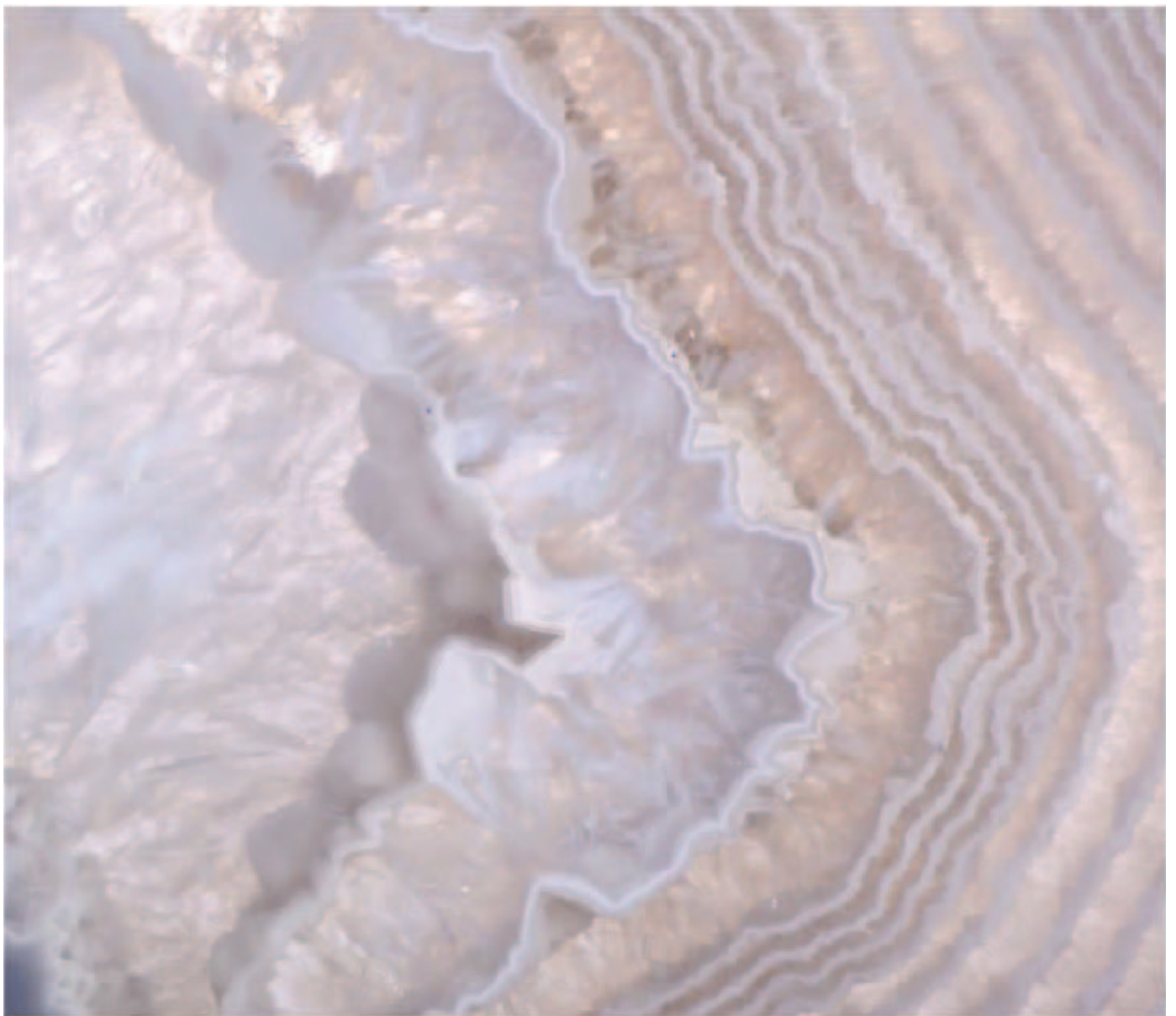


BAILLIE GIFFORD

Baillie Gifford Investment Funds ICVC

Annual Report and Financial Statements

for the year ended 31 December 2020



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*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 Investment 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 December 2020 the Company offered four 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-fund and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus and the Instrument of Incorporation were both last revised on 1 February 2021 and 31 July 2020 respectively. 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 Great Britain, registered number IC000719, 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') and the Financial Conduct Authority's Investment Funds Sourcebook ('FUND'), collectively referred to as 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 non-UCITS retail scheme under COLL and an Alternative Investment Fund ('AIF') under FUND.

The ACD has, in respect of Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund, made an election into the Tax Elected Fund ('TEF') regime and these sub-funds may therefore pay both dividend and non-dividend distributions. No such election has been made in respect of Baillie Gifford Long Term Global Growth Investment Fund nor Baillie Gifford Positive Change Fund and these sub-funds may therefore only pay dividend distributions. Future sub-funds launched may or may not be TEFs and the tax treatment will vary accordingly.

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

Alternative Investment Fund Managers Directive ('AIFMD')

The Directive creates a regulatory and supervisory framework for alternative investment fund managers within the EU. The scope of the Directive captures the management and the marketing of all non-UCITS funds; the Fund, a UK authorised non-UCITS retail scheme, is therefore within its remit and is deemed to be an AIF. Ongoing disclosure under AIFMD is made in the annual report and financial statements.

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. The first composite report was made available on 31 July 2020.

Changes to Share Classes

Class J Shares were launched in Baillie Gifford Multi Asset Growth Fund on 30 March 2020.

Class Q Shares were launched in Baillie Gifford Multi Asset Growth Fund on 31 July 2020.

About the Company cont.

Removal of the 10% deposit limit restriction

On 31 July 2020, as part of our ongoing OEIC improvement programme, we removed the 10% limit of deposits restriction which no longer serves any useful function from our OEIC fund literature.

Sub-fund Cross-holdings Table

Sub-fund	Cross-holding	Number of Shares	Value of Shares £'000
Baillie Gifford Diversified Growth Fund	Baillie Gifford Long Term Global Growth Investment Fund C Acc	19,330,000	268,300

At 31 December 2020 no other sub-funds had any cross-holdings.

About the Company cont.

Authorised Corporate Director ('ACD')/Alternative Investment Fund Manager ('AIFM')

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
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 and 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,
Drummond House,
1 Redheughs Avenue,
Edinburgh EH12 9RH

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 income 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, including FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland;
- 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
26 February 2021*

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of Baillie Gifford Investment Funds ICVC ('The Company') for the Year Ended 31 December 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds 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 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 Alternative Investment Fund

Manager ('the AIFM') 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 and 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 AIFM:

- (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 the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
Edinburgh
5 January 2021

Independent Auditors' Report to the Shareholders of Baillie Gifford Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Baillie Gifford Investment 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 December 2020 and of the net revenue/expenses and the net capital gains on 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 Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with four 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 December 2020; 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.

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.

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.

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

Independent Auditors' Report to the Shareholders of Baillie Gifford Investment Funds ICVC cont.

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 Report

In our opinion, the information given in the Authorised Corporate Director's Report 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 Directors' 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;

Independent Auditors' Report to the Shareholders of Baillie Gifford Investment Funds ICVC cont.

- 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.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
26 February 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.

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 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 distribution. 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. Where the manager of a scheme rebates a portion of the management fees suffered by that scheme this is recognised as revenue when the amount becomes due.

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.

(3) *Treatment of management expenses*

For all of the sub-funds, all management expenses, other than those relating to the purchase and sale of investments and custodian transaction costs, have been allocated against revenue. 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.

Accounting Policies cont.

(5) *Distribution policies*

Distributions: Two sub-funds, Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund, distribute income six monthly and pay both dividend distributions and non-dividend distributions. Income is recognised as dividend or non-dividend depending on the source. Expenses are allocated between dividend and non-dividend at the ACD's discretion and in keeping with the TEF rules. All of the other sub-funds distribute income annually and pay dividend distributions. All sub-funds pay distributions out of income after the deduction of relevant expenses.

Investments in non-reporting offshore funds: Where the ACD deems an amount equivalent to that which would be reported had the share class in the offshore fund elected to report then that amount is transferred from capital to the distribution account and forms part of the distribution to shareholders.

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

(6) *Taxation*

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses allocated to revenue and, where applicable, interest distributions made.

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 the closing bid prices on 31 December 2020, 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 December 2020. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

(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.

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 their 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

In accordance with the Alternative Investment Fund Managers Directive ('AIFMD'), information in relation to a sub-fund's risk profile and leverage and the remuneration of the ACD, is required to be made available to investors.

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 leverage (please see the "Leverage" note to the financial statements for each sub-fund). 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 each sub-fund's 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.

For Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund, derivatives are used in keeping with each sub-fund's investment objective, with the intention of either protecting or enhancing the return of the sub-fund. The strategies used may include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies; in addition, derivatives are used for the purposes of efficient portfolio management. The Investment Adviser makes 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 each sub-fund's investment objective and policy. The Investment Adviser does not consider the use of derivatives to be either extensive and complex or significant 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 the sub-funds are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements. The balance sheet net currency exposure is disclosed in the currency exposures section of the "Derivatives and other financial instruments" note to the financial statements for each sub-fund.

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 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

Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund are subject to interest rate risk because bond yields are linked to underlying bank rates or equivalents. The interest rate risk profile of each sub-funds' portfolio is disclosed in interest rate risk profile of financial assets and financial liabilities section of the "Derivatives and other financial instruments" note to the financial statements. The majority of the financial assets of Baillie Gifford Global Select Fund and Baillie Gifford Long Term Global Growth Investment Fund 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.

Other price risk

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

Credit risk

For Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund, 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. In some cases, counterparty risk is further reduced by collateralising net positions with the counterparty.

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, which is the group's sole Alternative Investment Fund Manager ('AIFM') for the range of Alternative Investment Funds ('AIFs') 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.

In accordance with Article 107(4) of the Alternative Investment Fund Managers Directive ('AIFMD') Level 2 Regulation, Baillie Gifford & Co Limited is required to provide the following general information relating to the financial and non-financial criteria of the AIFM Remuneration Code to enable shareholders to assess the incentives created.

Application of the AIFM Remuneration Code

Baillie Gifford & Co Limited is required to identify individuals whose professional activities have a material impact on its risk profile or the AIFs it manages, (known as 'Material Risk Takers') and the AIFM Remuneration Code requirements and disclosures apply to those individuals. The list of Material Risk Takers compiled by Baillie Gifford & Co Limited principally covers governance and control and support functions.

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

General Principles of the AIFM 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 the firm's clients. The Policy is designed to be consistent with and promote sound and effective risk management and should not encourage risk-taking that exceeds Baillie Gifford & Co Limited's risk tolerance. It is designed to be in line with the firm's strategy and values and the long-term interests of the firm, its AIFs and other clients. 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 & Co, the Management Committee. The Board of Baillie Gifford & Co Limited also oversees adherence to the AIFM 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 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 Code Staff. The proportions deferred vary between 20% and 40% of variable remuneration depending upon scheme level. The deferral period will be for three years and will vest 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 Alternative Investment Fund Manager of AIF, as at 31 March 2020. Remuneration information at an individual AIF level is not readily available.

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

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 Diversified Growth Fund

a sub-fund of Baillie Gifford Investment Funds ICVC

*Annual Report and Financial Statements
for the year ended 31 December 2020*



Baillie Gifford Diversified Growth Fund

Investment Objective

The Fund aims to achieve (after deduction of costs): an annualised return over rolling five-year periods that is at least 3.5% more than UK Base Rate; a positive return over rolling three-year periods; and annualised volatility of returns over rolling five-year periods that is below 10%. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

Investment Policy

The Fund will invest in a wide range of asset classes in any country or sector. At any one time, the Fund may be invested in any one or more of the following: shares, bonds, money market instruments, deposits and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities, private equity, loans and insurance-linked securities. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. 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 a variety of asset classes, including shares in companies, bonds, property, infrastructure, commodities, and currencies, 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 which may affect the Fund and mean you may not get back the amount you invested:

The Fund does not guarantee positive returns. It aims to limit the extent of loss in any short term period to a lower level than shares. Markets can go down and up and conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise.

Changes in exchange rates of foreign currencies will cause investments, and income, to fall as well as rise. The Fund invests in emerging markets where difficulties in trading could arise, impacting your investment. Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

Bonds may be affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. Issuers of bonds, particularly in emerging markets, may not be able to pay the promised income or could fail to repay the capital amount. Part of the Fund is invested in bonds that are exposed to the risk of extreme insurance losses from natural disasters such as earthquakes or hurricanes. If a number of specified disasters occur while the Fund is invested in such bonds, the Fund will suffer a capital loss.

In certain circumstances it can be difficult to buy or sell the Fund's holdings and even small purchases or sales can cause their prices to move significantly. Market values for illiquid securities which are difficult to trade, or value less frequently than the Fund, such as holdings in weekly or monthly dealt funds, may not be readily

Baillie Gifford Diversified Growth Fund cont.

available. There can be no assurance that any value assigned to them will reflect the price the Fund might receive upon their sale.

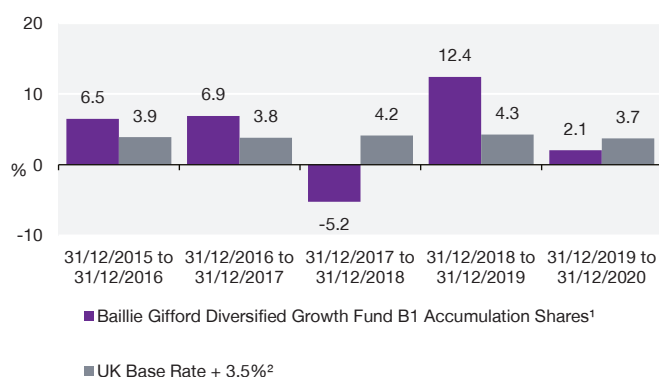
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

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 B1 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. 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 the UK Base Rate +3.5% (the 'comparator') over a rolling five-year period after fees, with annualised volatility of less than 10%. For the year to 31 December 2020, the return on B1 Accumulation Shares was 2.1%³ compared to the comparator of 3.7%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. The annualised five-year return on B1 Accumulation Shares was 4.4%³ compared to the annualised return on the comparator of 4.0%². The annualised volatility over this period was 6.8%⁴. The Fund also aims to achieve a positive return over three-year periods. The three-year return on B1 Accumulation Shares was 2.8%³.

In terms of performance attribution, the best performing assets classes over the year were listed equities, commodities and infrastructure, whereas property and active currency were the worst performing asset classes.

Equity markets have been supported by extraordinary government and central bank interventions for much of 2020, with returns in the Fund boosted by the exceptional

performance of the Baillie Gifford in-house equity funds. Within commodity markets, gold provided a good return given its predominantly defensive, 'safe-haven' status, whereas both silver and nickel benefitted from the improving growth outlook given their extensive use in industrial manufacturing, especially in the production of electric vehicle batteries and solar panels.

Property markets fell alongside all other asset classes in February and March, however, the Fund's exposure to UK and European retail and office assets weighed heavily on performance for much of the year. An uplift in their valuation in the final quarter provided some respite, but by no means enough to recover all the losses from the first quarter.

Over the past five years, the majority of asset classes provided a positive return. Listed equities was the best performing amongst them, alongside infrastructure and higher-yielding credit assets, such as emerging market government bonds and high yield corporate debt.

Of the asset classes which detracted in the same period, the more defensively orientated active currency and absolute return were amongst those which delivered minor losses.

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 159. ³Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. ⁴Source: StatPro, standard deviation of monthly returns. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

In an environment which has been generally well-supported by low interest rates and positive growth, that the more economically-exposed asset classes such as equities and emerging market government bonds have done well, while ‘risk-off’ assets have detracted, is in-line with our expectations.

Reflecting on 2020, it was an unusual year in so many respects. An unprecedented health crisis and the resulting shutdown of economies across the world prompted extraordinary support from central banks, with governments providing liquidity for financial markets, loan guarantees for companies and the underwriting of the salaries of many workers.

As the virus took hold early in the year, we became increasingly cautious about the economic outlook in terms of the duration of the pandemic and its impact on growth and asset prices, as well as the unintended consequences of the fiscal and monetary support. We added hedges against volatility and inflation risk through our absolute return, commodities and government bond asset classes, as well as increasing the overall cash level in the portfolio.

As markets settled down from April onwards, however, we gradually became more positive on the economic outlook over the medium term. Therefore, we took the opportunity to add to higher-conviction opportunities in areas where we felt some form of economic recovery, coupled to attractive valuations, presented a compelling investment case.

In particular, we saw positive momentum being generated from a variety of sources, including: a sustained recovery of the Chinese economy; a significant tailwind from fiscal spending, which is a move away from the austerity measures that affected the post-global financial crisis recovery, and; an extended period of interest rates remaining lower for longer.

This crisis has reinforced and accelerated certain trends, including the move towards digitalisation (such as more online consumption and shopping) and the drive towards decarbonisation of energy demand. In such a world, we would expect to see selective growth equities

continuing to do well, and there should also be increased demand for logistics property to facilitate timely and efficient online deliveries.

Therefore, whilst we have retained meaningful positions in our Baillie Gifford equity funds to benefit from the continuation of such transformative trends, we have also invested into Chinese A-share equities, as well as a basket of individual stocks which we think are well placed to benefit from the ongoing cyclical recovery in the global economy. And within the portfolio’s property allocation, there is a meaningful exposure to the distribution and logistics sector.

As part of the recovery efforts, many countries are choosing to increase spending on green energy and related infrastructure investments, with more countries, including China, having signed up to achieve carbon neutrality in the coming decades. The Biden administration in the US intends to make climate a key policy agenda, which will be a major boost to the green energy revolution. These policy actions are creating opportunities in infrastructure, particularly energy transmission networks and certain commodities, such as nickel and silver, existing positions which we have added to in recent months.

