed their shares on 13 November 2015 and it is the ACD's intention to terminate the sub-fund. Consequently the sub-fund is not a going concern and the financial statements have been prepared on a basis other than going concern. The prior year financial statements were also prepared on a basis other than going concern. There is no impact on the financial statements or disclosure notes of the sub-fund on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to their residual values, and costs relating to the disposal of assets and settlement of liabilities will be met by the Investment Adviser. No reclassification of fixed assets and long-term liabilities as current assets and liabilities are required in the financial statements.

FRS 102 requires the Company to disclose, for the financial instruments held, the level within the fair value hierarchy that the fair value measurement of those instruments should be categorised. The fair value hierarchy is as follows:

Level 1: The unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3: Valuation techniques using unobservable inputs.

(2) *Recognition of income*

Equities: Dividends on equities and property income are recognised when the security is quoted ex-dividend. The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and, where applicable, is included in the distributions. Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

Debt Securities: Income on debt securities is recognised on an effective interest basis by reference to the purchase price.

Collective Investment Schemes: Distributions and accumulations from holdings in collective investment schemes are recognised when the scheme units go ex-dividend or ex-interest; where a scheme reports income that amount is recognised when the report is made. Amounts stated as equalisation on units in distributions or reports are treated as a return of capital and deducted from the cost of investment.

Swap Agreements: Income payable or receivable on swap agreements is accrued on a daily basis.

Deposits and Other Income: Interest on deposits is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Other income is accounted for on either an accruals or a receipts basis depending on the circumstances of each particular case.

Real Estate Investment Trusts: Distributions from Real Estate Investment Trusts (REITs) are recognised when the security is quoted as ex-dividend. Income is streamed between dividend income and property income distributions as appropriate. Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

Accounting Policies cont.

(3) *Treatment of management expenses*

For all the sub-funds, all management expenses, other than those relating to the purchase and sale of investments and custodian transaction costs, have been charged to revenue. For Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, for the purpose of the distribution, a percentage of the expenses, with the agreement of the Depositary, is allocated to capital. For all of the sub-funds VAT is written off to the extent that it is not considered to be recoverable.

Where the ACD, at its sole discretion, considers the expenses within a sub-fund to be too high, the ACD may rebate some of those expenses to that sub-fund. Where the ACD pays a rebate to a sub-fund this will reduce the expenses within that sub-fund.

(4) *Allocation of revenue and expenses to share classes*

Revenue is allocated when earned in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund. Expenses incurred solely in respect of a share class are allocated directly to that class. Expenses incurred in respect of, or attributable to, the relevant sub-fund as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund.

(5) *Distribution policies*

Distributions: Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund distribute quarterly. Baillie Gifford Global Alpha Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund, Baillie Gifford UK and Worldwide Equity Fund, Baillie Gifford UK Equity Alpha Fund and Baillie Gifford UK Equity Focus Fund distribute six monthly. Baillie Gifford British Smaller Companies Fund distributes annually. All sub-funds pay dividend distributions out of income after the deduction of relevant expenses.

Equalisation on units in collective investment schemes: Equalisation declared on distributions/accumulations or reports for units held in collective investment schemes reduces the cost of investment and does not form part of the distribution/accumulation to shareholders.

(6) *Taxation*

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses allocated to revenue. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted. Deferred tax assets are not discounted.

(7) *Basis of valuation of investments*

The investments of the sub-funds have been valued at closing bid prices on 31 January 2021, or the Investment Adviser's valuation where indicated. Investments are valued using the fair value hierarchy, referenced in accounting policy 1.

(8) *Foreign exchange*

All foreign securities and currencies held at the year end have been translated into sterling at the rate of exchange ruling at 31 January 2021. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

Accounting Policies cont.

(9) *Financial derivative instruments*

Currency contracts: Spot and forward currency contracts are marked to market daily and the change in value, if any, is recorded by the sub-fund as an unrealised gain or loss. Realised gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are recorded upon delivery or receipt of the currency or, if a spot or forward currency contract is offset by entering into another spot or forward currency contract with the same broker, upon settlement of the net gain or loss.

Futures Contracts: Futures contracts are marked to market daily and an appropriate gain or loss for the change in value ('variation margin') is recorded by the sub-fund as realised.

Swap Agreements: Swaps are marked to market daily based upon quotations from market makers and the change in value, if any, is recorded by the sub-fund as an unrealised gain or loss. A liquidation payment received or made at the termination of the swap is recorded as a realised gain or loss. Net periodic payments received by the sub-fund are included as part of realised gains or losses.

Risk Disclosures

General Risk Management Process

The Company's overall risk management process is the responsibility of the ACD. Risks which are specific to the sub-funds are managed by the ACD in accordance with the Risk Management Policy, with oversight by the Depositary. The ACD has established a risk management framework, including a permanent risk management function, to monitor the risks in relation to the sub-funds. Where appropriate, the risk management function builds on the existing parts of the risk management framework of the Investment Advisor to make use of expertise and advice, and avoid unnecessary duplication.

The risk profile of each of the sub-funds is considered by the ACD to determine the nature and extent of risk management procedures and assess the appropriateness of disclosures made to investors. The ACD then considers the material risks facing the sub-funds via the receipt of quarterly reports from the risk management function.

Sub-Fund Risk Profile

The risk profile of a sub-fund is determined using a number of factors including market risk (comprising foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and operational risk. As described above, the ACD operates a risk management framework to oversee the risks that the sub-funds are exposed to and assess the sensitivity of a sub-fund's portfolio to these risks. The approach to managing these risks is set out below with oversight and monitoring provided by the ACD's risk management function.

Market Risk

Market risk is the potential for changes in the market value of underlying investments in a sub-fund. This comprises foreign currency risk, interest rate risk and other price risk. Asset allocation is determined by the Investment Adviser who ensures that the distribution of the sub-funds' assets is appropriate in terms of the investment objectives. Divergence from the target asset allocation is strictly controlled and the portfolio closely monitored in terms of risk.

A sub-fund may use derivatives for the purposes of hedging (which includes efficient portfolio management) and also, in the case of Baillie Gifford Managed Fund, for the purposes of meeting its investment objectives. The Investment Adviser's use of derivatives is constrained to a level that this risk and exposure is within the prescribed limits.

For Baillie Gifford Managed Fund, the strategies that may be used include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies. In addition, derivatives and forwards may be used for the purposes of portfolio management for any sub-fund. The Investment Adviser may make use of these strategies as and when it considers it appropriate to do so. Derivative investments (which may be exchange-traded and/or off-exchange) are undertaken on a covered basis and the types of asset which underlie the derivative contract are appropriate in the context of the Baillie Gifford Managed Fund's investment objective and policy. The Investment Adviser's use of derivatives is constrained to a level that this risk and exposure is within prescribed limits. The Investment Adviser anticipates that such use of derivatives will not have any adverse effect on the overall risk profile of the sub-fund.

The Investment Adviser does not consider the use of derivatives to be either extensive and complex or significant for any sub-fund and accordingly no value at risk or sensitivity analysis information is given.

Foreign currency risk

The Investment Adviser has identified three principal areas where foreign currency risk could impact the sub-funds, being where movements in exchange rates affect the value of investments, short-term timing differences and the revenue received.

A proportion of the net assets of Baillie Gifford Global Alpha Growth Fund, Baillie Gifford Global Income Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund, Baillie Gifford Responsible Global Equity Income Fund and Baillie Gifford UK and Worldwide Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements. The balance sheet currency exposure is disclosed in the Notes to the Financial Statements of each sub-fund, where appropriate.

The sub-funds may be subject to short-term exposure to exchange rate movements, for instance where the date of an investment purchase and the date when the settlement occurs are different. To reduce this risk the Investment Adviser will normally execute a foreign currency contract on the transaction date wherever practicable.

Risk Disclosures cont.

The sub-funds may receive revenue in currencies other than sterling and hence movements in exchange rates can affect the sterling value of this revenue. To minimise this risk arrangements are in place to convert all revenue receipts to sterling on, or shortly after, the date of receipt.

Interest rate risk

With the exception of Baillie Gifford Managed Fund, the majority of the financial assets of the other sub-funds are equities and other investments which neither pay interest nor have a maturity date. Therefore, these sub-funds' direct exposure to interest rate risk is not considered to be significant.

A portion of the portfolio of Baillie Gifford Managed Fund is invested in bonds and it is therefore subject to interest rate risk because bond yields are linked to underlying bank rates or equivalents.

Other price risk

Market price risk arises mainly from uncertainty about future prices of the financial instruments held. It represents the potential loss the sub-funds might suffer through holding market positions in the face of price movements.

Counterparty credit risk

The Investment Adviser monitors both the creditworthiness of counterparties and the extent to which the counterparty risk is diversified. The organisations with whom derivative transactions are arranged are either top rated institutions themselves or subsidiaries of such institutions. The aim is to strike a balance between spreading counterparty risk amongst a number of institutions and keeping costs low by achieving economies of scale.

Stock settlement is normally on a delivery versus payment (DVP) basis where the payment for stock is due at the time of delivery. Where stock settlement is not on a DVP basis, additional procedures are in place and approvals required to manage the settlement risks that may arise.

Liquidity risk

Liquidity risk is the potential that there are insufficiently realisable assets to cater for investor redemptions. Liquidity is managed by the Investment Advisor by taking into account the investment strategy, liquidity profile, and redemption policy of each sub-fund. The level of liquidity maintained by each sub-fund is appropriate to its underlying obligations based on an assessment of the relative liquidity of the sub-fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated, and their sensitivity to other market risks or factors.

Operational risk

Failure of Baillie Gifford & Co's accounting systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Baillie Gifford & Co have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The ACD reviews Baillie Gifford & Co's report on internal controls and the reports by other key third party providers.

Infectious Virus Risk

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a sub-fund and the distributions paid by a sub-fund to shareholders.

Fair values

The financial assets and liabilities of the sub-funds are included in the valuation at market value, or at the Investment Adviser's valuation (as indicated in the portfolio statement of the sub-funds). These values have been determined by reference to prices available from the markets on which the instruments are traded.

Remuneration Report

Baillie Gifford & Co ('Baillie Gifford') maintains a Remuneration Policy (the 'Policy') which applies to group companies, including Baillie Gifford & Co Limited (the 'Company'), which is the group's sole UK UCITS management company for the range of UK UCITS operated within the group. The Policy is subject to review on at least an annual basis by the Management Committee of Baillie Gifford & Co and the Board of Baillie Gifford & Co Limited. It was updated in May 2020, no material changes were made.

Application of the UK UCITS Remuneration Code

The Company is required to identify individuals whose professional activities have a material impact on the risk profiles of the UCITS it manages (known as 'Material Risk Takers'), and the UCITS Remuneration Code requirements and disclosures apply to those individuals. The list of Material Risk Takers compiled by the Company principally covers governance and control functions.

The Company delegates portfolio management and certain administration roles to other entities, namely its parent Baillie Gifford and another affiliate Baillie Gifford Overseas Limited. These delegates are not required to comply with the UCITS Remuneration Code as they are subject to regulatory requirements on remuneration that are considered equally as effective as those applicable under the UCITS Remuneration Code.

General Principles of the UK UCITS Remuneration Code

Baillie Gifford & Co Limited endeavours to reward staff fairly and appropriately for their contribution towards the success of the business and the level of service and performance delivered to its clients. The Policy is designed to be consistent with and promote sound and effective risk management and should not encourage risk-taking which is inconsistent with the risk profiles of the UK UCITS it manages. It is designed to be in line with the Company's strategy, objectives, values and long-term interests, its UK UCITS and investors in such UK UCITS. The Policy has been designed to avoid conflicts of interest and is subject to independent internal review by the Compliance and Business Risk functions. In order to achieve this, the remuneration of staff is reviewed annually, taking into account individual performance and market practice for the role being undertaken.

Governance of Remuneration

Baillie Gifford's Remuneration Policy is overseen by the group's Remuneration Committee. The Remuneration Committee in turn reports to the management body of Baillie Gifford, the Management Committee. The Board of the Company also oversees adherence to the UK UCITS Remuneration Code.

Salary/Bonus Review Process

In terms of the Baillie Gifford group salary review process, the level of salary awarded is influenced by individual performance, the profitability and performance of the firm and the movement in salary levels for the relevant job match within independent survey data utilised by Baillie Gifford. This information is collated and analysed by the Human Resources Department, who submit recommendations on salary awards for each individual member of staff to the Remuneration Committee. The Remuneration Committee may adjust salary awards according to the information provided which will include input from the Compliance, Business Risk and Internal Audit functions on any relevant risk and compliance concerns.

The Management Committee then finalises and authorises the annual salary awards for all staff, and specifically the remuneration of senior officers in the risk management (Business Risk) and Compliance functions.

In terms of variable remuneration, there are currently three separate bonus schemes in operation within the group for specific business areas and within each scheme there are four levels of maximum potential bonus. Maximum levels have been established for each scheme and the levels of maximum potential bonus will vary according to the group's profitability. Within these maximum limits, performance for determining the actual levels of bonus awarded is measured at both an individual and a team level. The Policy is also designed to ensure that fixed and variable components of total remuneration are appropriately balanced.

The amounts available for variable remuneration are subject to an overall risk adjustment and individual awards can be adjusted via the annual appraisal process with input from the Business Risk and Compliance functions.

Remuneration Report cont.

Ratings for individual performance are determined, following discussion with the individual, as part of the firm's annual appraisal process which considers both the completion of annual objectives and the level of competence an individual has demonstrated in the role, including integrity. The methods used to determine team performance vary according to the business area that the scheme covers.

Baillie Gifford defers a proportion of variable pay for all bonus scheme participants including Material Risk Takers. The proportions deferred vary between 20% and 40% of variable remuneration depending upon scheme level. The deferral period is for three years and vests on a pro-rata basis with a retention period of six months thereafter. The proportion of variable remuneration which is deferred will be held in shares in a selection of Baillie Gifford collective investment schemes (and for a small number of individuals an element of the cash bonus will also be paid in shares). Deferred amounts of variable remuneration are also subject to malus provisions where Baillie Gifford has the ability to reduce or withdraw the value of unvested awards prior to vesting in exceptional circumstances.

Further information with respect to the Policy is available at www.bailliegifford.com.

| | Headcount | Total Remuneration ¹ £'000 |
|---|-----------|---|
| Baillie Gifford & Co Limited | | |
| Fixed remuneration | 46 | 1,570 |
| Variable remuneration | 46 | 550 |
| Baillie Gifford & Co Limited Remuneration Code Staff² | | |
| Total remuneration | 25 | 2,010 |

This remuneration disclosure has been provided at the level of Baillie Gifford & Co Limited as authorised fund manager of UK UCITS, as at 31 March 2020. Remuneration information at an individual AIF or UK UCITS level is not readily available.

¹The total remuneration is the proportion of overall remuneration for Staff as it relates to the time spent on UK UCITS related activity for Baillie Gifford & Co Limited.

²All Material Risk Takers are senior managers or staff engaged in control functions of Baillie Gifford & Co Limited and therefore a breakdown of remuneration between senior management and other risk takers is not applicable.

BAILLIE GIFFORD

Baillie Gifford British Smaller Companies Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford British Smaller Companies Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the Numis Smaller Companies Index (excluding Investment Companies) by at least 2% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 80% in the shares of smaller UK companies. UK companies are companies which are incorporated, domiciled or conduct a significant portion of their business in the UK. The Fund may also invest in smaller companies which are listed, quoted or traded in the UK. The Fund will generally invest in smaller companies, typically with a market capitalisation of less than £1 billion at the time of initial purchase. The Fund will be actively managed and will invest in any sector.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments, such as bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund's exposure to a single market may increase share price movements.

The Fund's concentrated portfolio relative to similar funds may result in large movements in the share price in the short term.

Investment in smaller companies is generally considered higher risk as the market for their shares may be less liquid and more difficult to trade than that for larger companies. As a result, share price fluctuations may be greater. In addition, smaller companies may not do so well in periods of adverse economic conditions. Where such companies have business models and competitive positions which are less well established, this could result in an increased likelihood of loss for investors.

Any value assigned to illiquid securities which are difficult to trade, such as those in smaller companies, may not accurately reflect the price the Fund might receive upon their sale.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

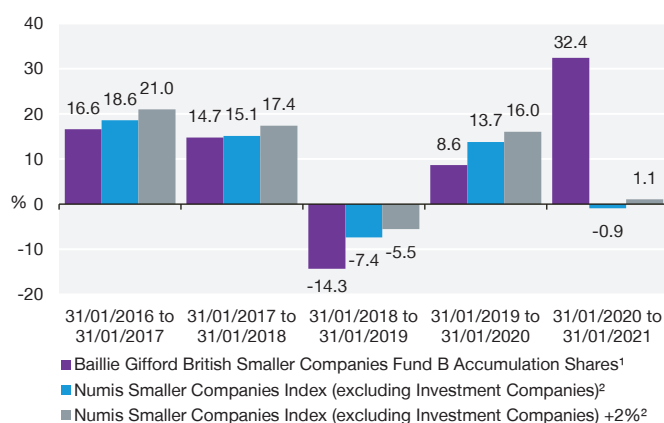
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.65%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to outperform (after fees) the Numis Smaller Companies Index (excluding Investment Companies) (the 'Index') by at least 2% per annum (the 'target return') over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 31.2%³ compared to the Index of -0.9%² and the target return of 1.1%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. Over that period, the annualised return on B Accumulation Shares was 11.1%³ compared to the return on the Index of 7.3%² and the target return of 9.5%².

We normally preface these commentaries by highlighting that twelve months remains a relatively short period in the context of our five year plus investment horizons. These past twelve months however are probably something of an exception. Not only did the period witness a flurry of social and political activity, from elections in the US, to the UK formally departing the European Union, but overshadowing everything else, was the emergence of the Covid-19 pandemic, a

catastrophe that has rocked economies and societies in a way likely not seen since WWII. The impact of Covid-19 on the portfolio and the underlying markets in which we operate has been profound, and we are still some way off from understanding the magnitude of second and third order effects that have yet to materialise.

Going into the crisis we remained steadfast in our commitment to bottom-up fundamental stock picking with a focus on long-term growth. Fortunately prior to the pandemic this had led us to a portfolio heavy in digital champions, healthcare innovators, and challengers in clean energy. All these were areas that saw both an acceleration in structural demand in the wake of the pandemic and a renewed wave of positive investor sentiment. Notable winners included Ceres Power, a designer of highly innovative fuel cells which has begun generating significant commercial traction through lucrative manufacturing partnerships with a series of large multinational industrials. The Fund's eclectic collection of online retailers, including AO World in appliances, Gear4music in instruments, and Boohoo in apparel, all thrived as lockdowns moved consumers from the high street to their computers. Equally, holdings in video game designers and developers, notably Keywords

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE and relevant underlying index provider, total return. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Studios and Team 17, benefited as an unprecedented proportion of the world turned to videogames as an at-home entertainment option. We are optimistic that many initially forced adopters of online retail or video game entertainment will remain loyal users once we return to something like normality, given the quality and convenience of these products and services.

Contrasting these, there were names that struggled over the period. Two notable cases here are Mind Gym and Ten Lifestyle. Mind Gym supplies behavioural psychology training to large corporations. Prior to Covid-19 they did this face-to-face, using a network of over 270 trainers. Inevitably travel restrictions hit this side of the business hard, leading to a rapid drop in sales. Mind Gym has however used this as an opportunity to rapidly build out its digital delivery tools. Early signs are that uptake of online training has been very strong. This is a higher margin, more flexible offering so we are optimistic that the business can emerge from the pandemic in better shape than it went in. In a similar vein, the disappearance of business travel hurt digital concierge provider Ten Lifestyle's top-line and share price, however far from panicking, the business has used the past year to expand the range of services it provides its users, and in doing so has won new clients and embedded itself deeper into existing partnerships. In both these cases we see the importance of backing teams that think of the future and are willing to invest countercyclically, even in the face of a falling share price. We are optimistic that as long-term shareholders our clients will ultimately be rewarded for patience.

A business we did sell out of over the period was Arena Events. Arena provides rental venue solutions for big public events. Prior to Covid-19 the business was already in a fairly vulnerable position given its size and debt burden, so with the cancellation of a large percentage of public events for the foreseeable future we made the call early on in the pandemic to exit the position. As always in our efforts to embrace uncertainty in pursuit of exceptional outcomes we will make mistakes. We always do our best to learn from them, without letting them distract us from the more important task of finding and supporting those with the potential to emerge as outliers. Here we lean heavily on the asymmetry of returns; the maximum we can lose on a

holding being capped at 100% of our initial investment, whereas the maximum return on a big winner is practically unlimited. Our focus remains firmly on identifying the remarkable businesses with the potential to generate these extreme outcomes. In pursuit of these we took a number of new holdings over the past twelve months. Some standouts here include scientific instrument maker Judges Scientific, and risk and compliance software developer Ideagen. We hope and believe that a number of these businesses will feature heavily in the portfolio's progress in the years to come.

Overall, the period saw exceptional performance from a number of the Fund's positions, paired with a broader favourable industry positioning. As an indirect result of our bottom-up focus on growth and quality, the portfolio was, and remains, underweight in sectors like, travel & leisure, oil & gas, and hospitality, all areas of the economy particularly badly affected by the pandemic. As a result, the past twelve months have seen strong performance on a relative and absolute basis which is now also reflected in the longer term three and five-year numbers. One thing worth stressing at this point however is the looming uncertainty that remains across the market and broader economy. The impact of further prolonged lockdowns remains to be seen, as does the effect of an eventual potential loosening of restrictions following vaccine successes and improved public health policy. Short-term volatility may well be high. We will endeavour to look through it and continue our primary task of identifying, buying and supporting a handful of remarkable small businesses as they evolve into the large businesses of the future. We believe that spending our time on this rather than on worrying about cyclical swings or economic sentiment will, over the long term, generate superior returns for our clients.

Baillie Gifford & Co, 10 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|--------------|-----------------------------|
| YouGov | 5.29 |
| Boohoo | 3.45 |
| Ceres Power | 3.43 |
| Genus | 3.40 |
| Creo Medical | 2.91 |
| Renishaw | 2.80 |
| Abcam | 2.77 |
| Kainos Group | 2.72 |
| AO World | 2.71 |
| 4imprint | 2.43 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|---------------------------|---------------|--------------------|-------------------|
| Ideagen | 4,277 | Ceres Power | 4,048 |
| Judges Scientific | 3,970 | Oxford Instruments | 3,360 |
| Frontier Developments Plc | 3,942 | Horizon Discovery | 3,252 |
| Aston Martin Lagonda | 3,709 | Avacta | 2,682 |
| XP Power | 3,694 | Renishaw | 2,550 |
| Victoria | 3,462 | LoopUp Group | 1,709 |
| 4imprint | 3,342 | Boohoo | 1,254 |
| Knights Gp Hdgs | 3,017 | YouGov | 1,198 |
| Hipgnosis Songs Fund | 2,409 | Benchmark Holdings | 876 |
| WANDisco | 2,356 | Robert Walters | 824 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| Basic Materials - 0.90% (1.83%) | | | |
| Victrex | 114,335 | 2,680 | 0.90 |
| Consumer Goods - 11.15% (5.83%) | | | |
| Aston Martin Lagonda | 251,047 | 5,094 | 1.72 |
| Fevertree Drinks | 249,199 | 6,081 | 2.05 |
| Focusrite | 495,598 | 5,154 | 1.74 |
| Frontier Developments Plc | 129,730 | 4,093 | 1.38 |
| Science In Sport | 4,401,214 | 1,805 | 0.61 |
| Sumo Group | 1,268,879 | 4,466 | 1.51 |
| Victoria | 943,164 | 6,319 | 2.14 |
| Consumer Services - 21.12% (25.10%) | | | |
| 4imprint | 303,434 | 7,207 | 2.43 |
| Angling Direct | 1,033,000 | 806 | 0.27 |
| AO World | 2,574,097 | 8,018 | 2.71 |
| Boohoo | 3,021,675 | 10,231 | 3.45 |
| Gear4music | 577,852 | 4,449 | 1.50 |
| Hotel Chocolat | 1,291,594 | 4,521 | 1.53 |
| Naked Wines | 609,346 | 4,369 | 1.47 |
| On The Beach | 1,158,504 | 3,817 | 1.29 |
| Patisserie Holdings ¹ | 323,677 | - | 0.00 |
| Ten Lifestyle | 4,052,611 | 3,485 | 1.18 |
| YouGov | 1,550,070 | 15,656 | 5.29 |
| Financials - 9.04% (6.15%) | | | |
| Alpha FX | 471,390 | 6,741 | 2.27 |
| Burford Capital | 790,620 | 4,890 | 1.65 |
| Draper Esprit | 1,037,002 | 7,135 | 2.41 |
| Hipgnosis Songs Fund | 2,022,924 | 2,417 | 0.82 |
| IP Group | 1,563,437 | 1,484 | 0.50 |
| Knights Gp Hdgs | 767,088 | 2,999 | 1.01 |
| Mercia Technologies | 4,643,976 | 1,114 | 0.38 |
| Health Care - 14.63% (19.40%) | | | |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---------------------------------------|-----------|-----------------------|--------------------------|
| Abcam | 496,089 | 8,220 | 2.77 |
| ANGLE | 3,867,835 | 3,149 | 1.06 |
| Avacta | 1,256,255 | 1,570 | 0.53 |
| Benchmark Holdings | 3,059,114 | 1,774 | 0.60 |
| Bioventix | 45,839 | 1,971 | 0.67 |
| Clinigen | 420,552 | 3,217 | 1.09 |
| Creo Medical | 4,268,312 | 8,622 | 2.91 |
| Diaceutics | 1,515,120 | 2,121 | 0.72 |
| Genus | 204,497 | 10,070 | 3.40 |
| Midatech Pharma Warrants ² | 327,500 | - | 0.00 |
| Vectura | 2,243,884 | 2,608 | 0.88 |
| Industrials - 21.12% (24.13%) | | | |
| Ceres Power | 767,170 | 10,157 | 3.43 |
| Clipper Logistics | 621,153 | 3,336 | 1.13 |
| FDM Group | 471,355 | 4,761 | 1.61 |
| Fisher (James) & Sons | 122,901 | 1,229 | 0.42 |
| Gooch & Housego | 134,677 | 1,818 | 0.61 |
| Judges Scientific | 67,585 | 4,258 | 1.44 |
| Keywords Studios | 243,750 | 6,610 | 2.23 |
| Kromek | 8,465,426 | 1,727 | 0.58 |
| Mind Gym | 1,659,064 | 2,074 | 0.70 |
| Oxford Instruments | 242,267 | 4,807 | 1.62 |
| Porvair | 501,337 | 2,707 | 0.91 |
| Renishaw | 138,507 | 8,296 | 2.80 |
| Ricardo | 397,824 | 1,536 | 0.52 |
| Robert Walters | 586,386 | 3,190 | 1.08 |
| Smart Metering Systems | 284,655 | 1,927 | 0.65 |
| XP Power | 82,372 | 4,110 | 1.39 |
| Technology - 14.30% (15.91%) | | | |
| Craneware | 183,434 | 4,036 | 1.36 |
| Dotdigital Group | 4,008,457 | 7,115 | 2.40 |
| First Derivatives | 152,001 | 4,575 | 1.55 |
| Ideagen | 1,923,461 | 5,482 | 1.85 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|-----------------------|--------------------------|
| Kainos Group | 649,143 | 8,037 | 2.72 |
| NCC Group | 2,025,205 | 5,002 | 1.69 |
| Team 17 Group | 719,893 | 5,658 | 1.91 |
| WANDisco | 503,984 | 2,439 | 0.82 |
| Portfolio of investments | | 273,240 | 92.26 |
| Net other assets - 7.74% (1.65%) | | 22,931 | 7.74 |
| Net assets | | 296,171 | 100.00 |

¹This stock was in liquidation at the year end and has been valued at the Investment Adviser's valuation.

²This stock was unlisted at the year end and has been valued at the Investment Adviser's valuation.

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 668.34 | 621.30 | 719.14 |
| Return before operating charges* | 211.89 | 56.61 | (87.25) |
| Operating charges | (10.43) | (9.57) | (10.59) |
| Return after operating charges* | 201.46 | 47.04 | (97.84) |
| Distributions | 0.00 | 0.00 | 0.00 |
| Retained distributions on accumulation shares | 0.00 | 0.00 | 0.00 |
| Closing net asset value per share | 869.80 | 668.34 | 621.30 |
| *After direct transaction costs of: | 0.41 | 0.25 | 0.28 |
| Performance: | | | |
| Return after charges | 30.14% | 7.57% | (13.61)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 2,504 | 1,561 | 2,038 |
| Closing number of shares | 287,905 | 233,631 | 328,094 |
| Operating charges | 1.51% | 1.52% | 1.52% |
| Direct transaction costs ¹ | 0.06% | 0.04% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 896.6 | 682.5 | 754.2 |
| Lowest share price (pence) | 420.5 | 577.9 | 594.3 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 790.98 | 729.09 | 836.76 |
| Return before operating charges* | 252.76 | 66.86 | (102.20) |
| Operating charges | (5.60) | (4.97) | (5.47) |
| Return after operating charges* | 247.16 | 61.89 | (107.67) |
| Distributions | 0.00 | (4.58) | (5.68) |
| Retained distributions on accumulation shares | 0.00 | 4.58 | 5.68 |
| Closing net asset value per share | 1,038.14 | 790.98 | 729.09 |
| *After direct transaction costs of: | 0.51 | 0.30 | 0.33 |
| Performance: | | | |
| Return after charges | 31.25% | 8.49% | (12.87)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 60,574 | 20,210 | 21,386 |
| Closing number of shares | 5,834,871 | 2,555,067 | 2,933,323 |
| Operating charges | 0.66% | 0.67% | 0.67% |
| Direct transaction costs ¹ | 0.06% | 0.04% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 1,070 | 807.5 | 882.5 |
| Lowest share price (pence) | 498.3 | 682.1 | 696.8 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 559.14 | 518.36 | 599.54 |
| Return before operating charges* | 178.66 | 47.57 | (73.30) |
| Operating charges | (3.92) | (3.53) | (3.81) |
| Return after operating charges* | 174.74 | 44.04 | (77.11) |
| Distributions on income shares | 0.00 | (3.26) | (4.07) |
| Closing net asset value per share | 733.88 | 559.14 | 518.36 |
| *After direct transaction costs of: | | | |
| | 0.35 | 0.21 | 0.22 |
| Performance: | | | |
| Return after charges | 31.25% | 8.50% | (12.86)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 10,634 | 5,955 | 12,679 |
| Closing number of shares | 1,448,956 | 1,064,941 | 2,445,968 |
| Operating charges | 0.67% | 0.67% | 0.68% |
| Direct transaction costs ¹ | 0.06% | 0.04% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 756.4 | 574.1 | 632.4 |
| Lowest share price (pence) | 352.2 | 485.0 | 499.3 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 899.35 | 823.61 | 939.11 |
| Return before operating charges* | 288.85 | 75.91 | (115.32) |
| Operating charges | (0.19) | (0.17) | (0.18) |
| Return after operating charges* | 288.66 | 75.74 | (115.50) |
| Distributions | (4.19) | (10.67) | (12.34) |
| Retained distributions on accumulation shares | 4.19 | 10.67 | 12.34 |
| Closing net asset value per share | 1,188.01 | 899.35 | 823.61 |
| *After direct transaction costs of: | 0.56 | 0.34 | 0.37 |
| Performance: | | | |
| Return after charges | 32.10% | 9.20% | (12.30)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 222,452 | 144,441 | 125,079 |
| Closing number of shares | 18,724,754 | 16,060,635 | 15,186,664 |
| Operating charges | 0.02% | 0.02% | 0.02% |
| Direct transaction costs ¹ | 0.06% | 0.04% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 1,224 | 917.9 | 994.8 |
| Lowest share price (pence) | 567.0 | 774.0 | 786.6 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 562.33 | 521.11 | 603.13 |
| Return before operating charges* | 180.68 | 48.08 | (73.98) |
| Operating charges | (0.12) | (0.11) | (0.12) |
| Return after operating charges* | 180.56 | 47.97 | (74.10) |
| Distributions on income shares | (2.62) | (6.75) | (7.92) |
| Closing net asset value per share | 740.27 | 562.33 | 521.11 |
| *After direct transaction costs of: | 0.35 | 0.21 | 0.23 |
| Performance: | | | |
| Return after charges | 32.11% | 9.21% | (12.29)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 7 | 6 | 5 |
| Closing number of shares | 1,000 | 1,000 | 1,000 |
| Operating charges | 0.02% | 0.02% | 0.02% |
| Direct transaction costs ¹ | 0.06% | 0.04% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 765.6 | 580.8 | 639.0 |
| Lowest share price (pence) | 354.6 | 489.8 | 505.3 |

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|-------|---------------|-------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 60,138 | | 12,572 |
| Revenue | 3 | 899 | | 2,085 | |
| Expenses | 4 | (258) | | (243) | |
| Net revenue before taxation | | 641 | | 1,842 | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | 641 | | 1,842 |
| Total return before distributions | | | 60,779 | | 14,414 |
| Distributions | 6 | | (771) | | (1,844) |
| Change in net assets attributable to shareholders from investment activities | | | 60,008 | | 12,570 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|----------|----------------|----------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 172,173 | | 161,187 |
| Amounts receivable on issue of shares | 73,186 | | 10,724 | |
| Amounts payable on cancellation of shares | (10,556) | | (14,261) | |
| | | 62,630 | | (3,537) |
| Dilution adjustment | | 575 | | 122 |
| Change in net assets attributable to shareholders from investment activities | | 60,008 | | 12,570 |
| Retained distributions on accumulation shares | | 785 | | 1,831 |
| Closing net assets attributable to shareholders | | 296,171 | | 172,173 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|----------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 273,240 | 169,329 |
| Current assets: | | | |
| Debtors | 8 | 224 | 3,268 |
| Cash and bank balances | 9 | 26,897 | 2,332 |
| Total assets | | 300,361 | 174,929 |
| Liabilities: | | | |
| Creditors: | | | |
| Distributions payable | | - | (35) |
| Other creditors | 10 | (4,190) | (2,721) |
| Total liabilities | | (4,190) | (2,756) |
| Net assets attributable to shareholders | | 296,171 | 172,173 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 60,143 | 12,575 |
| Transaction costs | (5) | (3) |
| Net capital gains/(losses) | 60,138 | 12,572 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 67,340 | 26,654 |
| Commissions | 35 | 15 |
| Taxes | 69 | 32 |
| Total transaction costs on equity purchases ¹ | 104 | 47 |
| Purchases including transaction costs | 67,444 | 26,701 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.05 | 0.06 |
| Taxes on equity purchases | 0.10 | 0.12 |

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 23,688 | 25,471 |
| Commissions | (12) | (17) |
| Taxes | - | - |
| Total transaction costs on equity sales ¹ | (12) | (17) |
| Sales net of transaction costs | 23,676 | 25,454 |

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.05) | (0.07) |
| Taxes on equity sales | 0.00 | 0.00 |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|-----------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 47 | 0.02 | 32 | 0.02 |
| Taxes | 69 | 0.04 | 32 | 0.02 |
| Total direct transaction costs | 116 | 0.06 | 64 | 0.04 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.98 | 0.70 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|----------------------|------------|--------------|
| | £'000 | £'000 |
| UK dividends | 836 | 1,840 |
| Overseas dividends | 62 | 235 |
| Bank interest | 1 | 10 |
| Total revenue | 899 | 2,085 |

Notes to the Financial Statements cont.

4 Expenses

| | 2021 | 2020 |
|--|------------|------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 231 | 222 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 16 | 13 |
| Bank charges | 3 | 2 |
| | 19 | 15 |
| Other expenses: | | |
| Audit fee | 8 | 6 |
| Total expenses | 258 | 243 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|----------|----------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Total taxation | - | - |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £3,630,000 (2020: £3,373,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|----------|----------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 641 | 1,842 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 128 | 368 |
| Effects of: | | |
| Non-taxable UK dividends | (167) | (368) |
| Non-taxable overseas dividends | (12) | (47) |
| Excess management expenses | 51 | 47 |
| Total taxation | - | - |

Notes to the Financial Statements cont.

6 Distributions

| | 2021 | 2020 |
|--|------------|--------------|
| | £'000 | £'000 |
| Final to 31 January | 785 | 1,865 |
| Amounts deducted on cancellation of shares | (20) | 47 |
| Amounts added on issue of shares | 6 | (68) |
| Total distributions | 771 | 1,844 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Table.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 641 | 1,842 |
| Add capital transfers for deficits of income | 130 | 3 |
| Add distributable revenue brought forward | 1 | - |
| Less distributable revenue carried forward | (1) | (1) |
| Net distributions for the year | 771 | 1,844 |

8 Debtors

| | 2021 | 2020 |
|--------------------------------|------------|--------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 86 | 3,036 |
| Sales awaiting settlement | - | 15 |
| Accrued income | 79 | 112 |
| Overseas tax recoverable | 59 | 104 |
| Other debtors | - | 1 |
| Total debtors | 224 | 3,268 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Sterling bank accounts | 26,897 | 2,332 |
| Total cash and bank balances | 26,897 | 2,332 |

Notes to the Financial Statements cont.

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 182 | 35 |
| Purchases awaiting settlement | 3,959 | 2,662 |
| Due to the ACD or associates | 37 | 17 |
| Due to the Depositary or associates | 5 | 2 |
| Other accrued expenses | 7 | 5 |
| Total other creditors | 4,190 | 2,721 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|-------|-------|
| | % | % |
| ACD and associates of the ACD | 27.14 | 29.18 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 233,631 | 291,833 | (235,585) | (1,974) | 287,905 |
| B Accumulation Shares | 2,555,067 | 4,288,877 | (1,005,983) | (3,089) | 5,834,872 |
| B Income Shares | 1,064,941 | 497,854 | (120,549) | 6,709 | 1,448,955 |
| C Accumulation Shares | 16,060,635 | 2,680,445 | (16,326) | - | 18,724,754 |
| C Income Shares | 1,000 | 1,000 | (1,000) | - | 1,000 |

Notes to the Financial Statements cont.

13 Basis of valuation

| | 2021 | 2020 |
|---|----------------|----------------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | 273,240 | 169,329 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data ¹ | - | - |
| Total | 273,240 | 169,329 |

¹For further information on the assets included in Level 3, as at 31 January 2021, please refer to the Portfolio Statement.

Distribution Table

Final distribution for the year ended 31 January 2021

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |
| B Accumulation | | | | |
| Group 1 | - | - | - | 4.58000 |
| Group 2 | - | - | - | 4.58000 |
| B Income | | | | |
| Group 1 | - | - | - | 3.26000 |
| Group 2 | - | - | - | 3.26000 |
| C Accumulation | | | | |
| Group 1 | 4.19000 | - | 4.19000 | 10.67000 |
| Group 2 | 1.58409 | 2.60591 | 4.19000 | 10.67000 |
| C Income | | | | |
| Group 1 | 2.62000 | - | 2.62000 | 6.75000 |
| Group 2 | 2.62000 | - | 2.62000 | 6.75000 |

BAILLIE GIFFORD

Baillie Gifford Global Alpha Growth Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford Global Alpha Growth Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the MSCI AC World Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world and in any sector. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

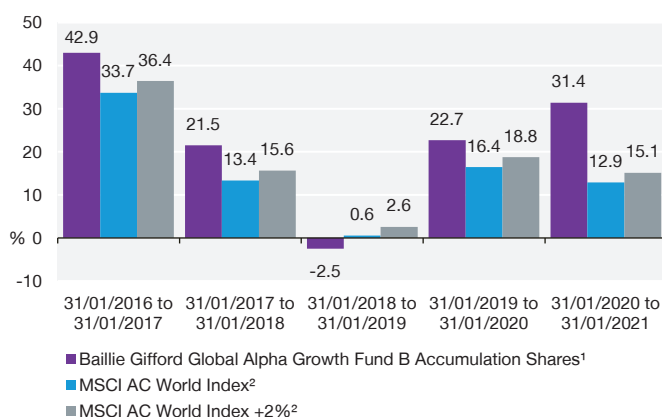
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.57% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.65%), but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to outperform (after fees) the MSCI AC World Index (the 'Index') by at least 2% per annum (the 'target return') over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 32.3%³ compared to the return on the Index of 12.9%² and the target return of 15.1%², in sterling terms. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. Over that period, the annualised return on B Accumulation Shares was 22.0%³ compared to the return on the Index of 14.9%² and the target return of 17.2%².

Global stock markets have been particularly volatile over the reporting period. Fears about the economic impact of Covid-19 triggered a sharp sell-off, which was followed by a remarkable recovery throughout the remainder of the year. As ever, we do not try to second guess where the market may go but instead stick to long-term, bottom up, fundamental stock picking as we search for enduring growth opportunities.

One of the notable features of this market fall and recovery is that the success of some businesses appears to have been reinforced, rather than challenged. Those technology-enabled businesses operating in areas such as e-commerce, gaming, entertainment, food delivery and online education, which were already delivering extremely attractive rates of growth prior to the pandemic, have enjoyed 'demand binges' from locked down consumers. In many cases, competitive positions are likely to have been enhanced as less nimble competitors struggled and trends which we may have expected to play out over the next five to ten years have been condensed to less than a year.

The durability of the growth of these businesses may be subject to debate amidst the upheaval in economies around the world. However, what we have seen over the course of recent months, may be something less like the creative disruption which has upended industries ranging from newspapers to main-street retail over the last decade, and closer to 'creative accumulation', where the innovation and disruption within an industry comes not from new entrants, but from the existing market leaders. Music streaming service Spotify, Canadian e-commerce enabler Shopify, and online luxury fashion retailer

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE and relevant underlying index provider, total return in sterling terms. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Farfetch would all be excellent examples of where we see this combination of (sometimes nascent) market leadership coupled with a fervent desire to continue to reshape their respective industries, backed up with significant investment. Huge (and expanding) addressable markets, restlessly ambitious management teams, a special culture and increasing returns to scale appear to us to be the necessary ingredients in maintaining this process of creative accumulation and as a result, sustaining high rates of growth over long periods of time.

Turning to performance, among the top contributors were Tesla and SEA, both of which have delivered strong operational results. Tesla continues to impress, with its share price ending the period six times higher than it began, driven by record production levels, Chinese demand and lack of serious competitors. SEA, the South East Asian gaming and e-commerce business had a strong 12 months. The pandemic boosted demand for its services whilst its early stage digital payments business – SeaMoney - was granted a digital banking licence in Singapore towards the end of the period. We believe that the long-term opportunity in South East Asia, where only 4% of total retail sales are transacted online, lends an attractive opportunity for SEA to succeed over the long term.

Amongst the detractors is Kirby, the largest operator of inland and coastal barges in the US. Our initial investment case was based on the emerging earnings power of their tank barge business which transports liquids (such as oil and petrochemicals) along inland and coastal waterways. Whilst this business has performed well, now accounting for 65% of Kirby's revenues, management's capital allocation has been disappointing. Profits from Kirby's tank barge business have been increasingly invested in its distribution and services division which manufactures and distributes parts and consumables for the energy and industrial sectors. This division has been performing poorly for a number of years which has led to several profit warnings. Our hope was that the company would divest this division and focus purely on the barge transportation business, where we felt Kirby had a durable competitive advantage. This has not happened and taking all factors into account, we have elected to sell the position from the portfolio.

Our investment approach remains a tried and tested one which centres on bottom-up stock picking and an ability to invest in growth companies anywhere in the world. We undertake regular thematic reviews of the portfolio, the most recent of which highlights a proliferating and reassuringly diverse range of underlying exposures. Our approach has supported a calm and measured response to the developments seen in 2020 and has allowed us to make modest changes to position the portfolio for future growth. We continue to focus on looking for durable growth opportunities, in companies with deepening competitive advantages and rising real earnings power. Our aim is to ensure that the portfolio has exposure to a collection of the best growth businesses around the world for the next five years and beyond.