Though the vaccine development offers a potentially lasting solution to the pandemic, we do not expect it to be a smooth ride. There remain many challenges, not least the logistical hurdle for the vaccine deployment, its overall efficacy in a continually evolving environment, and the willingness of people to be vaccinated. We are also concerned about the damage that a further wave of infections will do to certain industries and companies, and the resulting impact on unemployment and general wellbeing.

Therefore, whilst we have continued to add to risk assets in recent months in order to more clearly express our view of a sustained cyclical growth in the medium term, we continue to hold portfolio hedges to protect against several potentially significant risks. As a result, we believe the portfolio is well positioned to continue to benefit from a period of economic recovery whilst maintaining a good level of resilience during these challenging times.

Investment Report cont.

Baillie Gifford & Co, 20 January 2021

Principal Holdings as at 31 December 2020

Investment	Percentage of total Fund
Baillie Gifford Global Income Growth Fund C Acc ¹	4.50
Baillie Gifford Long Term Global Growth Investment Fund C Acc ¹	4.24
Baillie Gifford Global Alpha Growth Fund C Acc ¹	4.18
Baillie Gifford Worldwide Japanese Fund C Acc GBP ¹	2.83
Baillie Gifford Emerging Markets Bond Fund C Acc ¹	2.76
WisdomTree Nickel	2.15
Plutus CLO Fund	2.05
UBS CSI 500 NTR index + 8.25%	2.03
BNP Paribas Nickel ETN	1.98
WisdomTree Physical Silver	1.93

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

Material Portfolio Changes for the year ended 31 December 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
ishares Physical Gold ETC	233,507	Baillie Gifford Emerging Markets Bond Fund C Acc ¹	297,638
Invesco Physical Gold ETC	187,015	iShares Physical Gold ETC	263,186
WisdomTree Physical Silver	127,414	Baillie Gifford Long Term Global Growth Investment Fund C Acc ¹	227,684
UBS CSI 500 NTR index + 8.25%	121,819	Japan (Govt) 0.1% CPI Linked 10/03/2027	226,058
Citigroup Intraday Trend	103,680	Baillie Gifford Global Alpha Growth Fund C Acc ¹	215,468
Brazil 0% 01/01/2024	94,198	US TII 0.625% 15/01/2026	205,718
China 3.39% 16/03/2050	90,900	Germany 0.1% IL 15/04/2026	143,880
China 2.68% 21/05/2030	89,353	France 0.7% IL 25/07/2030	142,399
CS CSI 500 NTR index + 10.5%	85,282	Baillie Gifford Global Income Growth Fund C Acc ¹	138,826
GS CSI 500 NTR index + 10.5%	85,065	Nomura Cross Asset Momentum Fund	135,162

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

Portfolio Statement as at 31 December 2020

Stock description	Holding	Market value £'000	% of total net assets
Absolute Return - 5.13% (3.97%)			
Aspect Core Trend Fund	326,900	30,271	0.48
BNP Paribas FX Volatility ETN	43,000	26,042	0.41
Boussard & Gavaudan	1,108,400	19,346	0.31
Citigroup Intraday Trend	13,425	94,564	1.49
Credit Suisse Lux Multi-Trend Fund	39,913	28,738	0.45
Goldman Sachs Cross Asset Trend Portfolio	3,350,000	31,735	0.50
SG Intraday Trend Strategy ETN	54,300	39,724	0.63
UBS Intraday Trend Strategy	800,500	54,442	0.86
Commodities - 7.98% (5.13%)			
BNP Paribas Nickel ETN	1,710,500	125,233	1.98
Invesco Physical Gold ETC	662,155	88,830	1.40
iShares Physical Silver ETC	1,753,000	32,625	0.52
WisdomTree Nickel	11,939,000	136,164	2.15
WisdomTree Physical Silver	6,760,000	122,322	1.93
Emerging Market Bonds - 10.86% (12.87%)			
Angola 8.25% 09/05/2028 (USD)	2,110,000	1,478	0.02
Angola 9.375% 08/05/2048 (USD)	1,860,000	1,280	0.02
Baillie Gifford Emerging Markets Bond Fund C Acc ¹	85,900,000	174,463	2.76
Brazil 0% 01/01/2024	805,000	97,045	1.53
Brazil 4.5% 30/05/2029 (USD)	5,210,000	4,240	0.07
Brazil 4.75% 14/01/2050 (USD)	1,960,000	1,530	0.02
China 2.68% 21/05/2030	825,000,000	88,532	1.40
China 3.39% 16/03/2050	870,000,000	90,640	1.43
Costa Rica 6.125% 19/02/2031 (USD)	4,340,000	2,960	0.05
Dominican Republic 5.875% 30/01/2060 (USD)	1,169,000	941	0.02
Dominican Republic 6% 19/07/2028 (USD)	4,931,000	4,315	0.07
Dominican Republic 7.45% 30/04/2044 (USD)	1,640,000	1,548	0.02
Egypt 6.375% 11/04/2031 (EUR)	4,956,000	4,764	0.08
Egypt 8.875% 29/05/2050 (USD)	2,670,000	2,287	0.04
Hungary 7.625% 29/03/2041 (USD)	2,580,000	3,343	0.05
Indonesia 5.25% 17/01/2042 (USD)	9,450,000	8,940	0.14
Indonesia 7.5% 15/04/2040	566,000,000,000	32,706	0.52

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Indonesia 7.5% 15/06/2035	538,000,000,000	31,094	0.49
Ivory Coast 5.25% 2030 (EUR)	3,070,000	2,942	0.05
Ivory Coast 6.625% 2048 (EUR)	3,660,000	3,622	0.06
Mexico 5.75% 12/10/2110 (USD)	2,380,000	2,307	0.04
Mongolia 5.125% 07/04/2026 (USD)	300,000	235	0.00
Mongolia 5.625% 01/05/2023 (USD)	3,000,000	2,304	0.04
Mongolia 8.75% 09/03/2024 (USD)	4,060,000	3,448	0.05
North Macedonia 3.675% 03/06/2026 (EUR)	2,990,000	2,994	0.05
OCP Morocco 4.5% 22/10/2025 (USD)	5,058,000	4,026	0.06
OCP Morocco 6.875% 25/04/44 (USD)	4,261,000	4,079	0.06
Oman 6.75% 28/10/2027 (USD)	3,400,000	2,702	0.04
Petkim Petrokimya 5.875% 2023 (USD)	9,950,000	7,435	0.12
Petroleos Mexicanos 6.5% 13/03/2027	4,936,000	3,803	0.06
Qatar 4% 14/03/2029 (USD)	3,484,000	3,020	0.05
Qatar 4.817% 14/03/2049 (USD)	4,860,000	4,851	0.08
Republic Of Albania 3.5% 16/06/2027 (EUR)	3,390,000	3,233	0.05
Republic Of Cameroon 9.5% 19/11/2025 (USD)	2,920,000	2,371	0.04
Romania 2% 28/01/2032 (EUR)	8,722,000	8,183	0.13
Russia 4.375% 21/03/2029 (USD)	9,200,000	7,850	0.12
Russia 5.25% 23/06/2047 (USD)	2,000,000	2,025	0.03
Southern Gas 6.875% 2026	7,020,000	6,205	0.10
Tajikistan 7.125% 14/09/2027 (USD)	6,270,000	3,937	0.06
Thailand 1.25% IL 12/03/2028	1,350,000,000	34,571	0.55
Turkey 4.875% 16/04/2043 (USD)	4,300,000	2,749	0.04
Ukraine 4.375% 27/01/2030 (EUR)	1,450,000	1,240	0.02
Ukraine 6.75% 20/06/2026 (EUR)	2,640,000	2,600	0.04
Ukraine 7.375% 25/09/2032 (USD)	1,800,000	1,447	0.02
Uruguay 4.975% 20/04/2055 (USD)	4,270,000	4,334	0.07
Uzbek Industrial And Con 5.75% 2024	4,700,000	3,593	0.06
Uzbekistan 5.375% 20/02/2029 (USD)	3,340,000	2,837	0.04

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Government Bonds - 1.92% (11.57%)			
US TII 0.625% 15/02/2043	29,500,000	30,458	0.48
US TII 0.75% 15/02/2042	28,400,000	30,469	0.48
US TII 0.75% 15/02/2045	29,200,000	30,457	0.48
US TII 1.375% 15/02/2044	25,800,000	30,359	0.48
High Yield Credit - 4.19% (3.74%)			
ACI Worldwide 5.75% 2026 144A	974,000	754	0.01
Adient 7% 2026 (144A)	1,364,000	1,081	0.02
Alcoa 7% 2026 144A	2,079,000	1,620	0.02
Antero Resources 5.625% 2023	1,732,000	1,237	0.02
Ares Capital Corp	1,320,000	16,310	0.26
Aroundtown Properties 5.25% 2023 Perp	2,250,000	1,718	0.03
At Home Group 8.75% 2025 (144A)	1,430,000	1,132	0.02
Avantor 4.625% 2028 (144A)	2,138,000	1,654	0.03
Baillie Gifford High Yield Bond Fund C Acc ¹	24,800,000	100,142	1.58
Banijay 5.375% 2025 (144A)	1,477,000	1,118	0.02
BlackRock Floating Rate Income Trust	784,230	6,764	0.11
Cable One 4% 2030 (144A)	1,500,000	1,140	0.02
Canpack 3.125% 2025 (144A)	2,600,000	1,919	0.03
Carnival 11.5% 2023 (144A)	1,330,000	1,125	0.02
Catalent 4.875% 2026 (144A)	2,045,000	1,526	0.02
CCO Holdings 4.5% 2030 (144A)	1,878,000	1,458	0.02
CCO Holdings 5.5% 2026 (144A)	1,648,000	1,249	0.02
Centurylink 7.6% 2039	2,033,000	1,807	0.03
ChampionX 6.375% 2026	1,500,000	1,108	0.02
Cheniere Energy 4.625% 2028 (144A)	3,000,000	2,309	0.04
Cincinnati Bell 7% 2024 (144A)	1,023,000	778	0.01
Cincinnati Bell 8% 2025 (144A)	1,715,000	1,338	0.02
Cogent Communications 5.375% 2022 (144A)	1,365,000	1,027	0.02
Colfax 6% 2024 144A	1,683,000	1,276	0.02
Compass Minerals International 6.75% 2027 (144A)	1,370,000	1,085	0.02
Darling Ingredients 5.25% 2027 (144A)	2,114,000	1,644	0.03
Dell 7.1% 2028	1,189,000	1,144	0.02

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Enviva Partners 6.5% 2026 (144A)	1,426,000	1,108	0.02
First Cash 4.625% 2028 (144A)	2,700,000	2,036	0.03
FMG Resources 4.5% 2027 (144A)	2,000,000	1,626	0.02
Freeport McMoran 4.55% 2024	1,231,000	984	0.01
Frontdoor 6.75% 2026 144A	1,669,000	1,302	0.02
Graham Holdings 5.75% 2026 (144A)	2,038,000	1,569	0.02
Hanesbrands 4.625% 2024 (144A)	1,370,000	1,051	0.02
HCA 5.875% 2026	2,519,000	2,119	0.03
HCA Inc. 5.5% 2047	900,000	872	0.01
Herbalife Nutrition 7.25% 2026 144A	2,161,000	1,677	0.03
Hilcorp Energy 6.25% 2028 (144A)	1,253,000	935	0.01
Invesco Senior Income Trust	1,506,949	4,366	0.07
IQVIA 5% 2026 (144A)	1,361,000	1,040	0.02
James Hardie 4.75% 2025 (144A)	2,115,000	1,574	0.02
Jefferies Finance 6.25% 2026 (144A)	1,483,000	1,123	0.02
LABL 6.75% 2026 (144A)	1,368,000	1,084	0.02
Land O'Lakes 7.25% Perp (144A)	1,960,000	1,393	0.02
Land O'Lakes 7.45% 2028 (144A)	263,000	221	0.00
Laredo Petroleum 10.125% 2028	2,382,000	1,460	0.02
Liberty Interactive 4% 2029 Convertible	375,000	210	0.00
Liberty Interactive 8.25% 2030	1,470,000	1,203	0.02
Liberty Latin America 2% 2024 Convertible (144A)	1,534,000	1,066	0.02
Liberty Puerto Rico 6.75% 2027 (144A)	1,338,000	1,055	0.02
Marks and Spencer 7.125% 2037 (144A)	1,400,000	1,146	0.02
Matador Resources 5.875% 2026	1,673,000	1,187	0.02
Match.com 5% 2027 144A	1,644,000	1,264	0.02
Match.com 5.625% 2029 144A	1,586,000	1,265	0.02
Meritor 4.5% 2028 (144A)	1,800,000	1,349	0.02
Meritor 6.25% 2024	691,000	516	0.01
Merlin Entertainments 5.75% 2026 (144A)	1,738,000	1,335	0.02
Millicom 4.5% 2031	1,100,000	869	0.01
Millicom 6.625% 2026 (144A)	1,027,000	804	0.01
Mueller Water Products 5.5% 2026 144A	1,359,000	1,030	0.02
NB Distressed Debt Investment Fund EL	7,903,186	2,660	0.04
NB Global Monthly Income Fund	5,991,634	4,889	0.08

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Nemak 4.75% 2025	1,242,000	941	0.01
Neptune 6.625% 2025	1,591,000	1,123	0.02
Netflix 4.375% 2026 Reg S	1,636,000	1,327	0.02
Netflix 4.875% 2028	1,975,000	1,629	0.02
Nuveen Senior Income Fund	375,012	1,424	0.02
OCI 5.25% 2024 (144A)	2,042,000	1,552	0.02
Penske Automotive Group 5.5% 2026	1,476,000	1,119	0.02
Popular 6.125% 2023	1,411,000	1,115	0.02
PTC 3.625% 15/02/2025 (144A)	1,404,000	1,056	0.02
PVH 4.625% 2025	1,500,000	1,232	0.02
QVC 4.375% 2023	1,421,000	1,091	0.02
Range Resources 4.875% 2025	1,038,000	717	0.01
Sally 8.75% 2025 (144A)	1,377,000	1,118	0.02
Sealed Air 6.875% 2033 (144A)	2,400,000	2,314	0.04
Sensata Technologies 5% 2025 (144A)	1,759,000	1,428	0.02
Sequoia Economic Infrastructure Income Fund	17,400,000	19,105	0.30
Service Corporation International 5.125% 2029	1,714,000	1,389	0.02
Sirius XM Radio 4.125% 2030 (144A)	2,505,000	1,944	0.03
Six Flags 7% 2025 (144A)	1,693,000	1,338	0.02
SNF 4.875% 2025 (144A)	2,774,000	2,093	0.03
Stars Group 7% 2026 144A	2,298,000	1,769	0.03
SWM 6.875% 2026 (144A)	1,395,000	1,082	0.02
Target Hospitality 9.5% 2024 (144A)	1,778,000	1,143	0.02
Townsquare 6.5% 2023 (144A)	1,574,000	1,172	0.02
TransDigm Gp 6.25% 2026 144A	1,402,000	1,096	0.02
TTM Technologies 5.625% 2025 144A	1,512,000	1,132	0.02
Vermilion Energy 5.625% 2025 (144A)	2,038,000	1,280	0.02
Virgin Media 5.5% 2026 (144A)	2,321,000	1,764	0.03
Weight Watchers 8.625% 2025 (144A)	1,703,000	1,296	0.02
Wolverine 5% 2026 (144a)	1,811,000	1,347	0.02
XPO Logistics 6.25% 2025 (144A)	1,046,000	821	0.01
XPO Logistics 6.5% 2022 (144A)	146,000	107	0.00
Ziggo 4.875% 2030 (144A)	2,100,000	1,615	0.02

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Infrastructure - 17.62% (8.98%)			
3i Infrastructure	4,449,090	13,703	0.22
Ameren	422,900	24,134	0.38
American Electric Power	469,000	28,549	0.45
Aquila European Renewables Income	31,635,414	29,733	0.47
Avangrid	1,062,600	35,315	0.56
BBGI	13,198,652	22,913	0.36
Bluefield Solar Income Fund	9,236,527	11,915	0.19
Brookfield Renewable	697,752	29,744	0.47
Consolidated Edison	541,000	28,587	0.45
DTE Energy Company	342,200	30,384	0.48
E.ON SE	3,427,000	27,890	0.44
EDP Renovaveis	2,443,333	49,864	0.79
Elia Gp SA/NV	328,500	28,639	0.45
Enel SpA	5,002,000	37,054	0.59
Eversource Energy	389,100	24,622	0.39
Foresight Solar Fund	29,860,970	30,458	0.48
Greencoat Renewables	16,797,506	17,591	0.28
Greencoat UK Wind	23,934,985	32,073	0.51
HICL Infrastructure Plc	51,668,203	89,489	1.41
Hydro One	1,754,830	28,839	0.46
Iberdrola SA	2,672,954	27,993	0.44
International Public Partnerships	27,176,802	46,201	0.73
Italgas S.p.A	10,748,203	49,883	0.79
John Laing Environmental Assets Group	10,454,000	11,918	0.19
John Laing Group	19,916,182	66,122	1.04
Keppel Infrastructure Trust	37,601,100	11,239	0.18
Korea Electric Power	956,335	17,647	0.28
NextEnergy Solar Fund	36,658,333	39,078	0.62
Octopus Renewables Infrastructure	10,899,650	12,371	0.19
Orsted	246,000	36,933	0.58
Red Eléctrica Corporación	2,658,000	39,910	0.63
Renewables Infrastructure Group	43,530,133	55,370	0.87
RWE	881,000	27,245	0.43

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Terna	7,107,000	39,759	0.63
US Solar Fund	15,187,681	11,777	0.19
Insurance Linked - 0.72% (3.03%)			
Blue Capital Global Reinsurance Fund	10,010,000	146	0.00
Blue Capital Reinsurance Holdings Fund	615,658	158	0.00
Caelus Re V Limited 2018-1 C ²	9,000,000	2,634	0.04
CatCo Reinsurance Opportunities Fund C Shares 2017	5,086,904	1,489	0.03
CatCo Reinsurance Opportunity Fund	18,399,826	2,692	0.04
Operational Re III 2020 A ²	5,183,000	3,751	0.06
Operational Re III 2020 B ²	10,366,000	7,493	0.12
Operational Re III 2020 C ²	11,403,000	8,278	0.13
Operational Re III 2020 D ²	11,403,000	8,278	0.13
Sanders Re 2018-1 A ²	8,750,000	6,313	0.10
Sanders Re 2019-1 B ²	14,000,000	4,097	0.07
Investment Grade Credit - 2.89% (2.11%)			
Baillie Gifford Worldwide Global Credit Fund C Acc USD ¹	9,280,000	120,284	1.90
Rabobank 6.5% Perp	51,899,975	61,437	0.97
Svenska Handelsbanken 4.375% 2027 Perp	1,400,000	1,070	0.02
Listed Equities - 26.84% (22.41%)			
Ashtead	295,000	10,142	0.16
Baillie Gifford Global Alpha Growth Fund C Acc ¹	56,200,000	264,533	4.18
Baillie Gifford Global Income Growth Fund C Acc ¹	14,600,000	284,846	4.50
Baillie Gifford Long Term Global Growth Investment Fund C Acc ¹	19,330,000	268,301	4.24
Baillie Gifford Worldwide Japanese Fund C Acc GBP ¹	7,135,000	179,203	2.83
BHP Group Plc	565,680	10,889	0.17
Booking Holdings Inc	6,210	10,096	0.16
CBRE Group Inc	220,480	10,113	0.16
CRH (LON)	311,270	9,519	0.15
CS CSI 500 NTR index + 10.5%	108,500	101,084	1.60
Dufry	234,230	10,770	0.17

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
FirstCash	203,800	10,442	0.17
Fraport (Flughaven)	243,440	10,629	0.17
Galaxy Entertainment Group	1,615,000	9,180	0.15
Greggs	564,330	10,102	0.16
GS CSI 500 NTR index + 10.5%	108,500	104,304	1.65
GS CSI 500 NTR index + 11.75%	75,000	55,851	0.88
Hays	7,196,380	10,291	0.16
Howard Hughes	182,500	10,538	0.17
JC Decaux	545,070	9,065	0.14
Kuehne & Nagel	60,140	9,994	0.16
Lyft Inc	340,980	12,255	0.19
Martin Marietta Materials	46,680	9,697	0.15
Pershing Square Holdings	425,000	10,880	0.17
Rio Tinto	197,210	10,787	0.17
Royal Caribbean Cruises	175,300	9,573	0.15
Ryanair	681,090	9,910	0.16
Sands China	2,886,400	9,273	0.15
Six Flags Entertainment Corp	440,000	10,976	0.17
SSP	3,114,620	10,334	0.16
UBS CSI 500 NTR index + 12%	750,000	56,255	0.89
UBS CSI 500 NTR index + 8.25%	1,321,600	128,414	2.03
Whitbread	345,890	10,719	0.17
Wizz Air Holdings Plc	213,930	9,764	0.15
Private Equity - 0.00% (0.26%)			
Eurovestech ²	1,356,949	54	0.00
Property - 9.59% (10.57%)			
ADO Properties	315,150	8,141	0.13
Alstria Office	1,352,176	17,804	0.28
British Land	7,361,514	35,998	0.57
Covivio REIT	163,551	10,994	0.17
Deutsche Wohnen	2,441,088	95,223	1.50
Ediston Property Investment Company	11,817,925	7,682	0.12
Gecina	188,348	21,242	0.34

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Hibernia	27,086,557	27,979	0.44
Icade	176,055	9,841	0.16
Impact Healthcare REIT	11,721,347	12,542	0.20
Land Securities	5,210,742	35,068	0.55
LEG Immobilien	542,566	61,862	0.98
LondonMetric Property	8,900,357	20,382	0.32
LXi REIT	12,000,771	14,209	0.22
Segro Plc	4,805,762	45,472	0.72
Target Healthcare Reit Plc	12,587,459	14,299	0.23
Terra Catalyst Fund	1,462,970	384	0.01
Tritax Big Box REIT	44,890,187	74,967	1.18
UK Commercial Property Trust	48,260,067	33,299	0.53
Vonovia SE	1,115,345	59,381	0.94
Special Opportunities - 0.18% (0.55%)			
Amedeo Air Four Plus Limited	20,479,188	6,656	0.11
Doric Nimrod Air Two	4,997,381	3,848	0.06
DP Aircraft I	16,167,000	591	0.01
Juridica Investments	8,404,904	84	0.00
Structured Finance - 5.04% (4.92%)			
ACCUN 3X C ²	2,700,000	2,387	0.04
ALME 4X CR ²	4,000,000	3,541	0.06
ALME 5X DR ²	3,900,000	3,407	0.05
ARESE 9X D ²	1,000,000	852	0.01
ARMDA 1X DNVE ²	3,000,000	2,624	0.04
BABSE 2018-3X D ²	2,500,000	2,233	0.04
BLUME 2016-1X DR ²	3,000,000	2,570	0.04
CADOG 12X C ²	2,000,000	1,775	0.03
CGMSE 2014-3X CR ²	3,000,000	2,549	0.04
CGMSE 2018-2X C ²	2,500,000	2,190	0.03
CRNCL 2016-6X DR ²	2,750,000	2,442	0.04
Galene Fund	485,000	73,240	1.16
GLGE 1X CRR ²	2,000,000	1,724	0.03
GLME 2X D ²	5,500,000	4,620	0.07

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
HARVT 9X DRE ²	4,000,000	3,519	0.06
HLAE 2016-1X DR ²	5,000,000	4,373	0.07
HOLPK 1X CRR ²	3,300,000	2,985	0.05
HSBC Global Asset Backed High Yield Bond Fund	3,680,000	32,734	0.52
JUBIL 2016-17X CR ²	4,000,000	3,575	0.06
JUBIL 2017-19X D ²	2,800,000	2,379	0.04
JUBIL 2018-20X DNE ²	2,500,000	2,155	0.03
MRLPK 1X C ²	2,000,000	1,676	0.03
NEWH 1X DR ²	2,500,000	2,220	0.03
OCPE 2017-1X DR ²	3,000,000	2,698	0.04
OCPE 2017-2X C ²	1,000,000	876	0.01
PENTA 2018-4X C ²	1,000,000	872	0.01
Plutus CLO Fund	1,242,230	129,428	2.05
RPARK 1X DRRE ²	3,000,000	2,629	0.04
TwentyFour Income Fund	19,553,024	20,531	0.32
Derivatives - 1.31% (0.80%)			
Forward currency contracts (see Table 1)		82,741	1.31
Futures contracts (see Table 2)		-	0.00
Portfolio of investments		5,965,696	94.27
Cash Equivalents - 0.00% (6.69%)		-	0.00
Other Assets - 5.73% (2.40%)		362,654	5.73
Net assets		6,328,350	100.00

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

²This stock has been valued using a single broker quote and therefore is categorised as level 3 in note 13.

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 December 2019.

Portfolio Statement as at 31 December 2020 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	13/01/21	GBP	275,893,411	EUR	302,000,000	5,520	0.09
Barclays Bank	13/01/21	JPY	35,900,000,000	GBP	263,765,565	(9,377)	(0.15)
Barclays Bank	21/01/21	KRW	150,000,000,000	GBP	101,410,935	(809)	(0.01)
Barclays Bank	21/01/21	MXN	1,710,000,000	GBP	61,934,059	690	0.01
Barclays Bank	27/01/21	GBP	240,822,250	EUR	267,000,000	1,731	0.03
Barclays Bank	27/01/21	GBP	88,903,473	USD	116,500,000	3,695	0.06
Barclays Bank	10/02/21	GBP	200,944,328	EUR	223,400,000	847	0.01
Barclays Bank	10/02/21	GBP	51,417,894	USD	67,400,000	2,124	0.03
Barclays Bank	24/02/21	GBP	297,062,110	EUR	328,500,000	2,760	0.04
Barclays Bank	24/02/21	GBP	229,363,045	USD	302,000,000	8,510	0.13
Barclays Bank	25/02/21	JPY	6,292,000,000	GBP	45,112,731	(519)	(0.01)
Barclays Bank	24/03/21	GBP	27,387,590	USD	37,000,000	334	0.01
Barclays Bank	25/03/21	THB	2,530,000,000	GBP	62,422,897	(671)	(0.01)
Barclays Bank	22/04/21	GBP	92,058,363	ZAR	2,020,000,000	(7,134)	(0.11)
Citigroup	20/01/21	GBP	97,829,983	BRL	676,000,000	2,660	0.04
Citigroup	25/02/21	GBP	71,800,911	EUR	79,000,000	1,024	0.02
Citigroup	25/02/21	JPY	10,740,000,000	GBP	77,004,250	(886)	(0.01)
Citigroup	11/03/21	GBP	59,500,235	BRL	413,000,000	1,461	0.02
Citigroup	11/03/21	RUB	2,433,110,000	GBP	24,306,793	(433)	(0.01)
Citigroup	25/03/21	CHF	109,000,000	GBP	92,774,643	(2,385)	(0.04)
Citigroup	25/03/21	GBP	61,108,953	USD	80,000,000	2,615	0.04
Citigroup	25/03/21	RUB	3,200,000,000	GBP	31,399,923	(52)	0.00
Citigroup	22/04/21	GBP	4,101,610	ZAR	90,000,000	(318)	(0.01)
Deutsche Bank	25/02/21	GBP	213,857,650	EUR	235,300,000	3,050	0.05
Deutsche Bank	25/02/21	PLN	307,000,000	GBP	62,904,680	(2,634)	(0.04)
HSBC	27/01/21	GBP	120,140,537	EUR	133,200,000	863	0.01
HSBC	10/02/21	GBP	155,250,634	EUR	172,600,000	654	0.01
HSBC	25/03/21	ILS	412,000,000	GBP	93,561,102	401	0.01
JP Morgan Chase	13/01/21	GBP	197,908,612	CHF	235,990,000	2,544	0.04
JP Morgan Chase	13/01/21	JPY	10,700,000,000	GBP	78,615,362	(2,795)	(0.04)
JP Morgan Chase	27/01/21	GBP	173,228,229	USD	227,000,000	7,199	0.11
JP Morgan Chase	10/02/21	GBP	250,254,425	CHF	300,000,000	1,737	0.03
JP Morgan Chase	10/02/21	JPY	24,620,000,000	GBP	175,960,080	(1,480)	(0.02)
JP Morgan Chase	18/02/21	GBP	61,872,597	HUF	24,600,000,000	1,181	0.02
JP Morgan Chase	24/02/21	GBP	85,821,272	USD	113,000,000	3,184	0.05

Portfolio Statement as at 31 December 2020 cont.

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
JP Morgan Chase	25/03/21	GBP	98,309,030	USD	128,700,000	4,207	0.07
JP Morgan Chase	25/03/21	RUB	700,000,000	GBP	6,868,733	(11)	0.00
National Australia Bank	13/01/21	GBP	101,962,501	AUD	184,000,000	(1,911)	(0.03)
National Australia Bank	13/01/21	GBP	159,081,332	NZD	302,000,000	15	0.00
National Australia Bank	25/03/21	GBP	134,057,769	USD	175,500,000	5,737	0.09
National Australia Bank	08/04/21	AUD	227,200,000	GBP	126,016,046	2,258	0.04
Royal Bank of Canada	13/01/21	GBP	345,741,561	CAD	597,200,000	2,836	0.04
Royal Bank of Canada	13/01/21	GBP	63,035,251	EUR	69,000,000	1,261	0.02
Royal Bank of Canada	21/01/21	GBP	32,063,701	CAD	54,700,000	656	0.01
Royal Bank of Canada	21/01/21	GBP	30,451,453	EUR	33,731,400	249	0.00
Royal Bank of Canada	21/01/21	USD	40,930,000	GBP	31,160,893	(1,223)	(0.02)
Royal Bank of Canada	10/02/21	GBP	288,320,871	CAD	500,000,000	1,251	0.02
Royal Bank of Canada	25/03/21	GBP	94,290,606	CAD	163,000,000	722	0.01
Royal Bank of Scotland	13/01/21	GBP	226,552,335	USD	293,400,000	11,935	0.19
Royal Bank of Scotland	21/01/21	NOK	1,471,194,000	GBP	126,343,478	(663)	(0.01)
Royal Bank of Scotland	27/01/21	GBP	69,443,914	USD	91,000,000	2,886	0.05
Royal Bank of Scotland	10/02/21	GBP	303,243,523	USD	397,500,000	12,526	0.20
Royal Bank of Scotland	24/02/21	GBP	38,733,494	USD	51,000,000	1,437	0.02
Royal Bank of Scotland	10/03/21	GBP	359,472,827	USD	478,700,000	9,428	0.15
Royal Bank of Scotland	24/03/21	GBP	323,469,655	USD	437,000,000	3,946	0.06
Standard Chartered Bank	20/05/21	IDR	1,200,000,000,000	GBP	62,234,960	(92)	0.00
Unrealised gains/(losses) on open forward currency contracts						82,741	1.31

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro Buxl 30yr Bund March 2021	10/03/21	(278)	-	0.00
Euro-Bobl Future March 2021	10/03/21	(703)	-	0.00
US Ultra Long (CBT) March 2021	31/03/21	(851)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Portfolio Statement as at 31 December 2020 cont.

Breakdown of portfolio of investments

	2020		2019	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Bonds - Direct	1,545,059	24.41	1,553,536	21.60
Bonds - Indirect	706,338	11.16	1,183,370	16.45
Commodities - Indirect	505,173	7.98	368,897	5.13
Derivatives	82,741	1.31	57,800	0.80
Equities - Direct	1,114,942	17.62	645,942	8.98
Equities - Indirect	1,404,674	22.20	1,969,886	27.38
Property - Indirect	606,769	9.59	760,116	10.57
Portfolio of investments	5,965,696	94.27	6,539,547	90.91

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	205.94	185.65	196.93
Return before operating charges*	5.68	23.48	(8.07)
Operating charges	(3.14)	(3.19)	(3.21)
Return after operating charges*	2.54	20.29	(11.28)
Distributions	(0.98)	(2.78)	(3.75)
Retained distributions on accumulation shares	0.98	2.78	3.75
Closing net asset value per share	208.48	205.94	185.65
*After direct transaction costs of:	0.16	0.06	0.04
Performance:			
Return after charges	1.23%	10.93%	(5.73)%
Other Information:			
Closing net asset value (£'000)	538	514	467
Closing number of shares	258,074	249,700	251,315
Operating charges	1.60%	1.61%	1.64%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	209.7	207.1	200.5
Lowest share price (pence)	169.8	184.8	184.5

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	176.96	161.74	175.04
Return before operating charges*	4.82	20.40	(7.14)
Operating charges	(2.67)	(2.77)	(2.84)
Return after operating charges*	2.15	17.63	(9.98)
Distributions on income shares	(0.84)	(2.41)	(3.32)
Closing net asset value per share	178.27	176.96	161.74
 *After direct transaction costs of:	 0.13	 0.05	 0.03
Performance:			
Return after charges	1.21%	10.90%	(5.70)%
Other Information:			
Closing net asset value (£'000)	29	11	25
Closing number of shares	16,422	6,420	15,584
Operating charges	1.59%	1.61%	1.64%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	179.7	179.4	178.2
Lowest share price (pence)	145.9	161.0	163.0

Comparative Tables cont.

Comparative Table: B1 Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	221.87	198.33	208.59
Return before operating charges*	6.26	25.16	(8.64)
Operating charges	(1.59)	(1.62)	(1.62)
Return after operating charges*	4.67	23.54	(10.26)
Distributions	(2.88)	(4.79)	(5.75)
Retained distributions on accumulation shares	2.88	4.79	5.75
Closing net asset value per share	226.54	221.87	198.33
*After direct transaction costs of:	0.17	0.06	0.04
Performance:			
Return after charges	2.10%	11.87%	(4.92)%
Other Information:			
Closing net asset value (£'000)	453,375	599,143	529,778
Closing number of shares	200,128,836	270,038,417	267,123,795
Operating charges	0.75%	0.76%	0.78%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	227.9	223.2	212.5
Lowest share price (pence)	183.3	197.5	197.1

Comparative Tables cont.