Baillie Gifford & Co, 16 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|----------------------|-----------------------------|
| Naspers | 3.50 |
| Amazon.com | 2.82 |
| Alphabet Inc Class C | 2.77 |
| Meituan Dianping | 2.25 |
| Microsoft | 2.15 |
| TSMC | 2.15 |
| Moody's | 2.12 |
| SoftBank Group | 2.08 |
| Alibaba | 2.06 |
| SEA Ltd ADR | 2.03 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|----------------------|---------------|--------------------------|-------------------|
| TSMC | 79,404 | Tesla Inc | 134,885 |
| Rio Tinto | 70,722 | TSMC ADR | 79,290 |
| SoftBank Group | 66,222 | Amazon.com | 77,576 |
| Ryanair | 50,920 | Visa Inc-Class A Shares | 67,117 |
| Estee Lauder | 48,594 | SAP | 66,044 |
| adidas | 45,743 | Alibaba | 51,588 |
| Booking Holdings Inc | 45,687 | Zillow Group Inc Class C | 44,748 |
| CBRE Group Inc | 40,608 | Schindler 'P' | 39,916 |
| Naspers | 28,628 | Waters | 38,223 |
| BHP Group PLC | 27,489 | Thermo Fisher Scientific | 35,083 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|----------------------------------|------------|--------------------|-----------------------|
| Australia - 0.25% (0.50%) | | | |
| Orica | 1,324,714 | 11,287 | 0.25 |
| Brazil - 0.59% (1.75%) | | | |
| B3 S.A. | 3,330,800 | 26,549 | 0.59 |
| Canada - 2.62% (2.46%) | | | |
| Fairfax Financial Holdings | 79,566 | 20,990 | 0.47 |
| Ritchie Bros Auctioneers (USA) | 191,506 | 8,216 | 0.18 |
| Shopify 'A' | 110,493 | 88,309 | 1.97 |
| China - 7.80% (7.41%) | | | |
| Alibaba | 499,423 | 92,349 | 2.06 |
| Autohome Inc - ADR | 263,673 | 21,164 | 0.47 |
| Brilliance China Automotive | 26,052,000 | 14,900 | 0.33 |
| KE Holdings ADR | 235,044 | 10,114 | 0.23 |
| Meituan Dianping | 3,018,700 | 100,873 | 2.25 |
| Ping An Healthcare & Tech | 1,888,500 | 17,089 | 0.38 |
| Ping An Insurance | 6,765,500 | 58,012 | 1.30 |
| Tencent Music Entertainment ADR | 1,804,008 | 35,103 | 0.78 |
| Denmark - 0.61% (0.50%) | | | |
| Genmab | 94,256 | 27,470 | 0.61 |
| France - 1.99% (2.31%) | | | |
| Pernod Ricard SA | 491,527 | 67,709 | 1.51 |
| Ubisoft Entertainment | 295,298 | 21,496 | 0.48 |
| Germany - 1.51% (2.57%) | | | |
| adidas | 176,624 | 40,941 | 0.92 |
| Deutsche Boerse | 226,320 | 26,540 | 0.59 |
| Hong Kong - 1.94% (2.38%) | | | |
| AIA Group | 9,043,600 | 79,627 | 1.77 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|------------------------------------|-----------|-----------------------|--------------------------|
| Sands China | 2,590,000 | 7,492 | 0.17 |
| India - 2.46% (3.61%) | | | |
| HDFC Corp | 1,912,529 | 45,390 | 1.01 |
| ICICI Bank ADR | 2,378,732 | 26,140 | 0.58 |
| Reliance Inds. GDR | 1,055,196 | 38,882 | 0.87 |
| Ireland - 3.05% (2.86%) | | | |
| CRH | 1,692,062 | 51,134 | 1.14 |
| Ryanair | 6,770,946 | 85,633 | 1.91 |
| Japan - 8.34% (7.62%) | | | |
| Advantest Corp | 906,800 | 52,289 | 1.17 |
| CyberAgent Inc | 732,500 | 33,474 | 0.75 |
| Hoshizaki Corp | 192,200 | 12,380 | 0.28 |
| MS&AD Insurance | 1,475,000 | 30,820 | 0.69 |
| Olympus | 4,613,256 | 60,631 | 1.35 |
| SMC | 92,800 | 40,898 | 0.91 |
| SoftBank Group | 1,656,200 | 93,404 | 2.08 |
| Sysmex Corp. | 586,400 | 49,904 | 1.11 |
| Netherlands - 2.09% (1.83%) | | | |
| Adyen Nv | 15,688 | 23,866 | 0.53 |
| Just Eat Takeaway.com | 232,840 | 19,493 | 0.44 |
| Prosus N.V. | 592,970 | 50,258 | 1.12 |
| Norway - 0.94% (1.03%) | | | |
| Adevinta | 1,080,052 | 11,753 | 0.26 |
| Schibsted | 916,879 | 25,215 | 0.56 |
| Schibsted B | 217,191 | 5,067 | 0.12 |
| Russia - 0.79% (1.18%) | | | |
| Mail.ru Group GDR | 621,622 | 11,792 | 0.27 |
| Sberbank Spon ADR | 2,332,082 | 23,369 | 0.52 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| Singapore - 2.03% (0.83%) | | | |
| SEA Ltd ADR | 576,860 | 90,915 | 2.03 |
| South Africa - 3.50% (2.77%) | | | |
| Naspers | 931,298 | 156,702 | 3.50 |
| Sweden - 2.08% (1.75%) | | | |
| Atlas Copco B | 1,199,999 | 41,162 | 0.92 |
| Epiroc B | 2,143,078 | 27,071 | 0.60 |
| Spotify Technology SA | 109,736 | 25,179 | 0.56 |
| Switzerland - 0.66% (1.84%) | | | |
| Richemont | 436,167 | 29,593 | 0.66 |
| Taiwan - 2.15% (1.34%) | | | |
| TSMC | 6,255,000 | 96,136 | 2.15 |
| UK - 6.22% (4.84%) | | | |
| BHP Group PLC | 3,040,030 | 61,150 | 1.36 |
| Farfetch | 1,095,789 | 48,860 | 1.09 |
| Hays | 7,499,259 | 10,552 | 0.24 |
| Prudential | 6,764,411 | 79,313 | 1.77 |
| Rio Tinto | 1,242,024 | 69,404 | 1.55 |
| Wizz Air Holdings Plc | 216,020 | 9,419 | 0.21 |
| United States - 47.89% (47.47%) | | | |
| Abiomed | 109,075 | 27,661 | 0.62 |
| AJ Gallagher & Co | 671,351 | 56,375 | 1.26 |
| Albemarle | 350,788 | 41,486 | 0.93 |
| Alnylam Pharmaceuticals | 398,739 | 43,695 | 0.97 |
| Alphabet Inc Class C | 93,050 | 124,138 | 2.77 |
| Amazon.com | 54,217 | 126,569 | 2.82 |
| Anthem Inc | 347,101 | 75,004 | 1.67 |
| Axon Enterprise Inc | 325,353 | 38,895 | 0.87 |
| Booking Holdings Inc | 30,328 | 42,824 | 0.96 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--------------------------------|---------|-----------------------|--------------------------|
| Broadridge Financial Solutions | 355,220 | 36,554 | 0.82 |
| CBRE Group Inc | 912,141 | 40,459 | 0.90 |
| Charles Schwab | 659,611 | 24,738 | 0.55 |
| Chegg | 441,470 | 30,612 | 0.68 |
| Cloudflare Inc | 754,877 | 42,142 | 0.94 |
| CoStar Group | 30,064 | 19,688 | 0.44 |
| Datadog | 304,043 | 22,750 | 0.51 |
| Doordash Inc | 50,476 | 7,099 | 0.16 |
| EOG Resources | 683,773 | 25,360 | 0.57 |
| Estee Lauder | 264,949 | 45,660 | 1.02 |
| Facebook | 248,582 | 46,735 | 1.04 |
| Howard Hughes | 285,682 | 17,902 | 0.40 |
| Iac/Interactivecorp | 140,141 | 21,386 | 0.48 |
| Illumina | 122,956 | 38,122 | 0.85 |
| Interactive Brokers Group | 344,070 | 15,332 | 0.34 |
| Jefferies Financial | 883,600 | 15,025 | 0.34 |
| LendingTree | 63,214 | 14,946 | 0.33 |
| Lyft Inc | 638,684 | 20,679 | 0.46 |
| Markel | 37,072 | 26,174 | 0.58 |
| Martin Marietta Materials | 334,744 | 70,062 | 1.56 |
| Mastercard | 367,327 | 84,532 | 1.89 |
| Microsoft | 572,086 | 96,536 | 2.15 |
| Moderna Inc | 378,872 | 47,731 | 1.06 |
| Moody's | 490,713 | 95,077 | 2.12 |
| Netflix Inc | 76,320 | 29,562 | 0.66 |
| Novocure Ltd | 313,568 | 36,696 | 0.82 |
| ResMed | 263,027 | 38,542 | 0.86 |
| S&P Global Inc | 62,740 | 14,478 | 0.32 |
| Seagen Inc | 271,958 | 32,509 | 0.73 |
| Service Corp.Intl. | 931,691 | 34,202 | 0.76 |
| SiteOne Landscape Supply | 341,144 | 39,272 | 0.88 |
| Snowflake Inc | 44,358 | 8,790 | 0.20 |
| Stericycle | 401,334 | 19,126 | 0.43 |
| Teladoc | 303,025 | 58,301 | 1.30 |
| Teradyne | 564,963 | 46,630 | 1.04 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|---------|-----------------------|--------------------------|
| Tesla Inc | 148,821 | 85,965 | 1.92 |
| The Trade Desk | 98,622 | 54,942 | 1.23 |
| Thermo Fisher Scientific | 130,436 | 48,367 | 1.08 |
| Twilio Inc | 110,501 | 28,914 | 0.64 |
| Wabtec | 334,115 | 18,037 | 0.40 |
| Wayfair Inc | 115,268 | 22,858 | 0.51 |
| Zillow Group Inc Class C | 497,847 | 47,290 | 1.05 |
| Portfolio of investments | | 4,459,907 | 99.51 |
| Net other assets - 0.49% (1.15%) | | 22,073 | 0.49 |
| Net assets | | 4,481,980 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 305.74 | 255.62 | 262.61 |
| Return before operating charges* | 99.89 | 54.28 | (3.22) |
| Operating charges | (4.56) | (4.16) | (3.77) |
| Return after operating charges* | 95.33 | 50.12 | (6.99) |
| Distributions | 0.00 | 0.00 | 0.00 |
| Retained distributions on accumulation shares | 0.00 | 0.00 | 0.00 |
| Closing net asset value per share | 401.07 | 305.74 | 255.62 |
| *After direct transaction costs of: | 0.16 | 0.06 | 0.10 |
| Performance: | | | |
| Return after charges | 31.18% | 19.61% | (2.66)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 562 | 11,460 | 12,612 |
| Closing number of shares | 140,189 | 3,748,237 | 4,933,837 |
| Operating charges | 1.45% | 1.45% | 1.44% |
| Direct transaction costs ¹ | 0.05% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 426.3 | 323.4 | 283.9 |
| Lowest share price (pence) | 242.4 | 257.7 | 234.1 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 333.91 | 276.81 | 281.97 |
| Return before operating charges* | 110.02 | 58.94 | (3.49) |
| Operating charges | (2.22) | (1.84) | (1.67) |
| Return after operating charges* | 107.80 | 57.10 | (5.16) |
| Distributions | (1.02) | (2.23) | (1.81) |
| Retained distributions on accumulation shares | 1.02 | 2.23 | 1.81 |
| Closing net asset value per share | 441.71 | 333.91 | 276.81 |
| *After direct transaction costs of: | 0.19 | 0.06 | 0.11 |
| Performance: | | | |
| Return after charges | 32.28% | 20.63% | (1.83)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 1,916,291 | 1,585,740 | 1,651,178 |
| Closing number of shares | 433,838,293 | 474,896,998 | 596,504,064 |
| Operating charges | 0.59% | 0.59% | 0.59% |
| Direct transaction costs ¹ | 0.05% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 469.4 | 353.1 | 306.3 |
| Lowest share price (pence) | 265.1 | 279.1 | 253.3 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 308.44 | 257.41 | 263.91 |
| Return before operating charges* | 101.61 | 54.82 | (3.21) |
| Operating charges | (2.05) | (1.72) | (1.59) |
| Return after operating charges* | 99.56 | 53.10 | (4.80) |
| Distributions on income shares | (0.95) | (2.07) | (1.70) |
| Closing net asset value per share | 407.05 | 308.44 | 257.41 |
| *After direct transaction costs of: | | | |
| | 0.17 | 0.06 | 0.11 |
| Performance: | | | |
| Return after charges | 32.28% | 20.63% | (1.82)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 277,601 | 227,201 | 178,564 |
| Closing number of shares | 68,198,217 | 73,661,262 | 69,369,030 |
| Operating charges | 0.59% | 0.59% | 0.60% |
| Direct transaction costs ¹ | 0.05% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 433.3 | 327.9 | 286.3 |
| Lowest share price (pence) | 244.9 | 259.5 | 236.7 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 355.13 | 292.72 | 296.49 |
| Return before operating charges* | 117.39 | 62.48 | (3.68) |
| Operating charges | (0.08) | (0.07) | (0.09) |
| Return after operating charges* | 117.31 | 62.41 | (3.77) |
| Distributions | (3.37) | (4.25) | (3.62) |
| Retained distributions on accumulation shares | 3.37 | 4.25 | 3.62 |
| Closing net asset value per share | 472.44 | 355.13 | 292.72 |
| *After direct transaction costs of: | 0.20 | 0.07 | 0.12 |
| Performance: | | | |
| Return after charges | 33.03% | 21.32% | (1.27)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 2,169,582 | 1,972,652 | 1,896,926 |
| Closing number of shares | 459,232,005 | 555,480,217 | 648,029,351 |
| Operating charges | 0.02% | 0.02% | 0.03% |
| Direct transaction costs ¹ | 0.05% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 502.0 | 375.5 | 323.1 |
| Lowest share price (pence) | 282.2 | 295.2 | 267.7 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 346.61 | 289.18 | 293.90 ² |
| Return before operating charges* | 114.53 | 61.70 | (1.35) |
| Operating charges | (0.08) | (0.07) | (0.08) |
| Return after operating charges* | 114.45 | 61.63 | (1.43) |
| Distributions on income shares | (3.28) | (4.20) | (3.29) |
| Closing net asset value per share | 457.78 | 346.61 | 289.18 |
| | | | |
| *After direct transaction costs of: | 0.20 | 0.07 | 0.10 |
| | | | |
| Performance: | | | |
| Return after charges | 33.02% | 21.31% | (0.49)% |
| | | | |
| Other Information: | | | |
| Closing net asset value (£'000) | 117,944 | 38,710 | 18,385 |
| Closing number of shares | 25,764,505 | 11,168,125 | 6,357,625 |
| Operating charges | 0.02% | 0.02% | 0.03% |
| Direct transaction costs ¹ | 0.05% | 0.02% | 0.04% |
| | | | |
| Prices: | | | |
| Highest share price (pence) | 489.1 | 370.2 | 322.1 |
| Lowest share price (pence) | 275.5 | 291.6 | 266.8 |

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

²Class C Income Shares were launched on 21 March 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | Notes | 2021 | | 2020 | |
|---|-------|----------|------------------|----------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 1,220,260 | | 714,967 |
| Revenue | 3 | 40,025 | | 59,014 | |
| Expenses | 4 | (12,480) | | (11,366) | |
| Net revenue before taxation | | 27,545 | | 47,648 | |
| Taxation | 5 | (3,454) | | (4,968) | |
| Net revenue after taxation | | | 24,091 | | 42,680 |
| Total return before distributions | | | 1,244,351 | | 757,647 |
| Distributions | 6 | | (24,063) | | (42,762) |
| Change in net assets attributable to shareholders from investment activities | | | 1,220,288 | | 714,885 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-------------|------------------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 3,835,763 | | 3,757,665 |
| Amounts receivable on issue of shares | 477,975 | | 434,579 | |
| Amounts payable on cancellation of shares | (1,044,562) | | (593,666) | |
| Creation of shares settled by transfer of stocks | - | | 180,799 | |
| Stocks transferred out on cancellation of shares | (29,904) | | (696,225) | |
| | | (596,491) | | (674,513) |
| Dilution adjustment | | 1,643 | | 1,115 |
| Change in net assets attributable to shareholders from investment activities | | 1,220,288 | | 714,885 |
| Retained distributions on accumulation shares | | 20,777 | | 36,611 |
| Closing net assets attributable to shareholders | | 4,481,980 | | 3,835,763 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|------------------|------------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 4,459,907 | 3,791,784 |
| Current assets: | | | |
| Debtors | 8 | 78,255 | 23,917 |
| Cash and bank balances | 9 | 30,333 | 48,787 |
| Total assets | | 4,568,495 | 3,864,488 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | 9 | (12,431) | (11,175) |
| Distributions payable | | (1,082) | (1,621) |
| Other creditors | 10 | (73,002) | (15,929) |
| Total liabilities | | (86,515) | (28,725) |
| Net assets attributable to shareholders | | 4,481,980 | 3,835,763 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|------------------|----------------|
| | £'000 | £'000 |
| Non-derivative securities | 1,224,987 | 713,082 |
| Currency gains/(losses) | (4,725) | 1,895 |
| Transaction costs | (2) | (10) |
| Net capital gains/(losses) | 1,220,260 | 714,967 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|------------------|----------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Purchases of equities | 1,125,004 | 665,282 |
| Equity transferred in | - | 182,286 |
| Gross purchases of equities excluding transaction costs | 1,125,004 | 847,568 |
| Commissions | 508 | 239 |
| Taxes | 1,219 | 292 |
| Total transaction costs on equity purchases ¹ | 1,727 | 531 |
| Purchases including transaction costs | 1,126,731 | 848,099 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.05 | 0.03 |
| Taxes on equity purchases | 0.11 | 0.03 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Sales of equity | 1,655,539 | 809,088 |
| Equity transferred out | 28,673 | 671,557 |
| Gross sales of equities excluding transaction costs | 1,684,212 | 1,480,645 |
| Commissions | (484) | (336) |
| Taxes | (142) | (65) |
| Total transaction costs on equity sales ¹ | (626) | (401) |
| Sales net of transaction costs | 1,683,586 | 1,480,244 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.03) | (0.02) |
| Taxes on equity sales | (0.01) | (0.00) |

| | 2021 | | 2020 | |
|---------------------------------------|--------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 992 | 0.02 | 575 | 0.01 |
| Taxes | 1,361 | 0.03 | 357 | 0.01 |
| Total direct transaction costs | 2,353 | 0.05 | 932 | 0.02 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.06 | 0.05 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|----------------------|---------------|---------------|
| | £'000 | £'000 |
| UK dividends | 4,927 | 7,795 |
| Overseas dividends | 35,086 | 51,026 |
| Bank interest | 11 | 193 |
| Other income | 1 | - |
| Total revenue | 40,025 | 59,014 |

4 Expenses

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 11,829 | 10,566 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 302 | 313 |
| Bank charges | 337 | 433 |
| | 639 | 746 |
| Other expenses: | | |
| Audit fee | 6 | 6 |
| Non-audit fees paid to auditor | 5 | - |
| Professional fees | 1 | 48 |
| | 12 | 54 |
| Total expenses | 12,480 | 11,366 |

Notes to the Financial Statements cont.

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Overseas tax | 3,691 | 4,746 |
| Prior year tax reclaims written off | 41 | 395 |
| Tax recoverable on overseas dividends | (278) | (173) |
| Total taxation | 3,454 | 4,968 |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £46,929,000 (2020: £34,765,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 27,545 | 47,648 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 5,509 | 9,529 |
| Effects of: | | |
| Non-taxable UK dividends | (985) | (1,559) |
| Non-taxable overseas dividends | (6,946) | (9,825) |
| Overseas tax on dividends | 3,691 | 4,746 |
| Excess management expenses | 2,433 | 1,912 |
| Prior year tax reclaims written off | 41 | 395 |
| Tax recoverable on overseas dividends | (278) | (173) |
| Expense relief claimed on overseas tax | (11) | (57) |
| Total taxation | 3,454 | 4,968 |

Notes to the Financial Statements cont.

6 Distributions

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Interim to 31 July | 6,522 | 11,906 |
| Final to 31 January | 15,791 | 26,699 |
| | 22,313 | 38,605 |
| Amounts deducted on cancellation of shares | 2,893 | 7,261 |
| Amounts added on issue of shares | (1,143) | (3,104) |
| Total distributions | 24,063 | 42,762 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 24,091 | 42,680 |
| Add capital transfers for deficits of income | 3 | 15 |
| Add distributable revenue brought forward | 8 | 75 |
| Less distributable revenue carried forward | (39) | (8) |
| Net distributions for the year | 24,063 | 42,762 |

8 Debtors

| | 2021 | 2020 |
|--------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 3,327 | 16,844 |
| Sales awaiting settlement | 72,087 | 3,964 |
| Accrued income | 422 | 542 |
| Overseas tax recoverable | 2,405 | 2,501 |
| VAT recoverable | 14 | 10 |
| Other debtors | - | 56 |
| Total debtors | 78,255 | 23,917 |

Notes to the Financial Statements cont.

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Sterling bank accounts | 14,161 | 24,628 |
| Foreign currency bank accounts | 16,172 | 24,159 |
| | 30,333 | 48,787 |
| Sterling bank accounts overdrawn | (12,431) | (11,175) |
| Total cash and bank balances | 17,902 | 37,612 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 29,917 | 7,262 |
| Purchases awaiting settlement | 41,908 | 7,614 |
| Due to the ACD or associates | 1,039 | 912 |
| Due to the Depositary or associates | 127 | 131 |
| Other accrued expenses | 11 | 10 |
| Total other creditors | 73,002 | 15,929 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|-------|
| | % | % |
| ACD and associates of the ACD | 6.04 | 10.25 |

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 3,748,237 | 591,614 | (3,014,292) | (1,185,370) | 140,189 |
| B Accumulation Shares | 474,896,998 | 100,173,951 | (140,398,472) | (834,184) | 433,838,293 |
| B Income Shares | 73,661,262 | 9,394,341 | (16,931,155) | 2,073,769 | 68,198,217 |
| C Accumulation Shares | 555,480,217 | 22,717,448 | (95,555,225) | (23,410,435) | 459,232,005 |
| C Income Shares | 11,168,125 | - | (9,387,372) | 23,983,752 | 25,764,505 |

13 Basis of valuation

| | 2021 Assets £'000 | 2020 Assets £'000 |
|---------------------------------|-------------------------|-------------------------|
| Level 1: Quoted prices | 4,459,907 | 3,791,784 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 4,459,907 | 3,791,784 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 11,287 | 11,287 | - | 19,338 | 19,338 |
| Brazilian real | - | 26,549 | 26,549 | - | 67,015 | 67,015 |
| Canadian dollar | - | 20,991 | 20,991 | - | 29,317 | 29,317 |
| Danish krone | - | 27,469 | 27,469 | - | 19,375 | 19,375 |
| Euro | - | 316,442 | 316,442 | - | 312,809 | 312,809 |
| Hong Kong dollar | - | 277,994 | 277,994 | - | 203,002 | 203,002 |
| Indian rupee | - | 45,390 | 45,390 | - | 52,483 | 52,483 |
| Japanese yen | - | 373,800 | 373,800 | - | 292,194 | 292,194 |
| Norwegian krona | - | 42,034 | 42,034 | - | 39,673 | 39,673 |
| South African rand | - | 156,702 | 156,702 | - | 106,446 | 106,446 |
| Swedish krona | - | 68,233 | 68,233 | - | 52,854 | 52,854 |
| Swiss franc | - | 29,593 | 29,593 | - | 70,447 | 70,447 |
| Taiwanese dollar | - | 96,136 | 96,136 | - | - | - |
| UK sterling | 1,731 | 300,465 | 302,196 | 13,453 | 239,745 | 253,198 |
| US dollar | 16,172 | 2,666,820 | 2,682,992 | 24,159 | 2,287,086 | 2,311,245 |

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |
| B Accumulation | | | | |
| Group 1 | 0.35000 | - | 0.35000 | 0.40000 |
| Group 2 | - | 0.35000 | 0.35000 | 0.40000 |
| B Income | | | | |
| Group 1 | 0.30000 | - | 0.30000 | 0.40000 |
| Group 2 | - | 0.30000 | 0.30000 | 0.40000 |
| C Accumulation | | | | |
| Group 1 | 0.80000 | - | 0.80000 | 1.30000 |
| Group 2 | - | 0.80000 | 0.80000 | 1.30000 |
| C Income | | | | |
| Group 1 | 0.80000 | - | 0.80000 | 0.70000 |
| Group 2 | 0.80000 | - | 0.80000 | 0.70000 |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |
| B Accumulation | | | | |
| Group 1 | 0.67000 | - | 0.67000 | 1.83000 |
| Group 2 | - | 0.67000 | 0.67000 | 1.83000 |
| B Income | | | | |
| Group 1 | 0.65000 | - | 0.65000 | 1.67000 |
| Group 2 | - | 0.65000 | 0.65000 | 1.67000 |
| C Accumulation | | | | |
| Group 1 | 2.57000 | - | 2.57000 | 2.95000 |
| Group 2 | 0.51247 | 2.05753 | 2.57000 | 2.95000 |
| C Income | | | | |
| Group 1 | 2.48000 | - | 2.48000 | 3.50000 |
| Group 2 | 2.48000 | - | 2.48000 | 3.50000 |

BAILLIE GIFFORD

Baillie Gifford Global Income Growth Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford Global Income Growth Fund

Investment Objective

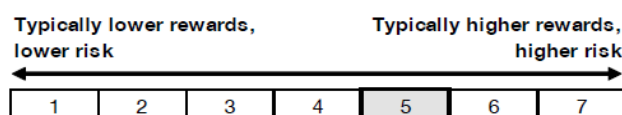
The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods.

Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world and of any size and in any sector. Currency forwards, which are types of financial contracts, may be used for the management of risk. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as investments such as bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment.

The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of the Fund and the distributions paid by the Fund to shareholders.

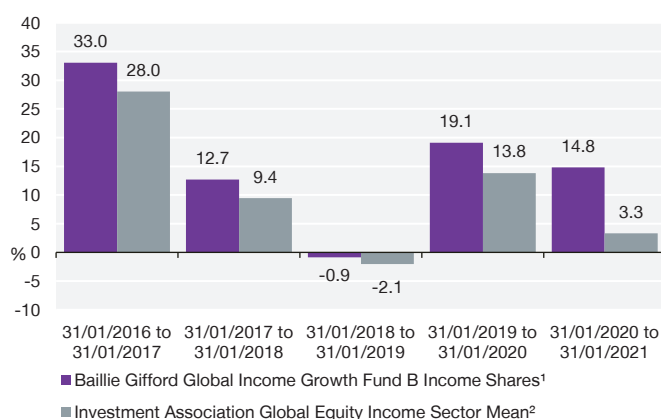
Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Fees Allocated to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 31 January 2021 100% of expenses were allocated to capital (year to 31 January 2020: 91%). This will reduce the capital value of the Fund. This number will vary from year to year.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the ACD's annual fee of 0.50% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.65%, and between 1 October 2017 and 30 September 2020, the ACD's annual fee was 0.57%), but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to achieve growth in both income and capital (after fees) over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index (the 'Index'). For the year to 31 January 2021 the return on B Income Shares was 15.1%³ and the Fund declared income totalling 20.06 pence per share giving a yield of 2.3%³ compared to the Index of 1.6%⁴. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. Over that period, the increase in income on B Income Shares was 18.9%³ and the capital return was 70.8%³. The calculated annualised five year yield⁵ on B Income Shares was 2.2%³ compared to the Index of 1.7%⁴.

Needless to say, this has been the strangest year of our careers. It has also been a lesson in how adaptable humans and human systems can be. The companies we invest in proved themselves to be as adaptable and responsive as we could have hoped. We have a strong bias towards capital-light businesses, because we think

these are the ones that will be best able to pay resilient dividends and grow substantially over time. That was a big help in 2020.

The year was an extraordinary test and the vast majority of our holdings grew their dividends in 2020. This resilience was all the more reassuring because during the year many boards at other companies around the world were deciding to suspend dividends altogether. We estimate that UK dividends have fallen by circa 40%, while global equity market dividends will turn out to be 15%-20% lower in 2020 than in 2019. This contrasts strongly with the Fund which saw its income for the current financial year fall by less than three percent.

The biggest positive contributors to performance over the year to 31 January 2021 happen to be located in Asia – Chinese furniture maker Man Wah, Taiwanese semiconductor company TSMC, and Chinese leading sportswear company Anta Sports. These are all businesses that benefited from a rapid normalisation of some of their end markets, and which responded quickly and effectively to increased demand for their products.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: FE and relevant underlying index provider, total return in sterling terms. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset values, income reinvested. ⁴Source: UBS and relevant underlying Index provider, 31 December 2020. You should be aware that past performance is not a guide to future performance. ⁵The annualised yield is calculated as the average of historic yields at each period end. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

We think this speaks to the value of a global opportunity set and making the broadest use of that. Of the other stocks we own, Hiscox has been the biggest operational disappointment this year – but having reviewed the case, we think there are grounds for cautious optimism.

In the early stages of the pandemic, there was a temptation for many income investors to emphasise ‘defence’ – stocks that offered very high near-term visibility of income, even if the long-term prospects of those companies were weak. However, we felt strongly that taking such a short-term focus was unlikely to be the right thing to do and instead asked ourselves: which stocks are best placed to grow our clients’ income over the next five or ten years?

That’s why earlier this year we bought holdings in investment platform Hargreaves Lansdown, and medical devices leader Medtronic. More recently, we bought shares in the Taiwanese company Silicon Motion. It makes controllers for solid state drives (SSDs), which are taking share from other types of memory devices in many different areas. Another recent purchase is NetEase, one of China’s most successful video game companies. It has the potential for very strong continued profit growth as it launches new titles, and a very cash-generative business model which should enable it to pay rapidly growing dividends over the next five years. Finally, we also bought shares in Fevertree Drinks. It sells premium mixers and is best known in the UK for its tonic waters. However, the appeal to us is the position it is building in the US market, based around a wider range of mixers, and could be several times larger than the UK business in time.

Later in the year, we sold Prudential, the UK financial services company. It has reassessed its commitment to the dividend as it has pivoted the business towards Asia, and we have concluded that this makes it a poor fit for our strategy. We also sold Swedish engineering company Sandvik, where a change in management and the decision to suspend the dividend this year has undermined our conviction in the long-term case for resilient dividend growth.

The past year was very difficult for income investing, and we were pleased by the resilience of income within our portfolio. The great recent news on vaccines means

that we are now on a surer path to economic recovery and for many of the companies we invest in, business activity levels are now above pre-pandemic levels. But we remain focused on the long-term prospects for our companies, as the biggest driver of long-term dividends and returns will be whether they can deliver material growth in their business over the next five or ten years.

Baillie Gifford & Co, 15 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|----------------------|-----------------------------|
| TSMC ADR | 4.81 |
| UPS | 3.13 |
| Sonic Healthcare | 2.99 |
| ANTA Sports Products | 2.93 |
| Roche | 2.89 |
| Microsoft | 2.89 |
| Man Wah Holdings Ltd | 2.89 |
| Fastenal | 2.80 |
| Procter & Gamble | 2.80 |
| Admiral Group | 2.55 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|-------------------------------|---------------|------------------|-------------------|
| UPS | 9,954 | Prudential | 12,694 |
| Hargreaves Lansdown | 8,820 | Coca Cola | 9,162 |
| Cisco Systems | 8,569 | Sandvik | 8,213 |
| Procter & Gamble | 7,750 | Total | 6,952 |
| Nestle | 7,748 | Microsoft | 6,698 |
| Roche | 7,515 | Procter & Gamble | 6,043 |
| Fevertree Drinks | 7,043 | TJX Companies | 5,834 |
| Silicon Motion Technology ADR | 6,952 | Roche | 5,656 |
| NetEase HK Line | 6,831 | UPS | 5,601 |
| Medtronic | 6,472 | Sonic Healthcare | 5,083 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|----------------------------------|------------|-----------------------|--------------------------|
| Australia - 4.45% (5.54%) | | | |
| Carsales.com | 891,749 | 9,775 | 1.46 |
| Sonic Healthcare | 1,042,964 | 20,023 | 2.99 |
| Brazil - 2.18% (3.55%) | | | |
| B3 S.A. | 1,828,000 | 14,571 | 2.18 |
| China - 1.99% (1.08%) | | | |
| NetEase HK Line | 493,000 | 8,237 | 1.23 |
| Want Want China | 9,729,000 | 5,099 | 0.76 |
| Denmark - 1.97% (1.65%) | | | |
| Novo Nordisk | 259,394 | 13,177 | 1.97 |
| France - 6.56% (7.98%) | | | |
| Edenred | 385,053 | 15,245 | 2.28 |
| Kering | 18,652 | 8,937 | 1.33 |
| Pernod Ricard SA | 43,157 | 5,945 | 0.89 |
| Schneider Electric SE | 128,901 | 13,788 | 2.06 |
| Germany - 3.14% (3.89%) | | | |
| Deutsche Boerse | 142,442 | 16,704 | 2.50 |
| SAP | 46,352 | 4,298 | 0.64 |
| Hong Kong - 8.43% (5.07%) | | | |
| ANTA Sports Products | 1,629,327 | 19,633 | 2.93 |
| China Mobile | 1,126,500 | 5,004 | 0.75 |
| Hong Kong Exchanges & Clearing | 266,800 | 12,464 | 1.86 |
| Man Wah Holdings Ltd | 11,967,200 | 19,309 | 2.89 |
| Ireland - 0.89% (0.00%) | | | |
| Medtronic | 73,561 | 5,960 | 0.89 |
| Japan - 1.79% (2.15%) | | | |
| Sumitomo Mitsui Trust | 262,900 | 5,727 | 0.86 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|-------------------------------------|-----------|-----------------------|--------------------------|
| USS Co | 434,300 | 6,223 | 0.93 |
| Mexico - 1.08% (1.50%) | | | |
| Kimberly-Clark De Mexico | 5,560,552 | 7,208 | 1.08 |
| Netherlands - 1.52% (1.64%) | | | |
| Wolters Kluwer NV | 168,658 | 10,206 | 1.52 |
| Singapore - 1.17% (1.40%) | | | |
| United Overseas Bank | 613,400 | 7,859 | 1.17 |
| South Africa - 0.97% (1.24%) | | | |
| AVI | 1,773,662 | 6,480 | 0.97 |
| Spain - 0.62% (1.85%) | | | |
| Amadeus IT Group SA | 89,698 | 4,168 | 0.62 |
| Sweden - 2.12% (3.80%) | | | |
| Atlas Copco A | 355,852 | 14,166 | 2.12 |
| Switzerland - 9.06% (9.62%) | | | |
| Kuehne & Nagel | 49,715 | 8,262 | 1.23 |
| Nestle | 202,463 | 16,581 | 2.48 |
| Partners Group | 19,052 | 16,446 | 2.46 |
| Roche | 76,995 | 19,360 | 2.89 |
| Taiwan - 5.96% (2.28%) | | | |
| Silicon Motion Technology ADR | 214,362 | 7,711 | 1.15 |
| TSMC ADR | 363,366 | 32,140 | 4.81 |
| UK - 12.18% (13.97%) | | | |
| Admiral Group | 592,648 | 17,074 | 2.55 |
| British American Tobacco | 160,838 | 4,274 | 0.64 |
| British American Tobacco - ADR | 95,121 | 2,530 | 0.38 |
| Experian | 376,002 | 9,611 | 1.44 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|--------------------|-----------------------|
| Fevertree Drinks | 292,406 | 7,135 | 1.07 |
| Glaxosmithkline | 664,031 | 9,009 | 1.35 |
| Greencoat UK Wind | 5,962,408 | 8,157 | 1.22 |
| Hargreaves Lansdown | 547,009 | 9,343 | 1.39 |
| Hiscox | 624,238 | 5,832 | 0.87 |
| Rio Tinto | 152,679 | 8,532 | 1.27 |
| United States - 33.31% (30.99%) | | | |
| AJ Gallagher & Co | 71,264 | 5,984 | 0.89 |
| Albemarle | 103,635 | 12,256 | 1.83 |
| Analog Devices | 122,763 | 13,147 | 1.96 |
| Apple | 148,491 | 14,252 | 2.13 |
| CH Robinson | 205,379 | 12,773 | 1.91 |
| Cisco Systems | 220,915 | 7,170 | 1.07 |
| Coca Cola | 334,610 | 11,730 | 1.75 |
| Cullen/Frost Bankers | 83,840 | 5,620 | 0.84 |
| Dolby Laboratories | 107,778 | 6,898 | 1.03 |
| Fastenal | 564,824 | 18,740 | 2.80 |
| McDonald's | 64,922 | 9,818 | 1.47 |
| Microsoft | 114,546 | 19,329 | 2.89 |
| National Instruments Corp | 347,661 | 10,479 | 1.57 |
| Pepsico | 149,120 | 14,822 | 2.22 |
| Procter & Gamble | 200,637 | 18,725 | 2.80 |
| T. Rowe Price | 64,403 | 7,338 | 1.10 |
| UPS | 185,881 | 20,969 | 3.13 |
| Watsco Inc | 73,942 | 12,842 | 1.92 |
| Portfolio of investments | | 665,095 | 99.39 |
| Net other assets - 0.61% (0.80%) | | 4,073 | 0.61 |
| Net assets | | 669,168 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 1,451.73 | 1,245.55 | 1,260.37 |
| Return before operating charges* | 229.00 | 226.57 | 3.48 |
| Operating charges | (21.61) | (20.39) | (18.30) |
| Return after operating charges* | 207.39 | 206.18 | (14.82) |
| Distributions | (37.90) | (37.32) | (35.82) |
| Retained distributions on accumulation shares | 37.90 | 37.32 | 35.82 |
| Closing net asset value per share | 1,659.12 | 1,451.73 | 1,245.55 |
| *After direct transaction costs of: | 0.77 | 0.70 | 0.63 |
| Performance: | | | |
| Return after charges | 14.29% | 16.55% | (1.18)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 3,347 | 2,365 | 1,581 |
| Closing number of shares | 201,771 | 162,757 | 126,884 |
| Operating charges | 1.41% ¹ | 1.45% | 1.45% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 1,726 | 1,535 | 1,349 |
| Lowest share price (pence) | 1,167 | 1,259 | 1,182 |

Comparative Tables cont.

Comparative Table: A Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 668.75 | 589.00 | 613.27 |
| Return before operating charges* | 103.07 | 106.65 | 1.84 |
| Operating charges | (9.78) | (9.55) | (8.81) |
| Return after operating charges* | 93.29 | 97.10 | (6.97) |
| Distributions on income shares | (17.30) | (17.35) | (17.30) |
| Closing net asset value per share | 744.74 | 668.75 | 589.00 |
| | | | |
| *After direct transaction costs of: | 0.35 | 0.33 | 0.30 |
| Performance: | | | |
| Return after charges | 13.95% | 16.49% | (1.14)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 4,529 | 3,402 | 2,827 |
| Closing number of shares | 608,164 | 508,013 | 479,984 |
| Operating charges | 1.41% ¹ | 1.45% | 1.45% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 779.9 | 711.7 | 648.2 |
| Lowest share price (pence) | 537.0 | 595.1 | 563.7 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 1,574.69 | 1,338.72 | 1,343.17 |
| Return before operating charges* | 247.11 | 245.10 | 3.65 |
| Operating charges | (9.37) | (9.13) | (8.10) |
| Return after operating charges* | 237.74 | 235.97 | (4.45) |
| Distributions | (41.22) | (41.31) | (38.33) |
| Retained distributions on accumulation shares | 41.22 | 41.31 | 38.33 |
| Closing net asset value per share | 1,812.43 | 1,574.69 | 1,338.72 |
| *After direct transaction costs of: | 0.84 | 0.76 | 0.68 |
| Performance: | | | |
| Return after charges | 15.10% | 17.63% | (0.33)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 182,644 | 95,096 | 56,462 |
| Closing number of shares | 10,077,306 | 6,036,479 | 4,217,257 |
| Operating charges | 0.56% ³ | 0.60% | 0.60% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 1,885 | 1,663 | 1,445 |
| Lowest share price (pence) | 1,267 | 1,353 | 1,269 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 773.03 | 675.07 | 696.89 |
| Return before operating charges* | 119.35 | 123.15 | 2.08 |
| Operating charges | (4.57) | (4.55) | (4.15) |
| Return after operating charges* | 114.78 | 118.60 | (2.07) |
| Distributions on income shares | (20.06) | (20.64) | (19.75) |
| Closing net asset value per share | 867.75 | 773.03 | 675.07 |
| *After direct transaction costs of: | 0.41 | 0.38 | 0.35 |
| Performance: | | | |
| Return after charges | 14.85% | 17.57% | (0.30)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 192,361 | 86,795 | 55,066 |
| Closing number of shares | 22,167,773 | 11,223,107 | 8,156,424 |
| Operating charges | 0.56% ³ | 0.60% | 0.60% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 908.4 | 822.5 | 740.1 |
| Lowest share price (pence) | 621.6 | 682.1 | 645.5 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 1,670.67 | 1,411.80 | 1,408.32 |
| Return before operating charges* | 261.64 | 259.35 | 3.91 |
| Operating charges | (0.35) | (0.48) | (0.43) |
| Return after operating charges* | 261.29 | 258.87 | 3.48 |
| Distributions | (43.81) | (44.35) | (42.20) |
| Retained distributions on accumulation shares | 43.81 | 44.35 | 42.20 |
| Closing net asset value per share | 1,931.96 | 1,670.67 | 1,411.80 |
| *After direct transaction costs of: | 0.87 | 0.80 | 0.71 |
| Performance: | | | |
| Return after charges | 15.64% | 18.34% | 0.25% |
| Other Information: | | | |
| Closing net asset value (£'000) | 282,066 | 375,020 | 394,256 |
| Closing number of shares | 14,600,000 | 22,447,000 | 27,925,725 |
| Operating charges | 0.02% | 0.03% | 0.03% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 2,010 | 1,764 | 1,520 |
| Lowest share price (pence) | 1,344 | 1,426 | 1,334 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 856.87 | 744.06 | 764.67 |
| Return before operating charges* | 132.17 | 136.23 | 2.04 |
| Operating charges | (0.27) | (0.25) | (0.23) |
| Return after operating charges* | 131.90 | 135.98 | 1.81 |
| Distributions on income shares | (22.29) | (23.17) | (22.42) |
| Closing net asset value per share | 966.48 | 856.87 | 744.06 |
| *After direct transaction costs of: | 0.45 | 0.42 | 0.38 |
| Performance: | | | |
| Return after charges | 15.39% | 18.28% | 0.24% |
| Other Information: | | | |
| Closing net asset value (£'000) | 942 | 1,010 | 981 |
| Closing number of shares | 97,450 | 117,830 | 131,808 |
| Operating charges | 0.03% | 0.03% | 0.03% |
| Direct transaction costs ² | 0.05% | 0.05% | 0.05% |
| Prices: | | | |
| Highest share price (pence) | 1,012 | 911.5 | 814.8 |
| Lowest share price (pence) | 689.5 | 751.8 | 712.0 |

Comparative Tables cont.

Comparative Table: J Accumulation Shares

| | | Financial Period Ended 31 January 2021 (pence per share) |
|---|--|--|
| Change in net assets per share: | | |
| Opening net asset value per share | | 1,341.00 ⁴ |
| Return before operating charges* | | 478.75 |
| Operating charges | | (6.74) |
| Return after operating charges* | | 472.01 |
| Distributions | | (32.51) |
| Retained distributions on accumulation shares | | 32.51 |
| Closing net asset value per share | | 1,813.01 |
| *After direct transaction costs of: | | 0.77 |
| Performance: | | |
| Return after charges | | 35.20% |
| Other Information: | | |
| Closing net asset value (£'000) | | 761 |
| Closing number of shares | | 41,965 |
| Operating charges | | 0.44% ⁵ |
| Direct transaction costs ² | | 0.05% |
| Prices: | | |
| Highest share price (pence) | | 1,886 |
| Lowest share price (pence) | | 1,339 |

Comparative Tables cont.

Comparative Table: J Income Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|--|--|
| Change in net assets per share: | |
| Opening net asset value per share | 654.00 ⁴ |
| Return before operating charges* | 232.37 |
| Operating charges | (3.34) |
| Return after operating charges* | 229.03 |
| Distributions on income shares | (15.76) |
| Closing net asset value per share | 867.27 |
| *After direct transaction costs of: | 0.37 |
| Performance: | |
| Return after charges | 35.02% |
| Other Information: | |
| Closing net asset value (£'000) | 2,516 |
| Closing number of shares | 290,180 |
| Operating charges | 0.45% ⁵ |
| Direct transaction costs ² | 0.05% |
| Prices: | |
| Highest share price (pence) | 907.6 |
| Lowest share price (pence) | 652.8 |

Comparative Tables cont.

Comparative Table: P Accumulation Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|---|--|
| Change in net assets per share: | |
| Opening net asset value per share | 1,736.00 ⁶ |
| Return before operating charges* | 83.10 |
| Operating charges | (2.96) |
| Return after operating charges* | 80.14 |
| Distributions | (7.50) |
| Retained distributions on accumulation shares | 7.50 |
| Closing net asset value per share | 1,816.14 |
| *After direct transaction costs of: | 0.30 |
| Performance: | |
| Return after charges | 4.62% |
| Other Information: | |
| Closing net asset value (£'000) | 1 |
| Closing number of shares | 50 |
| Operating charges | 0.49% ⁷ |
| Direct transaction costs ² | 0.05% |
| Prices: | |
| Highest share price (pence) | 1,889 |
| Lowest share price (pence) | 1,663 |

Comparative Tables cont.

Comparative Table: P Income Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|--|--|
| Change in net assets per share: | |
| Opening net asset value per share | 833.00 ⁶ |
| Return before operating charges* | 39.87 |
| Operating charges | (1.48) |
| Return after operating charges* | 38.39 |
| Distributions on income shares | (3.59) |
| Closing net asset value per share | 867.80 |
| *After direct transaction costs of: | 0.14 |
| Performance: | |
| Return after charges | 4.61% |
| Other Information: | |
| Closing net asset value (£'000) | 1 |
| Closing number of shares | 120 |
| Operating charges | 0.51% ⁷ |
| Direct transaction costs ² | 0.05% |
| Prices: | |
| Highest share price (pence) | 906.0 |
| Lowest share price (pence) | 798.1 |

¹With effect from 1 October 2020, the ACD's annual fee for Class A shares was reduced from 1.42% to 1.35%. As at 31 January 2021 the ACD considered 1.38% to be a more indicative rate for the ongoing charges figure.

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

³With effect from 1 October 2020, the ACD's annual fee for Class B shares was reduced from 0.57% to 0.50%. As at 31 January 2021 the ACD considered 0.53% to be a more indicative rate for the ongoing charges figure.

⁴Class J Shares were launched on 30 March 2020.

⁵As at 31 January 2021 the ACD considered 0.38% to be a more indicative rate for ongoing charges for Class J Shares..

⁶Class P Shares were launched on 1 October 2020.

⁷As at 31 January 2021 the ACD considered 0.48% to be a more indicative rate for ongoing charges for Class P Shares.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|---------|---------------|---------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 74,567 | | 75,210 |
| Revenue | 3 | 16,609 | | 16,790 | |
| Expenses | 4 | (1,634) | | (1,088) | |
| Net revenue before taxation | | 14,975 | | 15,702 | |
| Taxation | 5 | (1,536) | | (1,434) | |
| Net revenue after taxation | | | 13,439 | | 14,268 |
| Total return before distributions | | | 88,006 | | 89,478 |
| Distributions | 6 | | (15,073) | | (15,270) |
| Change in net assets attributable to shareholders from investment activities | | | 72,933 | | 74,208 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-----------|----------------|-----------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 563,688 | | 511,173 |
| Amounts receivable on issue of shares | 168,706 | | 70,161 | |
| Amounts payable on cancellation of shares | (147,915) | | (105,072) | |
| | | 20,791 | | (34,911) |
| Dilution adjustment | | 394 | | 203 |
| Change in net assets attributable to shareholders from investment activities | | 72,933 | | 74,208 |
| Retained distributions on accumulation shares | | 11,362 | | 13,015 |
| Closing net assets attributable to shareholders | | 669,168 | | 563,688 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|-----------------|----------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 665,095 | 559,173 |
| Current assets: | | | |
| Debtors | 8 | 9,825 | 2,363 |
| Cash and bank balances | 9 | 9,771 | 2,937 |
| Total assets | | 684,691 | 564,473 |
| Liabilities: | | | |
| Creditors: | | | |
| Distributions payable | | (1,269) | (651) |
| Other creditors | 10 | (14,254) | (134) |
| Total liabilities | | (15,523) | (785) |
| Net assets attributable to shareholders | | 669,168 | 563,688 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 74,802 | 75,511 |
| Currency gains/(losses) | (226) | (295) |
| Transaction costs | (9) | (6) |
| Net capital gains/(losses) | 74,567 | 75,210 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 211,818 | 125,208 |
| Commissions | 62 | 42 |
| Taxes | 158 | 124 |
| Total transaction costs on equity purchases ¹ | 220 | 166 |
| Purchases including transaction costs | 212,038 | 125,374 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.03 | 0.03 |
| Taxes on equity purchases | 0.07 | 0.10 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 180,981 | 143,674 |
| Commissions | (61) | (43) |
| Taxes | (12) | (15) |
| Total transaction costs on equity sales ¹ | (73) | (58) |
| Sales net of transaction costs | 180,908 | 143,616 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.03) | (0.03) |
| Taxes on equity sales | (0.01) | (0.01) |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 123 | 0.02 | 85 | 0.02 |
| Taxes | 170 | 0.03 | 139 | 0.03 |
| Total direct transaction costs | 293 | 0.05 | 224 | 0.05 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.07 | 0.05 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

Notes to the Financial Statements cont.

3 Revenue

| | 2021 | 2020 |
|----------------------|---------------|---------------|
| | £'000 | £'000 |
| UK dividends | 3,295 | 3,213 |
| Overseas dividends | 13,313 | 13,563 |
| Bank interest | 1 | 14 |
| Total revenue | 16,609 | 16,790 |

4 Expenses

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 1,506 | 939 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 52 | 40 |
| Bank charges | 64 | 69 |
| | 116 | 109 |
| Other expenses: | | |
| Audit fee | 9 | 7 |
| Non-audit fees paid to auditor | 3 | - |
| Professional fees | - | 33 |
| | 12 | 40 |
| Total expenses | 1,634 | 1,088 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Overseas tax | 1,399 | 1,304 |
| Prior year tax reclaims written off | 137 | 130 |
| Total taxation | 1,536 | 1,434 |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

Notes to the Financial Statements cont.

5 Taxation (continued)

At 31 January 2021, the Fund had excess management expenses of £3,545,000 (2020: £2,039,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 14,975 | 15,702 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 2,995 | 3,140 |
| Effects of: | | |
| Non-taxable UK dividends | (659) | (643) |
| Non-taxable overseas dividends | (2,633) | (2,629) |
| Overseas tax on dividends | 1,399 | 1,304 |
| Excess management expenses | 302 | 145 |
| Prior year tax reclaims written off | 137 | 130 |
| Expense relief claimed on overseas tax | (5) | (13) |
| Total taxation | 1,536 | 1,434 |

6 Distributions

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Interim to 30 April | 3,349 | 3,642 |
| Interim to 31 July | 3,715 | 3,824 |
| Interim to 31 October | 3,829 | 3,624 |
| Final to 31 January | 4,209 | 4,149 |
| | 15,102 | 15,239 |
| Amounts deducted on cancellation of shares | 911 | 426 |
| Amounts added on issue of shares | (940) | (395) |
| Total distributions | 15,073 | 15,270 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 13,439 | 14,268 |
| Add expenses allocated to capital | 1,634 | 1,003 |
| Add distributable revenue brought forward | 3 | 2 |
| Less distributable revenue carried forward | (3) | (3) |
| Net distributions for the year | 15,073 | 15,270 |

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 2,155 | 1,040 |
| Sales awaiting settlement | 6,397 | - |
| Accrued income | 348 | 539 |
| Overseas tax recoverable | 924 | 784 |
| VAT recoverable | 1 | 1 |
| Other debtors | - | (1) |
| Total debtors | 9,825 | 2,363 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Sterling bank accounts | 9,771 | 2,937 |
| Total cash and bank balances | 9,771 | 2,937 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|---------------|------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 61 | 10 |
| Purchases awaiting settlement | 13,994 | - |
| Due to the ACD or associates | 160 | 96 |
| Due to the Depositary or associates | 24 | 16 |
| Other accrued expenses | 15 | 12 |
| Total other creditors | 14,254 | 134 |

Notes to the Financial Statements cont.

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|-------|-------|
| | % | % |
| ACD and associates of the ACD | 42.15 | 66.53 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 162,757 | 88,423 | (43,214) | (6,195) | 201,771 |
| A Income Shares | 508,013 | 183,243 | (74,690) | (8,402) | 608,164 |
| B Accumulation Shares | 6,036,479 | 4,166,325 | (104,439) | (21,059) | 10,077,306 |
| B Income Shares | 11,223,107 | 11,727,635 | (845,198) | 62,229 | 22,167,773 |
| C Accumulation Shares | 22,447,000 | - | (7,847,000) | - | 14,600,000 |
| C Income Shares | 117,830 | - | (20,380) | - | 97,450 |
| J Accumulation Shares | - | 42,041 | (76) | - | 41,965 |
| J Income Shares | - | 292,700 | (2,520) | - | 290,180 |
| P Accumulation Shares | - | 58 | (8) | - | 50 |
| P Income Shares | - | 120 | - | - | 120 |

13 Basis of valuation

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | 665,095 | 559,173 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 665,095 | 559,173 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 29,798 | 29,798 | - | 31,197 | 31,197 |
| Brazilian real | - | 14,571 | 14,571 | - | 20,007 | 20,007 |
| Danish krone | - | 13,177 | 13,177 | - | 9,304 | 9,304 |
| Euro | - | 79,291 | 79,291 | - | 86,610 | 86,610 |
| Hong Kong dollar | - | 69,746 | 69,746 | - | 34,668 | 34,668 |
| Japanese yen | - | 11,950 | 11,950 | - | 12,139 | 12,139 |
| Mexican peso | - | 7,208 | 7,208 | - | 8,424 | 8,424 |
| Singapore dollar | - | 7,859 | 7,859 | - | 7,890 | 7,890 |
| South African rand | - | 6,480 | 6,480 | - | 6,983 | 6,983 |
| Swedish krona | - | 14,166 | 14,166 | - | 21,408 | 21,408 |
| Swiss franc | - | 60,649 | 60,649 | - | 54,234 | 54,234 |
| UK sterling | 9,771 | 78,966 | 88,737 | 2,937 | 75,565 | 78,502 |
| US dollar | - | 271,234 | 271,234 | - | 190,745 | 190,745 |

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

Distribution Tables

Interim distribution for the period ended 30 April 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 30 April 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.06.20) | Distribution (paid/accumulated 30.06.19) |
|-----------------------|-----------------------------|-----------------------------|--|--|
| | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.19 pence per share |
| A Accumulation | | | | |
| Group 1 | 8.75000 | - | 8.75000 | 9.03000 |
| Group 2 | 5.24276 | 3.50724 | 8.75000 | 9.03000 |
| A Income | | | | |
| Group 1 | 4.03000 | - | 4.03000 | 4.27000 |
| Group 2 | 2.24077 | 1.78923 | 4.03000 | 4.27000 |
| B Accumulation | | | | |
| Group 1 | 9.50000 | - | 9.50000 | 9.72000 |
| Group 2 | 3.15718 | 6.34282 | 9.50000 | 9.72000 |
| B Income | | | | |
| Group 1 | 4.66000 | - | 4.66000 | 4.90000 |
| Group 2 | 1.99216 | 2.66784 | 4.66000 | 4.90000 |
| C Accumulation | | | | |
| Group 1 | 10.08000 | - | 10.08000 | 10.26000 |
| Group 2 | 10.08000 | - | 10.08000 | 10.26000 |
| C Income | | | | |
| Group 1 | 5.17000 | - | 5.17000 | 5.41000 |
| Group 2 | 5.17000 | - | 5.17000 | 5.41000 |
| J Accumulation | | | | |
| Group 1 | 2.41000 | - | 2.41000 | n/a |
| Group 2 | 2.41000 | - | 2.41000 | n/a |
| J Income | | | | |
| Group 1 | 1.18000 | - | 1.18000 | n/a |
| Group 2 | 1.18000 | - | 1.18000 | n/a |
| P Accumulation | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

Distribution Tables cont.

Interim distribution for the period ended 30 April 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 30 April 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.06.20) | Distribution (paid/accumulated 30.06.19) |
|----------|-----------------------------|-----------------------------|--|--|
| | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.19 pence per share |
| P Income | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

Distribution Tables cont.

Interim distributions for the period ended 31 July 2020

Group 1 : shares purchased prior to purchased prior to 1 May 2020

Group 2 : shares purchased purchased prior to 1 May 2020 to 31 July 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|-----------------------------|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| A Accumulation | | | | |
| Group 1 | 8.96000 | - | 8.96000 | 9.26000 |
| Group 2 | - | 8.96000 | 8.96000 | 9.26000 |
| A Income | | | | |
| Group 1 | 4.10000 | - | 4.10000 | 4.35000 |
| Group 2 | - | 4.10000 | 4.10000 | 4.35000 |
| B Accumulation | | | | |
| Group 1 | 9.73000 | - | 9.73000 | 9.98000 |
| Group 2 | 0.41079 | 9.31921 | 9.73000 | 9.98000 |
| B Income | | | | |
| Group 1 | 4.75000 | - | 4.75000 | 5.00000 |
| Group 2 | - | 4.75000 | 4.75000 | 5.00000 |
| C Accumulation | | | | |
| Group 1 | 10.35000 | - | 10.35000 | 10.55000 |
| Group 2 | 10.35000 | - | 10.35000 | 10.55000 |
| C Income | | | | |
| Group 1 | 5.28000 | - | 5.28000 | 5.52000 |
| Group 2 | 5.28000 | - | 5.28000 | 5.52000 |
| J Accumulation | | | | |
| Group 1 | 9.23000 | - | 9.23000 | n/a |
| Group 2 | 9.23000 | - | 9.23000 | n/a |
| J Income | | | | |
| Group 1 | 4.49000 | - | 4.49000 | n/a |
| Group 2 | 4.49000 | - | 4.49000 | n/a |
| P Accumulation | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |
| P Income | | | | |

Distribution Tables cont.

Interim distributions for the period ended 31 July 2020

Group 1 : shares purchased prior to purchased prior to 1 May 2020

Group 2 : shares purchased purchased prior to 1 May 2020 to 31 July 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|---------|-----------------------------|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

Distribution Tables cont.

Interim distribution for the period ended 31 October 2020

Group 1 : share purchased prior to 1 August 2020

Group 2 : share purchased 1 August 2020 to 31 October 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 31.12.20) | Distribution (paid/accumulated 31.12.19) |
|----------------|-----------------------------|-----------------------------|--|--|
| | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.19 pence per share |
| A Accumulation | | | | |
| Group 1 | 9.74000 | - | 9.74000 | 9.66000 |
| Group 2 | - | 9.74000 | 9.74000 | 9.66000 |
| A Income | | | | |
| Group 1 | 4.44000 | - | 4.44000 | 4.52000 |
| Group 2 | 0.14941 | 4.29059 | 4.44000 | 4.52000 |
| B Accumulation | | | | |
| Group 1 | 10.61000 | - | 10.61000 | 10.43000 |
| Group 2 | - | 10.61000 | 10.61000 | 10.43000 |
| B Income | | | | |
| Group 1 | 5.15000 | - | 5.15000 | 5.20000 |
| Group 2 | - | 5.15000 | 5.15000 | 5.20000 |
| C Accumulation | | | | |
| Group 1 | 11.28000 | - | 11.28000 | 11.03000 |
| Group 2 | 11.28000 | - | 11.28000 | 11.03000 |
| C Income | | | | |
| Group 1 | 5.72000 | - | 5.72000 | 5.75000 |
| Group 2 | 5.72000 | - | 5.72000 | 5.75000 |
| J Accumulation | | | | |
| Group 1 | 10.07000 | - | 10.07000 | n/a |
| Group 2 | - | 10.07000 | 10.07000 | n/a |
| J Income | | | | |
| Group 1 | 4.88000 | - | 4.88000 | n/a |
| Group 2 | - | 4.88000 | 4.88000 | n/a |
| P Accumulation | | | | |
| Group 1 | 1.00000 | - | 1.00000 | n/a |
| Group 2 | 1.00000 | - | 1.00000 | n/a |

Distribution Tables cont.

Interim distribution for the period ended 31 October 2020

Group 1 : share purchased prior to 1 August 2020

Group 2 : share purchased 1 August 2020 to 31 October 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 31.12.20) | Distribution (paid/accumulated 31.12.19) |
|----------|-----------------------------|-----------------------------|--|--|
| | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.19 pence per share |
| P Income | | | | |
| Group 1 | 0.50000 | - | 0.50000 | n/a |
| Group 2 | 0.50000 | - | 0.50000 | n/a |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 November 2020

Group 2 : shares purchased 1 November 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | 10.45000 | - | 10.45000 | 9.37000 |
| Group 2 | 1.40737 | 9.04263 | 10.45000 | 9.37000 |
| A Income | | | | |
| Group 1 | 4.73000 | - | 4.73000 | 4.22000 |
| Group 2 | 0.91849 | 3.81151 | 4.73000 | 4.22000 |
| B Accumulation | | | | |
| Group 1 | 11.38000 | - | 11.38000 | 11.18000 |
| Group 2 | 2.53891 | 8.84109 | 11.38000 | 11.18000 |
| B Income | | | | |
| Group 1 | 5.50000 | - | 5.50000 | 5.54000 |
| Group 2 | 1.05448 | 4.44552 | 5.50000 | 5.54000 |
| C Accumulation | | | | |
| Group 1 | 12.10000 | - | 12.10000 | 12.51000 |
| Group 2 | 12.10000 | - | 12.10000 | 12.51000 |
| C Income | | | | |
| Group 1 | 6.12000 | - | 6.12000 | 6.49000 |
| Group 2 | 6.12000 | - | 6.12000 | 6.49000 |
| J Accumulation | | | | |
| Group 1 | 10.80000 | - | 10.80000 | n/a |
| Group 2 | 1.76174 | 9.03826 | 10.80000 | n/a |
| J Income | | | | |
| Group 1 | 5.21000 | - | 5.21000 | n/a |
| Group 2 | 1.29879 | 3.91121 | 5.21000 | n/a |
| P Accumulation | | | | |
| Group 1 | 6.50000 | - | 6.50000 | n/a |
| Group 2 | 6.50000 | - | 6.50000 | n/a |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 November 2020

Group 2 : shares purchased 1 November 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| P Income | | | | |
| Group 1 | 3.09000 | - | 3.09000 | n/a |
| Group 2 | 3.09000 | - | 3.09000 | n/a |

BAILLIE GIFFORD

Baillie Gifford International Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford International Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the MSCI AC World ex UK Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world (excluding the UK) and in any sector. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

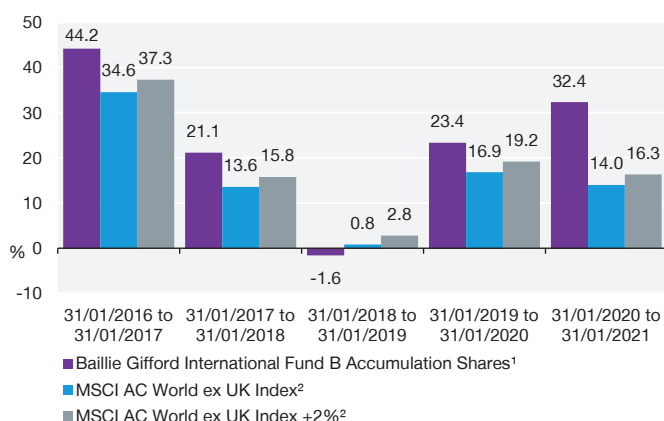
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.57% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.65%), but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to outperform (after fees) the MSCI AC World ex UK Index (the 'Index') by at least 2% (the 'target return') over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 33.8%³ compared to the return on the Index of 14.0%² and the target return of 16.3%², in sterling terms. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. Over that period, the annualised return on B Accumulation Shares was 22.7%³ compared to the the Index of 15.5%² and the target return of 17.8%².

Global stock markets have been particularly volatile over the reporting period. Fears about the economic impact of Covid-19 triggered a sharp sell-off, which was followed by a remarkable recovery throughout the remainder of the year. As ever, we do not try to second guess where the market may go but instead stick to long-term, bottom up, fundamental stock picking as we search for enduring growth opportunities.

One of the notable features of this market fall and recovery is that the success of some businesses appears to have been reinforced, rather than challenged. Those technology-enabled businesses operating in areas such as e-commerce, gaming, entertainment, food delivery and online education, which were already delivering extremely attractive rates of growth prior to the pandemic, have enjoyed 'demand binges' from locked down consumers. In many cases, competitive positions are likely to have been enhanced as less nimble competitors struggled and trends which we may have expected to play out over the next five to ten years have been condensed to less than a year.

The durability of the growth of these businesses may be subject to debate amidst the upheaval in economies around the world. However, what we have seen over the course of recent months, may be something less like the creative disruption which has upended industries ranging from newspapers to main-street retail over the last decade, and closer to 'creative accumulation', where the innovation and disruption within an industry comes not from new entrants, but from the existing market leaders. Music streaming service Spotify, Canadian e-commerce enabler Shopify, and online luxury fashion retailer

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE and relevant underlying index provider, total return in sterling terms. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297 ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Farfetch would all be excellent examples of where we see this combination of (sometimes nascent) market leadership coupled with a fervent desire to continue to reshape their respective industries, backed up with significant investment. Huge (and expanding) addressable markets, restlessly ambitious management teams, a special culture and increasing returns to scale appear to us to be the necessary ingredients in maintaining this process of creative accumulation and as a result, sustaining high rates of growth over long periods of time.

Turning to performance, among the top contributors were Tesla and SEA, both of which have delivered strong operational results. Tesla continues to impress, with its share price ending the period six times higher than it began, driven by record production levels, Chinese demand and lack of serious competitors. SEA, the South East Asian gaming and e-commerce business had a strong 12 months. The pandemic boosted demand for its services whilst its early stage digital payments business – SeaMoney - was granted a digital banking licence in Singapore towards the end of the period. We believe that the long-term opportunity in South East Asia, where only 4% of total retail sales are transacted online, lends an attractive opportunity for SEA to succeed over the long term.

Amongst the detractors is Kirby, the largest operator of inland and coastal barges in the US. Our initial investment case was based on the emerging earnings power of their tank barge business which transports liquids (such as oil and petrochemicals) along inland and coastal waterways. Whilst this business has performed well, now accounting for 65% of Kirby's revenues, management's capital allocation has been disappointing. Profits from Kirby's tank barge business have been increasingly invested in its distribution and services division which manufactures and distributes parts and consumables for the energy and industrial sectors. This division has been performing poorly for a number of years which has led to several profit warnings. Our hope was that the company would divest this division and focus purely on the barge transportation business, where we felt Kirby had a durable competitive advantage. This has not happened and taking all factors into account, we have elected to sell the position from the portfolio.

Our investment approach remains a tried and tested one which centres on bottom-up stock picking and an ability to invest in growth companies anywhere in the world. We undertake regular thematic reviews of the portfolio, the most recent of which highlights a proliferating and reassuringly diverse range of underlying exposures. Our approach has supported a calm and measured response to the developments seen in 2020 and has allowed us to make modest changes to position the portfolio for future growth. We continue to focus on looking for durable growth opportunities, in companies with deepening competitive advantages and rising real earnings power. Our aim is to ensure that the portfolio has exposure to a collection of the best growth businesses around the world for the next five years and beyond.

Baillie Gifford & Co, 16 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|----------------------|-----------------------------|
| Naspers | 3.56 |
| Amazon.com | 2.87 |
| Alphabet Inc Class C | 2.79 |
| Meituan Dianping | 2.30 |
| TSMC | 2.24 |
| Moody's | 2.17 |
| Microsoft | 2.17 |
| AIA Group | 2.15 |
| SoftBank Group | 2.12 |
| Alibaba | 2.10 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|------------------------------|---------------|--------------------------|-------------------|
| TSMC | 32,632 | Tesla Inc | 46,407 |
| Rio Tinto | 28,001 | TSMC ADR | 27,331 |
| SoftBank Group | 23,758 | Visa Inc-Class A Shares | 23,006 |
| Ryanair | 17,210 | SAP | 22,133 |
| Estee Lauder | 16,785 | Amazon.com | 21,864 |
| Booking Holdings Inc | 16,623 | Schindler 'P' | 14,537 |
| adidas | 15,504 | Alibaba | 13,979 |
| CBRE Group Inc | 15,496 | Waters | 12,184 |
| BHP Group Ltd (Aus. listing) | 15,233 | Chipotle Mexican Grill | 12,147 |
| Naspers | 14,804 | Thermo Fisher Scientific | 10,488 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|----------------------------------|------------|-----------------------|--------------------------|
| Australia - 3.35% (1.47%) | | | |
| BHP Group Ltd (Aus. listing) | 1,121,968 | 27,306 | 1.55 |
| Orica | 569,012 | 4,848 | 0.28 |
| Rio Tinto | 433,837 | 26,734 | 1.52 |
| Brazil - 0.60% (1.89%) | | | |
| B3 S.A. | 1,313,100 | 10,467 | 0.60 |
| Canada - 2.64% (2.50%) | | | |
| Fairfax Financial Holdings | 30,376 | 8,014 | 0.46 |
| Ritchie Bros Auctioneers (USA) | 71,267 | 3,057 | 0.17 |
| Shopify 'A' | 44,276 | 35,387 | 2.01 |
| China - 7.91% (7.78%) | | | |
| Alibaba | 199,250 | 36,844 | 2.09 |
| Autohome Inc - ADR | 104,409 | 8,380 | 0.48 |
| Brilliance China Automotive | 10,250,000 | 5,863 | 0.33 |
| KE Holdings ADR | 79,618 | 3,426 | 0.19 |
| Meituan Dianping | 1,211,400 | 40,480 | 2.30 |
| Ping An Healthcare & Tech | 826,900 | 7,483 | 0.43 |
| Ping An Insurance | 2,684,000 | 23,014 | 1.31 |
| Tencent Music Entertainment ADR | 702,139 | 13,662 | 0.78 |
| Denmark - 0.62% (0.51%) | | | |
| Genmab | 37,693 | 10,985 | 0.62 |
| France - 2.00% (2.42%) | | | |
| Pernod Ricard SA | 193,815 | 26,698 | 1.52 |
| Ubisoft Entertainment | 116,380 | 8,472 | 0.48 |
| Germany - 1.49% (2.66%) | | | |
| adidas | 67,762 | 15,707 | 0.90 |
| Deutsche Boerse | 88,822 | 10,416 | 0.59 |
| Hong Kong - 2.34% (3.08%) | | | |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|------------------------------------|-----------|-----------------------|--------------------------|
| AIA Group | 4,298,600 | 37,849 | 2.15 |
| Sands China | 1,172,000 | 3,390 | 0.19 |
| India - 2.53% (3.82%) | | | |
| HDFC Corp | 768,140 | 18,231 | 1.04 |
| ICICI Bank ADR | 900,181 | 9,892 | 0.56 |
| Reliance Inds. GDR | 444,316 | 16,372 | 0.93 |
| Ireland - 3.09% (3.09%) | | | |
| CRH | 663,567 | 20,053 | 1.14 |
| Ryanair | 2,625,068 | 33,199 | 1.89 |
| Ryanair ADR | 16,736 | 1,159 | 0.06 |
| Japan - 8.45% (7.89%) | | | |
| Advantest Corp | 353,700 | 20,395 | 1.16 |
| CyberAgent Inc | 289,500 | 13,230 | 0.75 |
| Hoshizaki Corp | 82,700 | 5,327 | 0.30 |
| MS&AD Insurance | 577,200 | 12,061 | 0.69 |
| Olympus | 1,803,600 | 23,704 | 1.35 |
| SMC | 37,200 | 16,395 | 0.93 |
| SoftBank Group | 661,600 | 37,312 | 2.12 |
| Sysmex Corp. | 238,000 | 20,254 | 1.15 |
| Netherlands - 1.67% (1.91%) | | | |
| Adyen Nv | 5,969 | 9,080 | 0.52 |
| Prosus N.V. | 238,797 | 20,240 | 1.15 |
| Norway - 0.94% (1.07%) | | | |
| Adevinta | 459,928 | 5,005 | 0.28 |
| Schibsted | 313,490 | 8,621 | 0.49 |
| Schibsted B | 126,506 | 2,951 | 0.17 |
| Russia - 0.78% (1.19%) | | | |
| Mail.ru Group GDR | 234,461 | 4,448 | 0.25 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| Sberbank Spon ADR | 922,061 | 9,239 | 0.53 |
| Singapore - 2.07% (0.86%) | | | |
| SEA Ltd ADR | 230,513 | 36,329 | 2.07 |
| South Africa - 3.56% (2.86%) | | | |
| Naspers | 372,292 | 62,643 | 3.56 |
| Sweden - 2.05% (1.79%) | | | |
| Atlas Copco B | 460,699 | 15,803 | 0.90 |
| Epiroc B | 855,103 | 10,801 | 0.61 |
| Spotify Technology SA | 41,238 | 9,462 | 0.54 |
| Switzerland - 0.65% (1.94%) | | | |
| Richemont | 168,207 | 11,413 | 0.65 |
| Taiwan - 2.24% (1.44%) | | | |
| TSMC | 2,558,000 | 39,315 | 2.24 |
| UK - 1.33% (0.00%) | | | |
| Farfetch | 439,702 | 19,606 | 1.12 |
| Wizz Air Holdings Plc | 85,256 | 3,717 | 0.21 |
| United States - 48.48% (48.94%) | | | |
| Abiomed | 41,756 | 10,589 | 0.60 |
| AJ Gallagher & Co | 268,336 | 22,533 | 1.28 |
| Albemarle | 137,177 | 16,223 | 0.92 |
| Alnylam Pharmaceuticals | 155,644 | 17,056 | 0.97 |
| Alphabet Inc Class C | 36,732 | 49,004 | 2.79 |
| Amazon.com | 21,622 | 50,476 | 2.87 |
| Anthem Inc | 142,274 | 30,744 | 1.75 |
| Axon Enterprise Inc | 126,615 | 15,136 | 0.86 |
| Booking Holdings Inc | 12,182 | 17,201 | 0.98 |
| Broadridge Financial Solutions | 140,748 | 14,484 | 0.82 |
| CBRE Group Inc | 374,910 | 16,630 | 0.95 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---------------------------|---------|-----------------------|--------------------------|
| Charles Schwab | 269,832 | 10,120 | 0.58 |
| Chegg | 174,679 | 12,113 | 0.69 |
| Cloudflare Inc | 296,034 | 16,526 | 0.94 |
| CoStar Group | 11,838 | 7,752 | 0.44 |
| Datadog | 114,456 | 8,564 | 0.49 |
| Doordash Inc | 18,769 | 2,640 | 0.15 |
| EOG Resources | 272,691 | 10,114 | 0.58 |
| Estee Lauder | 104,206 | 17,958 | 1.02 |
| Facebook | 97,713 | 18,371 | 1.04 |
| Howard Hughes | 113,075 | 7,086 | 0.40 |
| Iac/Interactivecorp | 55,307 | 8,440 | 0.48 |
| Illumina | 49,280 | 15,279 | 0.87 |
| Interactive Brokers Group | 141,666 | 6,313 | 0.36 |
| Jefferies Financial | 357,322 | 6,076 | 0.35 |
| LendingTree | 26,636 | 6,298 | 0.36 |
| Lyft Inc | 259,361 | 8,397 | 0.48 |
| Markel | 14,228 | 10,045 | 0.57 |
| Martin Marietta Materials | 132,425 | 27,717 | 1.58 |
| Mastercard | 147,431 | 33,928 | 1.93 |
| Microsoft | 226,469 | 38,215 | 2.17 |
| Moderna Inc | 151,833 | 19,128 | 1.09 |
| Moody's | 197,368 | 38,240 | 2.17 |
| Netflix Inc | 30,206 | 11,700 | 0.67 |
| Novocure Ltd | 123,443 | 14,446 | 0.82 |
| ResMed | 108,107 | 15,841 | 0.90 |
| S&P Global Inc | 26,896 | 6,207 | 0.35 |
| Seagen Inc | 104,787 | 12,526 | 0.71 |
| Service Corp.Intl. | 384,474 | 14,114 | 0.80 |
| SiteOne Landscape Supply | 130,999 | 15,080 | 0.86 |
| Snowflake Inc | 14,639 | 2,901 | 0.16 |
| Stericycle | 163,781 | 7,805 | 0.44 |
| Teladoc | 122,576 | 23,583 | 1.34 |
| Teradyne | 227,835 | 18,805 | 1.07 |
| Tesla Inc | 58,920 | 34,035 | 1.94 |
| The Trade Desk | 38,723 | 21,572 | 1.23 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|---------|-----------------------|--------------------------|
| Thermo Fisher Scientific | 51,447 | 19,077 | 1.08 |
| Twilio Inc | 42,471 | 11,113 | 0.63 |
| Wabtec | 123,457 | 6,665 | 0.38 |
| Wayfair Inc | 45,290 | 8,981 | 0.51 |
| Zillow Group Inc Class C | 196,374 | 18,654 | 1.06 |
| Portfolio of investments | | 1,737,240 | 98.79 |
| Net other assets - 1.21% (0.89%) | | 21,351 | 1.21 |
| Net assets | | 1,758,591 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 6,400.38 | 5,336.67 | 5,431.19 |
| Return before operating charges* | 2,195.37 | 1,151.15 | (15.50) |
| Operating charges | (102.97) | (87.44) | (79.02) |
| Return after operating charges* | 2,092.40 | 1,063.71 | (94.52) |
| Distributions | 0.00 | 0.00 | 0.00 |
| Retained distributions on accumulation shares | 0.00 | 0.00 | 0.00 |
| Closing net asset value per share | 8,492.78 | 6,400.38 | 5,336.67 |
| *After direct transaction costs of: | 2.88 | 1.21 | 2.18 |
| Performance: | | | |
| Return after charges | 32.69% | 19.93% | (1.74)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 17,892 | 16,652 | 13,727 |
| Closing number of shares | 210,671 | 260,168 | 257,237 |
| Operating charges | 1.43% | 1.45% | 1.45% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 9,014 | 6,769 | 5,898 |
| Lowest share price (pence) | 5,137 | 5,376 | 4,886 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 7,479.89 | 6,184.19 | 6,240.44 |
| Return before operating charges* | 2,580.00 | 1,337.82 | (18.56) |
| Operating charges | (50.48) | (42.12) | (37.69) |
| Return after operating charges* | 2,529.52 | 1,295.70 | (56.25) |
| Distributions | (21.32) | (42.43) | (36.15) |
| Retained distributions on accumulation shares | 21.32 | 42.43 | 36.15 |
| Closing net asset value per share | 10,009.41 | 7,479.89 | 6,184.19 |
| *After direct transaction costs of: | 3.42 | 1.40 | 2.51 |
| Performance: | | | |
| Return after charges | 33.82% | 20.95% | (0.90)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 1,054,050 | 713,937 | 561,310 |
| Closing number of shares | 10,530,594 | 9,544,750 | 9,076,551 |
| Operating charges | 0.59% | 0.60% | 0.60% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 10,620 | 7,909 | 6,810 |
| Lowest share price (pence) | 6,011 | 6,230 | 5,657 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 6,215.20 | 5,167.94 | 5,245.09 |
| Return before operating charges* | 2,143.02 | 1,117.76 | (15.05) |
| Operating charges | (41.43) | (35.06) | (31.72) |
| Return after operating charges* | 2,101.59 | 1,082.70 | (46.77) |
| Distributions on income shares | (17.73) | (35.44) | (30.38) |
| Closing net asset value per share | 8,299.06 | 6,215.20 | 5,167.94 |
| | | | |
| *After direct transaction costs of: | 2.81 | 1.17 | 2.11 |
| Performance: | | | |
| Return after charges | 33.81% | 20.95% | (0.89)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 295,022 | 276,617 | 240,722 |
| Closing number of shares | 3,554,889 | 4,450,650 | 4,657,992 |
| Operating charges | 0.59% | 0.60% | 0.60% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 8,819 | 6,602 | 5,717 |
| Lowest share price (pence) | 4,995 | 5,206 | 4,749 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 8,310.46 | 6,831.86 | 6,854.81 |
| Return before operating charges* | 2,875.51 | 1,480.95 | (20.87) |
| Operating charges | (1.91) | (2.35) | (2.08) |
| Return after operating charges* | 2,873.60 | 1,478.60 | (22.95) |
| Distributions | (77.43) | (91.18) | (79.16) |
| Retained distributions on accumulation shares | 77.43 | 91.18 | 79.16 |
| Closing net asset value per share | 11,184.06 | 8,310.46 | 6,831.86 |
| *After direct transaction costs of: | 3.81 | 1.56 | 2.77 |
| Performance: | | | |
| Return after charges | 34.58% | 21.64% | (0.33)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 294,015 | 199,006 | 104,537 |
| Closing number of shares | 2,628,871 | 2,394,650 | 1,530,138 |
| Operating charges | 0.02% | 0.03% | 0.03% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 11,870 | 8,785 | 7,505 |
| Lowest share price (pence) | 6,683 | 6,883 | 6,246 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 6,230.52 | 5,178.84 | 5,256.18 |
| Return before operating charges* | 2,154.86 | 1,122.53 | (15.08) |
| Operating charges | (1.42) | (1.76) | (1.59) |
| Return after operating charges* | 2,153.44 | 1,120.77 | (16.67) |
| Distributions on income shares | (57.98) | (69.09) | (60.67) |
| Closing net asset value per share | 8,325.98 | 6,230.52 | 5,178.84 |
| | | | |
| *After direct transaction costs of: | 2.85 | 1.18 | 2.12 |
| Performance: | | | |
| Return after charges | 34.56% | 21.64% | (0.32)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 4 | 3 | 3 |
| Closing number of shares | 50 | 50 | 50 |
| Operating charges | 0.02% | 0.03% | 0.03% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 8,882 | 6,646 | 5,741 |
| Lowest share price (pence) | 5,012 | 5,218 | 4,778 |

Comparative Tables cont.

Comparative Table: G Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 8,227.03 | 6,797.16 | 6,674.00 ² |
| Return before operating charges* | 2,838.47 | 1,470.71 | 159.27 |
| Operating charges | (48.61) | (40.84) | (36.11) |
| Return after operating charges* | 2,789.86 | 1,429.87 | 123.16 |
| Distributions | (29.97) | (52.03) | (44.10) |
| Retained distributions on accumulation shares | 29.97 | 52.03 | 44.10 |
| Closing net asset value per share | 11,016.89 | 8,227.03 | 6,797.16 |
| *After direct transaction costs of: | | | |
| | 3.74 | 1.54 | 2.73 |
| Performance: | | | |
| Return after charges | 33.91% | 21.04% | 1.85% |
| Other Information: | | | |
| Closing net asset value (£'000) | 97,608 | 78,700 | 67,252 |
| Closing number of shares | 885,983 | 956,599 | 989,419 |
| Operating charges | 0.52% | 0.53% | 0.53% |
| Direct transaction costs ¹ | 0.04% | 0.02% | 0.04% |
| Prices: | | | |
| Highest share price (pence) | 11,690 | 8,698 | 7,483 |
| Lowest share price (pence) | 6,612 | 6,848 | 6,218 |

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

²Class G Accumulation Shares were launched on 5 February 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|---------|----------------|---------|----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 433,137 | | 205,286 |
| Revenue | 3 | 13,025 | | 15,508 | |
| Expenses | 4 | (7,371) | | (6,056) | |
| Net revenue before taxation | | 5,654 | | 9,452 | |
| Taxation | 5 | (729) | | (1,594) | |
| Net revenue after taxation | | | 4,925 | | 7,858 |
| Total return before distributions | | | 438,062 | | 213,144 |
| Distributions | 6 | | (5,016) | | (7,896) |
| Change in net assets attributable to shareholders from investment activities | | | 433,046 | | 205,248 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-----------|------------------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 1,284,915 | | 987,551 |
| Amounts receivable on issue of shares | 227,028 | | 206,475 | |
| Amounts payable on cancellation of shares | (191,257) | | (121,341) | |
| | | 35,771 | | 85,134 |
| Dilution adjustment | | 374 | | 276 |
| Change in net assets attributable to shareholders from investment activities | | 433,046 | | 205,248 |
| Retained distributions on accumulation shares | | 4,485 | | 6,706 |
| Closing net assets attributable to shareholders | | 1,758,591 | | 1,284,915 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|------------------|------------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 1,737,240 | 1,273,526 |
| Current assets: | | | |
| Debtors | 8 | 6,456 | 3,535 |
| Cash and bank balances | 9 | 22,837 | 14,793 |
| Total assets | | 1,766,533 | 1,291,854 |
| Liabilities: | | | |
| Creditors: | | | |
| Distributions payable | | (435) | (1,265) |
| Other creditors | 10 | (7,507) | (5,674) |
| Total liabilities | | (7,942) | (6,939) |
| Net assets attributable to shareholders | | 1,758,591 | 1,284,915 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Non-derivative securities | 432,597 | 204,708 |
| Currency gains/(losses) | 549 | 586 |
| Transaction costs | (9) | (8) |
| Net capital gains/(losses) | 433,137 | 205,286 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 419,709 | 257,744 |
| Commissions | 177 | 80 |
| Taxes | 240 | 101 |
| Total transaction costs on equity purchases ¹ | 417 | 181 |
| Purchases including transaction costs | 420,126 | 257,925 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.04 | 0.03 |
| Taxes on equity purchases | 0.06 | 0.04 |

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 389,241 | 155,737 |
| Commissions | (128) | (72) |
| Taxes | (34) | (6) |
| Total transaction costs on equity sales ¹ | (162) | (78) |
| Sales net of transaction costs | 389,079 | 155,659 |

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.03) | (0.05) |
| Taxes on equity sales | (0.01) | (0.00) |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 305 | 0.02 | 152 | 0.01 |
| Taxes | 274 | 0.02 | 107 | 0.01 |
| Total direct transaction costs | 579 | 0.04 | 259 | 0.02 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.06 | 0.05 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|----------------------|---------------|---------------|
| | £'000 | £'000 |
| Overseas dividends | 12,975 | 15,447 |
| Bank interest | 50 | 61 |
| Total revenue | 13,025 | 15,508 |

Notes to the Financial Statements cont.

4 Expenses

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 7,117 | 5,798 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 103 | 89 |
| Bank charges | 138 | 132 |
| | 241 | 221 |
| Other expenses: | | |
| Audit fee | 6 | 6 |
| Non-audit fees paid to auditor | 3 | - |
| Professional fees | 4 | 31 |
| | 13 | 37 |
| Total expenses | 7,371 | 6,056 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|------------|--------------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Overseas tax | 1,296 | 1,375 |
| Prior year tax reclaims written off | 45 | 219 |
| Prior year adjustments | (612) | - |
| Total taxation | 729 | 1,594 |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £38,112,000 (2020: £30,899,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|------------|--------------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 5,654 | 9,452 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 1,131 | 1,890 |
| Effects of: | | |
| Non-taxable overseas dividends | (2,571) | (2,970) |
| Overseas tax on dividends | 1,296 | 1,375 |
| Excess management expenses | 1,444 | 1,098 |
| Prior year tax reclaims written off | 45 | 219 |
| Prior year adjustments | (612) | - |
| Expense relief claimed on overseas tax | (4) | (18) |
| Total taxation | 729 | 1,594 |

Other matters

The Fund has filed protective claims with HM Revenue & Customs ("HMRC") and the UK High Court in order to seek recovery of potentially overpaid taxes from HMRC in relation to the UK's dividend tax rules prior to 1 July 2009. The claims cover historic periods in which the Fund paid UK tax on dividend income received from foreign portfolio investments. In such periods, the Fund is seeking recovery of the tax paid together with interest. Following the decision in the lead case, HMRC issued a Brief stating it will now consider and determine each claim individually. As a result, the Fund's claims for certain periods have now been agreed with HMRC and recognised in the Fund's results for the period. The settlement payable by HMRC to the Fund included repayment of tax paid together with interest. The tax repayable has been recorded as taxation and the interest has been recorded as revenue. No tax or related interest recovery has been accrued or recognised as a contingent asset for claims that remain uncertain.

6 Distributions

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interim to 31 July | 1,426 | 1,746 |
| Final to 31 January | 3,743 | 6,529 |
| | 5,169 | 8,275 |
| Amounts deducted on cancellation of shares | 338 | 259 |
| Amounts added on issue of shares | (491) | (638) |
| Total distributions | 5,016 | 7,896 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 4,925 | 7,858 |
| Add capital transfers for deficits of income | 91 | 38 |
| Add distributable revenue brought forward | 1 | 1 |
| Less distributable revenue carried forward | (1) | (1) |
| Net distributions for the year | 5,016 | 7,896 |

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 2,482 | 1,372 |
| Sales awaiting settlement | 3,166 | 1,385 |
| Accrued income | 161 | 188 |
| Overseas tax recoverable | 642 | 585 |
| VAT recoverable | 5 | 3 |
| Other debtors | - | 2 |
| Total debtors | 6,456 | 3,535 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Sterling bank accounts | 14,005 | 13,688 |
| Foreign currency bank accounts | 8,832 | 1,105 |
| Total cash and bank balances | 22,837 | 14,793 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 2,345 | 2,159 |
| Purchases awaiting settlement | 3,992 | 2,575 |
| Due to the ACD or associates | 684 | 544 |
| Due to the Depositary or associates | 50 | 30 |
| Capital gains tax provision | 422 | 352 |
| Other accrued expenses | 14 | 14 |
| Total other creditors | 7,507 | 5,674 |

Notes to the Financial Statements cont.