Comparative Table: B2 Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	222.54	198.92	209.21
Return before operating charges*	6.27	25.24	(8.64)
Operating charges	(1.60)	(1.62)	(1.65)
Return after operating charges*	4.67	23.62	(10.29)
Distributions	(2.88)	(4.81)	(5.78)
Retained distributions on accumulation shares	2.88	4.81	5.78
Closing net asset value per share	227.21	222.54	198.92
*After direct transaction costs of:	0.17	0.06	0.04
Performance:			
Return after charges	2.10%	11.87%	(4.92)%
Other Information:			
Closing net asset value (£'000)	2,206,315	2,505,244	2,835,552
Closing number of shares	971,029,674	1,125,774,639	1,425,485,112
Operating charges	0.75%	0.76%	0.79%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	228.6	223.8	213.1
Lowest share price (pence)	183.8	198.1	197.6

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	177.02	161.76	175.12
Return before operating charges*	4.89	20.48	(7.20)
Operating charges	(1.27)	(1.32)	(1.35)
Return after operating charges*	3.62	19.16	(8.55)
Distributions on income shares	(2.28)	(3.90)	(4.81)
Closing net asset value per share	178.36	177.02	161.76
 *After direct transaction costs of:	 0.14	 0.05	 0.03
Performance:			
Return after charges	2.04%	11.84%	(4.88)%
Other Information:			
Closing net asset value (£'000)	442,285	374,760	343,129
Closing number of shares	247,972,514	211,708,799	212,121,741
Operating charges	0.75%	0.76%	0.78%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	180.7	180.6	178.4
Lowest share price (pence)	146.2	161.1	164.0

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	250.62	222.57	232.56
Return before operating charges*	7.18	28.31	(9.69)
Operating charges	(0.24)	(0.26)	(0.30)
Return after operating charges*	6.94	28.05	(9.99)
Distributions	(4.82)	(6.96)	(7.99)
Retained distributions on accumulation shares	4.82	6.96	7.99
Closing net asset value per share	257.56	250.62	222.57
*After direct transaction costs of:	0.19	0.07	0.05
Performance:			
Return after charges	2.77%	12.60%	(4.30)%
Other Information:			
Closing net asset value (£'000)	3,151,201	3,301,509	3,003,298
Closing number of shares	1,223,500,366	1,317,340,424	1,349,363,648
Operating charges	0.10%	0.11%	0.13%
Direct transaction costs ¹	0.08%	0.03%	0.02%
Prices:			
Highest share price (pence)	259.1	252.1	237.0
Lowest share price (pence)	207.3	221.6	221.1

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Period Ended 31 December 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	246.07	242.60 ²
Return before operating charges*	6.85	4.17
Operating charges	(0.23)	(0.03)
Return after operating charges*	6.62	4.14
Distributions on income shares	(4.71)	(0.67)
Closing net asset value per share	247.98	246.07
 *After direct transaction costs of:	 0.19	 0.01
Performance:		
Return after charges	2.69%	1.71%
Other Information:		
Closing net asset value (£'000)	74,607	412,184
Closing number of shares	30,085,535	167,506,148
Operating charges	0.10%	0.11%
Direct transaction costs ¹	0.08%	0.03%
Prices:		
Highest share price (pence)	252.3	248.2
Lowest share price (pence)	203.6	241.8

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. Commission is also payable to the counterparty on the trading of futures contracts.

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.

²Class C Income Shares were launched on 18 November 2019.

Financial Statements

Statement of Total Return for the year ended 31 December 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		138		625,115
Revenue	3	133,255		210,752	
Expenses	4	(21,104)		(26,192)	
Net revenue before taxation		112,151		184,560	
Taxation	5	(3,448)		(3,324)	
Net revenue after taxation			108,703		181,236
Total return before distributions			108,841		806,351
Distributions	6		(108,734)		(181,294)
Change in net assets attributable to shareholders from investment activities			107		625,057

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		7,193,365		6,712,249
Amounts receivable on issue of shares	226,475		418,261	
Amounts payable on cancellation of shares	(1,190,637)		(728,131)	
		(964,162)		(309,870)
Dilution adjustment		5,173		1,772
Change in net assets attributable to shareholders from investment activities		107		625,057
Retained distributions on accumulation shares		93,867		164,157
Closing net assets attributable to shareholders		6,328,350		7,193,365

Financial Statements cont.

Balance Sheet as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	5,999,090	6,602,119
Current assets:			
Debtors	8	93,096	66,003
Cash and bank balances	9	405,419	192,037
Cash equivalents		-	481,452
Total assets		6,497,605	7,341,611
Liabilities:			
Investment liabilities	13	(33,394)	(62,572)
Creditors:			
Bank overdrafts	9	-	(5,946)
Distributions payable		(3,896)	(6,416)
Other creditors	10	(131,965)	(73,312)
Total liabilities		(169,255)	(148,246)
Net assets attributable to shareholders		6,328,350	7,193,365

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020			2019		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities	283,271	45,663	328,948	215,729	359,502	575,231
Derivative contracts	(145,444)	-	(145,444)	(82,770)	-	(82,770)
Forward currency contracts	(280,257)	82,741	(197,516)	74,253	57,800	132,053
Currency gains/(losses)	15,479	(1,285)	14,194	1,485	(866)	619
Custodian transaction costs			(44)			(18)
Net capital gain/(losses)			138			625,115

Where realised gains/(losses) include gains/(losses) arising from prior years, a corresponding (loss)/gain is included within the unrealised gains/(losses) presented.

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	1,751,115	940,259
Gross purchases of equities excluding transaction costs	1,019,319	647,194
Commissions	458	185
Taxes	1,951	1,369
Total transaction costs on equity purchases²	2,409	1,554
Gross purchases of funds excluding transaction costs	1,143,618	489,208
Commissions on purchases of funds	244	110
Taxes on purchases of funds	340	-
Total transaction costs on fund purchases²	584	110
Purchases including transaction costs	3,917,045	2,078,325

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

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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.04	0.03
Taxes on equity purchases	0.19	0.21
Commission on fund purchases	0.02	0.02
Taxes on fund purchases	0.03	0.00
	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	1,953,907	1,253,754
Gross sales of equities excluding transaction costs	272,551	393,492
Commissions	(168)	(207)
Taxes	(6)	(4)
Total transaction costs on equity sales²	(174)	(211)
Gross sales of funds excluding transaction costs	2,652,721	701,322
Commissions on sales of funds	(395)	(102)
Taxes on sales of funds	(599)	(8)
Total transaction costs on fund sales²	(994)	(110)
Sales net of transaction costs	4,878,011	2,348,247

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

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.06)	(0.05)
Taxes on equity sales	(0.00)	(0.00)
Commission on fund sales	(0.01)	(0.01)
Taxes on fund sales	(0.02)	(0.00)

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020		2019	
	£'000		£'000	
Transaction cost on derivative contracts				
Commission on trading futures contracts	366		201	
	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	1,631	0.03	805	0.01
Taxes	2,896	0.05	1,381	0.02
Total direct transaction costs	4,527	0.08	2,186	0.03
	2020		2019	
	%		%	
Average portfolio dealing spread	0.36		0.20	

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.

Notes to the Financial Statements cont.

3 Revenue

	2020	2019
	£'000	£'000
UK dividends ¹	23,415	28,372
Overseas dividends ¹	43,140	46,972
Property income distributions ¹	7,472	16,845
Interest on debt securities ¹	57,899	115,930
Bank interest	-	1,723
Management fee rebates from third party funds	1,329	910
Total revenue	133,255	210,752

¹Includes income from relevant Collective Investment Schemes.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	19,992	24,977
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	522	545
Bank charges	417	646
Bank overdraft interest	154	-
	1,093	1,191
Other expenses:		
Audit fee	13	10
Non-audit fees paid to auditor	5	3
Professional fees	1	11
	19	24
Total expenses	21,104	26,192

Notes to the Financial Statements cont.

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	1,908	2,570
Irrecoverable tax on property income distributions	1,540	3,315
Prior year tax reclaims written off	-	296
Tax recoverable on overseas dividends	-	(2,857)
Total taxation	3,448	3,324

The Fund is subject to corporation tax at 20% (2019: 20%), however, the Fund operates under the Tax Elected Fund regime, and therefore the Fund has made distributions divided between dividend distributions and non-dividend distributions. The non-dividend distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The deduction of non-dividend distributions has been restricted to reflect the priority utilisation of the management expenses incurred by the Fund in the year, as per regulation 13 (1A) of SI2006/964. This results in no excess management expenses or non-dividend distributions being carried forward.

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	112,151	184,560
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	22,430	36,912
Effects of:		
Non-taxable UK dividends	(4,683)	(5,674)
Non-taxable overseas dividends	(8,508)	(9,100)
Non-taxable property income distributions	(1,494)	(3,369)
Non-dividend distributions	(7,745)	(18,758)
Overseas tax on dividends	1,876	1,993
Irrecoverable tax on property income distributions	1,540	3,315
Overseas tax on coupons	32	577
Prior year tax reclaims written off	-	296
Tax recoverable on overseas dividends	-	(2,857)
Expense relief claimed on overseas tax	-	(11)
Total taxation	3,448	3,324

Notes to the Financial Statements cont.

6 Distributions

	2020	2019
	£'000	£'000
Interim to 30 June	43,951	62,130
Final to 31 December	59,884	111,320
	103,835	173,450
Amounts deducted on cancellation of shares	10,942	12,758
Amounts added on issue of shares	(6,043)	(4,914)
Total distributions	108,734	181,294

The distributions take account of income 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

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	108,703	181,236
Add expenses allocated to capital	1	1
Add distributable revenue brought forward	274	331
Less distributable revenue carried forward	(244)	(274)
Net distributions for the year	108,734	181,294

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	24,852	2,105
Sales awaiting settlement	46,539	29,194
Accrued income	9,381	16,247
Overseas tax recoverable	1,970	1,905
VAT recoverable	5	17
Collateral held by counterparties	9,875	16,375
Other debtors	474	160
Total debtors	93,096	66,003

Notes to the Financial Statements cont.

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling amounts held at clearing houses and brokers	424	-
Foreign amounts held at clearing houses and brokers	7,589	46,052
Sterling bank accounts	385,432	136,103
Foreign currency bank accounts	11,974	9,882
Sterling amounts held at clearing houses and brokers overdrawn	-	(5,946)
Total cash and bank balances	405,419	186,091

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	174	240
Purchases awaiting settlement	84,940	19,873
Due to the ACD or associates	1,698	1,973
Due to the Depositary or associates	232	249
Collateral held on behalf of counterparty	44,900	50,945
Other accrued expenses	21	32
Total other creditors	131,965	73,312

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.

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.

	2020			2019		
	Purchases £'000	Sales £'000	Income £'000	Purchases £'000	Sales £'000	Income £'000
Baillie Gifford Emerging Markets Bond Fund C Acc	-	297,638	10,886	-	161,981	34,010
Baillie Gifford Global Alpha Growth Fund C Acc	-	215,468	3,995	-	75,715	4,681
Baillie Gifford Global Income Growth Fund C Acc	-	138,826	8,842	-	79,951	11,740
Baillie Gifford High Yield Bond Fund C Acc	-	1,625	4,055	136,500	85,334	4,202
Baillie Gifford Long Term Global GrowthInvestment Fund C Acc	-	227,684	309	-	4,727	884
Baillie Gifford Pacific Fund C Acc	-	125,677	1,335	-	1,880	1,179
Baillie Gifford Worldwide Global Credit Fund C Acc USD	60,727	105,099	-	-	2,915	-
Baillie Gifford Worldwide Japanese Fund C Acc GBP	-	65,679	-	-	48,703	-

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:

	2020	2019
	%	%
ACD and associates of the ACD	0.69	0.76

12 Reconciliation of shares in issue

	Shares in issue as at 31.12.19	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 31.12.20
A Accumulation Shares	249,700	70,502	(29,090)	(33,038)	258,074
A Income Shares	6,420	16,222	(6,220)	-	16,422
B1 Accumulation Shares	270,038,417	10,544,210	(37,923,868)	(42,529,923)	200,128,836
B2 Accumulation Shares	1,125,774,638	29,874,668	(170,401,843)	(14,217,789)	971,029,674
B Income Shares	211,708,800	9,828,184	(29,488,549)	55,924,079	247,972,514
C Accumulation Shares	1,317,340,424	55,164,863	(255,035,990)	106,031,069	1,223,500,366
C Income Shares	167,506,148	1,561,827	(40,861,594)	(98,120,846)	30,085,535

Notes to the Financial Statements cont.

13 Basis of valuation

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	2,624,118	-	2,548,078	-
Level 2: Observable market data	3,063,300	(33,394)	3,780,625	(62,572)
Level 3: Unobservable data ¹	311,672	-	273,417	-
Total	5,999,090	(33,394)	6,602,119	(62,572)

¹For further information on the assets included in Level 3, as at 31 December 2020, please refer to the Portfolio Statement.

14 Credit ratings

Rating Block	2020		2019	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	511,902	8.09	1,113,080	15.47
High Yield	357,677	5.65	253,841	3.53
Unrated	675,480	10.67	186,615	2.59
Total Bonds - Direct	1,545,059	24.41	1,553,536	21.59
Other	4,783,291	75.59	5,639,829	78.41
Net Assets	6,328,350	100.00	7,193,365	100.00

Notes to the Financial Statements cont.

15 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)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	24,401	24,401	4,897	(16,291)	(11,394)
Brazilian real	-	(56,165)	(56,165)	-	145,758	145,758
Canadian dollar	-	(726,112)	(726,112)	-	(513,948)	(513,948)
Chinese yuan	-	179,173	179,173	-	-	-
Colombian peso	-	-	-	5	-	5
Danish krone	-	36,933	36,933	-	-	-
Egyptian pound	-	-	-	-	11,559	11,559
Euro	2,254	(760,433)	(758,179)	27,204	(551,465)	(524,261)
Hong Kong dollar	-	18,453	18,453	-	-	-
Hungarian forint	-	(60,692)	(60,692)	-	-	-
Indian rupee	43	-	43	45	45,970	46,015
Indonesian rupiah	-	125,943	125,943	-	140,839	140,839
Israeli new shekel	-	93,963	93,963	-	-	-
Japanese yen	-	625,401	625,401	942	495,231	496,173
Malaysian ringgit	-	-	-	-	12,352	12,352
Mexican peso	-	62,624	62,624	-	-	-
New Zealand dollar	-	(159,066)	(159,066)	-	-	-
Norwegian krona	-	125,680	125,680	-	179,454	179,454
Peruvian nuevo sol	-	-	-	-	43,587	43,587
Polish zloty	-	60,270	60,270	-	-	-
Romanian leu	-	-	-	-	(103,830)	(103,830)
Russian ruble	-	62,079	62,079	-	178,287	178,287
Singapore dollar	-	11,239	11,239	-	15,029	15,029
South African rand	-	(103,611)	(103,611)	-	(109,177)	(109,177)
South Korean won	-	118,248	118,248	-	(417,399)	(417,399)
Swedish krona	-	-	-	-	71,044	71,044
Swiss franc	-	(332,728)	(332,728)	-	(401,343)	(401,343)
Thai baht	-	96,323	96,323	-	(211,672)	(211,672)
Turkish lira	-	-	-	-	(32,968)	(32,968)
UK sterling	350,831	6,621,629	6,972,460	130,157	7,965,204	8,095,361
US dollar	17,266	(97,856)	(80,590)	22,840	(406,674)	(383,834)

Short term debtors and creditors have not been disclosed.

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2020				2019			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Australian dollar	-	-	128,274	128,274	144,980	-	-	144,980
Brazilian real	-	97,045	-	97,045	-	-	145,758	145,758
Canadian dollar	-	-	28,839	28,839	-	-	25,645	25,645
Chinese yuan	-	179,173	-	179,173	-	-	-	-
Colombian peso	-	-	-	-	5	-	-	5
Danish krone	-	-	36,933	36,933	-	-	-	-
Egyptian pound	-	-	-	-	-	11,559	-	11,559
Euro	65,127	91,016	736,979	893,122	434,048	20,141	524,817	979,006
Hong Kong dollar	-	-	18,453	18,453	-	-	-	-
Indian rupee	43	-	-	43	45	45,970	-	46,015
Indonesian rupiah	-	63,800	62,143	125,943	-	-	140,839	140,839
Israeli new shekel	-	-	93,963	93,963	-	-	-	-
Japanese yen	-	-	625,401	625,401	211,883	-	284,291	496,174
Malaysian ringgit	-	-	-	-	-	-	12,352	12,352
Mexican peso	-	-	62,624	62,624	-	-	-	-
Norwegian krona	-	-	125,680	125,680	-	-	179,454	179,454
Peruvian nuevo sol	-	-	-	-	-	43,587	-	43,587
Polish zloty	-	-	60,270	60,270	-	-	-	-
Russian ruble	-	-	62,079	62,079	-	-	178,287	178,287
Singapore dollar	-	-	11,239	11,239	-	-	15,029	15,029
South Korean won	-	-	118,248	118,248	-	-	13,183	13,183
Swedish krona	-	-	-	-	-	-	71,044	71,044
Swiss franc	-	-	111,154	111,154	-	28,437	-	28,437
Thai baht	-	34,571	61,752	96,323	-	-	-	-
UK sterling	670,336	-	7,870,821	8,541,157	1,153,981	481,452	8,017,516	9,652,949
US dollar	179,853	1,005,270	925,037	2,110,160	720,449	326,578	594,916	1,641,944

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2020				2019			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Australian dollar	-	-	103,873	103,873	-	-	153,343	153,343
Brazilian real	-	-	153,210	153,210	-	-	-	-
Canadian dollar	-	-	754,951	754,951	-	-	539,594	539,594
Euro	-	-	1,651,300	1,651,300	-	-	1,503,266	1,503,266
Hungarian forint	-	-	60,692	60,692	-	-	-	-
New Zealand dollar	-	-	159,066	159,066	-	-	-	-
Romanian leu	-	-	-	-	-	-	103,830	103,830
South African rand	-	-	103,611	103,611	-	-	109,177	109,177
South Korean won	-	-	-	-	-	-	430,582	430,582
Swiss franc	-	-	443,882	443,882	-	-	429,780	429,780
Thai baht	-	-	-	-	-	-	211,672	211,672
Turkish lira	-	-	-	-	-	-	32,968	32,968
UK sterling	44,900	-	1,523,797	1,568,697	56,891	-	1,053,815	1,110,706
US dollar	-	-	2,190,749	2,190,749	268	-	2,025,510	2,025,778

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.

Notes to the Financial Statements cont.