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|------|
| | % | % |
| ACD and associates of the ACD | 0.00 | 0.00 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 260,168 | 102,058 | (139,834) | (11,721) | 210,671 |
| B Accumulation Shares | 9,544,750 | 1,492,807 | (542,091) | 35,128 | 10,530,594 |
| B Income Shares | 4,450,650 | 533,629 | (1,428,268) | (1,122) | 3,554,889 |
| C Accumulation Shares | 2,394,650 | 491,596 | (257,375) | - | 2,628,871 |
| C Income Shares | 50 | 50 | (50) | - | 50 |
| G Accumulation Shares | 956,599 | 829 | (49,451) | (21,994) | 885,983 |

13 Basis of valuation

| | 2021 | 2020 |
|---------------------------------|------------------|------------------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | 1,737,240 | 1,273,526 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 1,737,240 | 1,273,526 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 58,888 | 58,888 | - | 18,847 | 18,847 |
| Brazilian real | - | 10,467 | 10,467 | - | 24,224 | 24,224 |
| Canadian dollar | - | 8,014 | 8,014 | - | 10,298 | 10,298 |
| Danish krone | - | 10,985 | 10,985 | - | 6,581 | 6,581 |
| Euro | - | 123,813 | 123,813 | - | 110,116 | 110,116 |
| Hong Kong dollar | - | 118,078 | 118,078 | - | 78,626 | 78,626 |
| Indian rupee | - | 18,230 | 18,230 | - | 18,778 | 18,778 |
| Japanese yen | - | 148,678 | 148,678 | - | 101,371 | 101,371 |
| Norwegian krona | - | 16,577 | 16,577 | - | 13,746 | 13,746 |
| South African rand | - | 62,643 | 62,643 | - | 36,769 | 36,769 |
| Swedish krona | - | 26,604 | 26,604 | - | 18,171 | 18,171 |
| Swiss franc | - | 11,413 | 11,413 | - | 24,949 | 24,949 |
| Taiwanese dollar | - | 39,315 | 39,315 | - | - | - |
| UK sterling | 14,005 | 23,770 | 37,775 | 13,688 | 19,411 | 33,099 |
| US dollar | 8,832 | 1,059,765 | 1,068,597 | 1,105 | 791,640 | 792,745 |

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |
| B Accumulation | | | | |
| Group 1 | 6.80000 | - | 6.80000 | 8.25000 |
| Group 2 | - | 6.80000 | 6.80000 | 8.25000 |
| B Income | | | | |
| Group 1 | 5.50000 | - | 5.50000 | 7.00000 |
| Group 2 | - | 5.50000 | 5.50000 | 7.00000 |
| C Accumulation | | | | |
| Group 1 | 17.00000 | - | 17.00000 | 24.75000 |
| Group 2 | - | 17.00000 | 17.00000 | 24.75000 |
| C Income | | | | |
| Group 1 | 13.00000 | - | 13.00000 | 13.25000 |
| Group 2 | 13.00000 | - | 13.00000 | 13.25000 |
| G Accumulation | | | | |
| Group 1 | 8.50000 | - | 8.50000 | 9.00000 |
| Group 2 | 1.52750 | 6.97250 | 8.50000 | 9.00000 |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |
| B Accumulation | | | | |
| Group 1 | 14.52000 | - | 14.52000 | 34.17000 |
| Group 2 | - | 14.52000 | 14.52000 | 34.17000 |
| B Income | | | | |
| Group 1 | 12.23000 | - | 12.23000 | 28.43000 |
| Group 2 | - | 12.23000 | 12.23000 | 28.43000 |
| C Accumulation | | | | |
| Group 1 | 60.43000 | - | 60.43000 | 66.43000 |
| Group 2 | 10.27722 | 50.15278 | 60.43000 | 66.43000 |
| C Income | | | | |
| Group 1 | 44.98000 | - | 44.98000 | 55.84000 |
| Group 2 | 44.98000 | - | 44.98000 | 55.84000 |
| G Accumulation | | | | |
| Group 1 | 21.47000 | - | 21.47000 | 43.03000 |
| Group 2 | 21.47000 | - | 21.47000 | 43.03000 |

BAILLIE GIFFORD

Baillie Gifford Managed Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford Managed Fund

Investment Objective

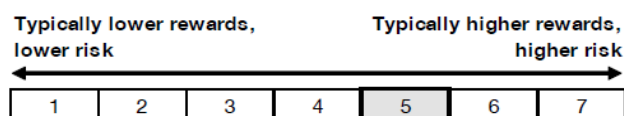
The Fund aims to achieve capital growth over rolling five-year periods.

Investment Policy

The Fund will be actively managed and will invest in a combination of shares of companies, bonds and cash; with a minimum of 60% in shares of companies of any size and 10% in bonds and cash. This exposure may be achieved directly or indirectly via collective investment schemes. The remainder may be in any combination of shares of companies, bonds, other transferable securities and money market instruments. The Fund will invest in bonds which may be issued by government, supranational, public sector or corporate issuers and may be investment grade or sub-investment grade bonds. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests mainly in company shares, bonds and other funds which generally provide higher rewards and higher risks than other investments such as investment solely in bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets, particularly in emerging markets, involves a risk of loss if the 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, 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 invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment.

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.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

Baillie Gifford Managed Fund cont.

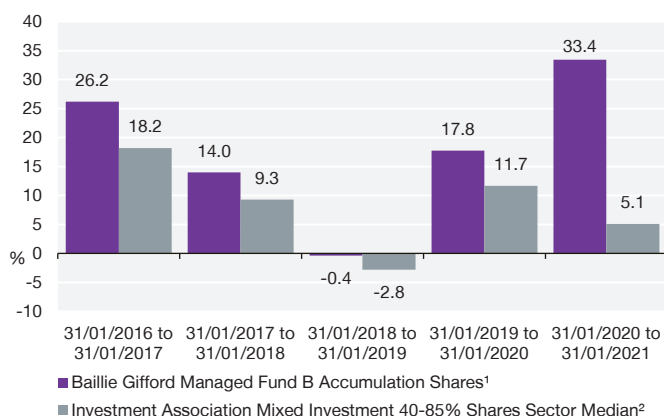
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.40%, but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to achieve capital growth over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 34.0%³. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. Over that period, the annualised return on B Accumulation Shares was 17.6%³.

Over the 12 months to 31 January 2021, the portfolio delivered strong returns in absolute terms and relative to the comparator benchmark. It is certainly nice to be able to report such performance, but the extent of these returns is unusual. We believe the portfolio is well positioned for the long term, but it is actively managed and there will be short-term underperformance in the future. We therefore encourage a focus on returns over five years and beyond as these are the timeframes over which the fundamental progress of businesses in which we invest on your behalf can be meaningfully assessed.

Amongst the contributors for the year, Tesla was a standout. At the forefront of the energy revolution, the company delivered nearly 500,000 vehicles in 2020 and it appears increasingly likely to capture a significant

share of the global car market in the coming years. However, we also recognise the prospect of a return of multiple times the current share price over the next five years has reduced and we therefore trimmed the position a few times in 2020. Other notable positives were Shopify, the Canadian e-commerce platform, and The Trade Desk, the US-listed advertising technology company – both have benefited from the lockdown environment. Shopify was founded in the 2000s and has consistently focused on the long term with management noting they want Shopify to “be a 100 year company, and the global engine that powers commerce”. This is the type of exceptional growth company that excites us – run by enthusiastic, committed individuals that seek innovation but exhibit patience.

Brazilian oil company Petrobras was one of the larger detractors as oil reached its lowest price in 18 years in early 2020, although it has since rebounded sharply from this low. Fossil fuels are still responsible for 84% of the world's energy needs and the transition to renewables will not be swift. Any pick-up in demand is likely to be met by significant supply bottlenecks thus benefiting Petrobras. Meggitt, the aerospace systems and components supplier, was also among the larger

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE and relevant underlying index provider, total return in sterling terms. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

detractors despite more positive share price performance towards the end of 2020. Elsewhere, Banco Bradesco, the Brazilian bank, had a negative impact but was sold in the second quarter of 2020 as our conviction in the long-term investment case diminished.

Over the year, bonds delivered a positive absolute return, with the developed market government and credit exposures being the main driver. We are often asked if this is a good time to be investing in fixed income given the strength of returns from the asset class over the long term. It's a fair question but the key point is that we are active bond pickers. While there are lots of areas of the market which are not particularly attractive, we don't have to hold these. So yes, in addition to it being an exciting time to be a growth investor, we believe it's a good time to be an active bond picker.

Despite most of us working from home for around 10 months we still have good access to companies. This has supported ongoing engagement throughout the period with companies from Abcam, the UK life sciences company to TSMC, the Taiwan Semiconductor Manufacturing Company. In the case of Abcam, we made it clear we would not support some of the proposed changes regarding remuneration – we were pleased to see them subsequently dropped, allowing us to support the final remuneration proposal.

Company access is also reflected in the volume of investment ideas we are finding on your behalf. These range from: US-based Software as a Service (SaaS) companies Datadog and Snowflake; to Nintendo, the Japanese gaming company; Meituan Dianping, China's dominant player in food delivery; Adyen the Dutch payments provider; and, Games Workshop, the miniature war-gaming company. Alongside this work, we continually reappraise the case for existing holdings. In some instances, this led to complete sales where our conviction has weakened, examples include Facebook and INPEX, the Japanese energy company. In other cases, we remain optimistic about the future but, following strong share price performance felt reductions were required – Tesla fell into this category. Elsewhere, volatility earlier in the year presented an opportunity to

add to some holdings on weakness where we believe the potential for significant long-term growth remains – adidas, the sporting goods company, is one example.

It can be difficult to look beyond the immediate future given understandable concerns about the pandemic and the impact of restrictions on our day-to-day lives and well-being. With that in mind, we send you our best wishes for a healthy and safe year ahead. In the meantime, you can be reassured that we continue to focus on the long-term fundamentals of the businesses in which we invest on your behalf; on finding new ideas for the portfolio; and, on engaging with companies to not only challenge but support them through this extraordinary period.

Baillie Gifford & Co, 16 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|-----------------------------|-----------------------------|
| Amazon.com | 1.48 |
| US Treasury 2% 15/08/2025 | 1.47 |
| Shopify 'A' | 1.42 |
| US Treasury 1.5% 15/02/2030 | 1.32 |
| IMCD Group NV | 1.09 |
| Zalando SE | 1.06 |
| Wayfair Inc | 1.00 |
| The Trade Desk | 0.96 |
| Tesla Inc | 0.96 |
| BHP Group Ltd | 0.96 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|-----------------------------|---------------|----------------------------------|-------------------|
| US Treasury 1.5% 15/02/2030 | 107,650 | Tesla Inc | 228,973 |
| Spain 1.85% 30/07/2035 | 65,942 | Spain 1.4% 30/04/2028 | 64,893 |
| US Treasury 2% 15/08/2025 | 63,205 | US Treasury 0.125% IL 15/04/2021 | 63,345 |
| Italy 2.1% 15/07/2026 | 62,855 | European Union 0.75% 2031 | 49,633 |
| Tencent | 53,270 | US Treasury 3% 15/11/2045 | 31,708 |
| European Union 0.75% 2031 | 49,651 | Amazon.com | 31,677 |
| Brazil 10% 01/01/2023 | 49,569 | Naspers | 29,657 |
| Twilio Inc | 45,831 | Schindler 'P' | 28,893 |
| Adyen Nv | 33,199 | Bechtle AG | 27,202 |
| Prosus N.V. | 32,970 | MarketAxess Holdings | 27,062 |

The largest purchases and sales have been shown, with the exception of derivatives.

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|-----------------------|--------------------------|
| Equities - 75.46% (73.50%) | | | |
| Developed Asia Pacific - 11.12% (10.35%) | | | |
| AIA Group | 1,732,800 | 15,257 | 0.20 |
| Asahi Group Holdings | 192,500 | 5,640 | 0.07 |
| Baillie Gifford Japanese Smaller Companies Fund C Acc ¹ | 943,157 | 64,286 | 0.85 |
| BHP Group Ltd (Aus. listing) | 689,426 | 16,779 | 0.22 |
| Cochlear | 111,489 | 12,299 | 0.16 |
| CyberAgent Inc | 328,800 | 15,026 | 0.20 |
| Denso | 329,600 | 13,313 | 0.18 |
| FANUC | 97,300 | 18,520 | 0.24 |
| Fast Retailing | 27,000 | 16,869 | 0.22 |
| freee K.K. | 58,600 | 3,628 | 0.05 |
| Galaxy Entertainment Group | 2,756,000 | 15,207 | 0.20 |
| Hong Kong Exchanges & Clearing | 697,208 | 32,570 | 0.43 |
| Hoshizaki Corp | 61,700 | 3,974 | 0.05 |
| James Hardie Industries | 935,899 | 19,232 | 0.25 |
| Jardine Matheson | 317,400 | 13,360 | 0.18 |
| Kakaku.com | 652,000 | 13,741 | 0.18 |
| Keyence | 31,300 | 12,222 | 0.16 |
| Makita Corporation | 496,100 | 17,219 | 0.23 |
| Mesoblast | 2,361,731 | 3,141 | 0.04 |
| Misumi | 461,000 | 10,918 | 0.14 |
| MS&AD Insurance | 856,300 | 17,892 | 0.24 |
| Murata | 331,500 | 23,185 | 0.30 |
| Nidec | 209,700 | 20,202 | 0.27 |
| Nintendo | 29,700 | 12,515 | 0.16 |
| Olympus | 1,950,600 | 25,636 | 0.34 |
| Pigeon | 544,500 | 17,839 | 0.23 |
| REA Group | 127,927 | 10,484 | 0.14 |
| Recruit Holdings | 648,600 | 20,491 | 0.27 |
| Ryman Healthcare Ltd | 1,647,548 | 13,229 | 0.17 |
| SBI Holdings | 1,348,900 | 24,470 | 0.32 |
| SEA Ltd ADR | 217,363 | 34,257 | 0.45 |
| SEEK | 1,308,505 | 20,500 | 0.27 |
| Shimano | 158,000 | 27,041 | 0.36 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-------------|-----------------------|--------------------------|
| Shiseido | 625,400 | 29,533 | 0.39 |
| SMC | 68,500 | 30,189 | 0.40 |
| SoftBank Group | 684,000 | 38,575 | 0.51 |
| Sugi Holdings | 422,400 | 20,243 | 0.27 |
| Suzuki Motor Corp | 181,900 | 5,957 | 0.08 |
| Sysmex Corp. | 141,200 | 12,017 | 0.16 |
| Techtronic Industries | 1,752,000 | 19,219 | 0.25 |
| Thai Beverage PCL (Singapore) | 12,772,200 | 5,782 | 0.08 |
| TPG Telecom | 2,332,468 | 9,644 | 0.13 |
| Treasury Wine Estates | 1,687,203 | 9,464 | 0.12 |
| Tsingtao Brewery 'H' | 2,366,000 | 16,632 | 0.22 |
| Tuas Ltd | 992,919 | 410 | 0.01 |
| United Overseas Bank | 1,786,568 | 22,891 | 0.30 |
| Washington Soul Pattinson | 1,269,020 | 19,271 | 0.25 |
| Xero Ltd | 190,214 | 13,804 | 0.18 |
| Emerging Markets - 8.72% (7.52%) | | | |
| Alibaba Group Holding | 2,134,140 | 49,427 | 0.65 |
| B3 S.A. | 3,753,500 | 29,919 | 0.39 |
| Bank Rakyat Indonesia | 119,205,100 | 25,863 | 0.34 |
| Geely Automobile Holdings | 11,838,000 | 31,519 | 0.42 |
| ICICI Prudential Life Insurance | 4,296,315 | 20,626 | 0.27 |
| Li Ning | 7,789,000 | 35,516 | 0.47 |
| Meituan Dianping | 1,624,500 | 54,284 | 0.71 |
| MercadoLibre | 41,938 | 54,255 | 0.71 |
| NAVER Corp | 81,171 | 18,099 | 0.24 |
| Norilsk Nickel ADR | 1,411,442 | 33,128 | 0.44 |
| Petrobras Common ADR | 4,829,469 | 35,310 | 0.46 |
| Ping An Insurance | 2,348,000 | 20,133 | 0.27 |
| Reliance Industries Ltd. | 1,006,857 | 18,511 | 0.24 |
| Samsung Electronics | 891,485 | 47,590 | 0.63 |
| Samsung SDI Co Ltd | 75,302 | 35,983 | 0.47 |
| Sberbank Spon ADR | 2,723,118 | 27,287 | 0.36 |
| Tencent | 1,039,700 | 66,546 | 0.88 |
| TSMC | 3,806,000 | 58,496 | 0.77 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|-----------------------|--------------------------|
| Europe (ex UK) - 18.63% (18.74%) | | | |
| Adevinta | 4,352,910 | 47,365 | 0.62 |
| adidas | 156,518 | 36,280 | 0.48 |
| Adyen Nv | 35,568 | 54,109 | 0.71 |
| ASML | 150,480 | 58,505 | 0.77 |
| Atlas Copco B | 1,575,413 | 54,040 | 0.71 |
| Avanza Bank Holding | 3,401,733 | 67,621 | 0.89 |
| Bechtle AG | 263,412 | 40,736 | 0.54 |
| Beijer Ref | 636,404 | 19,315 | 0.25 |
| Carl Zeiss Meditec | 345,831 | 39,255 | 0.52 |
| Dassault Systemes | 141,259 | 20,577 | 0.27 |
| DSV | 494,991 | 56,549 | 0.74 |
| Epiroc B | 1,580,913 | 19,970 | 0.26 |
| FinecoBank Banca Fineco S.p.A. | 1,837,142 | 20,926 | 0.28 |
| Hexpol AB | 4,075,768 | 32,529 | 0.43 |
| IMCD Group NV | 913,123 | 82,604 | 1.09 |
| Inditex | 590,779 | 12,795 | 0.17 |
| Investor | 703,840 | 37,815 | 0.50 |
| Just Eat Takeaway.com | 249,254 | 20,868 | 0.28 |
| Kering | 36,834 | 17,650 | 0.23 |
| Kingspan Group | 945,710 | 46,729 | 0.62 |
| Kinnevik | 1,118,945 | 40,167 | 0.53 |
| Kuehne & Nagel | 132,847 | 22,077 | 0.29 |
| L'Oreal | 150,771 | 38,697 | 0.51 |
| Mettler-Toledo | 36,022 | 30,599 | 0.40 |
| Nibe Industrier AB 'B' Shares | 2,031,700 | 49,658 | 0.65 |
| Prosus N.V. | 853,135 | 72,309 | 0.95 |
| Rational | 33,692 | 23,653 | 0.31 |
| Remy Cointreau | 151,864 | 20,570 | 0.27 |
| Reply Spa | 238,561 | 21,317 | 0.28 |
| Ryanair | 3,122,797 | 39,494 | 0.52 |
| Ryanair ADR | 28,607 | 1,981 | 0.03 |
| Sartorius Stedim Biotech | 207,008 | 62,525 | 0.82 |
| Schibsted B | 662,902 | 15,465 | 0.20 |
| Spotify Technology SA | 249,069 | 57,149 | 0.75 |
| Takeaway.com | 444,666 | 37,208 | 0.49 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|---------|-----------------------|--------------------------|
| Ubisoft Entertainment | 216,734 | 15,777 | 0.21 |
| Zalando SE | 957,319 | 80,258 | 1.06 |
| North America - 19.64% (18.68%) | | | |
| Abiomed | 96,625 | 24,504 | 0.32 |
| Affirm Holdings Inc Class A | 98,313 | 7,096 | 0.09 |
| Alnylam Pharmaceuticals | 138,572 | 15,185 | 0.20 |
| Alphabet Inc Class A | 1,423 | 1,890 | 0.02 |
| Alphabet Inc Class C | 29,037 | 38,738 | 0.51 |
| Amazon.com | 48,056 | 112,186 | 1.48 |
| Appian Corp | 311,406 | 49,257 | 0.65 |
| Carvana | 145,384 | 27,633 | 0.36 |
| Chegg | 580,585 | 40,259 | 0.53 |
| Chewy | 493,894 | 36,679 | 0.48 |
| Cloudflare Inc | 430,744 | 24,047 | 0.32 |
| CoStar Group | 35,476 | 23,232 | 0.31 |
| Datadog | 186,136 | 13,928 | 0.18 |
| Denali Therapeutics | 408,474 | 20,325 | 0.27 |
| Doordash Inc | 41,462 | 5,832 | 0.08 |
| Eventbrite Inc Class A | 297,024 | 3,859 | 0.05 |
| First Republic Bank | 273,553 | 28,873 | 0.38 |
| Glaukos Corp | 271,422 | 17,530 | 0.23 |
| HEICO | 90,928 | 7,798 | 0.10 |
| Illumina | 135,328 | 41,957 | 0.55 |
| Lemonade Inc | 207,346 | 21,936 | 0.29 |
| Lyft Inc | 135,316 | 4,381 | 0.06 |
| MarketAxess Holdings | 78,850 | 30,999 | 0.41 |
| Mastercard | 127,704 | 29,388 | 0.39 |
| Moderna Inc | 394,879 | 49,748 | 0.65 |
| Netflix Inc | 134,626 | 52,146 | 0.69 |
| Novocure Ltd | 259,179 | 30,331 | 0.40 |
| NVIDIA | 45,648 | 17,254 | 0.23 |
| Penumbra Inc | 81,264 | 15,447 | 0.20 |
| Redfin | 607,728 | 31,462 | 0.41 |
| Roku | 253,863 | 71,885 | 0.95 |
| Shopify 'A' | 134,878 | 107,798 | 1.42 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|------------|-----------------------|--------------------------|
| Slack Technologies Inc | 412,896 | 12,680 | 0.17 |
| Snowflake Inc | 25,412 | 5,036 | 0.07 |
| Stitch Fix | 376,255 | 26,148 | 0.34 |
| Teladoc | 162,086 | 31,185 | 0.41 |
| Tesla Inc | 126,140 | 72,864 | 0.96 |
| The Trade Desk | 131,290 | 73,141 | 0.96 |
| Twilio Inc | 212,417 | 55,582 | 0.73 |
| Vroom Inc | 660,464 | 17,685 | 0.23 |
| Watsco Inc | 105,947 | 18,401 | 0.24 |
| Wayfair Inc | 382,783 | 75,907 | 1.00 |
| Workday Inc | 140,717 | 23,295 | 0.31 |
| Yext Inc | 525,617 | 6,461 | 0.08 |
| Zillow Group Inc Class A | 193,586 | 19,556 | 0.26 |
| Zoom | 188,093 | 50,963 | 0.67 |
| UK - 17.35% (18.21%) | | | |
| Abcam | 873,637 | 14,476 | 0.19 |
| Ashtead | 1,316,813 | 48,551 | 0.64 |
| Auto Trader | 4,795,095 | 27,035 | 0.36 |
| Baillie Gifford British Smaller Companies Fund C Acc ² | 4,549,433 | 54,457 | 0.72 |
| BHP Group PLC | 2,813,174 | 56,587 | 0.74 |
| Bodycote | 1,764,741 | 12,415 | 0.16 |
| Breedon Group | 16,937,233 | 14,363 | 0.19 |
| British American Tobacco | 1,108,102 | 29,448 | 0.39 |
| Bunzl | 1,866,613 | 43,865 | 0.58 |
| Burberry | 1,395,169 | 23,976 | 0.32 |
| Close Brothers | 144,334 | 2,035 | 0.03 |
| Compass | 1,423,735 | 18,651 | 0.25 |
| Diageo | 1,644,945 | 48,501 | 0.64 |
| Draper Esprit | 2,061,431 | 14,183 | 0.19 |
| Enquest | 25,866,171 | 3,207 | 0.04 |
| Euromoney Institutional Investor | 788,081 | 7,518 | 0.10 |
| Experian | 297,232 | 7,597 | 0.10 |
| FDM Group | 1,270,946 | 12,837 | 0.17 |
| Fisher (James) & Sons | 678,720 | 6,787 | 0.09 |
| Games Workshop Group | 162,629 | 16,783 | 0.22 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|----------------------------|------------|-----------------------|--------------------------|
| Genus | 435,883 | 21,463 | 0.28 |
| Halma | 874,521 | 21,583 | 0.28 |
| Hargreaves Lansdown | 1,916,395 | 32,732 | 0.43 |
| Helical | 1,821,752 | 6,895 | 0.09 |
| Hikma Pharmaceuticals | 1,266,025 | 30,334 | 0.40 |
| Hiscox | 1,789,228 | 16,715 | 0.22 |
| HomeServe | 2,504,230 | 26,144 | 0.34 |
| Howden Joinery Group | 4,628,291 | 31,093 | 0.41 |
| IG Group | 2,185,171 | 16,378 | 0.22 |
| Inchcape | 4,843,243 | 32,208 | 0.42 |
| Informa | 3,991,285 | 19,929 | 0.26 |
| IntegraFin | 2,449,286 | 13,422 | 0.18 |
| Intermediate Capital Group | 1,211,705 | 20,599 | 0.27 |
| Just Group | 20,410,256 | 15,491 | 0.20 |
| Keller | 669,298 | 4,980 | 0.07 |
| Lancashire Holdings | 4,429,448 | 30,120 | 0.40 |
| Legal & General | 12,873,195 | 31,411 | 0.41 |
| Meggitt | 4,544,658 | 18,029 | 0.24 |
| Melrose Industries | 8,764,587 | 14,768 | 0.19 |
| Mitchells & Butlers | 4,796,384 | 14,293 | 0.19 |
| PageGroup | 4,632,810 | 20,792 | 0.27 |
| Persimmon | 264,397 | 6,745 | 0.09 |
| Prudential | 3,947,599 | 46,286 | 0.61 |
| RELX | 1,956,641 | 35,464 | 0.47 |
| Renishaw | 238,211 | 14,269 | 0.19 |
| Rightmove | 4,999,726 | 29,958 | 0.39 |
| Rio Tinto | 1,088,909 | 60,848 | 0.80 |
| Schroders Nv. | 437,863 | 10,137 | 0.13 |
| St. James's Place | 5,066,331 | 59,428 | 0.78 |
| Standard Chartered | 3,501,711 | 15,544 | 0.20 |
| Trainline Plc | 3,887,459 | 15,845 | 0.21 |
| Ultra Electronics | 1,180,066 | 23,519 | 0.31 |
| Unilever | 1,138,567 | 48,275 | 0.63 |
| Victrex | 709,900 | 16,640 | 0.22 |
| Volution Group | 3,875,476 | 11,239 | 0.15 |
| Weir | 1,113,464 | 21,100 | 0.28 |

Portfolio Statement as at 31 January 2021 cont.

Fixed Income - 17.53% (16.24%)**Overseas Bonds - 15.77% (14.78%)****Credit Bonds - 6.46% (5.48%)**

| | | | |
|--|------------|--------|------|
| Accor SA 4.375% Perp | 9,400,000 | 8,422 | 0.11 |
| Adevinta 3% 2027 | 6,400,000 | 5,839 | 0.08 |
| Alibaba 4% 2037 | 12,350,000 | 10,263 | 0.13 |
| American Water 4.15% 2049 | 4,110,000 | 3,822 | 0.05 |
| American Water 4.2% 2048 | 5,507,000 | 5,086 | 0.07 |
| ANGI Homeservices 3.875% 2028 (144A) | 198,000 | 144 | 0 |
| AP Moller-Maersk A/S 4.5% 2029 | 7,275,000 | 6,103 | 0.08 |
| Apple 4.5% 2036 | 8,309,000 | 7,925 | 0.1 |
| Apple 4.65% 2046 | 2,665,000 | 2,633 | 0.03 |
| Aroundtown Properties 3% 2029 | 5,735,000 | 6,286 | 0.08 |
| Ashtead 4% 2028 (144A) | 8,655,000 | 6,721 | 0.09 |
| Ashtead 4.25% 2029 (144A) | 5,410,000 | 4,318 | 0.06 |
| AT&T 3.65% 2059 | 11,051,000 | 7,750 | 0.1 |
| Berkshire Hathaway 2.85% 2050 | 11,890,000 | 8,901 | 0.12 |
| Bharti \$ 5.65% 2025 Perp | 8,730,000 | 6,726 | 0.09 |
| Booking Holdings 3.6% 2026 | 1,740,000 | 1,423 | 0.02 |
| Catalent 2.375% 2028 | 7,854,000 | 6,932 | 0.09 |
| Cheniere Corpus Christi 5.125% 2027 | 7,350,000 | 6,343 | 0.08 |
| Cheniere Energy 4.625% 2028 (144A) | 6,245,000 | 4,735 | 0.06 |
| Citigroup 4.412% 2031 | 7,240,000 | 6,263 | 0.08 |
| Compass Minerals International 6.75% 2027 (144A) | 10,945,000 | 8,597 | 0.11 |
| Corning 5.45% 2079 | 6,525,000 | 6,279 | 0.08 |
| CPI Property 1.625% 2027 | 3,405,000 | 3,106 | 0.04 |
| CPI Property 4.875% 2025 Perp | 3,230,000 | 2,977 | 0.04 |
| Darling Ingredients 3.625% 2026 | 7,543,000 | 6,807 | 0.09 |
| Dell 5.3% 2029 (144A) | 5,521,000 | 4,841 | 0.06 |
| E.ON 6.65% 2038 | 2,851,000 | 3,081 | 0.04 |
| EDF 6% 2026 Perp | 9,900,000 | 11,219 | 0.15 |
| EDP 4.496% 2024/79 | 10,000,000 | 9,666 | 0.13 |
| EIB 4.875% 2036 | 19,302,000 | 20,092 | 0.26 |
| Enel 2.25% 2026 Perp | 5,913,000 | 5,467 | 0.07 |
| Enel 8.75% 2023/2073 (144A) | 4,465,000 | 3,797 | 0.05 |
| Equinor 5.1% 2040 | 10,298,000 | 10,083 | 0.13 |
| Fidelity 2.5% 2026 | 8,838,000 | 8,548 | 0.11 |

Portfolio Statement as at 31 January 2021 cont.

| | | | |
|--|------------|--------|------|
| First Cash 4.625% 2028 (144A) | 10,580,000 | 7,996 | 0.11 |
| Fraport 2.125% 2027 | 10,540,000 | 9,760 | 0.13 |
| GE 2.125% 2037 | 6,119,000 | 5,835 | 0.08 |
| GE 4.875% 2037 | 1,505,000 | 1,781 | 0.02 |
| Graham Holdings 5.75% 2026 (144A) | 14,442,000 | 11,043 | 0.15 |
| Hasbro 3.55% 2026 | 8,640,000 | 6,977 | 0.09 |
| Hasbro 3.9% 2029 | 3,950,000 | 3,212 | 0.04 |
| Heathrow Airport 1.875% 2032 | 3,255,000 | 3,062 | 0.04 |
| Heathrow Airport 1.875% 2034 | 3,755,000 | 3,527 | 0.05 |
| IBRD 4.75% 2035 | 15,445,000 | 15,749 | 0.21 |
| ING Group 6.5% 2025 Perp | 1,845,000 | 1,478 | 0.02 |
| innogy 6.25% 2030 | 2,290,000 | 3,262 | 0.04 |
| IQVIA 2.25% 2028 | 1,880,000 | 1,677 | 0.02 |
| IQVIA 3.25% 2025 | 10,528,000 | 9,393 | 0.12 |
| James Hardie 3.625% 2026 | 2,715,000 | 2,467 | 0.03 |
| James Hardie 5% 2028 (144A) | 3,450,000 | 2,677 | 0.04 |
| KFW 0.375% 2025 | 13,215,000 | 9,579 | 0.13 |
| KPN 5.75% 2029 | 1,050,000 | 1,283 | 0.02 |
| KPN 8.375% 2030 | 4,204,000 | 4,411 | 0.06 |
| Laredo Petroleum 10.125% 2028 | 1,900,000 | 1,195 | 0.02 |
| Liberty Latin America 2% 2024 Convertible (144A) | 5,613,000 | 3,872 | 0.05 |
| Match.com 5% 2027 144A | 5,097,000 | 3,906 | 0.05 |
| Match.com 5.625% 2029 144A | 7,300,000 | 5,790 | 0.08 |
| MercadoLibre 2.375% 2026 | 1,482,000 | 1,087 | 0.01 |
| MercadoLibre 3.125% 2031 | 9,100,000 | 6,663 | 0.09 |
| MetLife 3.45% 2026 (144A) | 1,728,000 | 1,432 | 0.02 |
| MetLife 3.5% 2026 | 5,834,000 | 6,762 | 0.09 |
| Millicom 6.625% 2026 (144A) | 9,692,000 | 7,587 | 0.1 |
| Netflix 4.625% 2029 | 17,908,000 | 20,121 | 0.27 |
| OCI 5.25% 2024 (144A) | 7,400,000 | 5,591 | 0.07 |
| Orsted 1.75% 3019 | 1,500,000 | 1,362 | 0.02 |
| Rabobank 6.5% Perp | 2,650,000 | 3,077 | 0.04 |
| Range Resources 4.875% 2025 | 4,321,000 | 3,080 | 0.04 |
| Ryanair 2.875% 2025 | 6,840,000 | 6,460 | 0.08 |
| Sealed Air 6.875% 2033 (144A) | 2,493,000 | 2,400 | 0.03 |
| Sensata Technologies 3.75% 2031 (144A) | 8,135,000 | 6,087 | 0.08 |
| SoftBank 4% 2029 | 10,692,000 | 10,118 | 0.13 |
| Svenska Handelsbanken 4.375% 2027 Perp | 8,600,000 | 6,552 | 0.09 |
| Swiss Re 4.625% 2022 Perp | 10,422,000 | 7,741 | 0.1 |

Portfolio Statement as at 31 January 2021 cont.

| | | | |
|-------------------------------------|------------|--------|------|
| Target Hospitality 9.5% 2024 (144A) | 4,995,000 | 3,201 | 0.04 |
| Temasek 3.375% 2042 RegS | 4,593,000 | 3,836 | 0.05 |
| Temasek 4.625% 2022 | 5,808,000 | 6,174 | 0.08 |
| Temasek 5.375% 2039 (RegS) | 2,766,000 | 2,893 | 0.04 |
| Time Warner Cable 6.55% 2037 | 16,888,000 | 16,815 | 0.22 |
| Vonovia 5% 2023 (144a) | 2,395,000 | 1,874 | 0.03 |
| Walt Disney 4.375% 2041 | 5,694,000 | 5,179 | 0.07 |
| Want Want China 2.875% 2022 | 9,225,000 | 6,844 | 0.09 |
| Wizz Air 1.35% 2024 | 1,707,000 | 1,514 | 0.02 |
| Ziggo 4.875% 2030 (144A) | 8,210,000 | 6,266 | 0.08 |

Government Bonds - 8.38% (6.56%)

| | | | |
|---|-----------------|---------|------|
| Australia 3% 21/03/2047 | 25,174,000 | 16,740 | 0.22 |
| Brazil 10% 01/01/2023 | 332,000 | 47,937 | 0.63 |
| Canada 3.5% 01/12/2045 | 10,751,000 | 8,800 | 0.12 |
| France 3.25% 25/05/2045 | 11,855,000 | 17,816 | 0.23 |
| Greece 3.45% 02/04/2024 | 29,630,000 | 29,141 | 0.38 |
| Indonesia 3.85% 15/10/2030 (USD) | 4,540,000 | 3,820 | 0.05 |
| Indonesia 8.25% 15/05/2029 | 320,000,000,000 | 18,684 | 0.25 |
| Italy 2.1% 15/07/2026 | 66,466,000 | 65,137 | 0.86 |
| Japan (Govt) 0.5% 20/03/2049 #62 | 5,719,750,000 | 38,548 | 0.51 |
| Japan (Govt) 2.3% 20/06/35 #19 | 1,265,400,000 | 11,379 | 0.15 |
| Mexico 7.75% 29/05/2031 | 3,260,000 | 13,731 | 0.18 |
| North Macedonia 3.675% 03/06/2026 (EUR) | 5,270,000 | 5,210 | 0.07 |
| Peru 5.625% 18/11/2050 (USD) | 6,100,000 | 6,774 | 0.09 |
| Peru 6.95% 12/08/2031 | 57,930 | 14,875 | 0.2 |
| Qatar 4% 14/03/2029 (USD) | 4,420,000 | 3,778 | 0.05 |
| Romania 2.875% 26/05/2028 (EUR) | 4,425,000 | 4,394 | 0.06 |
| Spain 1.85% 30/07/2035 | 60,000,000 | 63,639 | 0.84 |
| US Treasury 1.5% 15/02/2030 | 132,081,400 | 100,224 | 1.32 |
| US Treasury 2% 15/08/2025 | 142,716,000 | 111,537 | 1.47 |
| US Treasury 3% 15/11/2045 | 58,768,400 | 53,416 | 0.7 |

Index Linked Bonds - 0.93% (2.74%)

| | | | |
|---|---------------|--------|------|
| Japan (Govt) 0.1% CPI Linked 10/03/2026 | 956,900,000 | 6,786 | 0.09 |
| Mexico 4% IL 30/11/2028 | 385,500 | 10,905 | 0.14 |
| Poland 2.75% IL 25/08/2023 | 96,000,000 | 27,140 | 0.36 |
| Thailand 1.25% IL 12/03/2028 | 1,021,000,000 | 26,174 | 0.34 |

Portfolio Statement as at 31 January 2021 cont.

| | | | | |
|---|------------|--------|------|--|
| UK Bonds - 1.76% (1.46%) | | | | |
| Credit Bonds - 1.76% (1.46%) | | | | |
| AstraZeneca 6.45% 2037 | 9,790,000 | 10,649 | 0.14 | |
| Barclays 7.125% 2025 Perp | 6,129,000 | 6,826 | 0.09 | |
| Co-operative Group 5.125% 2024 | 5,480,000 | 5,853 | 0.08 | |
| Co-operative Group 7.5% 2026 | 5,884,000 | 7,124 | 0.09 | |
| Ds Smith 0.875% 2026 | 18,587,000 | 16,825 | 0.22 | |
| Hiscox 6.125% 2025/45 | 4,105,000 | 4,761 | 0.06 | |
| Legal & General 5.125% 2028/48 | 5,731,000 | 6,756 | 0.09 | |
| Legal & General 5.375% 2025/45 | 5,540,000 | 6,419 | 0.08 | |
| Marks and Spencer 4.5% 2027 | 4,450,000 | 4,641 | 0.06 | |
| Mitchells & Butlers 5.574% 15/12/2030 | 5,075,000 | 2,023 | 0.03 | |
| Mitchells & Butlers 6.469% 2030 | 2,056,000 | 2,105 | 0.03 | |
| Neptune 6.625% 2025 | 4,510,000 | 3,211 | 0.04 | |
| PaymentSense 8% 2025 | 5,637,000 | 6,051 | 0.08 | |
| Pension Insurance 4.625% 2031 | 5,000,000 | 5,806 | 0.08 | |
| Pension Insurance 8% 2026 | 7,556,000 | 9,899 | 0.13 | |
| Phoenix Life 7.25% 2021 Perp | 2,086,000 | 2,099 | 0.03 | |
| RBS 5.076% 2030 | 9,402,000 | 8,245 | 0.11 | |
| Rothsay Life 8% 2025 | 4,236,000 | 5,334 | 0.07 | |
| Telereal 5.3887% 2031/33 (A5) | 124,000 | 76 | 0 | |
| Telereal 5.5534% 2031/33 (A3) | 222,000 | 182 | 0 | |
| Telereal 5.9478% 2031/33 (A4) | 4,694,000 | 3,919 | 0.05 | |
| Travis Perkins 3.75% 2026 | 3,006,000 | 3,156 | 0.04 | |
| Virgin Media 5.5% 2029 (144A) | 7,465,000 | 5,842 | 0.08 | |
| Yorkshire Building Society 3.375% 2027/28 | 5,496,000 | 5,964 | 0.08 | |

Portfolio Statement as at 31 January 2021 cont.

| | | |
|---|------------------|--------------|
| Derivatives - 0.02% (0.04%) | | |
| Forward currency contracts (see Table 1) | -1,721 | -0.02 |
| Futures contracts (see Table 2) | - | 0.00 |
| Inflation rate swap contracts (see Table 3) | 1,258 | 0.00 |
| Interest rate swap contracts (see Table 4) | 2,839 | 0.04 |
| Portfolio of investments | 7,067,212 | 93.02 |
| Net other assets - 6.98% (10.22%) | 530,244 | 6.98 |
| Net assets | 7,597,456 | 100 |

¹Baillie Gifford UK & Balanced Funds ICVC related party.

²Baillie Gifford UK & Balanced Funds ICVC cross holding.

Please note: figures are based on market values rather than economic exposure.

All investments are listed on recognised stock exchanges or are fixed interest securities and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets in the investment category headings refer to 31 January 2020.

Portfolio Statement as at 31 January 2021 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

| Counterparty | Settlement | Buy | Buy Amount | Sell | Sell Amount | Unrealised gains/(losses) £'000 | % of total net assets |
|--|------------|-----|----------------|------|-----------------|---------------------------------------|--------------------------|
| Barclays Bank | 18/02/21 | GBP | 15,570,613 | HUF | 6,200,000,000 | 206 | 0.00 |
| Barclays Bank | 18/02/21 | SEK | 15,000,000 | GBP | 1,323,064 | (12) | 0.00 |
| Barclays Bank | 22/04/21 | GBP | 11,816,572 | THB | 483,000,000 | 73 | 0.00 |
| Barclays Bank | 22/04/21 | GBP | 17,449,174 | ZAR | 383,000,000 | (860) | (0.01) |
| Barclays Bank | 15/07/21 | KRW | 35,100,000,000 | GBP | 23,380,371 | (458) | (0.01) |
| Citigroup | 25/03/21 | CHF | 25,900,000 | GBP | 22,007,051 | (775) | (0.01) |
| Citigroup | 25/03/21 | RUB | 1,000,000,000 | GBP | 9,805,886 | (216) | 0.00 |
| Citigroup | 22/04/21 | CHF | 3,000,000 | GBP | 2,480,560 | (20) | 0.00 |
| Citigroup | 22/04/21 | GBP | 3,644,736 | ZAR | 80,000,000 | (180) | 0.00 |
| Citigroup | 03/11/21 | GBP | 65,207,579 | BRL | 472,000,000 | 2,340 | 0.03 |
| Citigroup | 03/11/21 | RUB | 203,000,000 | GBP | 2,027,972 | (78) | 0.00 |
| Deutsche Bank | 18/02/21 | DKK | 14,000,000 | GBP | 1,703,398 | (38) | 0.00 |
| Deutsche Bank | 25/02/21 | GBP | 53,268,365 | EUR | 58,630,000 | 1,376 | 0.02 |
| HSBC | 25/03/21 | ILS | 68,470,000 | GBP | 15,532,794 | (297) | 0.00 |
| JP Morgan Chase | 18/02/21 | USD | 27,326,000 | GBP | 20,778,443 | (881) | (0.01) |
| JP Morgan Chase | 25/02/21 | JPY | 6,145,000,000 | GBP | 44,385,693 | (1,638) | (0.02) |
| JP Morgan Chase | 18/03/21 | GBP | 5,455,656 | MXN | 150,000,000 | 85 | 0.00 |
| JP Morgan Chase | 18/03/21 | USD | 38,800,000 | GBP | 28,627,405 | (380) | (0.01) |
| JP Morgan Chase | 25/03/21 | RUB | 210,000,000 | GBP | 2,059,236 | (45) | 0.00 |
| JP Morgan Chase | 15/04/21 | GBP | 5,303,661 | IDR | 102,000,000,000 | 48 | 0.00 |
| JP Morgan Chase | 22/04/21 | JPY | 7,748,400,000 | GBP | 54,669,376 | (749) | (0.01) |
| National Australia Bank | 25/02/21 | JPY | 550,000,000 | GBP | 3,972,682 | (147) | 0.00 |
| Royal Bank of Canada | 25/03/21 | CAD | 30,000,000 | GBP | 17,242,648 | (144) | 0.00 |
| Royal Bank of Canada | 22/04/21 | GBP | 4,761,355 | MXN | 130,000,000 | 124 | 0.00 |
| Royal Bank of Canada | 22/04/21 | GBP | 11,841,586 | PLN | 60,360,000 | 17 | 0.00 |
| Royal Bank of Scotland | 15/04/21 | GBP | 15,464,906 | PEN | 72,600,000 | 944 | 0.01 |
| Royal Bank of Scotland | 22/04/21 | CHF | 2,340,000 | GBP | 1,934,837 | (16) | 0.00 |
| Unrealised gains/(losses) on open forward currency contracts | | | | | | (1,721) | (0.02) |

Portfolio Statement as at 31 January 2021 cont.

Table 2: Unrealised gains/(losses) on futures contracts

| Futures | Maturity | Notional | Unrealised gains/(losses) £'000 | % of total net assets |
|--|----------|----------|---------------------------------|-----------------------|
| US 2 Year Note March 2021 | 06/04/21 | 829 | - | 0.00 |
| US Ultra 10 Year Note Future March 2021 | 31/03/21 | (475) | - | 0.00 |
| Unrealised gains/(losses) on futures contracts | | | - | 0.00 |

Table 3: Unrealised gains/(losses) on open inflation rate swap contracts

| Counterparty | Ccy | Termination | Notional | Fund pays | Fund receives | Unrealised gains/(losses) £'000 | % of total net assets |
|---|-----|-------------|------------|-----------|----------------------|---------------------------------|-----------------------|
| Barclays | GBP | 15/09/29 | 18,000,000 | Inflation | 3.755000000 | 1,293 | 0.02 |
| JP Morgan | GBP | 15/09/29 | 12,000,000 | Fixed | UK RPI All Items NSA | (862) | (0.01) |
| JP Morgan | GBP | 15/12/29 | 18,000,000 | Inflation | 3.587000000 | 827 | 0.01 |
| Unrealised gains / losses on open inflation rate swap contracts | | | | | | 1,258 | 0.00 |

Table 4: Unrealised gains/(losses) on open interest rate swap contracts

| Counterparty | Ccy | Termination | Notional | Fund pays | Fund receives | Unrealised gains/(losses) £'000 | % of total net assets |
|--|-----|-------------|---------------|-------------------------------|--|---------------------------------|-----------------------|
| Citigroup | CNY | 10/06/24 | 280,000,000 | China Fixing Repo Rates 7 Day | 2.8775 | 186 | 0.00 |
| Goldman Sachs | RUB | 11/10/24 | 1,430,000,000 | MosPrime 3 Months Rate | 6.835 | 469 | 0.01 |
| JP Morgan | NOK | 10/09/30 | 350,000,000 | 0.977 | Norway Interbank Offered Rate Fixing 6 Month | 1,029 | 0.01 |
| Merrill Lynch | CZK | 18/08/30 | 530,000,000 | 0.9227 | Czech Interbank Rates 6 Month Intraday | 584 | 0.01 |
| Merrill Lynch | CZK | 20/08/30 | 270,000,000 | 0.95 | Czech Interbank Rates 6 Month Intraday | 275 | 0.00 |
| Merrill Lynch | RUB | 12/12/24 | 1,400,000,000 | MosPrime 3 Months Rate | 6.575 | 345 | 0.01 |
| Merrill Lynch | RUB | 12/01/26 | 800,000,000 | MosPrime 3 Months Rate | 5.8875 | (32) | 0.00 |
| Merrill Lynch | RUB | 12/01/26 | 800,000,000 | MosPrime 3 Months Rate | 5.935 | (17) | 0.00 |
| Unrealised gains/(losses) on open interest rate swap contracts | | | | | | 2,839 | 0.04 |

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 985.68 | 853.58 | 861.19 |
| Return before operating charges* | 338.49 | 146.45 | 5.78 |
| Operating charges | (17.24) | (14.35) | (13.39) |
| Return after operating charges* | 321.25 | 132.10 | (7.61) |
| Distributions | 0.00 | (2.82) | (4.10) |
| Retained distributions on accumulation shares | 0.00 | 2.82 | 4.10 |
| Closing net asset value per share | 1,306.93 | 985.68 | 853.58 |
| *After direct transaction costs of: | 0.80 | 0.28 | 0.26 |
| Performance: | | | |
| Return after charges | 32.59% | 15.48% | (0.88)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 29,560 | 14,537 | 13,679 |
| Closing number of shares | 2,261,812 | 1,474,855 | 1,602,511 |
| Operating charges | 1.51% | 1.52% | 1.53% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,359 | 1,020 | 941.9 |
| Lowest share price (pence) | 817.1 | 861.5 | 810.1 |

Comparative Tables cont.

Comparative Table: A Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 770.18 | 668.87 | 678.02 |
| Return before operating charges* | 264.44 | 114.77 | 4.64 |
| Operating charges | (13.41) | (11.25) | (10.57) |
| Return after operating charges* | 251.03 | 103.52 | (5.93) |
| Distributions on income shares | 0.00 | (2.21) | (3.22) |
| Closing net asset value per share | 1,021.21 | 770.18 | 668.87 |
| *After direct transaction costs of: | | | |
| | 0.62 | 0.22 | 0.21 |
| Performance: | | | |
| Return after charges | 32.59% | 15.48% | (0.87)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 4,213 | 2,303 | 1,939 |
| Closing number of shares | 412,523 | 299,032 | 289,904 |
| Operating charges | 1.51% | 1.52% | 1.53% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,062 | 798.5 | 740.8 |
| Lowest share price (pence) | 638.5 | 675.1 | 637.2 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 1,185.48 | 1,015.63 | 1,013.85 |
| Return before operating charges* | 409.14 | 174.72 | 6.24 |
| Operating charges | (5.77) | (4.87) | (4.46) |
| Return after operating charges* | 403.37 | 169.85 | 1.78 |
| Distributions | (11.11) | (15.48) | (15.85) |
| Retained distributions on accumulation shares | 11.11 | 15.48 | 15.85 |
| Closing net asset value per share | 1,588.85 | 1,185.48 | 1,015.63 |
| *After direct transaction costs of: | 0.96 | 0.34 | 0.31 |
| Performance: | | | |
| Return after charges | 34.03% | 16.72% | 0.18% |
| Other Information: | | | |
| Closing net asset value (£'000) | 4,539,631 | 2,524,242 | 1,893,902 |
| Closing number of shares | 285,718,769 | 212,929,505 | 186,475,005 |
| Operating charges | 0.42% | 0.43% | 0.43% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,652 | 1,226 | 1,116 |
| Lowest share price (pence) | 984.1 | 1,025 | 962.9 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 771.28 | 669.49 | 678.61 |
| Return before operating charges* | 265.73 | 115.17 | 4.44 |
| Operating charges | (3.73) | (3.20) | (2.98) |
| Return after operating charges* | 262.00 | 111.97 | 1.46 |
| Distributions on income shares | (7.22) | (10.18) | (10.58) |
| Closing net asset value per share | 1,026.06 | 771.28 | 669.49 |
| *After direct transaction costs of: | 0.62 | 0.22 | 0.21 |
| Performance: | | | |
| Return after charges | 33.97% | 16.72% | 0.22% |
| Other Information: | | | |
| Closing net asset value (£'000) | 417,981 | 265,412 | 195,963 |
| Closing number of shares | 40,736,350 | 34,412,146 | 29,270,578 |
| Operating charges | 0.42% | 0.43% | 0.43% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,071 | 804.4 | 742.9 |
| Lowest share price (pence) | 640.3 | 675.8 | 641.2 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 1,202.00 | 1,026.50 | 1,021.42 |
| Return before operating charges* | 414.96 | 175.84 | 5.39 |
| Operating charges | (0.42) | (0.34) | (0.31) |
| Return after operating charges* | 414.54 | 175.50 | 5.08 |
| Distributions | (16.05) | (19.31) | (19.28) |
| Retained distributions on accumulation shares | 16.05 | 19.31 | 19.28 |
| Closing net asset value per share | 1,616.54 | 1,202.00 | 1,026.50 |
| *After direct transaction costs of: | 0.97 | 0.34 | 0.31 |
| Performance: | | | |
| Return after charges | 34.49% | 17.10% | 0.50% |
| Other Information: | | | |
| Closing net asset value (£'000) | 2,447,492 | 1,608,066 | 1,299,267 |
| Closing number of shares | 151,402,731 | 133,782,034 | 126,573,084 |
| Operating charges | 0.03% | 0.03% | 0.03% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,681 | 1,243 | 1,126 |
| Lowest share price (pence) | 998.3 | 1,036 | 972.9 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 772.46 | 670.42 | 679.52 |
| Return before operating charges* | 265.95 | 114.85 | 3.93 |
| Operating charges | (0.18) | (0.22) | (0.21) |
| Return after operating charges* | 265.77 | 114.63 | 3.72 |
| Distributions on income shares | (10.23) | (12.59) | (12.82) |
| Closing net asset value per share | 1,028.00 | 772.46 | 670.42 |
| *After direct transaction costs of: | | | |
| | 0.62 | 0.22 | 0.21 |
| Performance: | | | |
| Return after charges | 34.41% | 17.10% | 0.55% |
| Other Information: | | | |
| Closing net asset value (£'000) | 5 | 4 | 3 |
| Closing number of shares | 500 | 500 | 500 |
| Operating charges | 0.02% | 0.03% | 0.03% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,075 | 806.8 | 743.9 |
| Lowest share price (pence) | 641.6 | 676.8 | 642.8 |

Comparative Tables cont.

Comparative Table: K Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 977.49 | 848.49 | 860.39 |
| Return before operating charges* | 337.50 | 145.85 | 5.17 |
| Operating charges | (3.81) | (3.31) | (3.08) |
| Return after operating charges* | 333.69 | 142.54 | 2.09 |
| Distributions on income shares | (9.95) | (13.54) | (13.99) |
| Closing net asset value per share | 1,301.23 | 977.49 | 848.49 |
| | | | |
| *After direct transaction costs of: | 0.78 | 0.28 | 0.26 |
| Performance: | | | |
| Return after charges | 34.14% | 16.80% | 0.24% |
| Other Information: | | | |
| Closing net asset value (£'000) | 158,574 | 121,178 | 104,581 |
| Closing number of shares | 12,186,515 | 12,396,817 | 12,325,613 |
| Operating charges | 0.34% | 0.35% | 0.35% |
| Direct transaction costs ¹ | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 1,363 | 1,025 | 947.1 |
| Lowest share price (pence) | 811.6 | 856.5 | 817.7 |

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|----------|------------------|----------|----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 1,648,632 | | 552,304 |
| Revenue | 3 | 71,644 | | 77,133 | |
| Expenses | 4 | (16,249) | | (11,491) | |
| Net revenue before taxation | | 55,395 | | 65,642 | |
| Taxation | 5 | (3,027) | | (4,906) | |
| Net revenue after taxation | | | 52,368 | | 60,736 |
| Total return before distributions | | | 1,701,000 | | 613,040 |
| Distributions | 6 | | (52,424) | | (60,740) |
| Change in net assets attributable to shareholders from investment activities | | | 1,648,576 | | 552,300 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-----------|------------------|----------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 4,535,742 | | 3,509,334 |
| Amounts receivable on issue of shares | 1,480,392 | | 495,501 | |
| Amounts payable on cancellation of shares | (123,627) | | (80,358) | |
| | | 1,356,765 | | 415,143 |
| Dilution adjustment | | 3,314 | | 999 |
| Change in net assets attributable to shareholders from investment activities | | 1,648,576 | | 552,300 |
| Retained distributions on accumulation shares | | 53,059 | | 57,966 |
| Closing net assets attributable to shareholders | | 7,597,456 | | 4,535,742 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|------------------|------------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 7,075,056 | 4,077,302 |
| Current assets: | | | |
| Debtors | 8 | 57,786 | 64,329 |
| Cash and bank balances | 9 | 522,405 | 526,363 |
| Total assets | | 7,655,247 | 4,667,994 |
| Liabilities: | | | |
| Investment liabilities | 13 | (7,844) | (5,042) |
| Creditors: | | | |
| Bank overdrafts | 9 | (585) | (395) |
| Distributions payable | | (2,932) | (3,897) |
| Other creditors | 10 | (46,430) | (122,918) |
| Total liabilities | | (57,791) | (132,252) |
| Net assets attributable to shareholders | | 7,597,456 | 4,535,742 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|------------------|----------------|
| | £'000 | £'000 |
| Non-derivative securities | 1,651,947 | 557,046 |
| Derivative contracts | 6,873 | 676 |
| Forward currency contracts | (8,685) | (3,696) |
| Currency gains/(losses) | (1,477) | (1,702) |
| Transaction costs | (26) | (20) |
| Net capital gains/(losses) | 1,648,632 | 552,304 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of bonds excluding transaction costs ¹ | 1,102,472 | 639,388 |
| Gross purchases of equities excluding transaction costs | 1,762,985 | 608,190 |
| Commissions | 707 | 199 |
| Taxes | 2,845 | 763 |
| Total transaction costs on equity purchases² | 3,552 | 962 |
| Purchases including transaction costs | 2,869,009 | 1,248,540 |

¹There were no transaction costs on the purchase or sale of bonds.

²These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.04 | 0.03 |
| Taxes on equity purchases | 0.16 | 0.13 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|---|------------------|----------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of bonds excluding transaction costs ¹ | 501,907 | 687,175 |
| Gross sales of equities excluding transaction costs | 1,021,852 | 283,316 |
| Commissions | (339) | (129) |
| Taxes | (108) | (15) |
| Total transaction costs on equity sales ² | (447) | (144) |
| Sales net of transaction costs | 1,523,312 | 970,347 |

¹There were no transaction costs on the purchase or sale of bonds.

²These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.03) | (0.05) |
| Taxes on equity sales | (0.01) | (0.01) |

| | 2021 | 2020 |
|---|-------|-------|
| | £'000 | £'000 |
| Transaction cost on derivative contracts | | |
| Commission on trading futures contracts | 24 | 21 |

| | 2021 | | 2020 | |
|---------------------------------------|--------------|------------------|--------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 1,070 | 0.02 | 349 | 0.01 |
| Taxes | 2,953 | 0.05 | 778 | 0.02 |
| Total direct transaction costs | 4,023 | 0.07 | 1,127 | 0.03 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.14 | 0.12 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions. Commission is also payable to the counterparty on the trading of futures contracts.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| | £'000 | £'000 |
| UK dividends | 20,051 | 23,554 |
| Overseas dividends | 24,839 | 30,584 |
| Interest on debt securities | 26,037 | 21,894 |
| Bank interest | 411 | 1,663 |
| Swaps interest | 303 | (570) |
| Other income | 3 | 8 |
| Total revenue | 71,644 | 77,133 |

Notes to the Financial Statements cont.

4 Expenses

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 15,138 | 10,637 |
| Expenses rebate | (1) | - |
| | 15,137 | 10,637 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 422 | 315 |
| Bank charges | 660 | 477 |
| | 1,082 | 792 |
| Other expenses: | | |
| Audit fee | 14 | 13 |
| Non-audit fees paid to auditor | 9 | - |
| Professional fees | 7 | 49 |
| | 30 | 62 |
| Total expenses | 16,249 | 11,491 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Overseas tax | 2,318 | 2,487 |
| Prior year tax reclaims written off | 69 | 295 |
| Prior year adjustments | (1,237) | 71 |
| Tax recoverable on overseas dividends | - | (61) |
| Corporation tax | 1,877 | 2,114 |
| Total taxation | 3,027 | 4,906 |

Notes to the Financial Statements cont.

5 Taxation (continued)

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 55,395 | 65,642 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 11,079 | 13,128 |
| Effects of: | | |
| Non-taxable UK dividends | (4,010) | (4,711) |
| Non-taxable overseas dividends | (4,946) | (6,037) |
| Overseas tax on dividends | 2,093 | 2,351 |
| Overseas tax on coupons | 225 | 136 |
| Prior year tax reclaims written off | 69 | 295 |
| Prior year adjustments | (1,237) | 71 |
| Tax recoverable on overseas dividends | - | (61) |
| Double taxation relief | (246) | (266) |
| Total taxation | 3,027 | 4,906 |

Other matters

The Fund has filed protective claims with HM Revenue & Customs ("HMRC") and the UK High Court in order to seek recovery of potentially overpaid taxes from HMRC in relation to the UK's dividend tax rules prior to 1 July 2009. The claims cover historic periods in which the Fund paid UK tax on dividend income received from foreign portfolio investments. In such periods, the Fund is seeking recovery of the tax paid together with interest. Following the decision in the lead case, HMRC issued a Brief stating it will now consider and determine each claim individually. As a result, the Fund's claims for certain periods have now been agreed with HMRC and recognised in the Fund's results for the period. The settlement payable by HMRC to the Fund included repayment of tax paid together with interest. The tax repayable has been recorded as taxation and the interest has been recorded as revenue. No tax or related interest recovery has been accrued or recognised as a contingent asset for claims that remain uncertain.

6 Distributions

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Interim to 31 July | 21,111 | 22,611 |
| Final to 31 January | 36,009 | 40,445 |
| | 57,120 | 63,056 |
| Amounts deducted on cancellation of shares | 353 | 754 |
| Amounts added on issue of shares | (5,049) | (3,070) |
| Total distributions | 52,424 | 60,740 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 52,368 | 60,736 |
| Add capital transfers for deficits of income | 74 | - |
| Add distributable revenue brought forward | 14 | 18 |
| Less distributable revenue carried forward | (32) | (14) |
| Net distributions for the year | 52,424 | 60,740 |

8 Debtors

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 27,361 | 7,447 |
| Sales awaiting settlement | 5,628 | 40,811 |
| Accrued income | 16,446 | 11,605 |
| Overseas tax recoverable | 2,018 | 2,104 |
| VAT recoverable | 13 | 6 |
| Collateral held by counterparties | 6,315 | 880 |
| Amounts due from clearing brokers | - | 1,279 |
| Amounts due from ACD | 1 | - |
| Other debtors | 4 | 197 |
| Total debtors | 57,786 | 64,329 |

9 Cash and bank balances

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Sterling amounts held at clearing houses and brokers | - | 352 |
| Foreign amounts held at clearing houses and brokers | 1,738 | 936 |
| Sterling bank accounts | 517,176 | 515,709 |
| Foreign currency bank accounts | 3,491 | 9,366 |
| | 522,405 | 526,363 |
| Sterling amounts held at clearing houses and brokers overdrawn | (585) | (395) |
| Total cash and bank balances | 521,820 | 525,968 |

Notes to the Financial Statements cont.

10 Other creditors

| | 2021 | 2020 |
|---|---------------|----------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 161 | 786 |
| Purchases awaiting settlement | 33,866 | 110,373 |
| Due to the ACD or associates | 1,658 | 1,015 |
| Due to the Depositary or associates | 244 | 119 |
| Collateral held on behalf of counterparty | 5,115 | 6,020 |
| Amounts due to clearing broker | 2,958 | 2,191 |
| Capital gains tax provision | 1,660 | 1,109 |
| Corporation tax payable | 744 | 1,289 |
| Other accrued expenses | 24 | 16 |
| Total other creditors | 46,430 | 122,918 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

The Fund invests in other funds for whom Baillie Gifford & Co, the ultimate parent company of the ACD, act as Investment Adviser and these funds are therefore considered to be related parties. Transactions with these related party funds are noted in the table below.

| | 2021 | | | 2020 | | |
|--|--------------------|----------------|-----------------|--------------------|----------------|-----------------|
| | Purchases £'000 | Sales £'000 | Income £'000 | Purchases £'000 | Sales £'000 | Income £'000 |
| Baillie Gifford British Smaller Companies Fund C Acc | 12,236 | - | 142 | 7,631 | - | 389 |
| Baillie Gifford Japanese Smaller Companies Fund C Acc | 17,732 | - | 331 | 4,603 | - | 271 |

Notes to the Financial Statements cont.

11 Related party transactions (continued)

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|------|
| | % | % |
| ACD and associates of the ACD | 0.00 | 0.00 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 1,474,855 | 1,054,273 | (164,259) | (103,057) | 2,261,812 |
| A Income Shares | 299,032 | 171,185 | (52,345) | (5,349) | 412,523 |
| B Accumulation Shares | 212,929,505 | 76,129,642 | (2,956,444) | (383,934) | 285,718,769 |
| B Income Shares | 34,412,146 | 8,315,841 | (2,332,880) | 341,243 | 40,736,350 |
| C Accumulation Shares | 133,782,034 | 22,143,654 | (4,768,311) | 245,354 | 151,402,731 |
| C Income Shares | 500 | 500 | (500) | - | 500 |
| K Income Shares | 12,396,817 | 101,493 | (313,449) | 1,654 | 12,186,515 |

13 Basis of valuation

| | 2021 | | 2020 | |
|---------------------------------|------------------|----------------------|------------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1: Quoted prices | 5,613,900 | - | 3,267,445 | - |
| Level 2: Observable market data | 1,461,156 | (7,844) | 809,856 | (5,042) |
| Level 3: Unobservable data | - | - | - | - |
| Total | 7,075,056 | (7,844) | 4,077,302 | (5,042) |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 151,770 | 151,770 | - | 100,497 | 100,497 |
| Brazilian real | - | 14,987 | 14,987 | - | 33,185 | 33,185 |
| Canadian dollar | - | 25,899 | 25,899 | - | (4,732) | (4,732) |
| Chinese yuan | - | 186 | 186 | - | 53 | 53 |
| Colombian peso | - | - | - | - | (457) | (457) |
| Czech koruna | 220 | 858 | 1,078 | 66 | (551) | (485) |
| Danish krone | - | 58,215 | 58,215 | - | 56,397 | 56,397 |
| Egyptian pound | - | - | - | - | 4,019 | 4,019 |
| Euro | 2,437 | 1,128,380 | 1,130,817 | - | 635,806 | 635,806 |
| Hong Kong dollar | - | 356,311 | 356,311 | - | 109,137 | 109,137 |
| Hungarian forint | - | (15,364) | (15,364) | 281 | 685 | 966 |
| Indian rupee | 1 | 39,137 | 39,138 | 1 | 35,978 | 35,979 |
| Indonesian rupiah | - | 39,292 | 39,292 | - | 34,571 | 34,571 |
| Israeli new shekel | - | 15,236 | 15,236 | - | - | - |
| Japanese yen | - | 614,061 | 614,061 | - | 356,371 | 356,371 |
| Malaysian ringgit | - | - | - | - | 181 | 181 |
| Mexican peso | - | 14,628 | 14,628 | - | 11,541 | 11,541 |
| New Zealand dollar | - | 13,229 | 13,229 | - | 6,223 | 6,223 |
| Norwegian krona | 403 | 63,859 | 64,262 | - | 38,521 | 38,521 |
| Peruvian nuevo sol | - | 354 | 354 | - | 8,692 | 8,692 |
| Polish zloty | - | 15,315 | 15,315 | 55 | 321 | 376 |
| Romanian leu | - | - | - | - | (12,407) | (12,407) |
| Russian ruble | - | 14,319 | 14,319 | - | 17,436 | 17,436 |
| Singapore dollar | - | 28,673 | 28,673 | - | 22,577 | 22,577 |
| South African rand | - | (22,133) | (22,133) | - | (3,430) | (3,430) |
| South Korean won | - | 124,594 | 124,594 | - | 18,896 | 18,896 |
| Swedish krona | - | 322,427 | 322,427 | - | 230,716 | 230,716 |
| Swiss franc | - | 47,688 | 47,688 | - | 33,647 | 33,647 |
| Taiwanese dollar | 168 | 58,496 | 58,664 | 162 | 29,451 | 29,613 |
| Thai baht | - | 14,430 | 14,430 | - | (279) | (279) |
| Turkish lira | - | - | - | - | (8,985) | (8,985) |
| UK sterling | 517,791 | 1,487,972 | 2,005,763 | 510,527 | 919,319 | 1,429,846 |
| US dollar | 2,001 | 2,454,394 | 2,456,395 | 9,737 | 1,398,882 | 1,408,619 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments (continued)

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets, including derivatives that are used for efficient portfolio management purposes (including hedging) and for investment purposes. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

15 Derivative exposure

The exposure to derivative counterparties was:

| Counterparty | 2021 | | | | | 2020 | | | | |
|-------------------------|--------------------------------|------------------------|------------------------|-----------------------------|-------------------|--------------------------------|------------------------|------------------------|-----------------------------|-------------------|
| | Forward | Inflation | Interest | Cash | Total | Forward | Inflation | Interest | Cash | Total |
| | currency contracts £'000 | rate swaps £'000 | rate swaps £'000 | collateral held £'000 | exposure £'000 | currency contracts £'000 | rate swaps £'000 | rate swaps £'000 | collateral held £'000 | exposure £'000 |
| Barclays | 279 | 1,293 | - | - | 1,572 | 1,514 | 972 | 43 | (890) | 1,639 |
| CitiGroup | 2,339 | - | 186 | (1,060) | 1,465 | 533 | - | 53 | (1,700) | (1,114) |
| Deutsche Bank | 1,376 | - | - | (1,795) | (419) | - | - | - | - | - |
| Goldman Sachs | - | - | 469 | (740) | (271) | - | - | 303 | (680) | (377) |
| HSBC | - | - | - | - | - | - | - | - | - | 558 |
| JP Morgan Chase | 133 | 827 | 1,029 | - | 1,989 | 401 | 524 | 12 | (835) | 102 |
| Merrill Lynch | - | - | 1,204 | (415) | 789 | - | - | 122 | (135) | (13) |
| National Australia Bank | - | - | - | - | - | 677 | - | - | (1,425) | (748) |
| Royal Bank of Canada | 141 | - | - | (170) | (29) | 1,244 | - | - | (355) | 889 |
| Royal Bank of Scotland | 944 | - | - | (935) | 9 | 123 | - | 216 | - | 339 |

Collateral pledged on derivatives was:

| Counterparty | 2021 | | | 2020 | | |
|-------------------------|---------------|----------------|----------------|---------------|----------------|----------------|
| | Cash £'000 | Bonds £'000 | Total £'000 | Cash £'000 | Bonds £'000 | Total £'000 |
| Barclays | 525 | - | 525 | - | - | - |
| Deutsche Bank | - | - | - | 130 | - | 130 |
| HSBC | 180 | - | 180 | 100 | - | 100 |
| JP Morgan | 5,405 | - | 5,405 | - | - | - |
| National Australia Bank | 205 | - | 205 | - | - | - |
| Royal Bank of Canada | - | - | - | - | - | - |
| Royal Bank of Scotland | - | - | - | 360 | - | 360 |
| Standard Chartered Bank | - | - | - | 290 | - | 290 |

Notes to the Financial Statements cont.

15 Derivative exposure (continued)

In addition the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil. The Fund also trades cleared swaps through HSBC as clearing broker for LCH.Clearnet, the clearing house. The cleared swap positions are collateralised and the collateral is held at the clearing house which reduces the counterparty exposure to nil.

16 Global Exposure

As per the COLL Rules, the Commitment Approach is used for the calculation of Global Exposure. The Commitment Approach is a measure of leverage and requires the conversion of each derivative and forward contract into the market value of an equivalent position in the underlying asset of the derivative or forward transaction. Under the Commitment Approach the ACD may take account of netting and hedging arrangements when calculating Global Exposure of a Fund where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

The leverage limits of the Fund have not been exceeded in the year. The Fund's maximum and actual leverage levels (calculated using the Commitment Approach) as at 31 January 2021 are shown below:

| | 2021 | 2020 |
|----------------------------|--------|--------|
| | % | % |
| Maximum Limit | 100.00 | 100.00 |
| Actual Commitment Exposure | 7.99 | 13.03 |

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | 0.80000 |
| Group 2 | - | - | - | 0.80000 |
| A Income | | | | |
| Group 1 | - | - | - | 0.70000 |
| Group 2 | - | - | - | 0.70000 |
| B Accumulation | | | | |
| Group 1 | 4.70000 | - | 4.70000 | 5.75000 |
| Group 2 | 0.79382 | 3.90618 | 4.70000 | 5.75000 |
| B Income | | | | |
| Group 1 | 3.00000 | - | 3.00000 | 3.75000 |
| Group 2 | 0.57555 | 2.42445 | 3.00000 | 3.75000 |
| C Accumulation | | | | |
| Group 1 | 6.30000 | - | 6.30000 | 7.50000 |
| Group 2 | 0.90387 | 5.39613 | 6.30000 | 7.50000 |
| C Income | | | | |
| Group 1 | 4.00000 | - | 4.00000 | 5.00000 |
| Group 2 | 4.00000 | - | 4.00000 | 5.00000 |
| K Income | | | | |
| Group 1 | - | - | - | - |
| Group 2 | - | - | - | - |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

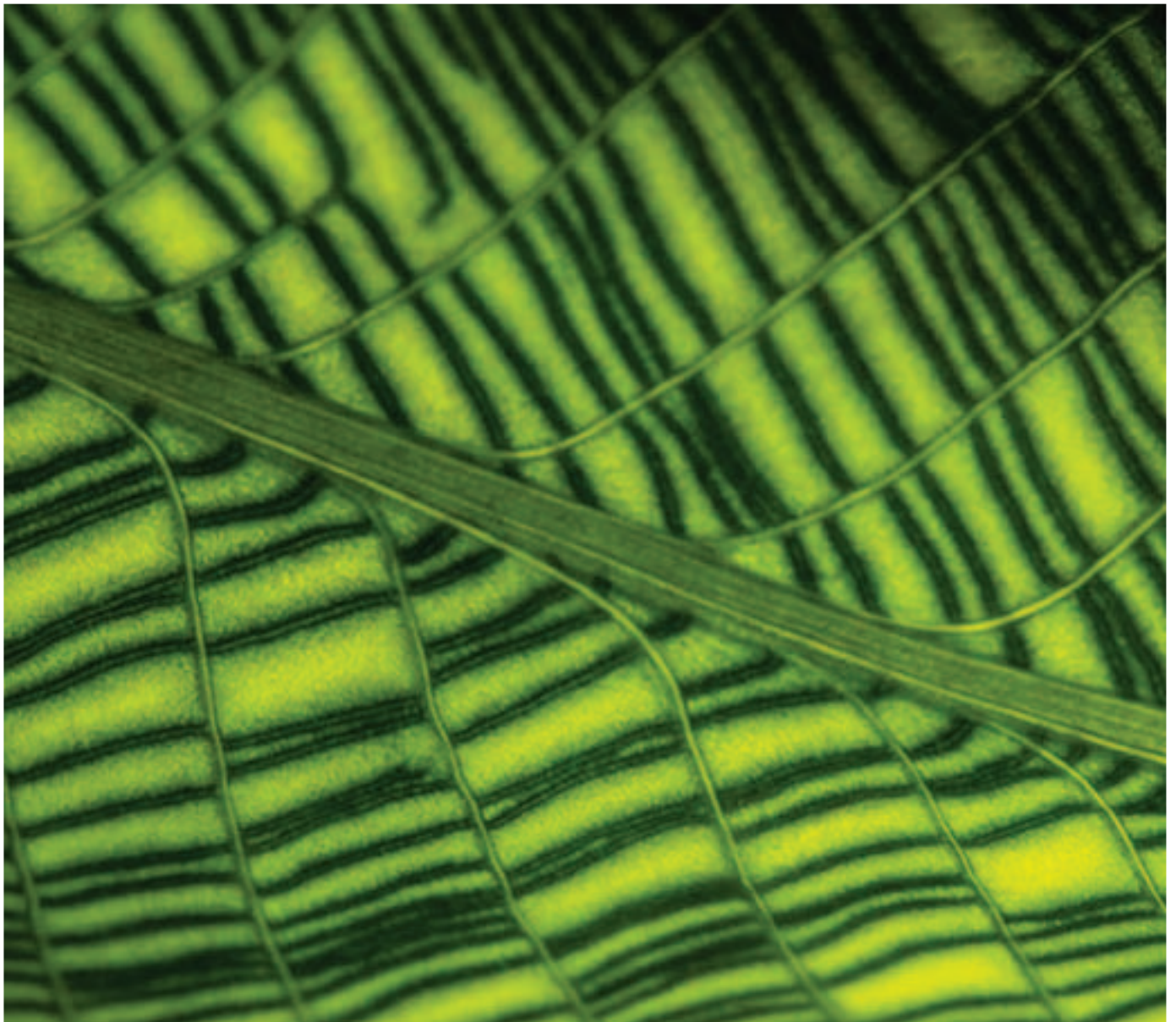
| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | 2.02000 |
| Group 2 | - | - | - | 2.02000 |
| A Income | | | | |
| Group 1 | - | - | - | 1.51000 |
| Group 2 | - | - | - | 1.51000 |
| B Accumulation | | | | |
| Group 1 | 6.41000 | - | 6.41000 | 9.73000 |
| Group 2 | 1.78130 | 4.62870 | 6.41000 | 9.73000 |
| B Income | | | | |
| Group 1 | 4.22000 | - | 4.22000 | 6.43000 |
| Group 2 | 1.15233 | 3.06767 | 4.22000 | 6.43000 |
| C Accumulation | | | | |
| Group 1 | 9.75000 | - | 9.75000 | 11.81000 |
| Group 2 | 3.46512 | 6.28488 | 9.75000 | 11.81000 |
| C Income | | | | |
| Group 1 | 6.23000 | - | 6.23000 | 7.59000 |
| Group 2 | 6.23000 | - | 6.23000 | 7.59000 |
| K Income | | | | |
| Group 1 | 9.95000 | - | 9.95000 | 13.54000 |
| Group 2 | 1.79838 | 8.15162 | 9.95000 | 13.54000 |

BAILLIE GIFFORD

Baillie Gifford Responsible Global Equity Income Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford Responsible Global Equity Income Fund

Investment Objective

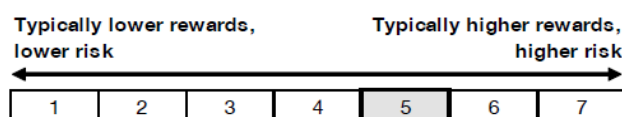
The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods.

Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world which are managed and behave responsibly. The Fund will apply an environmental, social and governance overlay. Currency forwards, which are types of financial contracts, may be used for the management of risk. The Fund will be actively managed and invest in companies of any size and in any sector.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. Where no share price history is available for any part of the last five years (and thus no returns), the returns of the Fund's comparative index are used in its place to calculate the Risk and Reward Indicator.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment.

The Fund invests according to responsible investment criteria and with reference to the ten principles of the United Nations Global Compact for business. This means the Fund will not invest in certain sectors and companies and, therefore, the universe of available investments will be more limited than other funds that do not apply such criteria/exclusions. The Fund therefore may have different returns than a fund which has no such restrictions.

The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of the Fund and the distributions paid by the Fund to shareholders.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

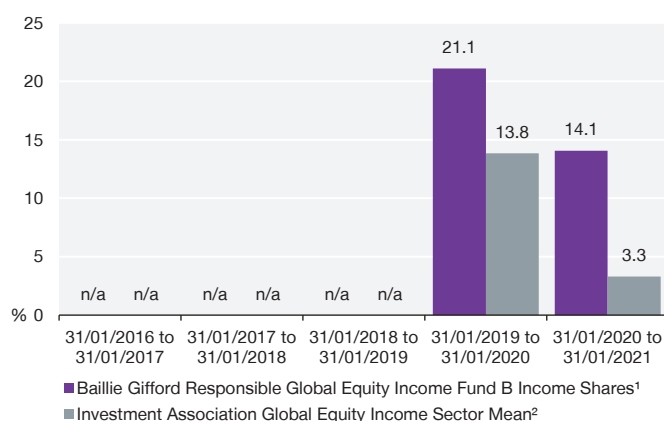
Baillie Gifford Responsible Global Equity Income Fund cont.

Fees allocated to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 31 January 2021 100% of expenses were allocated to capital (year to 31 January 2020: 80%). This will reduce the capital value of the Fund. This number will vary from year to year.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the ACD's annual fee of 0.50% (until 30 September 2020, the ACD's annual fee on Class B Shares was 0.57%), but exclude any initial charge paid. There are not five full years of performance shown as the Fund launched on 6 December 2018. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to achieve growth in both income and capital (after fees) over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index (the 'Index'). For the year to 31 January 2021 the return on B Income Shares was 14.4%³ and the Fund declared income totalling 2.95 pence per share giving a yield of 2.3%³ compared to the Index of 1.6%⁴. As we firmly believe that short-term performance measurements are of limited relevance in assessing investment ability, we would urge investors to focus on longer timeframes, especially in the case of a new Fund such as this. We look forward to reporting to you on more meaningful performance time periods during the years to come.

Needless to say, this has been the strangest year of our careers. It has also been a lesson in how adaptable humans and human systems can be. The companies we invest in proved themselves to be as adaptable and responsive as we could have hoped. We have a strong bias towards capital-light businesses, because we think these are the ones that will be best able to pay resilient dividends and grow substantially over time. That was a big help in 2020.

The year was an extraordinary test and the vast majority of our holdings grew their dividends in 2020. This resilience was all the more reassuring because during the year many boards at other companies around the world were deciding to suspend dividends altogether. We estimate that UK dividends have fallen by circa 40%, while global equity market dividends will turn out to be 15%-20% lower in 2020 than in 2019. This contrasts strongly with the Fund, which saw its income remain stable.

Three of the top five biggest positive contributors over the year to January 2021 happen to be located in Asia – Taiwanese semiconductor company TSMC, Chinese leading sportswear company Anta Sports and Hong Kong Exchanges & Clearing. These are all businesses that benefited from a rapid normalisation of some of their end markets, and which responded quickly and effectively to increased demand for their products. We think this speaks to the value of a global opportunity set and making the broadest use of that. Of the other stocks we own, Hiscox has been the biggest operational disappointment this year – but having reviewed the case, we think there are grounds for cautious optimism.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: FE and relevant underlying index provider, total return in sterling terms. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset values, income reinvested. ⁴Source: UBS and relevant underlying Index provider, 31 December 2020. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

In the early stages of the pandemic, there was a temptation for many income investors to emphasise ‘defence’ – stocks that offered very high near-term visibility of income, even if the long-term prospects of those companies were weak. However, we felt strongly that taking such a short-term focus was unlikely to be the right thing to do and instead asked ourselves: which stocks are best placed to grow our clients’ income over the next five or ten years?

That’s why earlier this year we bought holdings in investment platform Hargreaves Lansdown, and medical devices leader Medtronic. More recently, we bought shares in the Taiwanese company Silicon Motion. It makes controllers for solid state drives (SSDs), which are taking share from other types of memory devices in many different areas. Another recent purchase is NetEase, one of China’s most successful video game companies. It has the potential for very strong continued profit growth as it launches new titles, and a very cash-generative business model which should enable it to pay rapidly growing dividends over the next five years.

Later in the year, we sold Prudential, the UK financial services company. It reassessed its commitment to the dividend as it has pivoted the business towards Asia, and we have concluded that this makes it a poor fit for our strategy. We also sold Swedish engineering company Sandvik, where a change in management and the decision to suspend the dividend this year has undermined our conviction in the long-term case for resilient dividend growth. Finally, we sold Rio Tinto, following a review of how effectively it was managing sustainability risks.

The past year was very difficult for income investing, and we were pleased by the resilience of income within our portfolio. The great recent news on vaccines means that we are now on a surer path to economic recovery and for many of the companies we invest in, business activity levels are now above pre-pandemic levels. But we remain focused on the long-term prospects for our companies, as the biggest driver of long-term dividends and returns will be whether they can deliver material growth in their business over the next five or ten years.

Baillie Gifford & Co, 15 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|----------------------|-----------------------------|
| TSMC ADR | 5.30 |
| UPS | 3.42 |
| Sonic Healthcare | 3.25 |
| Roche | 3.23 |
| Microsoft | 3.22 |
| ANTA Sports Products | 3.22 |
| Procter & Gamble | 3.04 |
| Fastenal | 2.99 |
| Admiral Group | 2.81 |
| Deutsche Boerse | 2.79 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|-------------------|---------------|-----------------------|-------------------|
| TSMC ADR | 4,884 | Prudential | 2,837 |
| Roche | 4,628 | Coca Cola | 2,449 |
| UPS | 4,541 | Rio Tinto | 1,651 |
| Procter & Gamble | 4,196 | Sandvik | 1,549 |
| Deutsche Boerse | 4,017 | TJX Companies | 948 |
| Nestle | 3,909 | Man Wah Holdings Ltd | 842 |
| Fastenal | 3,830 | Svenska Handelsbanken | 767 |
| Sonic Healthcare | 3,685 | Cochlear | 745 |
| Microsoft | 3,555 | Experian | 481 |
| Pepsico | 3,345 | Bankinter SA | 471 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|----------------------------------|-----------|-----------------------|--------------------------|
| Australia - 4.82% (5.91%) | | | |
| Carsales.com | 297,643 | 3,263 | 1.57 |
| Sonic Healthcare | 351,966 | 6,757 | 3.25 |
| Brazil - 2.38% (2.80%) | | | |
| B3 S.A. | 619,800 | 4,940 | 2.38 |
| China - 2.21% (1.16%) | | | |
| NetEase HK Line | 168,800 | 2,820 | 1.36 |
| Want Want China | 3,375,000 | 1,769 | 0.85 |
| Denmark - 2.10% (1.78%) | | | |
| Novo Nordisk | 85,989 | 4,368 | 2.10 |
| France - 6.23% (6.01%) | | | |
| Edenred | 133,046 | 5,268 | 2.54 |
| Kering | 6,163 | 2,953 | 1.42 |
| Schneider Electric SE | 44,157 | 4,723 | 2.27 |
| Germany - 3.51% (4.13%) | | | |
| Deutsche Boerse | 49,409 | 5,794 | 2.79 |
| SAP | 16,170 | 1,499 | 0.72 |
| Hong Kong - 5.24% (4.15%) | | | |
| ANTA Sports Products | 555,185 | 6,690 | 3.22 |
| Hong Kong Exchanges & Clearing | 89,900 | 4,199 | 2.02 |
| Ireland - 0.97% (0.00%) | | | |
| Medtronic | 24,881 | 2,016 | 0.97 |
| Japan - 1.98% (2.32%) | | | |
| Sumitomo Mitsui Trust | 90,000 | 1,961 | 0.95 |
| USS Co | 149,700 | 2,145 | 1.03 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--------------------------------------|-----------|-----------------------|--------------------------|
| Mexico - 1.17% (1.60%) | | | |
| Kimberly-Clark De Mexico | 1,869,146 | 2,423 | 1.17 |
| Netherlands - 1.68% (1.73%) | | | |
| Wolters Kluwer NV | 57,673 | 3,490 | 1.68 |
| Singapore - 1.24% (1.49%) | | | |
| United Overseas Bank | 201,600 | 2,583 | 1.24 |
| South Africa - 1.06% (1.32%) | | | |
| AVI | 603,758 | 2,206 | 1.06 |
| Spain - 0.67% (1.98%) | | | |
| Amadeus IT Group SA | 30,215 | 1,404 | 0.67 |
| Sweden - 2.33% (4.11%) | | | |
| Atlas Copco A | 121,466 | 4,836 | 2.33 |
| Switzerland - 10.02% (10.28%) | | | |
| Kuehne & Nagel | 16,793 | 2,791 | 1.34 |
| Nestle | 69,485 | 5,690 | 2.74 |
| Partners Group | 6,517 | 5,626 | 2.71 |
| Roche | 26,743 | 6,724 | 3.23 |
| Taiwan - 6.52% (2.47%) | | | |
| Silicon Motion Technology ADR | 70,822 | 2,548 | 1.22 |
| TSMC ADR | 124,457 | 11,008 | 5.30 |
| UK - 9.56% (13.29%) | | | |
| Admiral Group | 202,541 | 5,835 | 2.81 |
| Experian | 124,431 | 3,181 | 1.53 |
| Glaxosmithkline | 220,394 | 2,990 | 1.44 |
| Greencoat UK Wind | 2,012,114 | 2,753 | 1.32 |
| Hargreaves Lansdown | 185,136 | 3,162 | 1.52 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|---------|-----------------------|--------------------------|
| Hiscox | 209,305 | 1,955 | 0.94 |
| United States - 36.05% (33.33%) | | | |
| AJ Gallagher & Co | 24,339 | 2,044 | 0.98 |
| Albemarle | 36,160 | 4,277 | 2.06 |
| Analog Devices | 41,179 | 4,410 | 2.12 |
| Apple | 51,614 | 4,954 | 2.38 |
| CH Robinson | 69,935 | 4,349 | 2.09 |
| Cisco Systems | 73,935 | 2,400 | 1.16 |
| Coca Cola | 89,124 | 3,124 | 1.50 |
| Cullen/Frost Bankers | 28,855 | 1,934 | 0.93 |
| Dolby Laboratories | 36,179 | 2,315 | 1.12 |
| Fastenal | 187,512 | 6,221 | 2.99 |
| McDonald's | 21,892 | 3,311 | 1.59 |
| Microsoft | 39,701 | 6,699 | 3.22 |
| National Instruments Corp | 116,572 | 3,514 | 1.69 |
| Pepsico | 51,600 | 5,129 | 2.47 |
| Procter & Gamble | 67,619 | 6,311 | 3.04 |
| T. Rowe Price | 21,311 | 2,428 | 1.17 |
| UPS | 62,939 | 7,100 | 3.42 |
| Watsco Inc | 25,307 | 4,395 | 2.12 |
| Portfolio of investments | | 207,285 | 99.74 |
| Net other assets - 0.26% (0.14%) | | 543 | 0.26 |
| Net assets | | 207,828 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 120.11 | 100.68 | 100.00 ¹ |
| Return before operating charges* | 18.15 | 20.20 | 0.77 |
| Operating charges | (0.76) | (0.77) | (0.09) |
| Return after operating charges* | 17.39 | 19.43 | 0.68 |
| Distributions | (3.06) | (3.01) | (0.10) |
| Retained distributions on accumulation shares | 3.06 | 3.01 | 0.10 |
| Closing net asset value per share | 137.50 | 120.11 | 100.68 |
| *After direct transaction costs of: | 0.13 | 0.07 | 0.00 |
| Performance: | | | |
| Return after charges | 14.48% | 19.30% | 0.68% |
| Other Information: | | | |
| Closing net asset value (£'000) | 33,054 | 2,608 | 1 |
| Closing number of shares | 24,039,127 | 2,169,934 | 1,000 |
| Operating charges | 0.57% ² | 0.65% ³ | 0.62% |
| Direct transaction costs ⁴ | 0.10% | 0.06% | 0.01% |
| Prices: | | | |
| Highest share price (pence) | 143.6 | 126.7 | 101.7 |
| Lowest share price (pence) | 97.29 | 101.5 | 95.90 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 116.94 | 100.58 | 100.00 ¹ |
| Return before operating charges* | 17.33 | 20.03 | 0.77 |
| Operating charges | (0.71) | (0.72) | (0.09) |
| Return after operating charges* | 16.62 | 19.31 | 0.68 |
| Distributions on income shares | (2.95) | (2.95) | (0.10) |
| Closing net asset value per share | 130.61 | 116.94 | 100.58 |
| *After direct transaction costs of: | | | |
| | 0.13 | 0.07 | 0.00 |
| Performance: | | | |
| Return after charges | 14.21% | 19.20% | 0.68% |
| Other Information: | | | |
| Closing net asset value (£'000) | 82,795 | 8,119 | 1 |
| Closing number of shares | 63,389,324 | 6,936,760 | 1,000 |
| Operating charges | 0.56% ² | 0.62% | 0.62% |
| Direct transaction costs ⁴ | 0.10% | 0.06% | 0.01% |
| Prices: | | | |
| Highest share price (pence) | 137.3 | 124.2 | 101.7 |
| Lowest share price (pence) | 94.67 | 101.4 | 95.87 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 120.98 | 100.77 | 100.00 ¹ |
| Return before operating charges* | 18.22 | 20.28 | 0.78 |
| Operating charges | (0.04) | (0.07) | (0.01) |
| Return after operating charges* | 18.18 | 20.21 | 0.77 |
| Distributions | (3.09) | (3.09) | (0.19) |
| Retained distributions on accumulation shares | 3.09 | 3.09 | 0.19 |
| Closing net asset value per share | 139.16 | 120.98 | 100.77 |
| *After direct transaction costs of: | 0.13 | 0.07 | 0.00 |
| Performance: | | | |
| Return after charges | 15.03% | 20.06% | 0.77% |
| Other Information: | | | |
| Closing net asset value (£'000) | 16,715 | 10,653 | 1 |
| Closing number of shares | 12,011,303 | 8,805,329 | 1,000 |
| Operating charges | 0.03% | 0.06% ³ | 0.04% |
| Direct transaction costs ⁴ | 0.10% | 0.06% | 0.01% |
| Prices: | | | |
| Highest share price (pence) | 145.3 | 127.5 | 101.8 |
| Lowest share price (pence) | 98.01 | 101.6 | 95.90 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 117.62 | 100.58 | 100.00 ¹ |
| Return before operating charges* | 17.46 | 20.16 | 0.78 |
| Operating charges | (0.04) | (0.06) | (0.01) |
| Return after operating charges* | 17.42 | 20.10 | 0.77 |
| Distributions on income shares | (2.98) | (3.06) | (0.19) |
| Closing net asset value per share | 132.06 | 117.62 | 100.58 |
| *After direct transaction costs of: | | | |
| | 0.12 | 0.07 | 0.00 |
| Performance: | | | |
| Return after charges | 14.81% | 19.98% | 0.77% |
| Other Information: | | | |
| Closing net asset value (£'000) | 68,979 | 61,438 | 52,057 |
| Closing number of shares | 52,231,645 | 52,231,645 | 51,756,431 |
| Operating charges | 0.03% | 0.05% | 0.04% |
| Direct transaction costs ⁴ | 0.10% | 0.06% | 0.01% |
| Prices: | | | |
| Highest share price (pence) | 138.8 | 124.9 | 101.8 |
| Lowest share price (pence) | 95.29 | 101.4 | 95.87 |

Comparative Tables cont.