16 Derivative exposure

The exposure to derivative counterparties was:

Counterparty	2020					2019				
	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	26,210	-	-	-	26,210	39,168	-	-	(3,575)	35,593
CitiGroup	7,760	-	-	(1,275)	6,485	5,169	-	-	(14,020)	(8,851)
Deutsche Bank	3,050	-	-	-	3,050	4,596	-	-	(4,945)	(349)
HSBC	1,918	-	-	-	1,918	9,421	-	-	(5,960)	3,461
JP Morgan Chase	20,052	-	-	(13,615)	6,437	10,194	-	-	-	10,194
National Australia Bank	8,010	-	-	(1,340)	6,670	5,547	-	-	(9,925)	(4,378)
Royal Bank of Canada	6,977	-	-	-	6,977	9,962	-	-	(1,990)	7,972
Royal Bank of Scotland	42,158	-	-	(28,670)	13,488	23,571	-	-	-	23,571
Standard Chartered Bank	-	-	-	-	-	12,744	-	-	(10,530)	2,214

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.

Notes to the Financial Statements cont.

16 Derivative exposure (continued)

Collateral pledged on derivatives was:

	2020	2019
	£'000	£'000
Cash collateral pledged on derivatives		
Barclays	7,240	-
Deutsche Bank	1,720	-
JP Morgan Chase	-	7,130
Royal Bank of Canada	230	-
Royal Bank of Scotland	-	9,245
Standard Chartered Bank	685	-

17 Leverage

The term "leverage" is defined under AIFMD as any method by which the ACD increases the exposure of a fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The ACD has, in accordance with the Regulations, set the maximum level of leverage which the Fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of scheme property resulting from fluctuations in the value of assets in which it invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of "exposure" compared to the net asset value of the Fund, with "exposure" being calculated in accordance with a "gross" and "commitment" method. The "gross" method, generally speaking, takes account of the absolute exposure of the Fund while the "commitment" method takes into account netting or hedging arrangements put in place.

There have been no changes to the maximum level of leverage that can be employed by the Fund under both the gross and commitment methods during the year. The leverage limits have not been exceeded during the year. The Fund's maximum and actual leverage levels at 31 December 2020 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum Limit	1000%	300%
Actual	252%	160%

Typical types and sources of leverage which the Fund employs include: (i) borrowing cash; (ii) derivatives for efficient portfolio management purposes (including hedging); and (iii) derivatives for investment purposes. For information on the associated risks with these types and sources of leverage please refer to the Prospectus which is available by contacting Client Relations.

Distribution Tables

Interim dividend distribution for the period ended 30 June 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 30 June 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.08.20)	Distribution (paid/accumulated 31.08.19)
	30.06.20 pence per share	30.06.20 pence per share	30.06.20 pence per share	30.06.19 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
B1 Accumulation				
Group 1	0.50000	-	0.50000	0.50000
Group 2	-	0.50000	0.50000	0.50000
B2 Accumulation				
Group 1	0.50000	-	0.50000	0.50000
Group 2	-	0.50000	0.50000	0.50000
B Income				
Group 1	0.40000	-	0.40000	0.40000
Group 2	-	0.40000	0.40000	0.40000
C Accumulation				
Group 1	1.00000	-	1.00000	1.00000
Group 2	0.18460	0.81540	1.00000	1.00000
C Income				
Group 1	1.00000	-	1.00000	-
Group 2	0.53260	0.46740	1.00000	-

Distribution Tables cont.

Final dividend distribution for the period ended 31 December 2020

Group 1 : shares purchased prior to 1 July 2020

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

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
B1 Accumulation				
Group 1	0.20000	-	0.20000	0.76000
Group 2	-	0.20000	0.20000	0.76000
B2 Accumulation				
Group 1	0.34000	-	0.34000	0.49000
Group 2	-	0.34000	0.34000	0.49000
B Income				
Group 1	0.37000	-	0.37000	0.66000
Group 2	-	0.37000	0.37000	0.66000
C Accumulation				
Group 1	1.60000	-	1.60000	1.98000
Group 2	0.37619	1.22381	1.60000	1.98000
C Income				
Group 1	1.54000	-	1.54000	0.19000
Group 2	0.67490	0.86510	1.54000	0.19000

Distribution Tables cont.

Interim Non-Dividend Distribution for the period ended 30 June 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 30 June 2020

	Net Revenue (non-dividend distribution)	Equalisation	Distribution (paid/accumulated 31.08.20)	Distribution (paid/accumulated 31.08.19)
	30.06.20 pence per share	30.06.20 pence per share	30.06.20 pence per share	30.06.19 pence per share
A Accumulation				
Group 1	0.45000	-	0.45000	1.00000
Group 2	0.45000	-	0.45000	1.00000
A Income				
Group 1	0.45000	-	0.45000	1.00000
Group 2	0.45000	-	0.45000	1.00000
B1 Accumulation				
Group 1	0.65000	-	0.65000	1.00000
Group 2	0.44454	0.20546	0.65000	1.00000
B2 Accumulation				
Group 1	0.65000	-	0.65000	1.00000
Group 2	0.44767	0.20233	0.65000	1.00000
B Income				
Group 1	0.65000	-	0.65000	1.00000
Group 2	0.47790	0.17210	0.65000	1.00000
C Accumulation				
Group 1	0.90000	-	0.90000	1.50000
Group 2	0.29129	0.60871	0.90000	1.50000
C Income				
Group 1	0.90000	-	0.90000	-
Group 2	0.57990	0.32010	0.90000	-

Distribution Tables cont.

Final Non-Dividend Distribution for the period ended 31 December 2020

Group 1 : shares purchased prior to 1 July 2020

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

	Net Revenue (non-dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
A Accumulation				
Group 1	0.53000	-	0.53000	1.78000
Group 2	0.53000	-	0.53000	1.78000
A Income				
Group 1	0.39000	-	0.39000	1.41000
Group 2	0.39000	-	0.39000	1.41000
B1 Accumulation				
Group 1	1.53000	-	1.53000	2.53000
Group 2	1.53000	-	1.53000	2.53000
B2 Accumulation				
Group 1	1.39000	-	1.39000	2.82000
Group 2	1.39000	-	1.39000	2.82000
B Income				
Group 1	0.86000	-	0.86000	1.84000
Group 2	0.86000	-	0.86000	1.84000
C Accumulation				
Group 1	1.32000	-	1.32000	2.48000
Group 2	0.48836	0.83164	1.32000	2.48000
C Income				
Group 1	1.27000	-	1.27000	0.48000
Group 2	0.85400	0.41600	1.27000	0.48000

BAILLIE GIFFORD

Baillie Gifford Long Term Global Growth Investment Fund

a sub-fund of Baillie Gifford Investment Funds ICVC

*Annual Report and Financial Statements
for the year ended 31 December 2020*



Baillie Gifford Long Term Global Growth Investment Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All World Index, as stated in sterling, by at least 2.5% per annum over rolling five year periods.

Investment Policy

The Fund will invest at least 90% in shares of companies anywhere in the world. The Fund will invest in companies in any sector which, typically at the time of purchase, have a market capitalisation of more than USD2 billion. The Fund will be actively managed and will be concentrated, typically comprising 30 to 60 holdings.

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 sector 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'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.

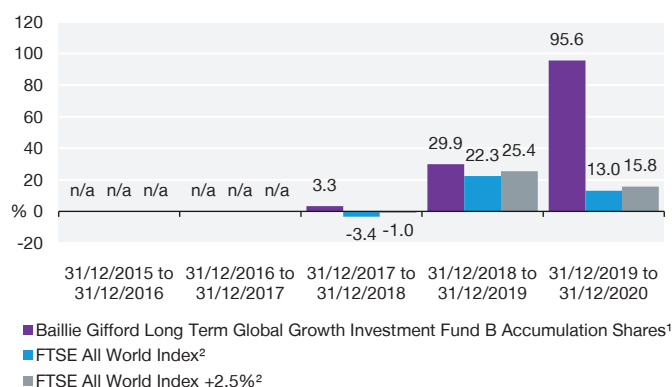
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

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 0.62% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.70%), 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. There are not five full years of performance shown as the Fund launched on 8 April 2017. Performance figures for the 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 the FTSE All World Index (the 'Index') +2.5% (the 'target return') over a rolling five-year period after fees. For the year to 31 December 2020, the return on B Accumulation Shares was 95.5%³ compared to the return on the Index of 13.0%² and the target return of 15.8%². We firmly believe that shorter-term performance measurements are of limited relevance in assessing investment ability, 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.

This exceptional year has prompted us to acquire 8 new holdings for the Fund: Zoom, Adyen, Cloudflare, Carvana, KE Holdings, Beigene, Beyond Meat and Moderna.

Adyen is a Dutch payment provider that enables businesses to accept multiple non-cash payment methods and serve customers across multiple channels and geographies. We believe merchants with one or more of these requirements will represent a growing proportion of the enormous \$20 trillion payments market, as consumers

continue to shift away from cash and towards e-commerce. Zoom was purchased prior to the emergence of Covid-19 and has since become a household name. Nonetheless, we think the addressable market remains large as the company drives a broader reconfiguration in working practices and a reduction in corporate travel. Cloudflare operates a global network of data centres that makes it simpler for companies to manage their internet security needs, dispensing with the historical need for physical equipment installed in one location.

Carvana is the leading player in the US online used car market. We are excited by the tremendous market opportunity as the used car industry has just started moving online. The market is currently very fragmented, but we believe the shift to online will favour only a few players, including Carvana. KE Holdings owns the largest integrated digital housing platform in China, Beike. In the next five to ten years, Beike will play an important role in transforming the housing industry in China. Beigene is a Chinese biotech company focused on immuno-oncology and molecularly targeted drugs for the

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE, StatPro and relevant underlying index provider, total return in sterling terms. The target return outperformance is compound daily therefore the index return plus the outperformance will not equal the target return. Index and target benchmark 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 159. 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.

treatment of cancer. Beigene is uniquely capable of addressing the ongoing increase in lifestyle-related cancers in China.

Beyond Meat is a pioneer in manufacturing plant-based meat substitutes, addressing the median carnivorous consumer rather than the vegan/vegetarian niche. Moderna is a biotech company that develops medicines based on messenger RNA (mRNA). We believe that the recent Covid-19 vaccine success validates Moderna's broader mRNA platform and enhances their chances of success from here.

We have seen exceptional performance in a number of our highest conviction holdings, which has resulted in several reductions to remain within our diversification limits. The most notable of these was Tesla, where trimming throughout the year has generated 8% worth of funding for new ideas that are listed above. In addition, we have also sold Rocket Internet, Trip.com, Inditex, L'Oreal, Ionis Pharmaceuticals and AIA Group from the portfolio.

We originally invested in Rocket Internet because it provided excellent access to venture capital in Europe. Whilst this relationship proved to be valuable, Baillie Gifford's own direct access to private companies has substantially improved in recent years and many of Rocket Internet's most promising businesses are now listed. We have become increasingly sceptical about whether Trip.com can produce attractive long-term returns. This has been influenced by strong competition from another of your holdings, Meituan Dianping, as well as concerns around cultural dynamism within senior management. We remain positive on Inditex, L'Oreal, Ionis and AIA Group as businesses however we ultimately feel there are better ideas for capital elsewhere.

The operational performance of the portfolio has been very strong over the past 12 months, despite recent volatility and macroeconomic uncertainties surrounding the Covid-19 pandemic. This has been a challenging year for many, and we have been encouraged by the response of many companies within the portfolio to help where they can. We believe that companies with a great culture are more likely to have great long-term prospects. It's clear that when the coronavirus pandemic is over, we will

move on, not back to normal. The pandemic has accelerated several growth trends and created many investment opportunities. Taking a long-term view, we believe the portfolio is well positioned to benefit in the decade to come.

Baillie Gifford & Co, 15 January 2021

Principal Holdings as at 31 December 2020

Investment	Percentage of total Fund
Tesla Inc	9.90
Pinduoduo Inc ADR	5.86
Amazon.com	5.56
Meituan Dianping	5.08
Tencent	5.06
Alibaba Group Holding.SPN.	4.29
Illumina	4.01
Kering	3.73
Peloton Interactive Inc	3.53
Netflix Inc	3.48

Material Portfolio Changes for the year ended 31 December 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Beigene Ltd ADR	69,101	Tesla Inc	476,257
Adyen Nv	62,703	Amazon.com	157,978
Kering	56,032	NVIDIA	91,081
Carvana	52,625	Tencent	86,214
Beyond Meat Inc	49,536	Alibaba Group Holding.SPN.	74,880
Pinduoduo Inc ADR	44,627	Alphabet Inc Class C	62,190
Cloudflare Inc	42,740	Meituan Dianping	58,956
Moderna Inc	42,727	Inditex	56,198
Zoom	41,884	Illumina	54,967
HDFC Corp	29,035	Facebook	51,815

Portfolio Statement as at 31 December 2020

Stock description	Holding	Market value £'000	% of total net assets
Canada - 2.85% (1.97%)			
Shopify 'A'	151,754	125,501	2.85
China - 28.61% (24.98%)			
Alibaba Group Holding.SPN.	1,110,143	188,926	4.29
Beigene Ltd ADR	339,714	64,093	1.45
KE Holdings ADR	789,554	35,528	0.81
Meituan Dianping	8,055,700	223,907	5.08
NetEase.com ADR	797,491	55,791	1.26
NIO Inc ADR	3,729,444	132,950	3.02
Pinduoduo Inc ADR	1,989,248	258,161	5.86
TAL Education Group ADR	1,496,390	78,282	1.78
Tencent	4,187,400	222,820	5.06
France - 5.06% (7.57%)			
Hermes International	74,281	58,483	1.33
Kering	308,851	164,295	3.73
Germany - 2.33% (2.40%)			
Delivery Hero AG	905,567	102,699	2.33
Hong Kong - 0.00% (1.54%)			
India - 1.60% (1.93%)			
HDFC Corp	2,757,914	70,650	1.60
Netherlands - 5.47% (3.48%)			
Adyen Nv	65,736	112,090	2.55
ASML	361,985	128,810	2.92
Spain - 0.00% (2.32%)			
Sweden - 2.38% (2.22%)			
Spotify Technology SA	455,824	104,927	2.38

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
United States - 50.80% (50.38%)			
Alphabet Inc Class C	57,864	74,134	1.68
Amazon.com	102,886	245,100	5.56
Atlassian Corp Plc	571,476	97,723	2.22
Beyond Meat Inc	414,625	37,915	0.86
Carvana	287,901	50,451	1.15
Cloudflare Inc	1,417,266	78,777	1.79
Dexcom Inc	425,195	115,000	2.61
Facebook	716,599	143,120	3.25
Illumina	653,073	176,771	4.01
Intuitive Surgical	145,265	86,832	1.97
Moderna Inc	611,732	46,676	1.06
Netflix Inc	387,974	153,467	3.48
NVIDIA	262,895	100,413	2.28
Peloton Interactive Inc	1,402,884	155,585	3.53
Salesforce.com	478,229	77,754	1.76
Tesla Inc	845,539	436,214	9.90
Workday Inc	464,321	81,390	1.85
Zoom	327,907	80,879	1.84
Portfolio of investments		4,366,114	99.10
Net other assets - 0.90% (1.21%)		39,761	0.90
Net assets		4,405,875	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 December 2019.

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	640.37	496.73	475.06
Return before operating charges*	617.40	147.39	25.14
Operating charges	(6.08)	(3.75)	(3.47)
Return after operating charges*	611.32	143.64	21.67
Distributions	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	1,251.69	640.37	496.73
*After direct transaction costs of:	0.28	0.06	0.16
Performance:			
Return after charges	95.46%	28.92%	4.56%
Other Information:			
Closing net asset value (£'000)	1,459,604	611,289	563,053
Closing number of shares	116,611,091	95,458,492	113,351,306
Operating charges	0.64%	0.65%	0.64%
Direct transaction costs ²	0.03%	0.01%	0.03%
Prices:			
Highest share price (pence)	1,270	655.3	603.2
Lowest share price (pence)	573.8	487.5	469.2

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	640.84	584.00 ¹
Return before operating charges*	617.62	59.40
Operating charges	(5.91)	(2.56)
Return after operating charges*	611.71	56.84
Distributions on income shares	0.00	0.00
Closing net asset value per share	1,252.55	640.84
 *After direct transaction costs of:	 0.28	 0.03
Performance:		
Return after charges	95.45%	9.73%
Other Information:		
Closing net asset value (£'000)	52,801	30,337
Closing number of shares	4,215,516	4,733,742
Operating charges	0.64%	0.93% ¹
Direct transaction costs ²	0.03%	0.01%
Prices:		
Highest share price (pence)	1,270	655.7
Lowest share price (pence)	574.2	533.5

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	705.62	543.97	517.00
Return before operating charges*	682.32	161.84	27.15
Operating charges	(0.20)	(0.19)	(0.18)
Return after operating charges*	682.12	161.65	26.97
Distributions	(1.61)	(2.31)	(1.70)
Retained distributions on accumulation shares	1.61	2.31	1.70
Closing net asset value per share	1,387.74	705.62	543.97
*After direct transaction costs of:	0.30	0.06	0.18
Performance:			
Return after charges	96.67%	29.72%	5.22%
Other Information:			
Closing net asset value (£'000)	2,837,768	2,267,191	1,795,345
Closing number of shares	204,487,907	321,303,706	330,046,195
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs ²	0.03%	0.01%	0.03%
Prices:			
Highest share price (pence)	1,407	722.0	659.1
Lowest share price (pence)	633.1	533.9	511.5

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	649.50	502.35	478.93
Return before operating charges*	628.07	149.44	25.11
Operating charges	(0.18)	(0.17)	(0.11)
Return after operating charges*	627.89	149.27	25.00
Distributions on income shares	(1.49)	(2.12)	(1.58)
Closing net asset value per share	1,275.90	649.50	502.35
*After direct transaction costs of:	0.27	0.06	0.16
Performance:			
Return after charges	96.67%	29.71%	5.22%
Other Information:			
Closing net asset value (£'000)	55,702	43,775	57,354
Closing number of shares	4,365,674	6,739,843	11,417,120
Operating charges	0.02%	0.03%	0.02%
Direct transaction costs ²	0.03%	0.01%	0.03%
Prices:			
Highest share price (pence)	1,295	666.7	610.6
Lowest share price (pence)	582.7	493.0	473.8

¹Class B Income Shares were launched on 1 May 2019. As at 31 December 2019 the ACD considered 0.65% to be a 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.

Financial Statements

Statement of Total Return for the year ended 31 December 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		2,558,067		696,836
Revenue	3	6,628		11,318	
Expenses	4	(7,038)		(4,961)	
Net revenue/(expense) before taxation		(410)		6,357	
Taxation	5	468		(368)	
Net revenue after taxation			58		5,989
Total return before distributions			2,558,125		702,825
Distributions	6		(5,245)		(7,473)
Change in net assets attributable to shareholders from investment activities			2,552,880		695,352

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,952,592		2,415,752
Amounts receivable on issue of shares	617,334		283,997	
Amounts payable on cancellation of shares	(1,723,502)		(450,614)	
		(1,106,168)		(166,617)
Dilution adjustment		3,279		683
Change in net assets attributable to shareholders from investment activities		2,552,880		695,352
Retained distributions on accumulation shares		3,292		7,422
Closing net assets attributable to shareholders		4,405,875		2,952,592

Financial Statements cont.

Balance Sheet as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	4,366,114	2,916,797
Current assets:			
Debtors	8	7,887	1,243
Cash and bank balances	9	35,350	37,879
Total assets		4,409,351	2,955,919
Liabilities:			
Creditors:			
Bank overdrafts	9	(1,364)	-
Distributions payable		(65)	(143)
Other creditors	10	(2,047)	(3,184)
Total liabilities		(3,476)	(3,327)
Net assets attributable to shareholders		4,405,875	2,952,592

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020			2019		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities	925,185	1,634,148	2,559,333	47,373	651,308	698,681
Currency gains/(losses)	(396)	(862)	(1,258)	(1,772)	(69)	(1,841)
Custodian transaction costs			(8)			(4)
Net capital gain/(losses)			2,558,067			696,836

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	757,818	281,433
Commissions	337	85
Taxes	236	64
Total transaction costs on equity purchases ¹	573	149
Purchases including transaction costs	758,391	281,582

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.04	0.03
Taxes on equity purchases	0.03	0.02

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	1,868,799	456,225
Commissions	(372)	(107)
Taxes	(258)	(51)
Total transaction costs on equity sales ¹	(630)	(158)
Sales net of transaction costs	1,868,169	456,067

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.02)	(0.02)
Taxes on equity sales	(0.01)	(0.01)

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	709	0.02	192	0.01
Taxes	494	0.01	115	0.00
Total direct transaction costs	1,203	0.03	307	0.01

	2020	2019
	%	%
Average portfolio dealing spread	0.06	0.03

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

	2020	2019
	£'000	£'000
Overseas dividends	6,592	10,926
Bank interest	36	392
Total revenue	6,628	11,318

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	6,203	4,276
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	268	217
Bank charges	557	449
	825	666
Other expenses:		
Audit fee	5	7
Non-audit fees paid to auditor	3	3
Professional fees	2	9
	10	19
Total expenses	7,038	4,961

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	217	301
Prior year tax reclaims written off	-	416
Tax recoverable on overseas dividends	(685)	(349)
Total taxation	(468)	368

The Fund is subject to corporation tax at 20% (2019: 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 December 2020, the Fund had excess management expenses of £15,988,000 (2019: £8,986,000) 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:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	(410)	6,357
Net expense before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	(82)	1,271
Effects of:		
Non-taxable overseas dividends	(1,318)	(2,185)
Overseas tax on dividends	217	301
Excess management expenses	1,400	914
Prior year tax reclaims written off	-	416
Tax recoverable on overseas dividends	(685)	(349)
Total taxation	(468)	368

6 Distributions

	2020	2019
	£'000	£'000
Final to 31 December	3,357	7,565
Amounts deducted on cancellation of shares	729	62
Amounts added on issue of shares	1,159	(154)
Total distributions	5,245	7,473

The distributions take account of income 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

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	58	5,989
Add capital transfers for deficits of income	5,189	1,464
Add distributable revenue brought forward	9	29
Less distributable revenue carried forward	(11)	(9)
Net distributions for the year	5,245	7,473

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	7,519	263
Overseas tax recoverable	343	784
VAT recoverable	14	9
Other debtors	11	187
Total debtors	7,887	1,243

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	2,427	25,348
Foreign currency bank accounts	32,923	12,531
	35,350	37,879
Sterling bank accounts overdrawn	(1,364)	-
Total cash and bank balances	33,986	37,879

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	-	1,514
Due to the ACD or associates	783	344
Due to the Depositary or associates	35	11
Capital gains tax provision	1,219	1,296
Other accrued expenses	10	19
Total other creditors	2,047	3,184

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:

	2020	2019
	%	%
ACD and associates of the ACD	6.22	9.64

12 Reconciliation of shares in issue

	Shares in issue as at 31.12.19	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 31.12.20
B Accumulation Shares	95,458,492	56,635,873	(35,483,274)	-	116,611,091
B Income Shares	4,733,742	244,167	(762,393)	-	4,215,516
C Accumulation Shares	321,303,706	3,489,284	(120,305,083)	-	204,487,907
C Income Shares	6,739,843	-	(2,374,169)	-	4,365,674

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	4,366,114	2,916,797
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	4,366,114	2,916,797

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)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	-	566,378	566,378	12,381	465,720	478,101
Hong Kong dollar	-	446,727	446,727	-	350,387	350,387
Indian rupee	-	70,650	70,650	-	57,021	57,021
UK sterling	1,063	-	1,063	25,348	-	25,348
US dollar	32,923	3,282,359	3,315,282	150	2,043,669	2,043,819

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.

15 Leverage

The term "leverage" is defined under AIFMD as any method by which the ACD increases the exposure of a fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The ACD has, in accordance with the Regulations, set the maximum level of leverage which the Fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of scheme property resulting from fluctuations in the value of assets in which it invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of "exposure" compared to the net asset value of the Fund, with "exposure" being calculated in accordance with a "gross" and "commitment" method. The "gross" method, generally speaking, takes account of the absolute exposure of the Fund while the "commitment" method takes into account netting or hedging arrangements put in place.

There have been no changes to the maximum level of leverage that can be employed by the Fund under both the gross and commitment methods during the year. The leverage limits have not been exceeded during the year. The Fund's maximum and actual leverage levels at 31 December 2020 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum Limit	120%	110%
Actual	100%	100%

Typical types and sources of leverage which the Fund employs include: (i) borrowing cash; (ii) derivatives for efficient portfolio management purposes (including hedging); and (iii) derivatives for investment purposes. For information on the associated risks with these types and sources of leverage please refer to the Prospectus which is available by contacting Client Relations.

Distribution Table

Final distribution for the year ended 31 December 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 31 December 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
B Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
C Accumulation				
Group 1	1.61000	-	1.61000	2.31000
Group 2	0.76149	0.84851	1.61000	2.31000
C Income				
Group 1	1.49000	-	1.49000	2.12000
Group 2	1.49000	-	1.49000	2.12000

BAILLIE GIFFORD

Baillie Gifford Multi Asset Growth Fund

a sub-fund of Baillie Gifford Investment Funds ICVC

*Annual Report and Financial Statements
for the year ended 31 December 2020*



Baillie Gifford Multi Asset Growth Fund

Investment Objective

The Fund aims to achieve (after deduction of costs): an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate; a positive return over rolling three-year periods; and annualised volatility of returns over rolling five-year periods that is below 10%. There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

Investment Policy

The Fund will invest in a wide range of asset classes in any country or sector. At any one time, the Fund may be invested in any one or more of the following: shares, bonds, money market instruments, deposits and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities and loans. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. 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 a variety of asset classes, including shares in companies, bonds, property, infrastructure, commodities, and currencies, 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:

The Fund does not guarantee positive returns. It aims to limit the extent of loss in any short term period to a lower level than shares. Markets can go down and up and conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise.

Changes in exchange rates of foreign currencies will cause investments, and income, to fall as well as rise.

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 Fund invests in emerging markets where difficulties in trading could arise, impacting your investment. Custody of assets, particularly in emerging markets, involves a risk of loss if the custodian becomes insolvent or breaches duties of care.

Bonds may be affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. Issuers of bonds, particularly in emerging markets, may not be able to pay the promised income or could fail to repay the capital amount.

Market values for illiquid securities which are difficult to trade, or value less frequently than the Fund, such as holdings in weekly or monthly dealt funds, may not be readily available. There can be no assurance that any value assigned to them will reflect the price the Fund might receive upon their sale. In certain circumstances it can be difficult to buy or sell the Fund's holdings and even small purchases or sales can cause their prices to move significantly, affecting the value of the Fund and the price of shares in the Fund.

Baillie Gifford Multi Asset Growth Fund cont.

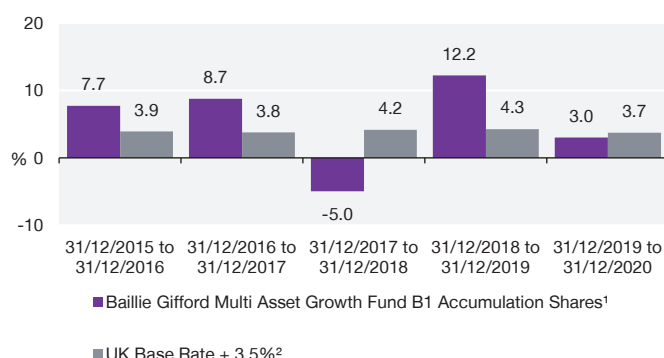
The transition period for the UK exiting the European Union ended 31 December 2020. There remains elements of political uncertainty that may have practical consequences for the Fund. Developments will be closely monitored.

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 B1 Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.50%, 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. 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 the UK Base Rate + 3.5% (the 'comparator') over a rolling five-year period after fees, with annualised volatility of less than 10%. For the year to 31 December 2020, the return on B1 Accumulation Shares was 3.2%³ compared to the comparator of 3.7%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. The annualised five-year return on B1 Accumulation Shares was 5.2%³ compared to the annualised return on the comparator of 4.0%². The annualised volatility over this period was 7.0%⁴. The Fund also aims to achieve a positive return over three-year periods. The three-year return on B1 Accumulation Shares was 3.2%³.

In terms of performance attribution, the best performing assets classes over the year were listed equities, commodities and infrastructure, whereas property and active currency were the worst performing asset classes.

Equity markets have been supported by extraordinary government and central bank interventions for much of 2020, with returns in the Fund boosted by the exceptional

performance of the Baillie Gifford in-house equity funds. Within commodity markets, gold provided a good return given its predominantly defensive, 'safe-haven' status, whereas both silver and nickel benefitted from the improving growth outlook given their extensive use in industrial manufacturing, especially in the production of electric vehicle batteries and solar panels.

Property markets fell alongside all other asset classes in February and March, however, the Fund's exposure to UK and European retail and office assets weighed heavily on performance for much of the year. An uplift in their valuation in the final quarter provided some respite, but by no means enough to recover all the losses from the first quarter.

Over the past five years, the majority of asset classes provided a positive return. Listed equities was the best performing amongst them, alongside infrastructure and higher-yielding credit assets, such as emerging market government bonds and high yield corporate debt.

Of the asset classes which detracted in the same period, the more defensively orientated active currency and absolute return were amongst those which delivered minor losses.

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 159. ³Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. ⁴Source: StatPro, standard deviation of monthly returns. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

In an environment which has been generally well-supported by low interest rates and positive growth, that the more economically-exposed asset classes such as equities and emerging market government bonds have done well, while ‘risk-off’ assets have detracted, is in-line with our expectations.

Reflecting on 2020, it was an unusual year in so many respects. An unprecedented health crisis and the resulting shutdown of economies across the world prompting extraordinary support from central banks, with governments providing liquidity for financial markets, loan guarantees for companies and the underwriting of the salaries of many workers.

As the virus took hold early in the year, we became increasingly cautious about the economic outlook in terms of the duration of the pandemic and its impact on growth and asset prices, as well as the unintended consequences of the fiscal and monetary support. We added hedges against volatility and inflation risk through our absolute return, commodities and government bond asset classes, as well as increasing the overall cash level in the portfolio.

As markets settled down from April onwards, however, we gradually became more positive on the economic outlook over the medium term. Therefore, we took the opportunity to add to higher-conviction opportunities in areas where we felt some form of economic recovery, coupled to attractive valuations, presented a compelling investment case.

In particular, we saw positive momentum from a sustained recovery of the Chinese economy, a significant tailwind from fiscal spending – which is a move away from the austerity measures that affected the post-global financial crisis recovery – and an extended period of interest rates remaining lower for longer.

This crisis has reinforced and accelerated certain trends, including the move towards digitalisation (such as more online consumption and shopping) and the drive towards decarbonisation of energy demand. In such a world, we would expect to see selective growth equities continuing to do well, and there should also be increased demand for logistics property to facilitate timely and efficient online deliveries.

Therefore, whilst we have retained meaningful positions in our Baillie Gifford equity funds to benefit from the continuation of such transformative trends, we have also invested into Chinese A-share equities, as well as a basket of individual stocks which we think are well placed to benefit from the ongoing cyclical recovery in the global economy. And within the portfolio’s property allocation, there is a meaningful exposure to the distribution and logistics sector.

As part of the recovery efforts, many countries are choosing to increase spending on green energy and related infrastructure investments, with more countries, including China, having signed up to achieve carbon neutrality in the coming decades. The Biden administration in the US intends to make climate a key policy agenda, which will be a major boost to the green energy revolution. These policy actions are creating opportunities in infrastructure, particularly energy transmission networks and certain commodities, such as nickel and silver, existing positions which we have added to in recent months.

Though the vaccine development offers a potentially lasting solution to the pandemic, we do not expect it to be a smooth ride. There remain many challenges, not least the logistical hurdle for the vaccine deployment, its overall efficacy in a continually evolving environment, and the willingness of people to be vaccinated. We are also concerned about the damage that a further wave of infections will do to certain industries and companies, and the resulting impact on unemployment and general wellbeing.

Therefore, whilst we have continued to add to risk assets in recent months in order to more clearly express our view of a sustained cyclical growth in the medium term, we continue to hold portfolio hedges to protect against several potentially significant risks. As a result, we believe the portfolio is well positioned to continue to benefit from a period of economic recovery whilst maintaining a good level of resilience during these challenging times.

Baillie Gifford & Co, 20 January 2021

Principal Holdings as at 31 December 2020

Investment	Percentage of total Fund
Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹	5.67
Baillie Gifford European Fund C Accum ¹	3.63
Baillie Gifford Worldwide Japanese Fund C Acc GBP ¹	3.17
Baillie Gifford Emerging Markets Bond Fund C Acc ¹	3.04
Baillie Gifford American Fund C Acc ¹	2.95
Baillie Gifford Worldwide Global Credit Fund C Acc USD ¹	2.39
Baillie Gifford UK Equity Alpha Fund C Accum ¹	2.36
WisdomTree Nickel	2.09
WisdomTree Physical Silver	1.98
UBS CSI 500 NTR index + 8.25%	1.95

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

Material Portfolio Changes for the year ended 31 December 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
ishares Physical Gold ETC	72,063	US TII 0.125% 15/04/202	103,242
Invesco Physical Gold ETC	64,475	Baillie Gifford Emerging Markets Bond Fund C Acc ¹	91,497
WisdomTree Physical Silver	41,480	Goldman Sachs Cross Asset Trend Portfolio	85,007
UBS CSI 500 NTR index + 8.25%	36,988	Baillie Gifford European Fund C Accum ¹	76,236
Citigroup Intraday Trend	36,931	iShares Physical Gold ETC	70,881
Goldman Sachs Cross Asset Trend Portfolio	34,057	Japan (Govt) 0.1% CPI Linked 10/03/2027	65,360
Brazil 0% 01/01/2024	33,938	US TII 0.625% 15/01/2026	58,320
Credit Suisse Lux Multi-Trend Fund	32,206	Invesco Physical Gold ETC	44,445
China 3.39% 16/03/2050	31,978	Amundi MSCI Europe Value Factor ETF	39,930
China 2.68% 21/05/2030	31,429	Germany 0.1% IL 15/04/2026	39,246