Comparative Table: J Accumulation Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|---|--|
| Change in net assets per share: | |
| Opening net asset value per share | 103.00 ⁵ |
| Return before operating charges* | 35.49 |
| Operating charges | (0.54) |
| Return after operating charges* | 34.95 |
| Distributions | (2.42) |
| Retained distributions on accumulation shares | 2.42 |
| Closing net asset value per share | 137.95 |
| *After direct transaction costs of: | 0.12 |
| Performance: | |
| Return after charges | 33.93% |
| Other Information: | |
| Closing net asset value (£'000) | 5,497 |
| Closing number of shares | 3,985,182 |
| Operating charges | 0.46% ⁶ |
| Direct transaction costs ⁴ | 0.10% |
| Prices: | |
| Highest share price (pence) | 144.1 |
| Lowest share price (pence) | 102.6 |

Comparative Tables cont.

Comparative Table: J Income Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|--|--|
| Change in net assets per share: | |
| Opening net asset value per share | 99.00 ⁵ |
| Return before operating charges* | 33.94 |
| Operating charges | (0.49) |
| Return after operating charges* | 33.45 |
| Distributions on income shares | (2.31) |
| Closing net asset value per share | 130.14 |
| *After direct transaction costs of: | 0.11 |
| Performance: | |
| Return after charges | 33.79% |
| Other Information: | |
| Closing net asset value (£'000) | 786 |
| Closing number of shares | 604,193 |
| Operating charges | 0.44% ⁶ |
| Direct transaction costs ⁴ | 0.10% |
| Prices: | |
| Highest share price (pence) | 136.8 |
| Lowest share price (pence) | 98.64 |

Comparative Tables cont.

Comparative Table: P Accumulation Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|---|--|
| Change in net assets per share: | |
| Opening net asset value per share | 133.00 ⁷ |
| Return before operating charges* | 4.80 |
| Operating charges | (0.23) |
| Return after operating charges* | 4.57 |
| Distributions | (0.53) |
| Retained distributions on accumulation shares | 0.53 |
| Closing net asset value per share | 137.57 |
| *After direct transaction costs of: | 0.05 |
| Performance: | |
| Return after charges | 3.44% |
| Other Information: | |
| Closing net asset value (£'000) | 1 |
| Closing number of shares | 750 |
| Operating charges | 0.50% ⁸ |
| Direct transaction costs ⁴ | 0.10% |
| Prices: | |
| Highest share price (pence) | 143.7 |
| Lowest share price (pence) | 127.4 |

Comparative Tables cont.

Comparative Table: P Income Shares

| | Financial Period Ended 31 January 2021 (pence per share) |
|--|--|
| Change in net assets per share: | |
| Opening net asset value per share | 127.00 ⁷ |
| Return before operating charges* | 4.58 |
| Operating charges | (0.22) |
| Return after operating charges* | 4.36 |
| Distributions on income shares | (0.51) |
| Closing net asset value per share | 130.85 |
| *After direct transaction costs of: | 0.04 |
| Performance: | |
| Return after charges | 3.43% |
| Other Information: | |
| Closing net asset value (£'000) | 1 |
| Closing number of shares | 750 |
| Operating charges | 0.50% ⁸ |
| Direct transaction costs ⁴ | 0.10% |
| Prices: | |
| Highest share price (pence) | 137.2 |
| Lowest share price (pence) | 121.6 |

¹Class B Shares and C Shares were launched on 6 December 2018.

²With effect from 1 October 2020, the ACD's annual fee for Class B shares was reduced from 0.57% to 0.50%. As at 31 January 2021 the ACD considered 0.53% to be a more indicative rate for the ongoing charges figure.

³As at 31 January 2020 the ACD considered 0.61% for B Acc and 0.04% for C Acc to be a more indicative rate for the ongoing charges figure.

⁴The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

⁵Class J Shares were launched on 30 March 2020.

⁶As at 31 January 2021 the ACD considered 0.38% to be a more indicative rate for ongoing charges for Class J Shares.

⁷Class P Shares were launched on 1 October 2020.

⁸As at 31 January 2021 the ACD considered 0.48% to be a more indicative rate for ongoing charges for Class P Shares.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|-------|---------------|-------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 17,088 | | 10,480 |
| Revenue | 3 | 3,240 | | 2,129 | |
| Expenses | 4 | (320) | | (66) | |
| Net revenue before taxation | | 2,920 | | 2,063 | |
| Taxation | 5 | (311) | | (200) | |
| Net revenue after taxation | | | 2,609 | | 1,863 |
| Total return before distributions | | | 19,697 | | 12,343 |
| Distributions | 6 | | (2,924) | | (1,913) |
| Change in net assets attributable to shareholders from investment activities | | | 16,773 | | 10,430 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|---------|----------------|---------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 82,818 | | 52,060 |
| Amounts receivable on issue of shares | 109,774 | | 24,865 | |
| Amounts payable on cancellation of shares | (2,401) | | (4,833) | |
| | | 107,373 | | 20,032 |
| Dilution adjustment | | 176 | | 45 |
| Change in net assets attributable to shareholders from investment activities | | 16,773 | | 10,430 |
| Retained distributions on accumulation shares | | 688 | | 251 |
| Closing net assets attributable to shareholders | | 207,828 | | 82,818 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|---------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 207,285 | 82,698 |
| Current assets: | | | |
| Debtors | 8 | 1,193 | 220 |
| Cash and bank balances | 9 | 2,225 | 555 |
| Total assets | | 210,703 | 83,473 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | 9 | - | (108) |
| Distributions payable | | (993) | (530) |
| Other creditors | 10 | (1,882) | (17) |
| Total liabilities | | (2,875) | (655) |
| Net assets attributable to shareholders | | 207,828 | 82,818 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 17,187 | 10,473 |
| Currency gains/(losses) | (90) | 14 |
| Transaction costs | (9) | (7) |
| Net capital gains/(losses) | 17,088 | 10,480 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|---|----------------|---------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 124,699 | 36,068 |
| Commissions | 29 | 10 |
| Taxes | 88 | 30 |
| Total transaction costs on equity purchases | 117 | 40 |
| Purchases including transaction costs | 124,816 | 36,108 |

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.02 | 0.03 |
| Taxes on equity purchases | 0.07 | 0.08 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 17,424 | 15,500 |
| Commissions | (8) | (5) |
| Taxes | (1) | (1) |
| Total transaction costs on equity sales ¹ | (9) | (6) |
| Sales net of transaction costs | 17,415 | 15,494 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.05) | (0.03) |
| Taxes on equity sales | (0.01) | (0.01) |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|-----------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 37 | 0.03 | 15 | 0.02 |
| Taxes | 89 | 0.07 | 31 | 0.04 |
| Total direct transaction costs | 126 | 0.10 | 46 | 0.06 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.07 | 0.05 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

Notes to the Financial Statements cont.

3 Revenue

| | 2021 | 2020 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| UK dividends | 555 | 367 |
| Overseas dividends | 2,685 | 1,760 |
| Other income | - | 2 |
| Total revenue | 3,240 | 2,129 |

4 Expenses

| | 2021 | 2020 |
|--|------------|-----------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 290 | 39 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 11 | 5 |
| Bank charges | 13 | 8 |
| Bank overdraft interest | - | 1 |
| | 24 | 14 |
| Other expenses: | | |
| Audit fee | 6 | 12 |
| Professional fees | - | 1 |
| Total expenses | 320 | 66 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|------------|------------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Overseas tax | 295 | 170 |
| Prior year tax reclaims written off | 16 | 30 |
| Total taxation | 311 | 200 |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £320,000 (2020: £29,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|------------|------------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 2,920 | 2,063 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 584 | 413 |
| Effects of: | | |
| Non-taxable UK dividends | (111) | (73) |
| Non-taxable overseas dividends | (530) | (344) |
| Overseas tax on dividends | 295 | 170 |
| Excess management expenses | 58 | 5 |
| Prior year tax reclaims written off | 16 | 30 |
| Expense relief claimed on overseas tax | (1) | (1) |
| Total taxation | 311 | 200 |

6 Distributions

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interim to 30 April | 487 | 399 |
| Interim to 31 July | 710 | 493 |
| Interim to 31 October | 950 | 506 |
| Final to 31 January | 1,349 | 629 |
| | 3,496 | 2,027 |
| Amounts deducted on cancellation of shares | 12 | 23 |
| Amounts added on issue of shares | (584) | (137) |
| Total distributions | 2,924 | 1,913 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 2,609 | 1,863 |
| Add expenses allocated to capital | 320 | 53 |
| Add distributable revenue brought forward | 6 | 2 |
| Less distributable revenue carried forward | (11) | (5) |
| Net distributions for the year | 2,924 | 1,913 |

Notes to the Financial Statements cont.

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 1,063 | 150 |
| Accrued income | 72 | 47 |
| Overseas tax recoverable | 58 | 23 |
| Total debtors | 1,193 | 220 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|--------------|------------|
| | £'000 | £'000 |
| Sterling bank accounts | 2,225 | 555 |
| Sterling bank accounts overdrawn | - | (108) |
| Total cash and bank balances | 2,225 | 447 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|--------------|-----------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 2 | - |
| Purchases awaiting settlement | 1,819 | - |
| Due to the ACD or associates | 46 | 5 |
| Due to the Depositary or associates | 8 | 5 |
| Other accrued expenses | 7 | 7 |
| Total other creditors | 1,882 | 17 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the period end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|------|
| | % | % |
| ACD and associates of the ACD | 0.00 | 0.00 |

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| B Accumulation Shares | 2,169,934 | 22,579,536 | (710,343) | - | 24,039,127 |
| B Income Shares | 6,936,760 | 56,834,121 | (381,557) | - | 63,389,324 |
| C Accumulation Shares | 8,805,329 | 4,050,874 | (844,900) | - | 12,011,303 |
| C Income Shares | 52,231,645 | - | - | - | 52,231,645 |
| J Accumulation Shares | - | 3,988,026 | (2,844) | - | 3,985,182 |
| J Income Shares | - | 609,905 | (5,712) | - | 604,193 |
| P Accumulation Shares | - | 752 | (2) | - | 750 |
| P Income Shares | - | 787 | (37) | - | 750 |

13 Basis of valuation

| | 2021 Assets £'000 | 2020 Assets £'000 |
|---------------------------------|-------------------------|-------------------------|
| Level 1: Quoted prices | 207,285 | 82,698 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 207,285 | 82,698 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 10,020 | 10,020 | - | 4,895 | 4,895 |
| Brazilian real | - | 4,940 | 4,940 | - | 2,322 | 2,322 |
| Danish krone | - | 4,368 | 4,368 | - | 1,469 | 1,469 |
| Euro | - | 25,131 | 25,131 | - | 11,471 | 11,471 |
| Hong Kong dollar | - | 15,478 | 15,478 | - | 4,401 | 4,401 |
| Japanese yen | - | 4,106 | 4,106 | - | 1,920 | 1,920 |
| Mexican peso | - | 2,423 | 2,423 | - | 1,322 | 1,322 |
| Singapore dollar | - | 2,583 | 2,583 | - | 1,237 | 1,237 |
| South African rand | - | 2,206 | 2,206 | - | 1,093 | 1,093 |
| Swedish krona | - | 4,835 | 4,835 | - | 3,404 | 3,404 |
| Swiss franc | - | 20,831 | 20,831 | - | 8,516 | 8,516 |
| UK sterling | 2,225 | 19,876 | 22,101 | 447 | 11,002 | 11,449 |
| US dollar | - | 90,487 | 90,487 | - | 29,645 | 29,645 |

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

Distribution Table

Interim distribution for the period ended 30 April 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 30 April 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.06.20) | Distribution (paid/accumulated 30.06.19) |
|------------------------------|-----------------------------|-----------------------------|--|--|
| | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.20 pence per share | 30.04.19 pence per share |
| B Accumulation Shares | | | | |
| Group 1 | 0.69000 | - | 0.69000 | 0.70000 |
| Group 2 | 0.35833 | 0.33167 | 0.69000 | 0.70000 |
| B Income | | | | |
| Group 1 | 0.67000 | - | 0.67000 | 0.70000 |
| Group 2 | 0.23609 | 0.43391 | 0.67000 | 0.70000 |
| C Accumulation | | | | |
| Group 1 | 0.69000 | - | 0.69000 | 0.70000 |
| Group 2 | 0.69000 | - | 0.69000 | 0.70000 |
| C Income | | | | |
| Group 1 | 0.67000 | - | 0.67000 | 0.70000 |
| Group 2 | 0.67000 | - | 0.67000 | 0.70000 |
| J Accumulation | | | | |
| Group 1 | 0.13000 | - | 0.13000 | n/a |
| Group 2 | 0.13000 | - | 0.13000 | n/a |
| J Income | | | | |
| Group 1 | 0.13000 | - | 0.13000 | n/a |
| Group 2 | 0.13000 | - | 0.13000 | n/a |
| P Accumulation | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |
| P Income | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

Distribution Table cont.

Interim distributions for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 May 2020

Group 2 : shares purchased prior to 1 May 2020 to 31 July 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|-----------------------|-----------------------------|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| B Accumulation Shares | | | | |
| Group 1 | 0.71000 | - | 0.71000 | 0.71000 |
| Group 2 | - | 0.71000 | 0.71000 | 0.71000 |
| B Income | | | | |
| Group 1 | 0.69000 | - | 0.69000 | 0.71000 |
| Group 2 | 0.20775 | 0.48225 | 0.69000 | 0.71000 |
| C Accumulation | | | | |
| Group 1 | 0.72000 | - | 0.72000 | 0.71000 |
| Group 2 | 0.72000 | - | 0.72000 | 0.71000 |
| C Income | | | | |
| Group 1 | 0.70000 | - | 0.70000 | 0.71000 |
| Group 2 | 0.70000 | - | 0.70000 | 0.71000 |
| J Accumulation | | | | |
| Group 1 | 0.69000 | - | 0.69000 | n/a |
| Group 2 | 0.69000 | - | 0.69000 | n/a |
| J Income | | | | |
| Group 1 | 0.66000 | - | 0.66000 | n/a |
| Group 2 | 0.66000 | - | 0.66000 | n/a |
| P Accumulation | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |
| P Income | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

Distribution Table cont.

Interim distribution for the period ended 31 October 2020

Group 1 : share purchased prior to 1 August 2020

Group 2 : share purchased 1 August 2020 to 31 October 2020

| | Net Revenue | Equalisation | Distribution (paid/accumulated 31.12.20) | Distribution (paid/accumulated 31.12.19) |
|-----------------------|-----------------------------|-----------------------------|--|--|
| | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.20 pence per share | 31.10.19 pence per share |
| B Accumulation Shares | | | | |
| Group 1 | 0.77000 | - | 0.77000 | 0.75000 |
| Group 2 | - | 0.77000 | 0.77000 | 0.75000 |
| B Income | | | | |
| Group 1 | 0.74000 | - | 0.74000 | 0.74000 |
| Group 2 | - | 0.74000 | 0.74000 | 0.74000 |
| C Accumulation | | | | |
| Group 1 | 0.78000 | - | 0.78000 | 0.76000 |
| Group 2 | 0.78000 | - | 0.78000 | 0.76000 |
| C Income | | | | |
| Group 1 | 0.75000 | - | 0.75000 | 0.74000 |
| Group 2 | 0.75000 | - | 0.75000 | 0.74000 |
| J Accumulation | | | | |
| Group 1 | 0.74000 | - | 0.74000 | n/a |
| Group 2 | - | 0.74000 | 0.74000 | n/a |
| J Income | | | | |
| Group 1 | 0.71000 | - | 0.71000 | n/a |
| Group 2 | - | 0.71000 | 0.71000 | n/a |
| P Accumulation | | | | |
| Group 1 | 0.05000 | - | 0.05000 | n/a |
| Group 2 | 0.05000 | - | 0.05000 | n/a |
| P Income | | | | |
| Group 1 | 0.05000 | - | 0.05000 | n/a |
| Group 2 | 0.05000 | - | 0.05000 | n/a |

Distribution Table cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 November 2020

Group 2 : shares purchased 1 November 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|-----------------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| B Accumulation Shares | | | | |
| Group 1 | 0.89000 | - | 0.89000 | 0.85000 |
| Group 2 | 0.06063 | 0.82937 | 0.89000 | 0.85000 |
| B Income | | | | |
| Group 1 | 0.85000 | - | 0.85000 | 0.80000 |
| Group 2 | 0.15031 | 0.69969 | 0.85000 | 0.80000 |
| C Accumulation | | | | |
| Group 1 | 0.90000 | - | 0.90000 | 0.92000 |
| Group 2 | 0.31570 | 0.58430 | 0.90000 | 0.92000 |
| C Income | | | | |
| Group 1 | 0.86000 | - | 0.86000 | 0.91000 |
| Group 2 | 0.86000 | - | 0.86000 | 0.91000 |
| J Accumulation | | | | |
| Group 1 | 0.86000 | - | 0.86000 | n/a |
| Group 2 | 0.15355 | 0.70645 | 0.86000 | n/a |
| J Income | | | | |
| Group 1 | 0.81000 | - | 0.81000 | n/a |
| Group 2 | 0.15090 | 0.65910 | 0.81000 | n/a |
| P Accumulation | | | | |
| Group 1 | 0.48000 | - | 0.48000 | n/a |
| Group 2 | 0.48000 | - | 0.48000 | n/a |
| P Income | | | | |
| Group 1 | 0.46000 | - | 0.46000 | n/a |
| Group 2 | 0.46000 | - | 0.46000 | n/a |

BAILLIE GIFFORD

Baillie Gifford UK and Worldwide Equity Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford UK and Worldwide Equity Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) a composite index comprising 60% UK and 40% overseas equities, as stated in sterling, by at least 1% per annum over rolling five-year periods. The composite index is calculated by Baillie Gifford and comprises: 60% FTSE All-Share Index and 40% Overseas indices. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe ex UK Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index.

Investment Policy

The Fund will invest at least 90% directly or indirectly in shares of UK and overseas companies of any size and in any sector, with a bias to UK companies. The indirect investment will be through collective investment schemes. The Fund will invest a minimum of 45% in shares of UK companies and 25% in shares of non-UK companies. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. Where no share price history is available for any part of the last five years (and thus no returns), the returns of the Fund's comparative index are used in its place to calculate the Risk and Reward Indicator.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

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.

Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

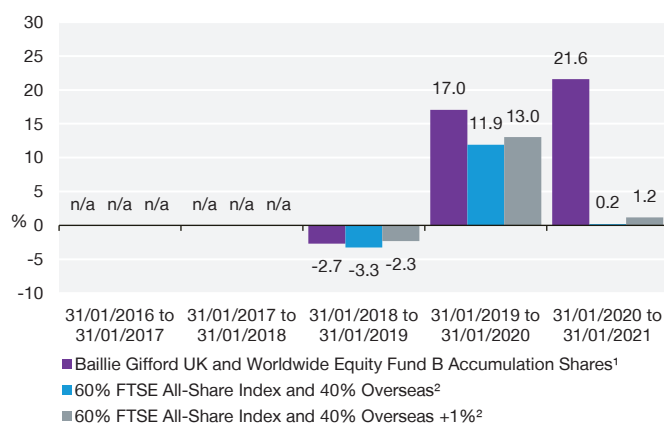
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.45%, but exclude any initial charge paid. There are not five full years of performance shown as the Fund launched on 8 September 2017. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests and foreign exchange rates between the two valuation points can lead to distortions in the returns. Performance figures for other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to outperform (after fees) the composite index³ (the 'Index') by at least 1% (the 'target return') per annum over rolling five-year periods, in sterling terms. For the year to 31 January 2021 the return on B Accumulation Shares was 22.1%⁴ compared to the Index of 0.2%² and the target return of 1.2%². As we firmly believe that short-term performance measurements are of limited relevance in assessing investment ability, we would urge investors to focus on longer timeframes, especially in the case of a new Fund such as this. We look forward to reporting to you on more meaningful performance time periods during the years to come.

Over the 12 months to end January 2021, the portfolio delivered strong returns in absolute terms and relative to the Index. It is certainly nice to be able to report such performance, but the extent of these returns is unusual. We believe the portfolio is well-positioned for the long term, but it is actively managed and there will be short-term underperformance in the future. We therefore encourage a focus on returns over five years and beyond

as these are the timeframes over which the fundamental progress of businesses in which we invest on your behalf can be meaningfully assessed.

Amongst the contributors for the year, Tesla was a standout. At the forefront of the energy revolution, the company delivered nearly 500,000 vehicles in 2020 and it appears increasingly likely to capture a significant share of the global car market in the coming years. However, we also recognise the prospect of a return of multiple times the current share price over the next five years has reduced and we therefore trimmed the position a few times in 2020. Other notable positives were Shopify, the Canadian e-commerce platform, and The Trade Desk, the US-listed advertising technology company – both have benefited from the lockdown environment but are not quite the overnight successes the headlines would suggest. Using Shopify as an example, founded in 2000s, the company has consistently focused on the long term with management noting they want Shopify to "be a 100 year company, and the global engine that powers commerce". This is the type of

¹Source: FE, 10am dealing prices, income accumulated. ²Source: StatPro and relevant underlying index provider, total return in sterling terms. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³The composite index is comprised of 60% FTSE All-Share Index and 40% Overseas indices. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe ex UK Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index. ⁴Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

exceptional growth company that excites us – run by enthusiastic, committed individuals that seek innovation but exhibit patience.

Meggitt, the aerospace systems and components supplier, was among the larger detractors despite more positive share price performance towards the end of 2020. Exhibitions and information business Informa also detracted with lockdown restrictions impacting its ability to run exhibitions and conferences which normally account for around two-thirds of profit. Pre Covid-19, the business was running well so, when this hard to predict storm hit, we decided to support Informa by participating in a fundraising in April 2020. Elsewhere, Carnival, the cruise line operator, and Rolls-Royce, the UK engineer, also had a negative impact. Both were sold in 2020 as our conviction in the individual investment case for these businesses diminished.

Despite most of us working from home for around 10 months we still have good access to companies. This has supported ongoing engagement throughout the period with companies such as Abcam, the UK life sciences company, and TSMC, the Taiwan Semiconductor Manufacturing Company held via the Emerging Market Funds (held via zero charging units to avoid duplication of management fees). In the case of Abcam, we made it clear we would not support some of the proposed changes regarding remuneration – we were pleased to see them subsequently dropped, allowing us to support the final remuneration proposal. Meanwhile, conversations with TSMC on climate risk confirmed the company remains a leader in many areas of environmental, social and corporate governance.

Company access is also reflected in the volume of new investment ideas we are finding on your behalf. These range from: US-based Software as a Service (SaaS) companies Datadog and Snowflake; to Nintendo, the Japanese gaming company; Adyen the Dutch payments provider; and, Games Workshop, the miniature war-gaming company. Alongside this work, we continually reappraise the investment case for existing holdings. In some instances, this led to complete sales where our conviction has weakened, examples include Facebook and INPEX, the Japanese energy company. In other cases, we remain optimistic about the future but,

following strong share price performance felt reductions were required – Tesla fell into this category. Elsewhere, volatility earlier in the year presented an opportunity to add to some holdings on weakness where we believe the potential for significant long-term growth remains – adidas, the sporting goods company, is one example.

It can be difficult to look beyond the immediate future given understandable concerns about the pandemic and the impact of restrictions on our day-to-day lives and well-being. With that in mind, we send you our best wishes for a healthy and safe year ahead. In the meantime, you can be reassured that we continue to focus on the long-term fundamentals of the businesses in which we invest on your behalf; on finding new ideas for the portfolio; and, on engaging with companies to not only challenge but support them through this extraordinary period.

Baillie Gifford & Co, 15 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|--|--------------------------|
| Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹ | 4.47 |
| Baillie Gifford Emerging Markets Growth Fund C Acc ¹ | 3.83 |
| Baillie Gifford British Smaller Companies Fund C Acc ² | 2.54 |
| BHP Group PLC | 2.53 |
| Rio Tinto | 2.47 |
| St. James's Place | 2.41 |
| Diageo | 1.97 |
| Ashtead | 1.97 |
| Unilever | 1.95 |
| Prudential | 1.88 |

¹Baillie Gifford UK & Balanced Funds ICVC related party (please refer to note 11).

²Baillie Gifford UK & Balanced Funds ICVC cross holding (please refer to note 11)

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|--------------------------|---------------|--|-------------------|
| Lancashire Holdings | 6,744 | Tesla Inc | 14,245 |
| St. James's Place | 2,931 | Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹ | 6,591 |
| RELX | 2,921 | Royal Dutch Shell B Shares | 5,765 |
| Twilio Inc | 2,394 | Baillie Gifford Emerging Markets Growth Fund C Acc ¹ | 5,634 |
| Hargreaves Lansdown | 2,287 | Amazon.com | 5,118 |
| Weir | 2,191 | Shopify 'A' | 4,316 |
| Draper Esprit | 2,147 | HSBC | 3,467 |
| Games Workshop Group | 2,100 | MarketAxess Holdings | 2,768 |
| British American Tobacco | 1,963 | Nibe Industrier AB 'B' Shares | 2,331 |
| Just Eat Takeaway.com | 1,935 | Bechtel AG | 2,227 |

Baillie Gifford UK & Balanced Funds ICVC related party (please refer to note 11).

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|---------|-----------------------|--------------------------|
| Developed Asia Pacific - 11.64% (10.41%) | | | |
| AIA Group | 124,400 | 1,095 | 0.21 |
| Asahi Group Holdings | 13,900 | 407 | 0.08 |
| Baillie Gifford Japanese Smaller Companies Fund C Acc ¹ | 66,403 | 4,526 | 0.89 |
| BHP Group Ltd (Aus. listing) | 48,469 | 1,180 | 0.23 |
| Cochlear | 7,999 | 882 | 0.17 |
| CyberAgent Inc | 23,400 | 1,069 | 0.21 |
| Denso | 21,600 | 872 | 0.17 |
| FANUC | 6,800 | 1,294 | 0.25 |
| Fast Retailing | 1,900 | 1,187 | 0.23 |
| freee K.K. | 5,100 | 316 | 0.06 |
| Galaxy Entertainment Group | 195,000 | 1,076 | 0.21 |
| Hong Kong Exchanges & Clearing | 50,448 | 2,357 | 0.46 |
| Hoshizaki Corp | 5,200 | 335 | 0.07 |
| James Hardie Industries | 67,330 | 1,384 | 0.27 |
| Jardine Matheson | 22,800 | 960 | 0.19 |
| Kakaku.com | 46,300 | 976 | 0.19 |
| Keyence | 2,200 | 859 | 0.17 |
| Makita Corporation | 35,100 | 1,218 | 0.24 |
| Mesoblast | 197,973 | 263 | 0.05 |
| Misumi | 33,500 | 793 | 0.15 |
| MS&AD Insurance | 61,100 | 1,277 | 0.25 |
| Murata | 23,300 | 1,630 | 0.32 |
| Nidec | 14,600 | 1,407 | 0.27 |
| Nintendo | 2,200 | 927 | 0.18 |
| Olympus | 138,600 | 1,822 | 0.36 |
| Pigeon | 38,300 | 1,255 | 0.25 |
| REA Group | 9,987 | 819 | 0.16 |
| Recruit Holdings | 43,300 | 1,368 | 0.27 |
| Ryman Healthcare Ltd | 119,479 | 959 | 0.19 |
| SBI Holdings | 95,600 | 1,734 | 0.34 |
| SEEK | 92,512 | 1,449 | 0.28 |
| Shimano | 11,300 | 1,934 | 0.38 |
| Shiseido | 44,500 | 2,101 | 0.41 |
| SMC | 4,900 | 2,160 | 0.42 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| SoftBank Group | 47,800 | 2,696 | 0.53 |
| Sugi Holdings | 29,800 | 1,428 | 0.28 |
| Suzuki Motor Corp | 15,000 | 491 | 0.10 |
| Sysmex Corp. | 10,200 | 868 | 0.17 |
| Techtronic Industries | 126,500 | 1,388 | 0.27 |
| Tencent | 25,800 | 1,651 | 0.32 |
| Thai Beverage PCL (Singapore) | 922,900 | 418 | 0.08 |
| TPG Telecom | 175,483 | 726 | 0.14 |
| Treasury Wine Estates | 118,452 | 664 | 0.13 |
| Tsingtao Brewery 'H' | 182,000 | 1,279 | 0.25 |
| Tuas Ltd | 87,741 | 36 | 0.01 |
| United Overseas Bank | 126,700 | 1,623 | 0.32 |
| Washington Soul Pattinson | 90,073 | 1,368 | 0.27 |
| Xero Ltd | 13,318 | 967 | 0.19 |
| Emerging Markets - 8.30% (9.46%) | | | |
| Baillie Gifford Emerging Markets Growth Fund C Acc ¹ | 1,471,024 | 19,564 | 3.83 |
| Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹ | 2,981,970 | 22,845 | 4.47 |
| Europe (ex UK) - 12.88% (12.52%) | | | |
| Adevinta | 190,742 | 2,075 | 0.41 |
| adidas | 6,853 | 1,588 | 0.31 |
| Adyen Nv | 1,557 | 2,369 | 0.46 |
| ASML | 6,593 | 2,563 | 0.50 |
| Atlas Copco B | 69,044 | 2,368 | 0.46 |
| Avanza Bank Holding | 149,661 | 2,975 | 0.58 |
| Bechtle AG | 12,077 | 1,868 | 0.37 |
| Beijer Ref | 27,914 | 847 | 0.17 |
| Carl Zeiss Meditec | 15,146 | 1,719 | 0.34 |
| Dassault Systemes | 6,665 | 971 | 0.19 |
| DSV | 21,668 | 2,475 | 0.48 |
| Epiroc B | 69,221 | 874 | 0.17 |
| FinecoBank Banca Fineco S.p.A. | 84,157 | 959 | 0.19 |
| Hexpol AB | 178,634 | 1,426 | 0.28 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|---------|-----------------------|--------------------------|
| IMCD Group NV | 39,929 | 3,612 | 0.71 |
| Inditex | 25,811 | 559 | 0.11 |
| Investor | 30,793 | 1,654 | 0.32 |
| Just Eat Takeaway.com | 55,168 | 4,619 | 0.90 |
| Kering | 1,617 | 775 | 0.15 |
| Kingspan Group | 41,398 | 2,046 | 0.40 |
| Kinnevik | 48,961 | 1,758 | 0.34 |
| Kuehne & Nagel | 5,816 | 967 | 0.19 |
| L'Oreal | 6,610 | 1,696 | 0.33 |
| Mettler-Toledo | 1,578 | 1,340 | 0.26 |
| Nibe Industrier AB 'B' Shares | 88,938 | 2,174 | 0.42 |
| Prosus N.V. | 37,340 | 3,165 | 0.62 |
| Rational | 1,472 | 1,033 | 0.20 |
| Remy Cointreau | 6,636 | 899 | 0.18 |
| Reply Spa | 10,441 | 933 | 0.18 |
| Ryanair | 143,992 | 1,821 | 0.36 |
| Sartorius Stedim Biotech | 9,060 | 2,737 | 0.54 |
| Schibsted B | 28,937 | 675 | 0.13 |
| Spotify Technology SA | 10,890 | 2,499 | 0.49 |
| Takeaway.com | 19,452 | 1,628 | 0.32 |
| Ubisoft Entertainment | 9,481 | 690 | 0.13 |
| Zalando SE | 41,816 | 3,506 | 0.69 |
| North America - 11.59% (12.69%) | | | |
| Abiomed | 4,160 | 1,055 | 0.21 |
| Affirm Holdings Inc Class A | 4,127 | 298 | 0.06 |
| Alnylam Pharmaceuticals | 5,997 | 657 | 0.13 |
| Alphabet Inc Class C | 1,229 | 1,640 | 0.32 |
| Amazon.com | 1,439 | 3,359 | 0.66 |
| Appian Corp | 12,281 | 1,943 | 0.38 |
| Carvana | 5,748 | 1,092 | 0.21 |
| Chegg | 24,115 | 1,672 | 0.33 |
| Chewy | 19,741 | 1,466 | 0.29 |
| Cloudflare Inc | 17,568 | 981 | 0.19 |
| CoStar Group | 1,438 | 942 | 0.18 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--------------------------|---------|-----------------------|--------------------------|
| Datadog | 7,854 | 588 | 0.11 |
| Denali Therapeutics | 14,908 | 742 | 0.14 |
| Doordash Inc | 1,674 | 235 | 0.05 |
| Eventbrite Inc Class A | 11,686 | 152 | 0.03 |
| First Republic Bank | 11,215 | 1,184 | 0.23 |
| Glaukos Corp | 11,516 | 744 | 0.15 |
| HEICO | 4,014 | 344 | 0.07 |
| Illumina | 5,654 | 1,753 | 0.34 |
| Lemonade Inc | 8,462 | 895 | 0.17 |
| Lyft Inc | 5,216 | 169 | 0.03 |
| MarketAxess Holdings | 2,605 | 1,024 | 0.20 |
| Mastercard | 5,166 | 1,189 | 0.23 |
| Moderna Inc | 16,499 | 2,079 | 0.41 |
| Netflix Inc | 5,429 | 2,103 | 0.41 |
| Novocure Ltd | 10,799 | 1,264 | 0.25 |
| NVIDIA | 1,864 | 704 | 0.14 |
| Penumbra Inc | 3,479 | 661 | 0.13 |
| Redfin | 25,313 | 1,310 | 0.26 |
| Roku | 9,693 | 2,745 | 0.54 |
| Shopify 'A' | 4,994 | 3,991 | 0.78 |
| Slack Technologies Inc | 17,168 | 527 | 0.10 |
| Snowflake Inc | 1,037 | 205 | 0.04 |
| Stitch Fix | 16,399 | 1,140 | 0.22 |
| Teladoc | 6,200 | 1,193 | 0.23 |
| Tesla Inc | 5,270 | 3,044 | 0.59 |
| The Trade Desk | 5,708 | 3,180 | 0.62 |
| Twilio Inc | 8,875 | 2,322 | 0.45 |
| Vroom Inc | 27,814 | 745 | 0.15 |
| Watsco Inc | 4,316 | 750 | 0.15 |
| Wayfair Inc | 15,386 | 3,051 | 0.60 |
| Workday Inc | 5,925 | 981 | 0.19 |
| Yext Inc | 19,501 | 240 | 0.05 |
| Zillow Group Inc Class A | 7,701 | 778 | 0.15 |
| Zoom | 7,859 | 2,129 | 0.42 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| UK - 53.74% (54.07%) | | | |
| Abcam | 175,276 | 2,904 | 0.57 |
| Ashtead | 273,156 | 10,071 | 1.97 |
| Auto Trader | 1,004,922 | 5,666 | 1.11 |
| Baillie Gifford British Smaller Companies Fund C Acc ² | 1,084,441 | 12,981 | 2.54 |
| BHP Group PLC | 585,262 | 11,773 | 2.30 |
| Bodycote | 360,594 | 2,537 | 0.50 |
| Breedon Group | 3,493,419 | 2,962 | 0.58 |
| British American Tobacco | 229,667 | 6,103 | 1.19 |
| Bunzl | 386,605 | 9,085 | 1.78 |
| Burberry | 287,456 | 4,940 | 0.97 |
| Close Brothers | 29,388 | 414 | 0.08 |
| Compass | 290,638 | 3,807 | 0.74 |
| Diageo | 341,871 | 10,080 | 1.97 |
| Draper Esprit | 452,485 | 3,113 | 0.61 |
| Enquest | 6,919,601 | 858 | 0.17 |
| Euromoney Institutional Investor | 165,297 | 1,577 | 0.31 |
| Experian | 64,266 | 1,643 | 0.32 |
| FDM Group | 276,606 | 2,794 | 0.55 |
| Fisher (James) & Sons | 146,623 | 1,466 | 0.29 |
| Games Workshop Group | 32,967 | 3,402 | 0.66 |
| Genus | 89,074 | 4,386 | 0.86 |
| Halma | 181,819 | 4,487 | 0.88 |
| Hargreaves Lansdown | 403,075 | 6,885 | 1.35 |
| Helical | 380,730 | 1,441 | 0.28 |
| Hikma Pharmaceuticals | 262,160 | 6,281 | 1.23 |
| Hiscox | 361,783 | 3,380 | 0.66 |
| HomeServe | 522,287 | 5,453 | 1.07 |
| Howden Joinery Group | 961,526 | 6,460 | 1.26 |
| IG Group | 446,799 | 3,349 | 0.65 |
| Inchcape | 1,005,125 | 6,684 | 1.31 |
| Informa | 816,785 | 4,078 | 0.80 |
| IntegraFin | 509,197 | 2,790 | 0.55 |
| Intermediate Capital Group | 245,924 | 4,181 | 0.82 |
| Just Group | 4,419,244 | 3,354 | 0.66 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|-----------------------|--------------------------|
| Keller | 132,405 | 985 | 0.19 |
| Lancashire Holdings | 919,019 | 6,249 | 1.22 |
| Legal & General | 2,680,020 | 6,539 | 1.28 |
| Meggitt | 914,910 | 3,630 | 0.71 |
| Melrose Industries | 1,768,840 | 2,981 | 0.58 |
| Mitchells & Butlers | 984,292 | 2,933 | 0.57 |
| PageGroup | 978,974 | 4,394 | 0.86 |
| Persimmon | 53,834 | 1,373 | 0.27 |
| Prudential | 818,926 | 9,602 | 1.88 |
| RELX | 406,326 | 7,365 | 1.44 |
| Renishaw | 48,275 | 2,892 | 0.57 |
| Rightmove | 1,039,705 | 6,230 | 1.22 |
| Rio Tinto | 226,364 | 12,649 | 2.47 |
| Schroders Nv. | 89,376 | 2,069 | 0.40 |
| St. James's Place | 1,048,437 | 12,298 | 2.40 |
| Standard Chartered | 690,983 | 3,067 | 0.60 |
| Trainline Plc | 766,268 | 3,123 | 0.61 |
| Ultra Electronics | 243,039 | 4,844 | 0.95 |
| Unilever | 235,746 | 9,996 | 1.95 |
| Victrex | 143,018 | 3,352 | 0.66 |
| Volution Group | 823,388 | 2,388 | 0.47 |
| Weir | 230,600 | 4,370 | 0.85 |
| Portfolio of investments | | 501,746 | 98.15 |
| Net other assets - 1.85% (0.85%) | | 9,477 | 1.85 |
| Net assets | | 511,223 | 100.00 |

¹Baillie Gifford UK & Balanced Funds ICVC related party (please refer to note 11).

²Baillie Gifford UK & Balanced Funds ICVC cross holding (please refer to note 11)..

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 121.25 | 103.75 | 106.34 |
| Return before operating charges* | 27.36 | 18.04 | (2.08) |
| Operating charges | (0.59) | (0.54) | (0.51) |
| Return after operating charges* | 26.77 | 17.50 | (2.59) |
| Distributions | (1.44) | (2.13) | (1.93) |
| Retained distributions on accumulation shares | 1.44 | 2.13 | 1.93 |
| Closing net asset value per share | 148.02 | 121.25 | 103.75 |
| *After direct transaction costs of: | 0.09 | 0.03 | 0.03 |
| Performance: | | | |
| Return after charges | 22.08% | 16.87% | (2.44)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 179,995 | 173,056 | 157,935 |
| Closing number of shares | 121,599,957 | 142,726,158 | 152,225,883 |
| Operating charges | 0.47% | 0.47% | 0.47% |
| Direct transaction costs ² | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 154.9 | 127.5 | 116.4 |
| Lowest share price (pence) | 86.98 | 104.6 | 96.71 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Period Ended 31 January 2020 (pence per share) |
|--|--|--|
| Change in net assets per share: | | |
| Opening net asset value per share | 119.51 | 114.30 ¹ |
| Return before operating charges* | 26.94 | 7.20 |
| Operating charges | (0.61) | (0.44) |
| Return after operating charges* | 26.33 | 6.76 |
| Distributions on income shares | (1.42) | (1.55) |
| Closing net asset value per share | 144.42 | 119.51 |
| | | |
| *After direct transaction costs of: | 0.09 | 0.03 |
| Performance: | | |
| Return after charges | 22.03% | 5.91% |
| Other Information: | | |
| Closing net asset value (£'000) | 920 | 153 |
| Closing number of shares | 636,814 | 128,158 |
| Operating charges | 0.47% | 0.47% |
| Direct transaction costs ² | 0.07% | 0.03% |
| Prices: | | |
| Highest share price (pence) | 152.2 | 127.1 |
| Lowest share price (pence) | 85.74 | 110.6 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 122.59 | 104.42 | 106.53 |
| Return before operating charges* | 27.76 | 18.19 | (2.09) |
| Operating charges | (0.03) | (0.02) | (0.02) |
| Return after operating charges* | 27.73 | 18.17 | (2.11) |
| Distributions | (2.02) | (2.68) | (2.42) |
| Retained distributions on accumulation shares | 2.02 | 2.68 | 2.42 |
| Closing net asset value per share | 150.32 | 122.59 | 104.42 |
| *After direct transaction costs of: | 0.09 | 0.03 | 0.03 |
| Performance: | | | |
| Return after charges | 22.62% | 17.40% | (1.98)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 330,308 | 273,227 | 247,305 |
| Closing number of shares | 219,729,910 | 222,883,501 | 236,827,576 |
| Operating charges | 0.02% | 0.02% | 0.02% |
| Direct transaction costs ² | 0.07% | 0.03% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 157.3 | 128.9 | 117.0 |
| Lowest share price (pence) | 88.00 | 105.3 | 97.30 |

¹Class B Income Shares were launched on 17 April 2019.