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

Portfolio Statement as at 31 December 2020

Stock description	Holding	Market value £'000	% of total net assets
Absolute Return - 4.89% (4.30%)			
BNP Paribas FX Volatility ETN	14,500	8,782	0.38
Citigroup Intraday Trend	4,782	33,684	1.47
Credit Suisse Lux Multi-Trend Fund	16,700	12,024	0.52
Goldman Sachs Cross Asset Trend Portfolio	2,507,060	23,749	1.04
SG Intraday Trend Strategy ETN	19,700	14,412	0.63
UBS Intraday Trend Strategy	285,200	19,396	0.85
Commodities - 7.94% (5.13%)			
BNP Paribas Nickel ETN	591,110	43,277	1.89
Invesco Physical Gold ETC	185,500	24,885	1.09
iShares Physical Gold ETC	330,600	8,941	0.39
iShares Physical Silver ETC	619,000	11,520	0.50
WisdomTree Nickel	4,200,000	47,901	2.09
WisdomTree Physical Silver	2,501,000	45,256	1.98
Emerging Market Bonds - 11.50% (13.12%)			
Angola 8.25% 09/05/2028 (USD)	1,030,000	721	0.03
Angola 9.375% 08/05/2048 (USD)	890,000	613	0.03
Baillie Gifford Emerging Markets Bond Fund C Acc ¹	34,300,000	69,663	3.04
Brazil 0% 01/01/2024	290,000	34,960	1.53
Brazil 4.5% 30/05/2029 (USD)	2,450,000	1,994	0.09
Brazil 4.75% 14/01/2050 (USD)	910,000	710	0.03
China 2.68% 21/05/2030	290,500,000	31,174	1.36
China 3.39% 16/03/2050	306,200,000	31,901	1.39
Costa Rica 6.125% 19/02/2031 (USD)	2,060,000	1,405	0.06
Dominican Republic 5.875% 30/01/2060 (USD)	331,000	266	0.01
Dominican Republic 6% 19/07/2028 (USD)	2,300,000	2,013	0.09
Dominican Republic 7.45% 30/04/2044 (USD)	710,000	670	0.03
Egypt 6.375% 11/04/2031 (EUR)	2,514,000	2,417	0.11
Egypt 8.875% 29/05/2050 (USD)	1,060,000	908	0.04
Hungary 7.625% 29/03/2041 (USD)	1,210,000	1,568	0.07
Indonesia 5.25% 17/01/2042 (USD)	3,990,000	3,775	0.16
Indonesia 7.5% 15/04/2040	163,000,000,000	9,390	0.41
Indonesia 7.5% 15/06/2035	155,000,000,000	8,958	0.39

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Indonesia 7.5% 15/08/2032	20,500,000,000	1,161	0.05
Indonesia 8.75% 15/05/2031	54,287,000,000	3,354	0.15
Ivory Coast 5.25% 2030 (EUR)	1,050,000	1,006	0.04
Ivory Coast 6.625% 2048 (EUR)	2,190,000	2,167	0.09
Mexico 5.75% 12/10/2110 (USD)	1,038,000	1,006	0.04
Mongolia 5.125% 07/04/2026 (USD)	200,000	157	0.01
Mongolia 5.625% 01/05/2023 (USD)	1,250,000	960	0.04
Mongolia 8.75% 09/03/2024 (USD)	1,830,000	1,554	0.07
North Macedonia 3.675% 03/06/2026 (EUR)	1,420,000	1,422	0.06
OCP Morocco 4.5% 22/10/2025 (USD)	2,202,000	1,753	0.08
OCP Morocco 6.875% 25/04/44 (USD)	1,825,000	1,747	0.08
Oman 6.75% 28/10/2027 (USD)	1,500,000	1,192	0.05
Petkim Petrokimya 5.875% 2023 (USD)	4,323,000	3,230	0.14
Petroleos Mexicanos 6.5% 13/03/2027	2,201,000	1,696	0.07
Qatar 4% 14/03/2029 (USD)	1,256,000	1,089	0.05
Qatar 4.817% 14/03/2049 (USD)	2,670,000	2,665	0.12
Republic Of Albania 3.5% 16/06/2027 (EUR)	1,550,000	1,478	0.06
Republic Of Cameroon 9.5% 19/11/2025 (USD)	840,000	682	0.03
Romania 2% 28/01/2032 (EUR)	3,897,000	3,656	0.16
Russia 4.375% 21/03/2029 (USD)	4,200,000	3,583	0.16
Russia 5.25% 23/06/2047 (USD)	800,000	810	0.04
Southern Gas 6.875% 2026	3,140,000	2,776	0.12
Tajikistan 7.125% 14/09/2027 (USD)	2,277,000	1,430	0.06
Thailand 1.25% IL 12/03/2028	441,400,000	11,303	0.49
Turkey 4.875% 16/04/2043 (USD)	1,910,000	1,221	0.05
Ukraine 4.375% 27/01/2030 (EUR)	510,000	436	0.02
Ukraine 6.75% 20/06/2026 (EUR)	1,380,000	1,359	0.06
Ukraine 7.375% 25/09/2032 (USD)	850,000	683	0.03
Uruguay 4.975% 20/04/2055 (USD)	1,850,000	1,878	0.08
Uzbek Industrial And Con 5.75% 2024	1,500,000	1,147	0.05
Uzbekistan 5.375% 20/02/2029 (USD)	2,070,000	1,759	0.08
Government Bonds - 1.97% (16.41%)			
US TII 0.625% 15/02/2043	10,954,100	11,310	0.49
US TII 0.75% 15/02/2042	10,534,600	11,302	0.49

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
US TII 0.75% 15/02/2045	10,852,700	11,320	0.50
US TII 1.375% 15/02/2044	9,596,800	11,292	0.49
High Yield Credit - 4.45% (3.84%)			
ACI Worldwide 5.75% 2026 144A	416,000	322	0.01
Adient 7% 2026 (144A)	575,000	456	0.02
Alcoa 7% 2026 144A	876,000	682	0.03
Antero Resources 5.625% 2023	725,000	518	0.02
Ares Capital Corp	461,000	5,696	0.25
Aroundtown Properties 5.25% 2023 Perp	1,000,000	763	0.03
At Home Group 8.75% 2025 (144A)	600,000	475	0.02
Avantor 4.625% 2028 (144A)	904,000	699	0.03
Baillie Gifford High Yield Bond Fund C Acc ¹	8,500,000	34,323	1.50
Banijay 5.375% 2025 (144A)	650,000	492	0.02
Cable One 4% 2030 (144A)	640,000	486	0.02
Canpack 3.125% 2025 (144A)	1,100,000	812	0.04
Carnival 11.5% 2023 (144A)	559,000	473	0.02
Catalent 4.875% 2026 (144A)	869,000	648	0.03
CCO Holdings 4.5% 2030 (144A)	797,000	619	0.03
CCO Holdings 5.5% 2026 (144A)	696,000	528	0.02
Centurylink 7.6% 2039	854,000	759	0.03
ChampionX 6.375% 2026	630,000	465	0.02
Cheniere Energy 4.625% 2028 (144A)	1,260,000	970	0.04
Cincinnati Bell 7% 2024 (144A)	432,000	329	0.01
Cincinnati Bell 8% 2025 (144A)	722,000	563	0.03
Cogent Communications 5.375% 2022 (144A)	575,000	433	0.02
Colfax 6% 2024 144A	712,000	540	0.02
Compass Minerals International 6.75% 2027 (144A)	582,000	461	0.02
Darling Ingredients 5.25% 2027 (144A)	887,000	690	0.03
Dell 7.1% 2028	544,000	523	0.02
Enviva Partners 6.5% 2026 (144A)	603,000	469	0.02
First Cash 4.625% 2028 (144A)	1,140,000	860	0.04
FMG Resources 4.5% 2027 (144A)	850,000	691	0.03
Freeport McMoran 4.55% 2024	518,000	414	0.02
Frontdoor 6.75% 2026 144A	706,000	551	0.02

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Graham Holdings 5.75% 2026 (144A)	866,000	667	0.03
Hanesbrands 4.625% 2024 (144A)	578,000	443	0.02
HCA 5.875% 2026	1,068,000	898	0.04
HCA Inc. 5.5% 2047	380,000	368	0.02
Herbalife Nutrition 7.25% 2026 144A	913,000	709	0.03
Hilcorp Energy 6.25% 2028 (144A)	533,000	398	0.02
Invesco Senior Income Trust	1,050,000	3,042	0.13
IQVIA 5% 2026 (144A)	740,000	566	0.03
James Hardie 4.75% 2025 (144A)	951,000	708	0.03
Jefferies Finance 6.25% 2026 (144A)	610,000	462	0.02
LABL 6.75% 2026 (144A)	577,000	457	0.02
Land O'Lakes 7.25% Perp (144A)	828,000	589	0.03
Land O'Lakes 7.45% 2028 (144A)	121,000	102	0.00
Laredo Petroleum 10.125% 2028	1,010,000	619	0.03
Liberty Interactive 4% 2029 Convertible	163,000	91	0.00
Liberty Interactive 8.25% 2030	616,000	504	0.02
Liberty Latin America 2% 2024 Convertible (144A)	648,000	450	0.02
Liberty Puerto Rico 6.75% 2027 (144A)	719,000	567	0.03
Marks and Spencer 7.125% 2037 (144A)	600,000	491	0.02
Matador Resources 5.875% 2026	707,000	502	0.02
Match.com 5% 2027 144A	694,000	533	0.02
Match.com 5.625% 2029 144A	670,000	534	0.02
Meritor 4.5% 2028 (144A)	800,000	599	0.03
Meritor 6.25% 2024	294,000	219	0.01
Merlin Entertainments 5.75% 2026 (144A)	752,000	577	0.03
Millicom 4.5% 2031	450,000	356	0.02
Millicom 6.625% 2026 (144A)	440,000	344	0.02
Mueller Water Products 5.5% 2026 144A	572,000	434	0.02
NB Global Monthly Income Fund	3,739,619	3,051	0.13
Nemak 4.75% 2025	515,000	390	0.02
Neptune 6.625% 2025	694,000	490	0.02
Netflix 4.375% 2026 Reg S	690,000	560	0.02
Netflix 4.875% 2028	832,000	686	0.03
OCI 5.25% 2024 (144A)	863,000	656	0.03
Penske Automotive Group 5.5% 2026	621,000	471	0.02

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Popular 6.125% 2023	601,000	475	0.02
PTC 3.625% 15/02/2025 (144A)	593,000	446	0.02
PVH 4.625% 2025	630,000	517	0.02
QVC 4.375% 2023	601,000	461	0.02
Range Resources 4.875% 2025	438,000	303	0.01
Sally 8.75% 2025 (144A)	581,000	472	0.02
Sealed Air 6.875% 2033 (144A)	1,010,000	974	0.04
Sensata Technologies 5% 2025 (144A)	747,000	606	0.03
Sequoia Economic Infrastructure Income Fund	6,385,000	7,011	0.31
Service Corporation International 5.125% 2029	722,000	585	0.03
Sirius XM Radio 4.125% 2030 (144A)	1,063,000	825	0.04
Six Flags 7% 2025 (144A)	717,000	566	0.03
SNF 4.875% 2025 (144A)	1,281,000	966	0.04
Stars Group 7% 2026 144A	971,000	748	0.03
SWM 6.875% 2026 (144A)	589,000	457	0.02
Target Hospitality 9.5% 2024 (144A)	758,000	487	0.02
Townsquare 6.5% 2023 (144A)	667,000	497	0.02
TransDigm Gp 6.25% 2026 144A	592,000	463	0.02
TTM Technologies 5.625% 2025 144A	638,000	478	0.02
Vermilion Energy 5.625% 2025 (144A)	856,000	538	0.02
Virgin Media 5.5% 2026 (144A)	980,000	745	0.03
Voya Prime Rate Trust	571,000	1,867	0.08
Weight Watchers 8.625% 2025 (144A)	721,000	549	0.02
Wolverine 5% 2026 (144a)	761,000	566	0.03
XPO Logistics 6.25% 2025 (144A)	438,000	344	0.02
XPO Logistics 6.5% 2022 (144A)	57,000	42	0.00
Ziggo 4.875% 2030 (144A)	894,000	687	0.03
Infrastructure - 17.42% (9.40%)			
3i Infrastructure	1,981,551	6,103	0.27
Ameren	139,344	7,952	0.35
American Electric Power	152,100	9,259	0.40
Avangrid	345,130	11,470	0.50
BBGI	4,557,022	7,911	0.34
Brookfield Renewable	308,545	13,153	0.57

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Consolidated Edison	176,540	9,328	0.41
DTE Energy Company	111,700	9,918	0.43
E.ON SE	1,112,000	9,050	0.39
EDP Renovaveis	739,140	15,084	0.66
Elia Gp SA/NV	107,000	9,328	0.41
Enel SpA	1,625,000	12,038	0.53
Eversource Energy	132,646	8,394	0.37
Foresight Solar Fund	13,742,244	14,017	0.61
Greencoat Renewables	12,572,996	13,167	0.57
Greencoat UK Wind	11,389,319	15,262	0.67
HICL Infrastructure Plc	20,499,045	35,504	1.55
Hydro One	617,334	10,145	0.44
Iberdrola SA	867,272	9,083	0.40
International Public Partnerships	12,982,650	22,071	0.96
Italgas S.p.A	3,485,550	16,177	0.71
John Laing Environmental Assets Group	7,360,653	8,391	0.37
John Laing Group	8,040,741	26,695	1.16
Keppel Infrastructure Trust	18,277,600	5,463	0.24
Korea Electric Power	420,826	7,765	0.34
NextEnergy Solar Fund	18,348,655	19,560	0.85
Orsted	79,300	11,906	0.52
Red Eléctrica Corporación	862,000	12,943	0.56
Renewables Infrastructure Group	15,834,756	20,142	0.88
RWE	286,000	8,845	0.39
Terna	2,326,000	13,012	0.57
Investment Grade Credit - 3.36% (2.11%)			
Baillie Gifford Worldwide Global Credit Fund C Acc USD ¹	4,230,000	54,828	2.39
Rabobank 6.5% Perp	18,384,950	21,763	0.95
Svenska Handelsbanken 4.375% 2027 Perp	600,000	459	0.02
Listed Equities - 28.37% (21.43%)			
Ashtead	106,000	3,644	0.16
Baillie Gifford American Fund C Acc ¹	3,133,214	67,521	2.95

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹	17,530,000	129,932	5.67
Baillie Gifford European Fund C Accum ¹	2,089,000	83,205	3.63
Baillie Gifford UK Equity Alpha Fund C Accum ¹	5,956,013	53,985	2.36
Baillie Gifford Worldwide Japanese Fund C Acc GBP ¹	2,894,400	72,696	3.17
BHP Group Plc	203,220	3,912	0.17
Booking Holdings Inc	2,230	3,625	0.16
CBRE Group Inc	79,210	3,633	0.16
CRH (LON)	111,830	3,420	0.15
CS CSI 500 NTR index + 10.5%	33,270	30,996	1.35
Dufry	84,150	3,869	0.17
FirstCash	73,200	3,751	0.16
Fraport (Flughaven)	87,460	3,819	0.17
Galaxy Entertainment Group	580,000	3,297	0.14
Greggs	202,730	3,629	0.16
GS CSI 500 NTR index + 10.5%	33,500	32,204	1.41
GS CSI 500 NTR index + 11.75%	28,500	21,223	0.93
Hays	2,585,310	3,697	0.16
Howard Hughes	65,560	3,786	0.17
JC Decaux	195,810	3,256	0.14
Kuehne & Nagel	21,600	3,590	0.16
Lyft Inc	122,500	4,403	0.19
Martin Marietta Materials	16,770	3,484	0.15
Pershing Square Holdings	153,000	3,917	0.17
Rio Tinto	70,850	3,876	0.17
Royal Caribbean Cruises	63,000	3,440	0.15
Ryanair	244,680	3,560	0.16
Sands China	1,036,800	3,331	0.15
Six Flags Entertainment Corp	160,000	3,991	0.17
SSP	1,118,910	3,713	0.16
UBS CSI 500 NTR index + 12%	285,000	21,377	0.93
UBS CSI 500 NTR index + 8.25%	460,000	44,696	1.95
Whitbread	124,260	3,851	0.17
Wizz Air Holdings Plc	76,850	3,507	0.15

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Property - 9.51% (10.53%)			
ADO Properties	77,627	2,005	0.09
Alstria Office	597,152	7,863	0.34
British Land	3,207,664	15,686	0.69
Covivio REIT	61,402	4,128	0.18
Deutsche Wohnen	829,053	32,340	1.41
Gecina	71,713	8,088	0.35
Hibernia	9,578,839	9,894	0.43
Icade	75,785	4,236	0.19
Land Securities	2,011,944	13,540	0.59
LEG Immobilien	211,210	24,082	1.05
LondonMetric Property	3,594,712	8,232	0.36
LXi REIT	4,554,580	5,393	0.24
Merlin Properties	20	0	0.00
Segro Plc	1,835,891	17,371	0.76
Target Healthcare Reit Plc	3,371,353	3,830	0.17
Tritax Big Box REIT	15,834,900	26,444	1.15
UK Commercial Property Trust	15,709,061	10,839	0.47
Vonovia SE	448,292	23,867	1.04
Structured Finance - 5.18% (4.75%)			
ACCUN 2X D ²	1,000,000	863	0.04
ACCUN 3X D ²	3,800,000	3,269	0.14
ACLO 1X CRRE ²	2,000,000	1,794	0.08
ALME 4X DR ²	1,760,000	1,534	0.07
ALME 5X C1R ²	3,000,000	2,669	0.12
AVOCA 16X DR ²	2,000,000	1,742	0.08
BCGE 2018-1X D ²	1,500,000	1,266	0.05
BECLO 7X D ²	1,500,000	1,297	0.06
BLUME 3X D ²	2,875,000	2,523	0.11
CADOG 11X D ²	1,500,000	1,308	0.06
CADOG 5X CR ²	2,000,000	1,778	0.08
CGMSE 2014-1A C1RN ²	1,775,000	1,546	0.07
CGMSE 2016-1X CR ²	2,000,000	1,693	0.07
CGMSE 2017-3X C ²	4,000,000	3,355	0.15

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
CGMSE 2018-2X C ²	1,100,000	964	0.04
CRNCL 2016-7X D ²	2,000,000	1,782	0.08
GLGE 1X CRR ²	2,000,000	1,724	0.07
GLGE 4X D ²	4,000,000	3,321	0.14
GRIPK 1X CR ²	4,250,000	3,780	0.16
HARVT 15X DR ²	4,500,000	3,830	0.17
HARVT 16X DRE ²	3,000,000	2,650	0.11
HARVT 19X D ²	1,500,000	1,253	0.05
HARVT 21X D ²	1,000,000	892	0.04
HSBC Global Asset Backed High Yield Bond Fund	1,200,000	10,674	0.47
JUBIL 2016-17X DR ²	5,000,000	4,437	0.19
JUBIL 2017-18X D ²	2,000,000	1,759	0.08
LWMC 2016-FL1 B ²	1,500,000	1,505	0.07
LWMC 2017-FL1 C ²	990,000	991	0.04
MRLPK 1X B ²	2,300,000	2,014	0.09
PENTA 2018-4X C ²	1,000,000	871	0.04
Plutus CLO Fund	408,437	42,555	1.86
TwentyFour Income Fund	6,600,000	6,930	0.30
Derivatives - 0.95% (0.11%)			
Forward currency contracts (see Table 1)		21,781	0.95
Futures contracts (see Table 2)		-	0.00
Portfolio of investments		2,188,645	95.54
Cash Equivalents - 0.00% (5.51%)			
Other Assets - 4.46% (3.36%)		102,079	4.46
Net assets		2,290,724	100.00

¹Baillie Gifford Investment Funds ICVC related party (please refer to note 11).