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|-------|---------------|--------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 92,109 | | 58,965 |
| Revenue | 3 | 7,468 | | 10,188 | |
| Expenses | 4 | (846) | | (820) | |
| Net revenue before taxation | | 6,622 | | 9,368 | |
| Taxation | 5 | (67) | | (87) | |
| Net revenue after taxation | | | 6,555 | | 9,281 |
| Total return before distributions | | | 98,664 | | 68,246 |
| Distributions | 6 | | (6,543) | | (9,302) |
| Change in net assets attributable to shareholders from investment activities | | | 92,121 | | 58,944 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|----------|----------------|----------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 446,436 | | 405,240 |
| Amounts receivable on issue of shares | 54,447 | | 19,842 | |
| Amounts payable on cancellation of shares | (88,392) | | (46,735) | |
| | | (33,945) | | (26,893) |
| Dilution adjustment | | 345 | | 112 |
| Change in net assets attributable to shareholders from investment activities | | 92,121 | | 58,944 |
| Retained distributions on accumulation shares | | 6,266 | | 9,033 |
| Closing net assets attributable to shareholders | | 511,223 | | 446,436 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|----------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 501,746 | 442,657 |
| Current assets: | | | |
| Debtors | 8 | 1,168 | 813 |
| Cash and bank balances | 9 | 9,528 | 6,454 |
| Total assets | | 512,442 | 449,924 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | 9 | - | (3,127) |
| Distributions payable | | (6) | (2) |
| Other creditors | 10 | (1,213) | (359) |
| Total liabilities | | (1,219) | (3,488) |
| Net assets attributable to shareholders | | 511,223 | 446,436 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 92,493 | 58,974 |
| Currency gains/(losses) | (372) | 2 |
| Transaction costs | (12) | (11) |
| Net capital gains/(losses) | 92,109 | 58,965 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 92,714 | 40,005 |
| Commissions | 36 | 19 |
| Taxes | 256 | 87 |
| Total transaction costs on equity purchases ¹ | 292 | 106 |
| Purchases including transaction costs | 93,006 | 40,111 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.04 | 0.05 |
| Taxes on equity purchases | 0.28 | 0.22 |

| | 2021 | 2020 |
|--|----------------|---------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 127,505 | 59,707 |
| Commissions | (32) | (19) |
| Taxes | (2) | (1) |
| Total transaction costs on equity sales ¹ | (34) | (20) |
| Sales net of transaction costs | 127,471 | 59,687 |

¹These amounts have been deducted in determining net capital gains/(losses).

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.03) | (0.03) |
| Taxes on equity sales | (0.00) | (0.00) |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 68 | 0.01 | 38 | 0.01 |
| Taxes | 258 | 0.06 | 88 | 0.02 |
| Total direct transaction costs | 326 | 0.07 | 126 | 0.03 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.12 | 0.10 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|----------------------|--------------|---------------|
| | £'000 | £'000 |
| UK dividends | 6,122 | 8,341 |
| Overseas dividends | 1,345 | 1,844 |
| Bank interest | 1 | 3 |
| Total revenue | 7,468 | 10,188 |

Notes to the Financial Statements cont.

4 Expenses

| | 2021 | 2020 |
|--|------------|------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 786 | 760 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 33 | 32 |
| Bank charges | 20 | 21 |
| | 53 | 53 |
| Other expenses: | | |
| Audit fee | 7 | 6 |
| Professional fees | - | 1 |
| Total expenses | 846 | 820 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Overseas tax | 78 | 98 |
| Prior year tax reclaims written off | 1 | 1 |
| Tax recoverable on overseas dividends | (12) | (12) |
| Total taxation | 67 | 87 |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £2,494,000 (2020: £1,648,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|-----------|-----------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 6,622 | 9,368 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 1,324 | 1,874 |
| Effects of: | | |
| Non-taxable UK dividends | (1,224) | (1,668) |
| Non-taxable overseas dividends | (269) | (369) |
| Overseas tax on dividends | 78 | 98 |
| Excess management expenses | 169 | 163 |
| Prior year tax reclaims written off | 1 | 1 |
| Tax recoverable on overseas dividends | (12) | (12) |
| Total taxation | 67 | 87 |

6 Distributions

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interim to 31 July | 1,772 | 1,816 |
| Final to 31 January | 4,501 | 7,218 |
| | 6,273 | 9,034 |
| Amounts deducted on cancellation of shares | 644 | 480 |
| Amounts added on issue of shares | (374) | (212) |
| Total distributions | 6,543 | 9,302 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 6,555 | 9,281 |
| Add distributable revenue brought forward | 10 | 31 |
| Less distributable revenue carried forward | (22) | (10) |
| Net distributions for the year | 6,543 | 9,302 |

Notes to the Financial Statements cont.

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 380 | 36 |
| Sales awaiting settlement | 127 | 28 |
| Accrued income | 365 | 416 |
| Overseas tax recoverable | 294 | 333 |
| VAT recoverable | 2 | - |
| Total debtors | 1,168 | 813 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Sterling bank accounts | 9,528 | 6,454 |
| Sterling bank accounts overdrawn | - | (3,127) |
| Total cash and bank balances | 9,528 | 3,327 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|--------------|------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 470 | 218 |
| Purchases awaiting settlement | 661 | 56 |
| Due to the ACD or associates | 65 | 68 |
| Due to the Depositary or associates | 10 | 11 |
| Other accrued expenses | 7 | 6 |
| Total other creditors | 1,213 | 359 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

The Fund invests in other funds for whom Baillie Gifford & Co, the ultimate parent company of the ACD, act as Investment Adviser and these funds are therefore considered to be related parties. Transactions with these related party funds are noted in the table below.

Notes to the Financial Statements cont.

11 Related party transactions (continued)

| | 2021 | | | 2020 | | |
|---|--------------------|----------------|-----------------|--------------------|----------------|-----------------|
| | Purchases £'000 | Sales £'000 | Income £'000 | Purchases £'000 | Sales £'000 | Income £'000 |
| Baillie Gifford British Smaller Companies Fund C Acc | 912 | - | 46 | - | - | 113 |
| Baillie Gifford Emerging Markets Growth Fund C Acc | - | 5,634 | 482 | - | 1,535 | 345 |
| Baillie Gifford Emerging Markets Leading Companies Fund C Acc | - | 6,591 | 500 | - | 1,720 | 374 |
| Baillie Gifford Japanese Smaller Companies Fund C Acc | - | - | 34 | - | 185 | 32 |

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|------|
| | % | % |
| ACD and associates of the ACD | 0.00 | 0.00 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| B Accumulation Shares | 142,726,158 | 19,081,490 | (38,425,897) | (1,781,794) | 121,599,957 |
| B Income Shares | 128,158 | 593,866 | (85,210) | - | 636,814 |
| C Accumulation Shares | 222,883,501 | 23,304,368 | (28,216,593) | 1,758,634 | 219,729,910 |

13 Basis of valuation

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | 441,830 | 388,917 |
| Level 2: Observable market data | 59,916 | 53,740 |
| Level 3: Unobservable data | - | - |
| Total | 501,746 | 442,657 |

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

| Currency | Net currency assets/(liabilities) | | | Net currency assets/(liabilities) | | |
|--------------------|-----------------------------------|------------------------------------|----------------|-----------------------------------|------------------------------------|----------------|
| | 2021 | | | 2020 | | |
| | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 | Total £'000 |
| Australian dollar | - | 9,737 | 9,737 | - | 8,974 | 8,974 |
| Danish krone | - | 2,475 | 2,475 | - | 3,575 | 3,575 |
| Euro | - | 37,136 | 37,136 | - | 30,733 | 30,733 |
| Hong Kong dollar | - | 8,846 | 8,846 | - | 5,589 | 5,589 |
| Japanese yen | - | 32,424 | 32,424 | - | 25,688 | 25,688 |
| New Zealand dollar | - | 959 | 959 | - | 630 | 630 |
| Norwegian krona | - | 2,751 | 2,751 | - | 1,140 | 1,140 |
| Singapore dollar | - | 2,041 | 2,041 | - | 2,212 | 2,212 |
| Swedish krona | - | 14,076 | 14,076 | - | 14,655 | 14,655 |
| Swiss franc | - | 967 | 967 | - | 2,092 | 2,092 |
| UK sterling | 9,528 | 326,268 | 335,796 | 3,327 | 286,171 | 289,498 |
| US dollar | - | 64,065 | 64,065 | - | 61,197 | 61,197 |

Short-term debtors and creditors have not been disclosed.

The Fund invests in a generally diversified portfolio of assets. Consequently the ACD considers that a single measure of market sensitivity does not accurately reflect the risks faced by the Fund.

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| B Accumulation | | | | |
| Group 1 | 0.40000 | - | 0.40000 | 0.40000 |
| Group 2 | - | 0.40000 | 0.40000 | 0.40000 |
| B Income | | | | |
| Group 1 | 0.40000 | - | 0.40000 | 0.20000 |
| Group 2 | - | 0.40000 | 0.40000 | 0.20000 |
| C Accumulation | | | | |
| Group 1 | 0.55000 | - | 0.55000 | 0.55000 |
| Group 2 | 0.02123 | 0.52877 | 0.55000 | 0.55000 |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

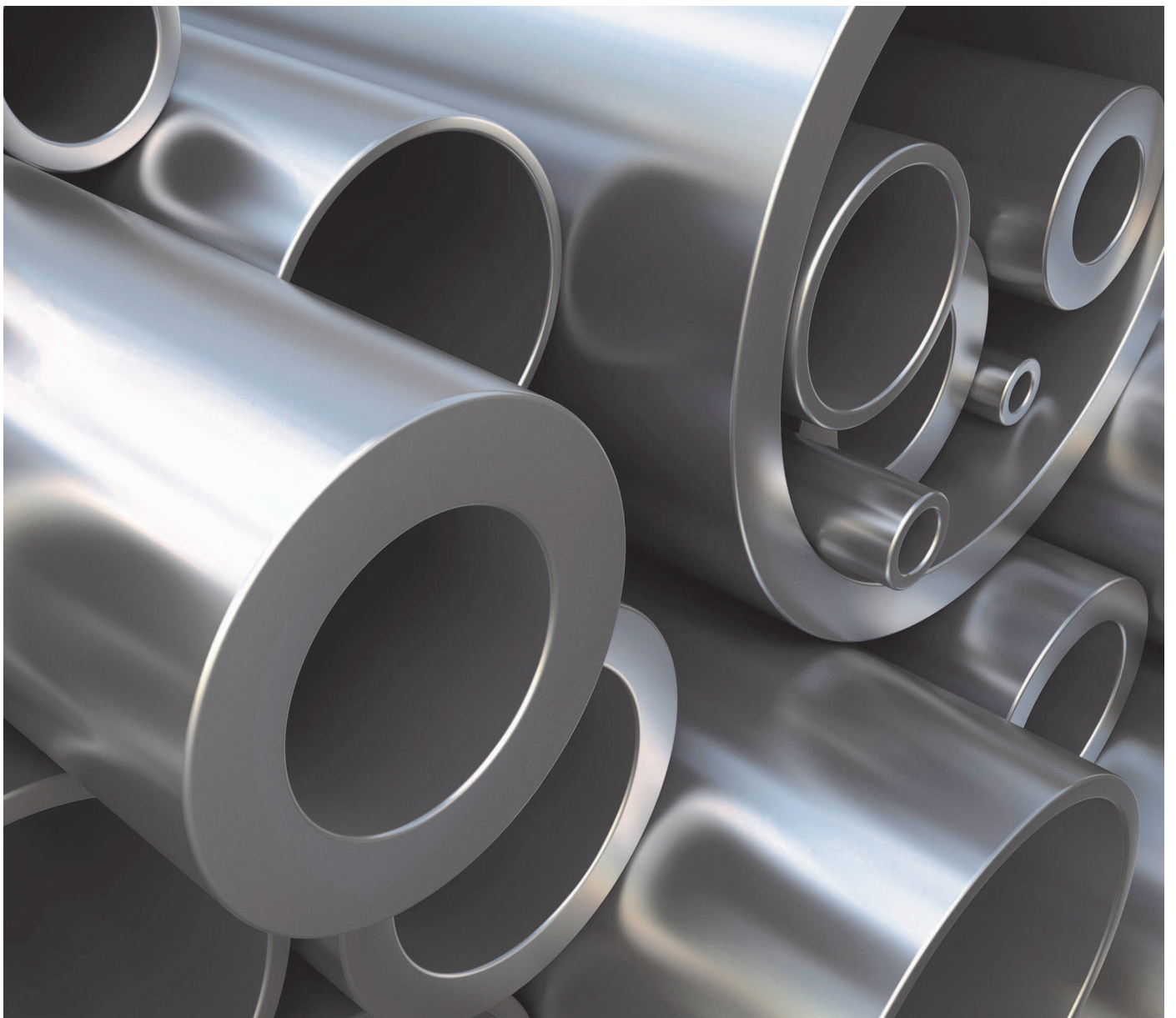
| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| B Accumulation | | | | |
| Group 1 | 1.04000 | - | 1.04000 | 1.73000 |
| Group 2 | 0.09734 | 0.94266 | 1.04000 | 1.73000 |
| B Income | | | | |
| Group 1 | 1.02000 | - | 1.02000 | 1.35000 |
| Group 2 | 0.05599 | 0.96401 | 1.02000 | 1.35000 |
| C Accumulation | | | | |
| Group 1 | 1.47000 | - | 1.47000 | 2.13000 |
| Group 2 | 0.21455 | 1.25545 | 1.47000 | 2.13000 |

BAILLIE GIFFORD

Baillie Gifford UK Equity Alpha Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford UK Equity Alpha Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 2% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 80% in shares of UK companies of any size and in any sector. UK companies are companies which are incorporated, domiciled or conduct a significant portion of their business in the UK. The Fund may also invest in companies which are listed, traded or quoted in the UK. The Fund will be concentrated, with a maximum of 40 holdings. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund's exposure to a single market may increase share price movements.

The Fund's concentrated portfolio relative to similar funds may result in large movements in the share price in the short term.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

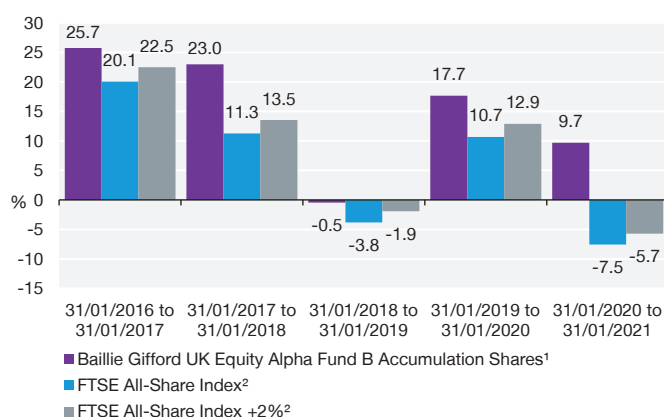
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.55% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.65%), but exclude any initial charge paid. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests between the two valuation points can lead to distortions in the returns. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of this Fund is to outperform (after fees) the FTSE All-Share Index (the 'Index') by at least 2% (the 'target return') over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 9.9%³ compared to the Index of -7.5%² and the target return of -5.7%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objective. The annualised five-year return on B Accumulation Shares was 14.8%³ compared to the Index of 5.6%² and the target return of 7.7%².

The period started as Covid-19 cases were rising in China and just beginning to emerge in Europe but few could have predicted just quite how seriously each and every one of us, would be affected. Reflecting now on the extraordinary 12 months to end January 2021, throws up a very strange concoction of emotions and observations. On the one hand, enduring the dreadful health and social impact of the pandemic has obviously been grim. After the briefest of flirtations with optimism around the rapid approval of the new efficacious vaccines in November, another round of

UK lockdowns brought yet another wave of terrible costs to our economy and general well-being and many have been left understandably fearful and anxious.

On the other hand, this report is supposed to be a reflection on the investment environment for the Baillie Gifford UK Equity Alpha Fund. Whilst it was a challenging 12 months for the broader UK stock market, the period under review turned out to be an unusually strong one for the Fund in terms of both absolute and relative performance. After the initial sharp falls in March 2020, when the scale of the pandemic first became apparent, many of the holdings then enjoyed an extremely strong – and we think justified – rebound over the subsequent period to the end of January 2021. The most notable contributor to performance over the year was the online grocery retailer and technology company Ocado. Ocado launched its Marks & Spencer product range across the UK in September 2020 and the positive share price reaction resulted in it overtaking Tesco to become the UK's most valuable retailer by market capitalisation. Whilst this was helpful news, the UK retail market now only makes up a small proportion of Ocado's revenues and our excitement for the business is driven by its broader potential to license its logistics and

¹Source: FE, 10am dealing prices, income accumulated. ²Source: StatPro and relevant underlying index provider, total return. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

distribution technology to other retailers around the world. The impact of the pandemic which led many new consumers to shop for their groceries online, could be a pivotal moment in accelerating the global demand for Ocado's technology. This trend should not only reinforce the company's position as a global leader in the field of online logistics in food but, in due course, other categories in retail and manufacturing. Our enthusiasm for Ocado remains undiminished but given the strong share price performance, we made a couple of reductions to the holding in Ocado during the year. Other online beneficiaries of the pandemic included the online fashion retailer, ASOS, which made good operational progress after a difficult first quarter. This was driven by a stronger than expected pick-up in demand across Europe and a significant reduction in the number of unused items being returned. The fall in returns appears to be a phenomenon that has developed during the lockdown period as consumers shifted towards buying active/leisure wear rather than occasion wear. Looking ahead, we continue to believe that ASOS is very well-positioned to benefit from the increasing shift to online retail over the next few years and having carried out a capital raise in April, it has cash available to take advantage of any opportunities that may arise and that will enable it to emerge from the crisis in a stronger competitive position.

Finally, Renishaw, the global high precision metrology, healthcare technology and additive manufacturing (metal 3D printing) company, performed well despite the challenging trading environment. We have long been admirers of the company's commitment to spending on research and development throughout the cycle and believe that it has world beating traits in manufacturing innovation. In 2020, Renishaw announced a milestone development in a medical study looking to help patients with Parkinson's disease. The trial was the first of its kind to be performed on humans and uses Renishaw's 3D printing technology to create a device which allows drugs to be delivered directly and accurately into patients' brains using the Renishaw neuromate surgical robot. If the trial proves successful it would mean that patients could receive therapeutic treatment in an out-patient setting on an ongoing basis. To help advance other healthcare applications such as

this, Renishaw has recently created 'Renishaw Neuro Solutions', a new entity to help advance its neurological range through the regulatory process and roll its products out to the mass market in a cost-effective way. It is therefore with some sadness that, at the time of going to press, we have learnt that the two founders and major shareholders of Renishaw, both in their eighties, wish to launch a formal sale process for the company in order to secure its long-term future. This will be a confidential process and we are currently contemplating our position.

Portfolio turnover has remained very low and there was little trading over the period. During the year, we sold out of the two companies that weighed most heavily on the full year performance: the world's largest cruise line operator, Carnival, was sold in March as we were concerned about the impact the pandemic would have on the travel sector and the high levels of debt in the business. We also sold Jupiter Fund Management following the news it had agreed to buy another fund manager, Merian, as we felt the strategic direction of management had changed and we were not convinced that the greater size of the business would address some of the headwinds facing active fund managers, such as fund outflows and pricing pressure.

We used the proceeds of these sales to support a number of companies that were raising capital earlier in the year, such as ASOS, Auto Trader and the online retailer of beach holidays, On The Beach and in December, we took a new holding in Games Workshop. Games Workshop is the miniature strategy gaming company behind the Warhammer brand. Whilst relatively niche, this is a company with a strong core franchise, a loyal and passionate customer base, high quality intellectual property and a large addressable market.

The last 12 months have felt somewhat surreal for UK investors. Not only has our local economy been hit hard by the pandemic, but whole sectors of the stock market have come under pressure, including many high-profile firms. Moreover, much of the year was shadowed by uncertainty over Brexit and although a last-minute deal was struck, several important questions remain. However, whilst we may have gone into 2021 with even less visibility than usual – we

Investment Report cont.

don't know what short term path the virus will take or the shape of the economic recovery (or more likely, recession) in the early part of 2021 - our genuinely active approach to stock picking allows us to invest, on your behalf, in a small collection of very carefully selected, world-class British businesses and we remain confident in the short-term resilience, and excited about the long-term growth prospects, of the companies held in this Fund.

Baillie Gifford & Co, 15 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|---------------------|-----------------------------|
| Ocado | 8.25 |
| Rightmove | 7.25 |
| Auto Trader | 5.33 |
| Renishaw | 5.25 |
| Aveva | 5.19 |
| Abcam | 4.72 |
| Trainline Plc | 4.47 |
| Hargreaves Lansdown | 4.03 |
| HomeServe | 3.86 |
| Oxford Instruments | 3.67 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|----------------------|---------------|-------------------------|-------------------|
| Rightmove | 22,235 | Ocado | 8,460 |
| Aveva | 18,094 | Jupiter Fund Management | 6,690 |
| Auto Trader | 16,273 | Carnival | 4,767 |
| HomeServe | 13,448 | Aveva | 2,985 |
| Trainline Plc | 12,965 | Auto Trader | 2,793 |
| Renishaw | 12,601 | Weir | 2,216 |
| Hargreaves Lansdown | 11,067 | Rightmove | 1,850 |
| Ocado | 10,528 | Oxford Instruments | 1,751 |
| Games Workshop Group | 10,415 | Hargreaves Lansdown | 1,717 |
| Standard Chartered | 9,445 | Burberry | 1,556 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|------------|-----------------------|--------------------------|
| Basic Materials - 6.99% (6.05%) | | | |
| BHP Group PLC | 632,393 | 12,720 | 1.59 |
| Johnson Matthey | 742,991 | 21,926 | 2.73 |
| Rio Tinto | 382,675 | 21,384 | 2.67 |
| Consumer Goods - 5.78% (5.62%) | | | |
| Burberry | 922,935 | 15,861 | 1.98 |
| Diageo | 698,527 | 20,596 | 2.57 |
| Games Workshop Group | 95,770 | 9,883 | 1.23 |
| Consumer Services - 26.37% (29.41%) | | | |
| ASOS | 572,694 | 25,623 | 3.20 |
| Auto Trader | 7,585,383 | 42,767 | 5.33 |
| HomeServe | 2,965,919 | 30,964 | 3.86 |
| Ocado | 2,381,386 | 66,107 | 8.25 |
| On The Beach | 3,078,700 | 10,144 | 1.26 |
| Trainline Plc | 8,788,982 | 35,824 | 4.47 |
| Financials - 21.04% (16.34%) | | | |
| AJ Bell | 2,449,958 | 10,547 | 1.32 |
| Hargreaves Lansdown | 1,891,093 | 32,300 | 4.03 |
| IP Group | 11,237,718 | 10,665 | 1.33 |
| Rathbone Brothers | 1,157,496 | 18,543 | 2.31 |
| Rightmove | 9,701,840 | 58,133 | 7.25 |
| Schroders Nv. | 924,433 | 21,401 | 2.67 |
| Standard Chartered | 3,842,808 | 17,058 | 2.13 |
| Health Care - 11.64% (10.37%) | | | |
| Abcam | 2,282,005 | 37,813 | 4.72 |
| Creo Medical | 3,517,270 | 7,105 | 0.89 |
| Genus | 522,673 | 25,736 | 3.21 |
| PureTech Health | 5,686,164 | 22,631 | 2.82 |
| Industrials - 19.35% (23.19%) | | | |
| Aggreko | 874,533 | 5,116 | 0.64 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|-----------|-----------------------|--------------------------|
| Experian | 824,605 | 21,077 | 2.63 |
| Intertek | 349,669 | 19,288 | 2.41 |
| Keller | 1,259,068 | 9,367 | 1.17 |
| Oxford Instruments | 1,483,402 | 29,431 | 3.67 |
| Renishaw | 702,345 | 42,070 | 5.25 |
| Spectris | 359,441 | 10,913 | 1.36 |
| Weir | 940,690 | 17,826 | 2.22 |
| Oil & Gas - 0.75% (1.58%) | | | |
| Wood Group | 2,046,715 | 5,997 | 0.75 |
| Technology - 5.19% (5.56%) | | | |
| Aveva | 1,145,166 | 41,638 | 5.19 |
| Portfolio of investments | | 778,454 | 97.11 |
| Net other assets - 2.89% (1.88%) | | 23,184 | 2.89 |
| Net assets | | 801,638 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: A Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 626.24 | 536.06 | 546.11 |
| Return before operating charges* | 64.65 | 98.74 | (2.28) |
| Operating charges | (8.54) | (8.56) | (7.77) |
| Return after operating charges* | 56.11 | 90.18 | (10.05) |
| Distributions | (0.15) | (4.00) | (3.93) |
| Retained distributions on accumulation shares | 0.15 | 4.00 | 3.93 |
| Closing net asset value per share | 682.35 | 626.24 | 536.06 |
| *After direct transaction costs of: | 1.22 | 0.67 | 0.17 |
| Performance: | | | |
| Return after charges | 8.96% | 16.82% | (1.84)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 6,172 | 3,972 | 1,927 |
| Closing number of shares | 904,473 | 634,171 | 359,485 |
| Operating charges | 1.40% ¹ | 1.41% | 1.41% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 702.6 | 661.4 | 605.8 |
| Lowest share price (pence) | 411.3 | 538.1 | 494.1 |

Comparative Tables cont.

Comparative Table: A Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 469.76 | 404.69 | 415.27 |
| Return before operating charges* | 48.40 | 74.52 | (1.67) |
| Operating charges | (6.30) | (6.43) | (5.92) |
| Return after operating charges* | 42.10 | 68.09 | (7.59) |
| Distributions on income shares | (0.10) | (3.02) | (2.99) |
| Closing net asset value per share | 511.76 | 469.76 | 404.69 |
| | | | |
| *After direct transaction costs of: | 0.90 | 0.51 | 0.13 |
| Performance: | | | |
| Return after charges | 8.96% | 16.83% | (1.83)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 435 | 407 | 134 |
| Closing number of shares | 85,094 | 86,706 | 33,064 |
| Operating charges | 1.40% ¹ | 1.40% | 1.41% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 526.9 | 498.7 | 460.4 |
| Lowest share price (pence) | 308.5 | 406.2 | 375.2 |

Comparative Tables cont.

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 748.51 | 635.30 | 641.73 |
| Return before operating charges* | 78.15 | 117.26 | (2.73) |
| Operating charges | (4.16) | (4.05) | (3.70) |
| Return after operating charges* | 73.99 | 113.21 | (6.43) |
| Distributions | (4.98) | (10.82) | (10.14) |
| Retained distributions on accumulation shares | 4.98 | 10.82 | 10.14 |
| Closing net asset value per share | 822.50 | 748.51 | 635.30 |
| *After direct transaction costs of: | 1.48 | 0.80 | 0.19 |
| Performance: | | | |
| Return after charges | 9.88% | 17.82% | (1.00)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 510,679 | 207,838 | 89,580 |
| Closing number of shares | 62,088,710 | 27,766,934 | 14,100,316 |
| Operating charges | 0.56% | 0.56% | 0.57% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 846.8 | 789.9 | 715.4 |
| Lowest share price (pence) | 492.2 | 637.8 | 585.1 |

Comparative Tables cont.

Comparative Table: B Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 470.19 | 404.93 | 415.51 |
| Return before operating charges* | 49.00 | 74.73 | (1.63) |
| Operating charges | (2.59) | (2.57) | (2.40) |
| Return after operating charges* | 46.41 | 72.16 | (4.03) |
| Distributions on income shares | (3.13) | (6.90) | (6.55) |
| Closing net asset value per share | 513.47 | 470.19 | 404.93 |
| *After direct transaction costs of: | | | |
| | 0.92 | 0.51 | 0.13 |
| Performance: | | | |
| Return after charges | 9.87% | 17.82% | (0.97)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 59,213 | 35,547 | 28,039 |
| Closing number of shares | 11,531,868 | 7,560,173 | 6,924,304 |
| Operating charges | 0.56% | 0.56% | 0.57% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 531.0 | 501.9 | 462.1 |
| Lowest share price (pence) | 309.2 | 406.5 | 377.6 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 835.39 | 705.16 | 708.39 |
| Return before operating charges* | 87.78 | 130.39 | (3.09) |
| Operating charges | (0.16) | (0.16) | (0.14) |
| Return after operating charges* | 87.62 | 130.23 | (3.23) |
| Distributions | (9.99) | (16.41) | (15.16) |
| Retained distributions on accumulation shares | 9.99 | 16.41 | 15.16 |
| Closing net asset value per share | 923.01 | 835.39 | 705.16 |
| *After direct transaction costs of: | 1.62 | 0.88 | 0.22 |
| Performance: | | | |
| Return after charges | 10.49% | 18.47% | (0.46)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 184,250 | 239,237 | 224,192 |
| Closing number of shares | 19,961,844 | 28,637,586 | 31,793,092 |
| Operating charges | 0.02% | 0.02% | 0.02% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 950.3 | 881.2 | 792.3 |
| Lowest share price (pence) | 549.7 | 708.0 | 649.1 |

Comparative Tables cont.

Comparative Table: C Income Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 470.80 | 405.36 | 415.97 |
| Return before operating charges* | 49.35 | 74.95 | (1.64) |
| Operating charges | (0.09) | (0.09) | (0.08) |
| Return after operating charges* | 49.26 | 74.86 | (1.72) |
| Distributions on income shares | (5.62) | (9.42) | (8.89) |
| Closing net asset value per share | 514.44 | 470.80 | 405.36 |
| *After direct transaction costs of: | | | |
| | 0.92 | 0.50 | 0.13 |
| Performance: | | | |
| Return after charges | 10.46% | 18.47% | (0.41)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 3 | 2 | 2 |
| Closing number of shares | 500 | 500 | 500 |
| Operating charges | 0.02% | 0.02% | 0.02% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 534.0 | 504.4 | 463.6 |
| Lowest share price (pence) | 309.9 | 407.0 | 379.5 |

Comparative Tables cont.

Comparative Table: G Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Period Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 827.10 | 701.66 | 694.00 ³ |
| Return before operating charges* | 86.32 | 129.48 | 11.35 |
| Operating charges | (4.10) | (4.04) | (3.69) |
| Return after operating charges* | 82.22 | 125.44 | 7.66 |
| Distributions | (5.90) | (12.35) | (11.61) |
| Retained distributions on accumulation shares | 5.90 | 12.35 | 11.61 |
| Closing net asset value per share | 909.32 | 827.10 | 701.66 |
| *After direct transaction costs of: | 1.61 | 0.87 | 0.21 |
| Performance: | | | |
| Return after charges | 9.94% | 17.88% | 1.10% |
| Other Information: | | | |
| Closing net asset value (£'000) | 40,886 | 38,466 | 33,349 |
| Closing number of shares | 4,496,380 | 4,650,636 | 4,752,831 |
| Operating charges | 0.51% | 0.51% | 0.52% |
| Direct transaction costs ² | 0.20% | 0.11% | 0.03% |
| Prices: | | | |
| Highest share price (pence) | 936.2 | 872.8 | 790.0 |
| Lowest share price (pence) | 543.9 | 704.4 | 646.2 |

¹As at 31 January 2021, the ACD considered 1.42% to be more indicative rate for the ongoing charges for Class A Shares.

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section. For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

³Class G Accumulation Shares were launched on 5 February 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|---------|---------------|---------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 69,010 | | 63,062 |
| Revenue | 3 | 6,890 | | 9,142 | |
| Expenses | 4 | (2,157) | | (1,254) | |
| Net revenue before taxation | | 4,733 | | 7,888 | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | 4,733 | | 7,888 |
| Total return before distributions | | | 73,743 | | 70,950 |
| Distributions | 6 | | (4,738) | | (7,888) |
| Change in net assets attributable to shareholders from investment activities | | | 69,005 | | 63,062 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-----------|----------------|----------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 525,469 | | 377,223 |
| Amounts receivable on issue of shares | 325,811 | | 154,611 | |
| Amounts payable on cancellation of shares | (126,074) | | (78,558) | |
| | | 199,737 | | 76,053 |
| Dilution adjustment | | 2,275 | | 981 |
| Change in net assets attributable to shareholders from investment activities | | 69,005 | | 63,062 |
| Retained distributions on accumulation shares | | 5,152 | | 8,150 |
| Closing net assets attributable to shareholders | | 801,638 | | 525,469 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|-----------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 778,454 | 515,591 |
| Current assets: | | | |
| Debtors | 8 | 3,305 | 1,589 |
| Cash and bank balances | 9 | 20,424 | 20,155 |
| Total assets | | 802,183 | 537,335 |
| Liabilities: | | | |
| Creditors: | | | |
| Distributions payable | | (257) | (410) |
| Other creditors | 10 | (288) | (11,456) |
| Total liabilities | | (545) | (11,866) |
| Net assets attributable to shareholders | | 801,638 | 525,469 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 69,016 | 63,064 |
| Transaction costs | (6) | (2) |
| Net capital gains/(losses) | 69,010 | 63,062 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 240,008 | 126,164 |
| Commissions | 77 | 37 |
| Taxes | 1,039 | 453 |
| Total transaction costs on equity purchases ¹ | 1,116 | 490 |
| Purchases including transaction costs | 241,124 | 126,654 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.03 | 0.03 |
| Taxes on equity purchases | 0.43 | 0.36 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 47,297 | 38,149 |
| Commissions | (19) | (14) |
| Taxes | - | - |
| Total transaction costs on equity sales ¹ | (19) | (14) |
| Sales net of transaction costs | 47,278 | 38,135 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.04) | (0.04) |
| Taxes on equity sales | 0.00 | 0.00 |

| | 2021 | | 2020 | |
|---------------------------------------|--------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 96 | 0.02 | 51 | 0.01 |
| Taxes | 1,039 | 0.18 | 453 | 0.10 |
| Total direct transaction costs | 1,135 | 0.20 | 504 | 0.11 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.23 | 0.23 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

Notes to the Financial Statements cont.

3 Revenue

| | 2021 | 2020 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| UK dividends | 6,637 | 8,901 |
| Overseas dividends | 250 | 198 |
| Bank interest | 3 | 43 |
| Total revenue | 6,890 | 9,142 |

4 Expenses

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 2,091 | 1,203 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 48 | 37 |
| Bank charges | 9 | 8 |
| | 57 | 45 |
| Other expenses: | | |
| Audit fee | 9 | 6 |
| Total expenses | 2,157 | 1,254 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|----------|----------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Total taxation | - | - |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £12,607,000 (2020: £10,453,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|----------|----------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 4,733 | 7,888 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 947 | 1,578 |
| Effects of: | | |
| Non-taxable UK dividends | (1,327) | (1,780) |
| Non-taxable overseas dividends | (50) | (40) |
| Excess management expenses | 430 | 242 |
| Total taxation | - | - |

6 Distributions

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interim to 31 July | 1,336 | 1,524 |
| Final to 31 January | 4,164 | 7,118 |
| | 5,500 | 8,642 |
| Amounts deducted on cancellation of shares | 690 | 561 |
| Amounts added on issue of shares | (1,452) | (1,315) |
| Total distributions | 4,738 | 7,888 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 4,733 | 7,888 |
| Add capital transfers for deficits of income | 10 | - |
| Add distributable revenue brought forward | 2 | 2 |
| Less distributable revenue carried forward | (7) | (2) |
| Net distributions for the year | 4,738 | 7,888 |

Notes to the Financial Statements cont.

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 2,828 | 1,147 |
| Accrued income | 477 | 438 |
| Other debtors | - | 4 |
| Total debtors | 3,305 | 1,589 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Sterling bank accounts | 20,424 | 20,155 |
| Total cash and bank balances | 20,424 | 20,155 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|------------|---------------|
| | £'000 | £'000 |
| Payable for cancellation of shares | - | 764 |
| Purchases awaiting settlement | - | 10,545 |
| Due to the ACD or associates | 272 | 137 |
| Due to the Depositary or associates | 9 | 5 |
| Other accrued expenses | 7 | 5 |
| Total other creditors | 288 | 11,456 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Notes to the Financial Statements cont.

11 Related party transactions (continued)

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|-------|
| | % | % |
| ACD and associates of the ACD | 8.42 | 11.83 |

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| A Accumulation Shares | 634,171 | 573,305 | (271,455) | (31,548) | 904,473 |
| A Income Shares | 86,706 | 52,122 | (48,497) | (5,237) | 85,094 |
| B Accumulation Shares | 27,766,934 | 37,374,782 | (3,079,135) | 26,129 | 62,088,710 |
| B Income Shares | 7,560,174 | 8,220,933 | (4,254,726) | 5,487 | 11,531,868 |
| C Accumulation Shares | 28,637,586 | 1,295,869 | (9,971,611) | - | 19,961,844 |
| C Income Shares | 500 | 500 | (500) | - | 500 |
| G Accumulation Shares | 4,650,636 | 1,168 | (155,424) | - | 4,496,380 |

13 Basis of valuation

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | 778,454 | 515,591 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 778,454 | 515,591 |

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| A Accumulation | | | | |
| Group 1 | 0.15000 | - | 0.15000 | 0.90000 |
| Group 2 | - | 0.15000 | 0.15000 | 0.90000 |
| A Income | | | | |
| Group 1 | 0.10000 | - | 0.10000 | 0.60000 |
| Group 2 | - | 0.10000 | 0.10000 | 0.60000 |
| B Accumulation | | | | |
| Group 1 | 1.40000 | - | 1.40000 | 2.00000 |
| Group 2 | - | 1.40000 | 1.40000 | 2.00000 |
| B Income | | | | |
| Group 1 | 0.90000 | - | 0.90000 | 1.50000 |
| Group 2 | - | 0.90000 | 0.90000 | 1.50000 |
| C Accumulation | | | | |
| Group 1 | 2.50000 | - | 2.50000 | 3.25000 |
| Group 2 | - | 2.50000 | 2.50000 | 3.25000 |
| C Income | | | | |
| Group 1 | 1.40000 | - | 1.40000 | 2.00000 |
| Group 2 | 1.40000 | - | 1.40000 | 2.00000 |
| G Accumulation | | | | |
| Group 1 | 1.70000 | - | 1.70000 | 2.25000 |
| Group 2 | - | 1.70000 | 1.70000 | 2.25000 |

Distribution Tables cont.

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| A Accumulation | | | | |
| Group 1 | - | - | - | 3.10000 |
| Group 2 | - | - | - | 3.10000 |
| A Income | | | | |
| Group 1 | - | - | - | 2.42000 |
| Group 2 | - | - | - | 2.42000 |
| B Accumulation | | | | |
| Group 1 | 3.58000 | - | 3.58000 | 8.82000 |
| Group 2 | - | 3.58000 | 3.58000 | 8.82000 |
| B Income | | | | |
| Group 1 | 2.23000 | - | 2.23000 | 5.40000 |
| Group 2 | 0.01827 | 2.21173 | 2.23000 | 5.40000 |
| C Accumulation | | | | |
| Group 1 | 7.49000 | - | 7.49000 | 13.16000 |
| Group 2 | 2.19254 | 5.29746 | 7.49000 | 13.16000 |
| C Income | | | | |
| Group 1 | 4.22000 | - | 4.22000 | 7.42000 |
| Group 2 | 4.22000 | - | 4.22000 | 7.42000 |
| G Accumulation | | | | |
| Group 1 | 4.20000 | - | 4.20000 | 10.10000 |
| Group 2 | 0.48750 | 3.71250 | 4.20000 | 10.10000 |

BAILLIE GIFFORD

Baillie Gifford UK Equity Focus Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Baillie Gifford UK Equity Focus Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 1.5% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 80% in shares of UK companies of any size and in any sector. UK companies are companies which are incorporated, domiciled or conduct a significant portion of their business in the UK. The Fund may also invest in companies which are listed, traded or quoted in the UK. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

| Typically lower rewards, lower risk | | | Typically higher rewards, higher risk | | | |
|--|---|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases.

The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds or cash. Where no share price history is available for any part of the last five years (and thus no returns), the returns of the Fund's comparative index are used in its place to calculate the Risk and Reward Indicator.

The indicator does not take into account the following relevant material risks:

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 you may not get back the amount invested.

Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

The Fund's exposure to a single market may increase share price movements.

Where possible, charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the capital value of the Fund.

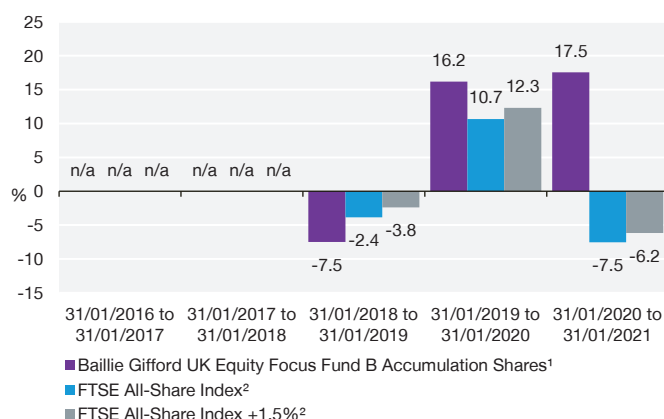
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Fund.

Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by contacting Client Relations or visiting our website.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.47% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.60%), but exclude any initial charge paid. There are not five full years of performance shown as the Fund launched on 2 August 2017. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests between the two valuation points can lead to distortions in the returns. Performance for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

The investment objective of the Fund is to outperform (after fees) the FTSE All-Share Index (the 'Index') by at least 1.5% (the 'target return') per annum over rolling five-year periods. For the year to 31 January 2021 the return on B Accumulation Shares was 17.2%³ compared to the return on the Index of -7.5%² and the target return of -6.2%². As we firmly believe that short-term performance measurements are of limited relevance in assessing investment ability, we would urge investors to focus on longer timeframes, especially in the case of a new Fund such as this. We look forward to reporting to you on more meaningful performance time periods during the years to come.

The period under review started as Covid-19 cases were rising in China and just beginning to emerge in Europe but few could have predicted just quite how seriously each and every one of us, across the world, would be affected. Reflecting now on the extraordinary 12 months to end January 2021, throws up a very strange concoction of emotions and observations. On the one hand, enduring the dreadful health and social impact of the pandemic has obviously been grim. After the briefest of flirtations with optimism around the rapid approval of the new efficacious vaccines in November, another round

of lockdowns brought yet another wave of terrible costs to our economy and general wellbeing and many have been left understandably fearful and anxious.

On the other hand, this report is supposed to be a reflection on the investment environment for the portfolio and whilst it was a challenging 12 months for the broader UK stock market, the Baillie Gifford UK Equity Focus Fund performed very strongly over this short period, both in absolute and relative terms. This is because it is not an investment in the UK index. Rather, this Fund invests in a small subset of carefully chosen UK stocks: genuinely 'active' stock picking allows us to be very selective, and to invest in what we think are the beneficiaries of change (such as growing online disruptors, for example). We are also looking for businesses which can offer long-term growth yet remain resilient, not just in a strict financial sense of a strong balance sheet, but also in gauging the strength and durability of their business franchise against what could well be some testing operating conditions. This won't happen in a straight line or over every quarter, but we remain confident that there are plenty of

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE, StatPro and relevant underlying index provider, total return. Index performance returns are now shown on a gross total return basis, having previously been shown on a net total return basis. Please see Disclaimer on page 297. ³Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

under-appreciated growth businesses in the UK that will allow this portfolio to deliver worthwhile returns over the long term.

It is encouraging to note that the outperformance can be attributed to a wide range of very different businesses and is not reliant on any single area of the market or any particular industry. Amongst these, the online luxury goods marketplace, Farfetch, which connects luxury brands and high-end boutiques with consumers around the world. Given the digital nature of its business, Farfetch has clearly been a beneficiary of the pandemic which has also provided an inflection point in the growth of the company. Significant investment from the Swiss luxury conglomerate, Richemont and Chinese e-commerce giant Alibaba towards the end of 2020, further validated Farfetch's position as the leading online aggregator of luxury goods brands. Renishaw, is a highly innovative engineering company based in Gloucestershire. It specialises in ultra-high precision measurement and 3D printing and despite what has been a challenging trading backdrop, we have been impressed by the company's ongoing commitment to invest in next generation technology, especially in the area of healthcare and neurological applications. It is therefore with some sadness that, at the time of going to press, we have learnt that the two founders and major shareholders of Renishaw, both in their eighties, wish to launch a formal sale process for the company in order to secure its long-term future. This will be a confidential process and we are currently contemplating our position.

Finally, the selective breeding company, Genus has continued to perform well this year and its investment in its scientific and technological capabilities to help it better understand the genetics of its two main species, pigs and cows, is paying off. Recognised as a leader in its field, Genus is benefiting from a structural shift and rising demand for animal protein (including dairy), in developing countries such as China and India. As populations grow, incomes rise and more people move into towns and cities, we believe that Genus is well positioned for several years to come and will play a central role as this market consolidates around a few key players.

Amongst the detractors, not holding the large pharmaceutical company, AstraZeneca, weighed on performance as it is a large index constituent that performed well in 2020 for many well publicised reasons, primarily vaccine related. 4imprint, the distributor of branded promotional products, which was hard hit early on in lockdown also lagged, although showed some signs of recovery as the year progressed. We remain confident that this company will emerge from the crisis in a stronger position and its solid balance sheet will enable it to take market share from its smaller and less efficient competitors.

Turnover has remained relatively low at around 10%, reflecting our long-term investment approach and continued conviction in the companies we hold. Notable trading in the second half of the period included the complete sales of the small holding in Mercia Technologies, the engineering consultancy business Ricardo, and the cigarette manufacturing company, British American Tobacco. We also reduced the holdings in Farfetch and Spirax-Sarco to better reflect our level of conviction after a period of exceptionally strong share price performance and in Just Eat Takeaway. Despite strong operational performance, we harbour some reservations around Just Eat Takeaway's acquisition of the US company GrubHub and the potential execution risks given the size and timing of the transaction and the longer term competitive challenges in the US market.

We used the proceeds of these sales to add to areas of the market that we felt were disproportionately penalised, particularly in the early part of 'lockdown', such as Trainline, 4imprint, and Burberry. We also supported Draper Esprit in a capital raise as we have been impressed by the performance of this early stage venture capital investment firm.

The last 12 months have felt somewhat surreal for UK investors. Not only has our local economy been hit hard by the pandemic, but whole sectors of the stock market have come under pressure, including many high-profile firms. Moreover, much of the year was shadowed by uncertainty over Brexit and although a last-minute deal was struck, several important questions remain. However, whilst we may have gone into 2021 with even less visibility than usual – we don't know what short

Investment Report cont.

term path the virus will take or the shape of the economic recovery (or more likely, recession) in the early part of 2021 - our genuinely active approach to stock picking allows us to invest, on your behalf, in a small collection of very carefully selected, world-class British businesses and we remain confident in the short-term resilience, and excited about the long-term growth prospects, of the companies held in this Fund.

Baillie Gifford & Co, 15 February 2021

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|----------------------|-----------------------------|
| Renishaw | 4.82 |
| Genus | 4.19 |
| Abcam | 4.05 |
| Games Workshop Group | 3.60 |
| Farfetch | 3.57 |
| Draper Esprit | 3.22 |
| Boohoo | 2.80 |
| Experian | 2.74 |
| Rio Tinto | 2.68 |
| Hargreaves Lansdown | 2.61 |

Material Portfolio Changes for the year ended 31 January 2021

| Largest Purchases | Cost £'000 | Largest Sales | Proceeds £'000 |
|----------------------|---------------|--------------------------|-------------------|
| 4imprint | 2,658 | Farfetch | 4,541 |
| Trainline Plc | 1,715 | Spirax-Sarco | 2,864 |
| Games Workshop Group | 1,558 | British American Tobacco | 2,815 |
| Rolls-Royce | 1,426 | Just Eat Takeaway.com | 2,134 |
| Lancashire Holdings | 1,416 | Horizon Discovery | 1,895 |
| Draper Esprit | 1,349 | Boohoo | 1,239 |
| Aveva | 1,269 | Ricardo | 998 |
| Burberry | 1,207 | AO World | 941 |
| Renishaw | 1,049 | Benchmark Holdings | 826 |
| AO World | 991 | Compass | 476 |

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|-----------|-----------------------|--------------------------|
| Basic Materials - 7.86% (6.61%) | | | |
| Antofagasta | 253,605 | 3,625 | 1.82 |
| BHP Group PLC | 225,191 | 4,530 | 2.27 |
| Rio Tinto | 95,783 | 5,352 | 2.68 |
| Victrex | 92,595 | 2,171 | 1.09 |
| Consumer Goods - 9.18% (9.63%) | | | |
| Burberry | 248,016 | 4,262 | 2.14 |
| Diageo | 110,600 | 3,261 | 1.63 |
| Fevertree Drinks | 57,991 | 1,415 | 0.71 |
| Games Workshop Group | 69,676 | 7,191 | 3.60 |
| Reckitt Benckiser | 35,393 | 2,193 | 1.10 |
| Consumer Services - 25.54% (19.46%) | | | |
| 4imprint | 191,058 | 4,538 | 2.27 |
| AO World | 1,245,203 | 3,879 | 1.94 |
| Auto Trader | 812,878 | 4,583 | 2.30 |
| Boohoo | 1,649,306 | 5,584 | 2.80 |
| Compass | 220,948 | 2,894 | 1.45 |
| Farfetch | 159,750 | 7,123 | 3.57 |
| HomeServe | 419,947 | 4,384 | 2.20 |
| Howden Joinery Group | 488,777 | 3,284 | 1.64 |
| Informa | 290,735 | 1,452 | 0.73 |
| Just Eat Takeaway.com | 46,880 | 3,925 | 1.97 |
| Naked Wines | 363,890 | 2,609 | 1.31 |
| On The Beach | 526,236 | 1,734 | 0.87 |
| Trainline Plc | 676,118 | 2,756 | 1.38 |
| Wizz Air Holdings Plc | 50,875 | 2,218 | 1.11 |
| Financials - 13.12% (14.09%) | | | |
| Draper Esprit | 933,656 | 6,424 | 3.22 |
| Hargreaves Lansdown | 305,629 | 5,220 | 2.61 |
| Helical | 364,005 | 1,378 | 0.69 |
| Hiscox | 212,539 | 1,985 | 0.99 |
| IP Group | 1,401,343 | 1,330 | 0.67 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|--------------------------------------|-----------|-----------------------|--------------------------|
| Lancashire Holdings | 443,153 | 3,013 | 1.51 |
| Prudential | 267,025 | 3,131 | 1.57 |
| St. James's Place | 316,280 | 3,710 | 1.86 |
| Health Care - 12.46% (12.19%) | | | |
| Abcam | 487,947 | 8,085 | 4.05 |
| Clinigen | 182,780 | 1,398 | 0.70 |
| Creo Medical | 225,537 | 456 | 0.23 |
| Genus | 169,767 | 8,359 | 4.19 |
| Hikma Pharmaceuticals | 157,881 | 3,783 | 1.90 |
| PureTech Health | 95,692 | 381 | 0.19 |
| Vectura | 2,069,162 | 2,404 | 1.20 |
| Industrials - 19.93% (25.10%) | | | |
| Ashtead | 134,924 | 4,975 | 2.49 |
| Experian | 214,175 | 5,474 | 2.74 |
| FDM Group | 503,256 | 5,083 | 2.55 |
| Fisher (James) & Sons | 101,233 | 1,012 | 0.51 |
| Halstead (James) | 247,501 | 1,225 | 0.61 |
| Oxford Instruments | 158,344 | 3,142 | 1.57 |
| Renishaw | 160,676 | 9,624 | 4.82 |
| Rolls-Royce | 967,720 | 887 | 0.45 |
| Rotork | 771,395 | 2,512 | 1.26 |
| Smart Metering Systems | 209,841 | 1,421 | 0.71 |
| Spirax-Sarco | 31,163 | 3,453 | 1.73 |
| Ultra Electronics | 48,626 | 969 | 0.49 |
| Oil & Gas - 0.00% (0.34%) | | | |
| Technology - 8.35% (10.90%) | | | |
| Aveva | 120,329 | 4,375 | 2.19 |
| First Derivatives | 130,998 | 3,943 | 1.98 |
| NCC Group | 1,294,620 | 3,198 | 1.60 |
| Softcat | 341,435 | 5,156 | 2.58 |

Portfolio Statement as at 31 January 2021 cont.

| Stock description | Holding | Market value £'000 | % of total net assets |
|---|---------|-----------------------|--------------------------|
| <hr/> | | | |
| Portfolio of investments | | 192,469 | 96.44 |
| Net other assets - 3.56% (1.68%) | | 7,095 | 3.56 |
| Net assets | | 199,564 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

Comparative Tables

Comparative Table: B Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 115.94 | 100.04 | 106.98 |
| Return before operating charges* | 20.58 | 16.44 | (6.42) |
| Operating charges | (0.63) | (0.54) | (0.52) |
| Return after operating charges* | 19.95 | 15.90 | (6.94) |
| Distributions | (0.88) | (1.72) | (1.61) |
| Retained distributions on accumulation shares | 0.88 | 1.72 | 1.61 |
| Closing net asset value per share | 135.89 | 115.94 | 100.04 |
| *After direct transaction costs of: | 0.10 | 0.29 | 0.07 |
| Performance: | | | |
| Return after charges | 17.21% | 15.89% | (6.49)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 7,743 | 431 | 382 |
| Closing number of shares | 5,697,785 | 371,935 | 381,353 |
| Operating charges | 0.49% | 0.49% | 0.49% |
| Direct transaction costs ¹ | 0.08% | 0.26% | 0.07% |
| Prices: | | | |
| Highest share price (pence) | 143.2 | 120.8 | 116.0 |
| Lowest share price (pence) | 77.54 | 100.7 | 93.28 |

Comparative Tables cont.

Comparative Table: C Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|---|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 117.37 | 100.81 | 107.29 |
| Return before operating charges* | 20.87 | 16.58 | (6.45) |
| Operating charges | (0.02) | (0.02) | (0.03) |
| Return after operating charges* | 20.85 | 16.56 | (6.48) |
| Distributions | (1.44) | (2.26) | (2.13) |
| Retained distributions on accumulation shares | 1.44 | 2.26 | 2.13 |
| Closing net asset value per share | 138.22 | 117.37 | 100.81 |
| *After direct transaction costs of: | 0.09 | 0.29 | 0.07 |
| Performance: | | | |
| Return after charges | 17.76% | 16.43% | (6.04)% |
| Other Information: | | | |
| Closing net asset value (£'000) | 191,821 | 153,773 | 79,430 |
| Closing number of shares | 138,778,736 | 131,013,458 | 78,794,566 |
| Operating charges | 0.02% | 0.02% | 0.03% |
| Direct transaction costs ¹ | 0.08% | 0.26% | 0.07% |
| Prices: | | | |
| Highest share price (pence) | 145.6 | 122.3 | 116.6 |
| Lowest share price (pence) | 78.55 | 101.4 | 93.94 |

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|-------|---------------|-------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | 27,816 | | 12,616 |
| Revenue | 3 | 1,951 | | 2,470 | |
| Expenses | 4 | (32) | | (19) | |
| Net revenue before taxation | | 1,919 | | 2,451 | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | 1,919 | | 2,451 |
| Total return before distributions | | | 29,735 | | 15,067 |
| Distributions | 6 | | (1,919) | | (2,447) |
| Change in net assets attributable to shareholders from investment activities | | | 27,816 | | 12,620 |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|----------|----------------|----------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 154,204 | | 79,812 |
| Amounts receivable on issue of shares | 44,311 | | 71,411 | |
| Amounts payable on cancellation of shares | (29,111) | | (13,160) | |
| | | 15,200 | | 58,251 |
| Dilution adjustment | | 329 | | 530 |
| Change in net assets attributable to shareholders from investment activities | | 27,816 | | 12,620 |
| Retained distributions on accumulation shares | | 2,015 | | 2,991 |
| Closing net assets attributable to shareholders | | 199,564 | | 154,204 |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|----------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | 192,469 | 151,620 |
| Current assets: | | | |
| Debtors | 8 | 1,053 | 581 |
| Cash and bank balances | 9 | 6,184 | 2,059 |
| Total assets | | 199,706 | 154,260 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | 9 | - | (6) |
| Other creditors | 10 | (142) | (50) |
| Total liabilities | | (142) | (56) |
| Net assets attributable to shareholders | | 199,564 | 154,204 |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Non-derivative securities | 27,821 | 12,621 |
| Currency gains/(losses) | (2) | (2) |
| Transaction costs | (3) | (3) |
| Net capital gains/(losses) | 27,816 | 12,616 |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | 33,456 | 79,344 |
| Commissions | 10 | 29 |
| Taxes | 113 | 285 |
| Total transaction costs on equity purchases ¹ | 123 | 314 |
| Purchases including transaction costs | 33,579 | 79,658 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.03 | 0.04 |
| Taxes on equity purchases | 0.34 | 0.36 |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | 20,561 | 19,258 |
| Commissions | (9) | (11) |
| Taxes | - | - |
| Total transaction costs on equity sales ¹ | (9) | (11) |
| Sales net of transaction costs | 20,552 | 19,247 |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|--------|--------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | (0.04) | (0.06) |
| Taxes on equity sales | 0.00 | 0.00 |

| | 2021 | | 2020 | |
|---------------------------------------|------------|------------------|------------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | 19 | 0.01 | 40 | 0.03 |
| Taxes | 113 | 0.07 | 285 | 0.23 |
| Total direct transaction costs | 132 | 0.08 | 325 | 0.26 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.25 | 0.31 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

Notes to the Financial Statements cont.

3 Revenue

| | 2021 | 2020 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| UK dividends | 1,837 | 2,311 |
| Overseas dividends | 113 | 154 |
| Bank interest | 1 | 5 |
| Total revenue | 1,951 | 2,470 |

4 Expenses

| | 2021 | 2020 |
|--|-----------|-----------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 7 | 2 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | 13 | 10 |
| Bank charges | 4 | 2 |
| | 17 | 12 |
| Other expenses: | | |
| Audit fee | 8 | 5 |
| Total expenses | 32 | 19 |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|----------|----------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Total taxation | - | - |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Fund and, as a result, there is no corporation tax charge.

At 31 January 2021, the Fund had excess management expenses of £52,000 (2020: £21,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

| | 2021 | 2020 |
|---|----------|----------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | 1,919 | 2,451 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | 384 | 490 |
| Effects of: | | |
| Non-taxable UK dividends | (367) | (462) |
| Non-taxable overseas dividends | (23) | (31) |
| Excess management expenses | 6 | 3 |
| Total taxation | - | - |

6 Distributions

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interim to 31 July | 422 | 680 |
| Final to 31 January | 1,594 | 2,311 |
| | 2,016 | 2,991 |
| Amounts deducted on cancellation of shares | 187 | 138 |
| Amounts added on issue of shares | (284) | (682) |
| Total distributions | 1,919 | 2,447 |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | 1,919 | 2,451 |
| Add distributable revenue brought forward | 6 | 2 |
| Less distributable revenue carried forward | (6) | (6) |
| Net distributions for the year | 1,919 | 2,447 |

Notes to the Financial Statements cont.

8 Debtors

| | 2021 | 2020 |
|--------------------------------|--------------|------------|
| | £'000 | £'000 |
| Receivable for issue of shares | 907 | 310 |
| Sales awaiting settlement | - | 7 |
| Accrued income | 122 | 228 |
| Overseas tax recoverable | 24 | 36 |
| Total debtors | 1,053 | 581 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Sterling bank accounts | 6,184 | 2,059 |
| Sterling bank accounts overdrawn | - | (6) |
| Total cash and bank balances | 6,184 | 2,053 |

10 Other creditors

| | 2021 | 2020 |
|-------------------------------------|------------|-----------|
| | £'000 | £'000 |
| Payable for cancellation of shares | 130 | 43 |
| Due to the ACD or associates | 3 | - |
| Due to the Depositary or associates | 2 | 2 |
| Other accrued expenses | 7 | 5 |
| Total other creditors | 142 | 50 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of ACD fees are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

| | 2021 | 2020 |
|-------------------------------|------|------|
| | % | % |
| ACD and associates of the ACD | 0.00 | 0.00 |

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| B Accumulation Shares | 371,935 | 5,571,409 | (245,559) | - | 5,697,785 |
| C Accumulation Shares | 131,013,458 | 31,017,052 | (23,251,774) | - | 138,778,736 |

13 Basis of valuation

| | 2021 Assets £'000 | 2020 Assets £'000 |
|---------------------------------|-------------------------|-------------------------|
| Level 1: Quoted prices | 192,469 | 151,620 |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data | - | - |
| Total | 192,469 | 151,620 |

Distribution Tables

Interim distribution for the period ended 31 July 2020

Group 1 : shares purchased prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 July 2020

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 30.09.20) | Distribution (paid/accumulated 30.09.19) |
|----------------|---|-----------------------------|--|--|
| | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.20 pence per share | 31.07.19 pence per share |
| B Accumulation | | | | |
| Group 1 | 0.20000 | - | 0.20000 | 0.35000 |
| Group 2 | - | 0.20000 | 0.20000 | 0.35000 |
| C Accumulation | | | | |
| Group 1 | 0.32000 | - | 0.32000 | 0.50000 |
| Group 2 | - | 0.32000 | 0.32000 | 0.50000 |

Final distribution for the period ended 31 January 2021

Group 1 : shares purchased prior to 1 August 2020

Group 2 : shares purchased 1 August 2020 to 31 January 2021

| | Net Revenue (dividend distribution) | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|---|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| B Accumulation | | | | |
| Group 1 | 0.68000 | - | 0.68000 | 1.37000 |
| Group 2 | 0.01870 | 0.66130 | 0.68000 | 1.37000 |
| C Accumulation | | | | |
| Group 1 | 1.12000 | - | 1.12000 | 1.76000 |
| Group 2 | 0.20785 | 0.91215 | 1.12000 | 1.76000 |

BAILLIE GIFFORD

Glenfinlas Global Fund

a sub-fund of Baillie Gifford UK & Balanced Funds ICVC

*Annual Report & Financial Statements
for the year ended 31 January 2021*



Investment Report

Following the redemption of all outstanding shares on 13 November 2015, the ACD is no longer actively seeking subscriptions for the Fund.

Principal Holdings as at 31 January 2021

| Investment | Percentage of total Fund |
|--|-----------------------------|
| Espirito Santo Financials ¹ | 0.00 |
| African Minerals Ltd ¹ | 0.00 |
| SNS Reaal ¹ | 0.00 |

¹This stock was delisted at the year end and has been valued at the Investment Adviser's valuation.

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015. The remaining holdings have been valued at zero, based on the Investment Adviser's valuation, as detailed in the Portfolio Statement.

Portfolio Statement as at 31 January 2021

| Stock description | Holding | Market value £'000 | % of total net assets |
|--|---------|-----------------------|--------------------------|
| Luxembourg - 0.00% (0.00%) | | | |
| Espirito Santo Financials ¹ | 32,000 | - | 0.00 |
| Netherlands - 0.00% (0.00%) | | | |
| SNS Reaal ¹ | 133,875 | - | 0.00 |
| UK - 0.00% (0.00%) | | | |
| African Minerals Ltd ¹ | 51,500 | - | 0.00 |
| Portfolio of investments | | - | 0.00 |
| Net other liabilities - 0.00% (0.00%) | | - | 0.00 |
| Net assets | | - | 0.00 |

¹This stock was delisted at the year end and has been valued at the Investment Adviser's valuation.

All investments are approved securities within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2020.

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

Comparative Tables

Comparative Table: Z Accumulation Shares

| | Financial Year Ended 31 January 2021 (pence per share) | Financial Year Ended 31 January 2020 (pence per share) | Financial Year Ended 31 January 2019 (pence per share) |
|--|--|--|--|
| Change in net assets per share: | | | |
| Opening net asset value per share | 0.00 | 0.00 | 0.00 |
| Return before operating charges* | - | - | - |
| Operating charges | - | - | - |
| Return after operating charges* | - | - | - |
| Closing net asset value per share | 0.00 | 0.00 | 0.00 |
| *After direct transaction costs of: | n/a | n/a | n/a |
| Performance: | | | |
| Return after charges | - | - | - |
| Other Information: | | | |
| Closing net asset value (£'000) | - | - | - |
| Closing number of shares ¹ | - | - | - |
| Operating charges | - | - | - |
| Direct transaction costs | - | - | - |
| Prices: | | | |
| Highest share price (pence) | n/a | n/a | n/a |
| Lowest share price (pence) | n/a | n/a | n/a |

¹This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

Financial Statements

Statement of Total Return for the year ended 31 January 2021

| | | 2021 | | 2020 | |
|---|-------|-------|-------|-------|-------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 1 | | - | | - |
| Revenue | 3 | - | | - | |
| Expenses | 4 | - | | - | |
| Net revenue before taxation | | - | | - | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | - | | - |
| Total return before distributions | | | - | | - |
| Distributions | 6 | | - | | - |
| Change in net assets attributable to shareholders from investment activities | | | - | | - |

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 January 2021

| | 2021 | | 2020 | |
|--|-------|-------|-------|-------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | - | | - |
| Amounts receivable on issue of shares | - | | - | |
| Amounts payable on cancellation of shares | - | | - | |
| | | - | | - |
| Dilution adjustment | | - | | - |
| Change in net assets attributable to shareholders from investment activities | | - | | - |
| Closing net assets attributable to shareholders | | - | | - |

Financial Statements cont.

Balance Sheet as at 31 January 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | 13 | - | - |
| Current assets: | | | |
| Debtors | 8 | 5 | 4 |
| Cash and bank balances | 9 | - | 8 |
| Total assets | | 5 | 12 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | 9 | - | (8) |
| Other creditors | 10 | (5) | (4) |
| Total liabilities | | (5) | (12) |
| Net assets attributable to shareholders | | - | - |

Notes to the Financial Statements

1 Net capital gains/(losses)

| | 2021 | 2020 |
|-----------------------------------|-------|-------|
| | £'000 | £'000 |
| Net capital gains/(losses) | - | - |

2 Purchases, sales and transaction costs

| | 2021 | 2020 |
|--|-------|-------|
| | £'000 | £'000 |
| Purchases and transaction costs | | |
| Gross purchases of equities excluding transaction costs | - | - |
| Commissions | - | - |
| Taxes | - | - |
| Total transaction costs on equity purchases ¹ | - | - |
| Purchases including transaction costs | - | - |

¹These amounts have been deducted in determining net capital gains/(losses).

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity purchases | 0.00 | 0.00 |
| Taxes on equity purchases | 0.00 | 0.00 |

| | 2021 | 2020 |
|---|-------|-------|
| | £'000 | £'000 |
| Sales and transaction costs | | |
| Gross sales of equities excluding transaction costs | - | - |
| Commissions | - | - |
| Taxes | - | - |
| Total transaction costs on equity sales | - | - |
| Sales net of transaction costs | - | - |

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

| | 2021 | 2020 |
|--|------|------|
| | % | % |
| Transaction costs as a percentage of principal amount | | |
| Commission on equity sales | 0.00 | 0.00 |
| Taxes on equity sales | 0.00 | 0.00 |

| | 2021 | | 2020 | |
|---------------------------------------|----------|------------------|----------|------------------|
| | £'000 | % of average NAV | £'000 | % of average NAV |
| Portfolio transaction costs | | | | |
| Commissions | - | 0.00 | - | 0.00 |
| Taxes | - | 0.00 | - | 0.00 |
| Total direct transaction costs | - | 0.00 | - | 0.00 |

| | 2021 | 2020 |
|----------------------------------|------|------|
| | % | % |
| Average portfolio dealing spread | 0.00 | 0.00 |

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares; broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

Dilution adjustment charges, which do not form part of the direct transaction costs disclosures above, may be incurred as a result of trading in underlying funds. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

| | 2021 | 2020 |
|----------------------|----------|----------|
| | £'000 | £'000 |
| Total revenue | - | - |

Notes to the Financial Statements cont.

4 Expenses

| | 2021 | 2020 |
|--|-------|-------|
| | £'000 | £'000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| Expenses rebate | (5) | (4) |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee | - | - |
| Bank charges | - | - |
| | - | - |
| Other expenses: | | |
| Audit fee | 5 | 4 |
| Total expenses | - | - |

5 Taxation

| | 2021 | 2020 |
|---------------------------------------|-------|-------|
| | £'000 | £'000 |
| Analysis of charge in the year | | |
| Corporation tax | - | - |
| Total taxation | - | - |

The Fund is subject to corporation tax at 20% (2020: 20%), however, the majority of dividends received by the Fund are not liable to corporation tax. Accordingly, the tax deductible expenses combined with offsetable overseas tax exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

| | 2021 | 2020 |
|---|-------|-------|
| | £'000 | £'000 |
| Net revenue/(expense) before taxation | - | - |
| Net expense before taxation multiplied by the standard rate of corporation tax of 20% (2020: 20%) | - | - |
| Total taxation | - | - |

6 Distributions

| | 2021 | 2020 |
|----------------------------|-------|-------|
| | £'000 | £'000 |
| Total distributions | - | - |

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Table.

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

| | 2021 | 2020 |
|---|----------|----------|
| | £'000 | £'000 |
| Net revenue after taxation for the year | - | - |
| Net distributions for the year | - | - |

8 Debtors

| | 2021 | 2020 |
|----------------------|----------|----------|
| | £'000 | £'000 |
| Amounts due from ACD | 5 | 4 |
| Total debtors | 5 | 4 |

9 Cash and bank balances

| | 2021 | 2020 |
|-------------------------------------|----------|----------|
| | £'000 | £'000 |
| Sterling bank accounts | - | 8 |
| Sterling bank accounts overdrawn | - | (8) |
| Total cash and bank balances | - | - |

10 Other creditors

| | 2021 | 2020 |
|------------------------------|----------|----------|
| | £'000 | £'000 |
| Other accrued expenses | 5 | 4 |
| Total other creditors | 5 | 4 |

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company.

During the year Baillie Gifford & Co Limited deemed it appropriate to reimburse expenses to the Fund. The amount of expenses reimbursed is given in note 4 with amounts receivable at the year end given in note 8. Any amount due to be refunded back to the ACD, relating to surplus revenue, is given in note 10.

12 Reconciliation of shares in issue

| | Shares in issue as at 31.01.20 | Shares issued | Shares cancelled | Shares converted | Shares in issue as at 31.01.21 |
|-----------------------|-----------------------------------|---------------|------------------|------------------|-----------------------------------|
| Z Accumulation Shares | - | - | - | - | - |

Notes to the Financial Statements cont.

13 Basis of valuation

| | 2021 | 2020 |
|---|----------|----------|
| | Assets | Assets |
| | £'000 | £'000 |
| Level 1: Quoted prices | - | - |
| Level 2: Observable market data | - | - |
| Level 3: Unobservable data ¹ | - | - |
| Total | - | - |

¹For further information on the assets included in Level 3, as at 31 January 2021, please refer to the Portfolio Statement.

Distribution Table

Final distribution for the year ended 31 January 2021

Group 1 : shares purchases prior to 1 February 2020

Group 2 : shares purchased 1 February 2020 to 31 January 2021

| | Net Revenue | Equalisation | Distribution (paid/accumulated 31.03.21) | Distribution (paid/accumulated 31.03.20) |
|----------------|-----------------------------|-----------------------------|--|--|
| | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.21 pence per share | 31.01.20 pence per share |
| Z Accumulation | | | | |
| Group 1 | n/a | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a | n/a |

General Information

Dilution Adjustment

A sub-fund suffers dilution (reduction) in the value of the Scheme Property attributable to it because the actual costs of buying or selling investments for the sub-fund deviate from the mid-market values generally used in calculating the price of shares in the sub-fund. Such deviation may occur as a result of the costs (which may include dealing charges and taxes) incurred in dealing in such investments and of any spread between the buying and selling prices of such investments. It is not possible to predict accurately whether dilution is likely to occur.

The COLL Rules allow the cost of dilution to be (1) met directly from the Scheme Property attributable to the sub-fund or (2) addressed by the imposition on investors of a dilution levy on the issue by the Company, sale by the ACD, cancellation by the Company or redemption by the ACD of shares in the sub-fund or (3) dealt with by means of a dilution adjustment, which is the policy which has been adopted by the ACD in relation to the sub-funds of the Company. With a view to mitigating the effects of dilution, the ACD therefore reserves the right at its sole discretion to make a dilution adjustment in the calculation of the dealing price, and thereby swing the dealing price, of shares in any sub-fund of the Company if in its opinion the existing shareholders (for net purchases of shares) or remaining shareholders (for net redemptions of shares) might otherwise be adversely affected. By 'purchases' of shares we mean issues by the Company and sales by the ACD and by 'redemptions' of shares we mean cancellations by the Company and redemptions by the ACD.

The COLL Rules acknowledge that the need to make a dilution adjustment may depend on the volume of purchases of shares or redemptions of shares. Accordingly, the ACD reserves the right at its sole discretion to impose a dilution adjustment in the following circumstances:

- (a) If the sub-fund is experiencing steady decline (net outflow of investment).
- (b) If the sub-fund is experiencing steady growth (net inflow of investment).

- (c) If the sub-fund is experiencing large levels of net purchases or net redemptions relative to its size.
- (d) Where the sub-fund experiences net purchases or net redemptions on any Dealing Day exceeding a particular value or a particular percentage of the value of the sub-fund.
- (e) In any other circumstances where the ACD believes it will be in the interests of shareholders to make a dilution adjustment.

The ACD is currently of the opinion that it is in the best interests of shareholders in the Company to make a dilution adjustment whenever dealings in the shares of any sub-fund result in shares in that sub-fund being issued or cancelled by the Company. The ACD believes that this policy should result in no significant dilution occurring. The adjustment will take account of any spread between the buying and selling prices of the relevant sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's investments results in significant movement in the prices of these investments the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a sub-fund. The ACD has thresholds for the sub-funds for daily net inflows or outflows of cash into or out of the sub-funds. Above these thresholds, which vary by sub-fund and according to market conditions, the ACD will increase the dilution adjustment to reflect the increased dealing costs incurred by the sub-funds as a result of larger inflows and outflows. A consequence of this policy is, however, that smaller transactions made on any day that the relevant threshold is exceeded may also trade at the price incorporating the higher adjustment and this may lead to increased dealing costs. Whether an adjustment may be necessary will depend upon the net movement into or out of a sub-fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

General Information cont.

Dilution Adjustment cont.

On any Dealing Day when the Company neither issues nor cancels shares in a sub-fund the price of shares in that sub-fund will not contain any dilution adjustment.

This policy to swing the dealing price will be subject to regular review and may change. The ACD's decision on whether or not to make a dilution adjustment, and on what level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the relevant sub-fund and decrease the dealing price when there are net outflows. The dealing price of each class of share in a sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of shares of each class identically.

On the occasions when no dilution adjustment is made there may be an adverse impact on the value of the Scheme Property attributable to the relevant sub-fund.

Stamp Duty Reserve Tax ('SDRT')

Generally, there will be no SDRT charge when shareholders surrender or redeem shares. However, where the redemption is satisfied by a non-pro rata in-specie redemption, then a charge to SDRT may apply.

Taxation Reporting

In order to fulfil its legal obligations, the ACD is required to collect and report certain information about Shareholders (and in some circumstances the Shareholder's controlling persons), including their identity, tax residency and tax status. Shareholders must provide the ACD with any information required to meet these obligations, and may also be asked to provide self-certifications and tax reference numbers or the equivalent. The ACD reserves the right to refuse an

application for Shares or a transfer of Shares until it receives a declaration as to the Shareholder's tax residency or status in the form prescribed by the ACD.

The ACD is also required to provide to HMRC certain information regarding Shareholders, payments made to Shareholders and proceeds arising on the disposal of Shares, and HMRC may pass such information on to the tax authorities of another jurisdiction.

Share Classes

The net asset value per share and the number of shares in each class are shown in the Comparative Tables sections of the relevant sub-funds. The distributions per share class are shown in the Distribution Tables. In each sub-fund all share classes have the same rights on winding up

Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Class G Shares are only available to persons who were previously invested in Baillie Gifford UK Private Pension Fund (a pension fund that was a unit-linked fund of Baillie Gifford Life Limited, an associate of the ACD) and such other persons as the ACD may permit as its sole discretion.

Class J Shares are only available to persons who has, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.

Class K Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Class P Shares are available to persons who: (i) are considered by the ACD to be institutional pension platforms and who have a relevant agreement with the ACD or an associate of the ACD; or (ii) are otherwise considered appropriate by the ACD at its sole discretion.

General Information cont.

Share Classes cont.

Class W Shares are only available to persons who has, or whose agent has, a separate fee arrangement with the ACD or one of its associates, in relation to the relevant Class W Shares.

The minimum lump sum investments are shown in the table on page 300.

Equalisation

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 shares. Shares purchased during any previous distribution period are called Group 1 shares. Group 2 shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the sub-fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the holders of Group 2 shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

An 'income equalisation-like' mechanism will be operated by the ACD for conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those converting their shares and other shareholders in the affected classes.

Fund Charges and Costs

For further details on the costs associated with investing in the sub-funds of the ICVC, please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Conflicts of Interest

From time to time, there may be situations that give rise to a material interest or conflict of interest. Such interests can arise between the interests of the ACD, the Investment Adviser, other persons associated with them and the interests of the sub-funds and their shareholders. A material interest or a conflict of interest can also arise between the interests of different shareholders. In such circumstances the ACD will put in place effective organisational and administrative arrangements to manage and monitor the material interest or conflict of interest in a way that ensures shareholders are treated fairly, or where it is impractical to manage the conflict, it will be disclosed.

The ACD, the Investment Adviser and other associated persons may, from time to time, act as authorised corporate directors, investment managers or advisers to other persons, companies or funds which follow similar investment objectives to the sub-funds. It is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or a particular sub-fund. Each of the ACD and the Investment Adviser will, however, have regard in such event to, amongst other things, its obligation to act in the best interest of the Company so far as practicable, having regard to our obligations to other clients, when undertaking any investment where potential conflicts of interest may arise. The Depositary may, from time to time, act as the depositary or trustee of other companies or funds.

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or

General Information cont.

Third Party Data Provider Disclaimer cont.

omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

MSCI Index Data

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct,

indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

FTSE Index Data

FTSE International Limited ("FTSE") © FTSE 2019. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and / or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and / or data underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.

General Information cont.

Minimum Lump Sum Investment Amounts and ACD's Annual Fee

| | Class A | Class B | Class C | Class G | Class J | Class K | Class P | Class W |
|---|---------|---------|----------|----------|---------|----------|----------|---------|
| Minimum lump sum investments: | | | | | | | | |
| Baillie Gifford British Smaller Companies Fund | £1,000 | £1,000 | £250,000 | n/a | n/a | n/a | n/a | n/a |
| Baillie Gifford Global Alpha Growth Fund | £1,000 | £1,000 | £250,000 | n/a | n/a | n/a | n/a | £1,000 |
| Baillie Gifford Global Income Growth Fund | £1,000 | £1,000 | £250,000 | n/a | £1,000 | n/a | £250,000 | n/a |
| Baillie Gifford International Fund | £1,000 | £1,000 | £250,000 | £250,000 | n/a | n/a | n/a | n/a |
| Baillie Gifford Managed Fund | £1,000 | £1,000 | £250,000 | n/a | n/a | £250,000 | n/a | n/a |
| Baillie Gifford Responsible Global Equity Income Fund | n/a | £1,000 | £250,000 | n/a | £1,000 | n/a | £250,000 | n/a |
| Baillie Gifford UK and Worldwide Equity Fund | n/a | £1,000 | £250,000 | n/a | n/a | n/a | n/a | n/a |
| Baillie Gifford UK Equity Alpha Fund | £1,000 | £1,000 | £250,000 | £250,000 | n/a | n/a | n/a | n/a |
| Baillie Gifford UK Equity Focus Fund | n/a | £1,000 | £250,000 | n/a | n/a | n/a | n/a | n/a |
| Glenfinlas Global Fund ¹ | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

General Information cont.

Minimum Lump Sum Investment Amounts and ACD's Annual Fee cont.

| | Class A | Class B | Class C | Class G | Class J | Class K | Class P | Class W |
|---|---------|---------|---------|---------|---------|---------|---------|-------------------|
| Minimum lump sum investments: | | | | | | | | |
| ACD's annual fee: | | | | | | | | |
| Baillie Gifford British Smaller Companies Fund | 1.50% | 0.65% | Nil | n/a | n/a | n/a | n/a | n/a |
| Baillie Gifford Global Alpha Growth Fund | 1.42% | 0.57% | Nil | n/a | n/a | n/a | n/a | Note ² |
| Baillie Gifford Global Income Growth Fund | 1.35% | 0.50% | Nil | n/a | 0.35% | n/a | 0.45% | n/a |
| Baillie Gifford International Fund | 1.42% | 0.57% | Nil | 0.50% | n/a | n/a | n/a | n/a |
| Baillie Gifford Managed Fund | 1.50% | 0.40% | Nil | n/a | n/a | 0.32% | n/a | n/a |
| Baillie Gifford Responsible Global Equity Income Fund | n/a | 0.50% | Nil | n/a | 0.35% | n/a | 0.45% | n/a |
| Baillie Gifford UK and Worldwide Equity Fund | n/a | 0.45% | Nil | n/a | n/a | n/a | n/a | n/a |
| Baillie Gifford UK Equity Alpha Fund | 1.40% | 0.55% | Nil | 0.50% | n/a | n/a | n/a | n/a |
| Baillie Gifford UK Equity Focus Fund | n/a | 0.47% | Nil | n/a | n/a | n/a | n/a | n/a |
| Glenfinlas Global Fund ¹ | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

¹Glenfinlas Global Fund is no longer available for subscription.

Note²: Where the combined net asset value of the relevant Class W Shares (accumulation and income) is equal to or greater than £100 million, the following fee scale will be applied to the whole of the net asset value of the relevant Class W Shares:

- 0.57% on the first £60 million;
- 0.35% on the next £540 million; and
- 0.33% thereafter.

Where the combined net asset value of the relevant Class W Shares (accumulation and income) is less than £100 million a rate of 0.57% shall be applied to the whole of the net asset value of the relevant Class W Shares.

General Information cont.

Active Share

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. The Active Share as at the year end and the comparative index for each sub-fund is shown in the table below. The Active Share has been shown against these indices to highlight the active management style against what is deemed to be the most relevant index for each sub-fund.

| Sub-fund | Active Share | Comparative Index |
|---|--------------|--|
| Baillie Gifford British Smaller Companies Fund | 94% | Numis Smaller Companies Excluding Investment Companies Index |
| Baillie Gifford Global Alpha Growth Fund | 85% | MSCI ACWI |
| Baillie Gifford Global Income Growth Fund | 89% | Investment Association Global Equity Income Sector Mean ² |
| Baillie Gifford International Fund | 85% | MSCI AC World ex-UK Index |
| Baillie Gifford Managed Fund | 81% | Median of the Investment Association Mixed Investment 40-85% Shares Sector ¹ |
| Baillie Gifford Responsible Global Equity Income Fund | 89% | Investment Association Global Equity Income Sector Mean ² |
| Baillie Gifford UK and Worldwide Equity Fund | 75% | Composite Index. 60% FTSE All Share Index and 40% overseas. The overseas element is made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index; and 16% MSCI Emerging Markets Index. |
| Baillie Gifford UK Equity Alpha Fund | 87% | FTSE All Share Index |
| Baillie Gifford UK Equity Focus Fund | 83% | FTSE All Share Index |

¹As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

²As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use a representative index to estimate active share.

General Information cont.

Corporate Governance

The Investment Adviser has a clear and considered policy towards its shareholder responsibilities, following its own detailed guidelines, when addressing corporate governance matters at the companies in which it invests and actively exercising its votes. The Investment Adviser recognises that companies operate under significantly differing conditions and for this reason it takes a pragmatic and flexible approach to corporate governance, whereby it applies its guidelines with care and gives due consideration to the specific circumstances of individual companies.

The Investment Adviser looks to have confidence in the quality and integrity of management. Consequently, its investment process involves keeping closely in touch with company management, learning how it plans to take the company's business forward and seeking to understand its goals and attitude towards shareholders. It believes that such dialogue is important in selecting successful investments and that it gets at the substance of corporate governance rather than concentrating merely on matters of form. Nevertheless, where the formal aspects of a company's corporate governance fall short of best practice and this is not fully supported by its circumstances, the Investment Adviser encourages improvements in face to face meetings and, where appropriate, votes against management recommendations at general meetings.

The Investment Adviser recognises that the right to vote on corporate proposals is the key formal mechanism by which shareholders play a role in a company's governance. It makes considered use of these votes and endeavours to contact companies to encourage improvements before it votes against management recommendations. Although the Investment Adviser generally supports management, it assesses each company proposal on its merits and avoids voting in a routine or mechanistic manner. In general, the Investment Adviser focuses on the issues it feels are most significant and where it can be most effective. Such issues include the alignment of management's interests

with those of shareholders, the effective operation of the board and its committees and the protection of shareholder rights.

The Investment Adviser's policy on social, environmental and ethical matters is integrated with its approach to corporate governance and, as such, it is based on dialogue and engagement rather than exclusion. Where appropriate, it discusses with company management those areas that may be most closely related to shareholder value such as sustainability, environmental impact, human rights and employee welfare. It also takes account of these matters in the selection, retention and realisation of investments, as part of its normal investment research and analysis process, where it thinks they may have a material impact on current or future valuations.

The Group's Funds

Baillie Gifford Bond Funds ICVC

Baillie Gifford Emerging Markets Bond Fund
 Baillie Gifford High Yield Bond Fund
 Baillie Gifford Investment Grade Bond Fund
 Baillie Gifford Investment Grade Long Bond Fund
 Baillie Gifford Strategic Bond Fund

Baillie Gifford Investment Funds ICVC

Baillie Gifford Diversified Growth Fund
 Baillie Gifford Long Term Global Growth Investment Fund
 Baillie Gifford Multi Asset Growth Fund
 Baillie Gifford Positive Change Fund

Baillie Gifford Investment Funds II ICVC

Baillie Gifford Global Stewardship Fund
 Baillie Gifford Health Innovation Fund¹
 Baillie Gifford Japanese Income Growth Fund
 Baillie Gifford Multi Asset Income Fund
 Baillie Gifford Sterling Aggregate Bond Fund
 Baillie Gifford Sterling Aggregate Plus Bond Fund²
 Baillie Gifford UK Equity Core Fund

Baillie Gifford Investment Funds III ICVC

Baillie Gifford Multi Asset Growth Feeder Fund³

Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund
 Baillie Gifford China Fund
 Baillie Gifford Developed Asia Pacific Fund
 Baillie Gifford Emerging Markets Growth Fund
 Baillie Gifford Emerging Markets Leading Companies Fund
 Baillie Gifford European Fund
 Baillie Gifford Global Discovery Fund
 Baillie Gifford Japanese Fund
 Baillie Gifford Japanese Smaller Companies Fund
 Baillie Gifford Pacific Fund

Baillie Gifford UK & Balanced Funds ICVC

Baillie Gifford British Smaller Companies Fund
 Baillie Gifford Global Alpha Growth Fund
 Baillie Gifford Global Alpha Paris-Aligned Fund⁴
 Baillie Gifford Global Income Growth Fund
 Baillie Gifford International Fund
 Baillie Gifford Managed Fund
 Baillie Gifford Responsible Global Equity Income Fund
 Baillie Gifford UK and Worldwide Equity Fund
 Baillie Gifford UK Equity Alpha Fund
 Baillie Gifford UK Equity Focus Fund
 Glenfinlas Global Fund⁵

¹Baillie Gifford Health Innovation Fund launched on 15 December 2020.

²Baillie Gifford Sterling Aggregate Plus Bond Fund is no longer available for subscription.

³Baillie Gifford Multi Asset Growth Feeder Fund launched on 31 July 2020.

⁴Baillie Gifford Global Alpha Paris-Aligned Fund was authorised by the FCA on 10 November 2020, the launch date is yet to be determined.

⁵Glenfinlas Global Fund is no longer available for subscription.

**For further information about the Funds or
Baillie Gifford's range of OEICS, please:**

Contact us at: Client Relations Team
Baillie Gifford & Co Limited,
Calton Square, 1 Greenside Row,
Edinburgh EH1 3AN

Call our Client Relations Team on 0800 917 2113. Your call may be recorded for training or monitoring purposes.

Visit our website at www.bailliegifford.com, or email us on trusenquiries@bailliegifford.com.

Or fax us on 0131 275 3955.