²This stock has been valued using a single broker quote and therefore is categorised as level 3 in note 13.

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 December 2019.

Portfolio Statement as at 31 December 2020 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	13/01/21	GBP	70,448,295	EUR	78,100,000	527	0.02
Barclays Bank	13/01/21	GBP	358,283,172	USD	471,700,000	13,242	0.58
Barclays Bank	13/01/21	JPY	8,443,000,000	GBP	62,118,549	(2,291)	(0.10)
Barclays Bank	21/01/21	KRW	50,400,000,000	GBP	34,188,034	(273)	(0.01)
Barclays Bank	21/01/21	MXN	615,000,000	GBP	22,278,848	244	0.01
Barclays Bank	27/01/21	GBP	77,854,692	USD	102,800,000	2,666	0.12
Barclays Bank	10/02/21	GBP	63,975,320	USD	86,300,000	859	0.04
Barclays Bank	25/03/21	THB	1,130,000,000	GBP	27,880,582	(300)	(0.01)
Barclays Bank	22/04/21	GBP	24,511,729	ZAR	538,000,000	(1,907)	(0.08)
Citigroup	13/01/21	GBP	24,625,333	EUR	27,300,000	184	0.01
Citigroup	20/01/21	GBP	24,343,694	BRL	170,000,000	410	0.02
Citigroup	10/02/21	GBP	76,874,168	USD	103,700,000	1,032	0.04
Citigroup	25/02/21	GBP	36,247,218	EUR	39,860,000	536	0.02
Citigroup	25/02/21	JPY	3,200,000,000	GBP	22,945,202	(265)	(0.01)
Citigroup	11/03/21	GBP	18,296,683	BRL	127,000,000	449	0.02
Citigroup	11/03/21	RUB	660,000,000	GBP	6,593,407	(118)	(0.01)
Citigroup	25/03/21	CHF	38,700,000	GBP	32,939,254	(847)	(0.04)
Citigroup	25/03/21	GBP	19,185,921	USD	25,200,000	760	0.03
Citigroup	25/03/21	RUB	1,300,000,000	GBP	12,756,776	(21)	0.00
Citigroup	22/04/21	GBP	4,875,009	ZAR	107,000,000	(379)	(0.02)
Deutsche Bank	25/02/21	GBP	44,013,179	EUR	48,400,000	651	0.03
Deutsche Bank	25/02/21	PLN	94,000,000	GBP	19,260,716	(807)	(0.04)
HSBC	13/01/21	GBP	93,134,270	EUR	103,250,000	697	0.03
HSBC	10/02/21	GBP	319,585,805	EUR	354,200,000	2,332	0.10
HSBC	25/02/21	GBP	25,916,851	EUR	28,500,000	383	0.02
HSBC	25/03/21	ILS	146,000,000	GBP	33,155,169	142	0.01
JP Morgan Chase	13/01/21	GBP	167,593,934	CHF	200,830,000	1,337	0.06
JP Morgan Chase	13/01/21	GBP	6,314,187	EUR	7,000,000	47	0.00
JP Morgan Chase	13/01/21	JPY	17,530,000,000	GBP	128,975,264	(4,757)	(0.21)
JP Morgan Chase	21/01/21	MXN	5,000,000	GBP	181,129	2	0.00
JP Morgan Chase	27/01/21	GBP	31,656,869	USD	41,800,000	1,084	0.05
JP Morgan Chase	18/02/21	GBP	20,372,684	HUF	8,100,000,000	389	0.02
JP Morgan Chase	25/02/21	JPY	550,000,000	GBP	3,943,706	(46)	0.00
JP Morgan Chase	25/03/21	GBP	40,732,016	USD	53,500,000	1,614	0.07
JP Morgan Chase	25/03/21	RUB	340,000,000	GBP	3,336,387	(6)	0.00

Portfolio Statement as at 31 December 2020 cont.

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
National Australia Bank	13/01/21	GBP	34,135,272	AUD	61,600,000	(640)	(0.03)
National Australia Bank	13/01/21	GBP	57,206,068	NZD	108,600,000	6	0.00
National Australia Bank	25/02/21	JPY	2,300,000,000	GBP	16,491,864	(191)	(0.01)
National Australia Bank	25/03/21	GBP	46,289,842	USD	60,800,000	1,835	0.08
National Australia Bank	08/04/21	AUD	83,100,000	GBP	46,091,256	826	0.04
Royal Bank of Canada	13/01/21	GBP	231,047,502	CAD	400,650,000	999	0.04
Royal Bank of Canada	21/01/21	GBP	9,085,692	CAD	15,500,000	186	0.01
Royal Bank of Canada	21/01/21	GBP	14,105,290	EUR	15,623,670	116	0.00
Royal Bank of Canada	21/01/21	USD	18,497,800	GBP	14,075,869	(546)	(0.02)
Royal Bank of Canada	25/03/21	GBP	37,199,373	CAD	64,300,000	289	0.01
Royal Bank of Scotland	13/01/21	GBP	15,950,705	USD	21,000,000	590	0.03
Royal Bank of Scotland	21/01/21	NOK	545,630,000	GBP	46,857,717	(246)	(0.01)
Royal Bank of Scotland	10/02/21	GBP	38,474,150	USD	51,900,000	516	0.02
Standard Chartered Bank	10/02/21	GBP	37,584,573	USD	50,700,000	504	0.02
Standard Chartered Bank	20/05/21	IDR	436,000,000,000	GBP	22,612,036	(33)	0.00
Unrealised gains/(losses) on open forward currency contracts						21,781	0.95

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro Buxl 30yr Bund March 2021	10/03/21	(92)	-	0.00
Euro-Bobl Future March 2021	10/03/21	(249)	-	0.00
S&P 500 Emini Index Future March 2021	19/03/21	(166)	-	0.00
US Ultra Long (CBT) March 2021	31/03/21	(308)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Portfolio Statement as at 31 December 2020 cont.

Breakdown of portfolio of investments

	2020		2019	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Bonds - Direct	584,574	25.52	544,925	26.94
Bonds - Indirect	239,640	10.46	268,913	13.29
Commodities - Indirect	181,780	7.94	103,729	5.13
Derivatives	21,781	0.95	2,242	0.11
Equities - Direct	399,136	17.42	190,087	9.40
Equities - Indirect	543,896	23.74	520,162	25.72
Property - Indirect	217,838	9.51	213,042	10.53
Portfolio of investments	2,188,645	95.54	1,843,100	91.12

Comparative Tables

Comparative Table: B1 Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	124.78	111.25	116.86
Return before operating charges*	4.72	14.22	(4.92)
Operating charges	(0.70)	(0.69)	(0.69)
Return after operating charges*	4.02	13.53	(5.61)
Distributions	(1.69)	(2.28)	(2.93)
Retained distributions on accumulation shares	1.69	2.28	2.93
Closing net asset value per share	128.80	124.78	111.25
*After direct transaction costs of:	0.10	0.05	0.06
Performance:			
Return after charges	3.22%	12.16%	(4.80)%
Other Information:			
Closing net asset value (£'000)	835,827	766,876	378,042
Closing number of shares	648,941,227	614,563,500	339,800,630
Operating charges	0.58%	0.57%	0.60%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	129.6	125.2	119.4
Lowest share price (pence)	102.8	110.8	110.5

Comparative Tables cont.

Comparative Table: B2 Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	125.39	111.80	117.43
Return before operating charges*	4.73	14.29	(4.93)
Operating charges	(0.70)	(0.70)	(0.70)
Return after operating charges*	4.03	13.59	(5.63)
Distributions	(1.69)	(2.30)	(2.95)
Retained distributions on accumulation shares	1.69	2.30	2.95
Closing net asset value per share	129.42	125.39	111.80
*After direct transaction costs of:	0.10	0.05	0.06
Performance:			
Return after charges	3.21%	12.16%	(4.79)%
Other Information:			
Closing net asset value (£'000)	158,669	149,632	164,358
Closing number of shares	122,595,483	119,331,893	147,016,411
Operating charges	0.58%	0.58%	0.60%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	130.2	125.8	119.9
Lowest share price (pence)	103.3	111.3	111.0

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	117.34	106.58	114.93
Return before operating charges*	4.35	13.58	(4.81)
Operating charges	(0.65)	(0.65)	(0.67)
Return after operating charges*	3.70	12.93	(5.48)
Distributions on income shares	(1.59)	(2.17)	(2.87)
Closing net asset value per share	119.45	117.34	106.58
 *After direct transaction costs of:	 0.09	 0.05	 0.06
Performance:			
Return after charges	3.15%	12.13%	(4.77)%
Other Information:			
Closing net asset value (£'000)	278,983	300,153	160,884
Closing number of shares	233,546,554	255,798,957	150,947,694
Operating charges	0.58%	0.57%	0.60%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	121.1	119.0	117.4
Lowest share price (pence)	96.63	106.1	107.6

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	127.93	113.49	118.61
Return before operating charges*	4.88	14.54	(5.00)
Operating charges	(0.10)	(0.10)	(0.12)
Return after operating charges*	4.78	14.44	(5.12)
Distributions	(2.36)	(2.94)	(3.57)
Retained distributions on accumulation shares	2.36	2.94	3.57
Closing net asset value per share	132.71	127.93	113.49
*After direct transaction costs of:	0.10	0.05	0.06
Performance:			
Return after charges	3.74%	12.72%	(4.32)%
Other Information:			
Closing net asset value (£'000)	944,960	761,202	479,363
Closing number of shares	712,056,524	595,011,464	422,379,376
Operating charges	0.08%	0.08%	0.10%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	133.5	128.3	121.2
Lowest share price (pence)	105.5	113.0	112.7

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	119.08	108.16	116.63
Return before operating charges*	4.45	13.81	(4.86)
Operating charges	(0.09)	(0.09)	(0.12)
Return after operating charges*	4.36	13.72	(4.98)
Distributions on income shares	(2.19)	(2.80)	(3.49)
Closing net asset value per share	121.25	119.08	108.16
 *After direct transaction costs of:	 0.09	 0.05	 0.06
Performance:			
Return after charges	3.66%	12.68%	(4.27)%
Other Information:			
Closing net asset value (£'000)	30,384	10,275	8,828
Closing number of shares	25,059,108	8,628,317	8,161,652
Operating charges	0.08%	0.08%	0.10%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	123.4	121.2	119.2
Lowest share price (pence)	98.17	107.7	109.6

Comparative Tables cont.

Comparative Table: J Accumulation Shares

	Financial Period Ended 31 December 2020 (pence per share)
Change in net assets per share:	
Opening net asset value per share	107.00 ²
Return before operating charges*	23.42
Operating charges	(0.41)
Return after operating charges*	23.01
Distributions	(1.41)
Retained distributions on accumulation shares	1.41
Closing net asset value per share	130.01
*After direct transaction costs of:	0.08
Performance:	
Return after charges	21.50%
Other Information:	
Closing net asset value (£'000)	58
Closing number of shares	44,754
Operating charges	0.43%
Direct transaction costs ¹	0.08%
Prices:	
Highest share price (pence)	130.8
Lowest share price (pence)	107.0

Comparative Tables cont.

Comparative Table: J Income Shares

		Financial Period Ended 31 December 2020 (pence per share)
Change in net assets per share:		
Opening net asset value per share		99.00 ²
Return before operating charges*		21.64
Operating charges		(0.39)
Return after operating charges*		21.25
Distributions on income shares		(1.30)
Closing net asset value per share		118.95
*After direct transaction costs of:		0.07
Performance:		
Return after charges		21.46%
Other Information:		
Closing net asset value (£'000)		43
Closing number of shares		35,924
Operating charges		0.44%
Direct transaction costs ¹		0.08%
Prices:		
Highest share price (pence)		120.6
Lowest share price (pence)		99.00

Comparative Tables cont.

Comparative Table: P Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	125.73	111.94	117.46
Return before operating charges*	4.76	14.32	(4.94)
Operating charges	(0.52)	(0.53)	(0.58)
Return after operating charges*	4.24	13.79	(5.52)
Distributions	(1.90)	(2.46)	(3.05)
Retained distributions on accumulation shares	1.90	2.46	3.05
Closing net asset value per share	129.97	125.73	111.94
*After direct transaction costs of:	0.10	0.05	0.06
Performance:			
Return after charges	3.37%	12.32%	(4.70)%
Other Information:			
Closing net asset value (£'000)	41,796	34,568	3,939
Closing number of shares	32,158,948	27,494,697	3,518,445
Operating charges	0.43%	0.43%	0.50%
Direct transaction costs ¹	0.08%	0.04%	0.05%
Prices:			
Highest share price (pence)	130.8	126.1	120.0
Lowest share price (pence)	103.6	111.5	111.2

Comparative Tables cont.

Comparative Table: Q Income Shares

	Financial Period Ended 31 December 2020 (pence per share)
Change in net assets per share:	
Opening net asset value per share	111.00 ³
Return before operating charges*	7.45
Operating charges	(0.04)
Return after operating charges*	7.41
Distributions on income shares	(0.81)
Closing net asset value per share	117.60
 *After direct transaction costs of:	 0.04
Performance:	
Return after charges	6.68%
Other Information:	
Closing net asset value (£'000)	4
Closing number of shares	3,604
Operating charges	0.08%
Direct transaction costs ¹	0.08%
Prices:	
Highest share price (pence)	119.2
Lowest share price (pence)	110.5

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. Commission is also payable to the counterparty on the trading of futures contracts.

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.

²Class J Shares were launched on 30 March 2020.

³Class Q Income Shares were launched on 31 July 2020.

Financial Statements

Statement of Total Return for the year ended 31 December 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		51,519		147,009
Revenue	3	40,360		42,697	
Expenses	4	(6,441)		(5,570)	
Net revenue before taxation		33,919		37,127	
Taxation	5	(935)		(1,467)	
Net revenue after taxation			32,984		35,660
Total return before distributions			84,503		182,669
Distributions	6		(32,988)		(35,523)
Change in net assets attributable to shareholders from investment activities			51,515		147,146

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,022,706		1,195,414
Amounts receivable on issue of shares	443,168		725,907	
Amounts payable on cancellation of shares	(258,213)		(80,710)	
		184,955		645,197
Dilution adjustment		1,837		1,302
Change in net assets attributable to shareholders from investment activities		51,515		147,146
Retained distributions on accumulation shares		29,711		33,647
Closing net assets attributable to shareholders		2,290,724		2,022,706

Financial Statements cont.

Balance Sheet as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	2,202,317	1,860,430
Current assets:			
Debtors	8	25,949	24,065
Cash and bank balances	9	118,992	59,606
Cash equivalents		-	111,542
Total assets		2,347,258	2,055,643
Liabilities:			
Investment liabilities	13	(13,672)	(17,330)
Creditors:			
Bank overdrafts	9	-	(638)
Distributions payable		(2,414)	(3,399)
Other creditors	10	(40,448)	(11,570)
Total liabilities		(56,534)	(32,937)
Net assets attributable to shareholders		2,290,724	2,022,706

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020			2019		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities	(34,890)	164,305	129,415	27,184	93,860	121,044
Derivative contracts	(26,589)	-	(26,589)	(5,154)	-	(5,154)
Forward currency contracts	(71,560)	21,781	(49,779)	28,769	2,241	31,010
Currency gains/(losses)	(1,078)	(424)	(1,502)	220	(96)	124
Custodian transaction costs			(27)			(15)
Net capital gain/(losses)			51,518			147,009

Where realised gains/(losses) include gains/(losses) arising from prior years, a corresponding (loss)/gain is included within the unrealised gains/(losses) presented.

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	548,258	478,287
Gross purchases of equities excluding transaction costs	376,041	293,441
Commissions	173	76
Taxes	782	540
Total transaction costs on equity purchases²	955	616
Gross purchases of funds excluding transaction costs	496,658	396,271
Commissions on purchases of funds	113	45
Taxes on purchases of funds	150	-
Total transaction costs on fund purchases²	263	45
Purchases including transaction costs	1,422,175	1,168,660

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

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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.05	0.03
Taxes on equity purchases	0.21	0.18
Commission on fund purchases	0.02	0.01
Taxes on fund purchases	0.04	0.00
	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	575,485	226,289
Gross sales of equities excluding transaction costs	55,672	69,431
Commissions	(37)	(37)
Taxes	(2)	(1)
Total transaction costs on equity sales²	(39)	(38)
Gross sales of funds excluding transaction costs	605,492	176,246
Commissions on sales of funds	(107)	(27)
Taxes on sales of funds	(37)	-
Total transaction costs on fund sales²	(144)	(27)
Sales net of transaction costs	1,236,466	471,901

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

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.07)	(0.05)
Taxes on equity sales	(0.00)	(0.00)
Commission on fund sales	(0.02)	(0.02)
Taxes on fund sales	(0.01)	0.00

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020		2019	
	£'000		£'000	
Transaction cost on derivative contracts				
Commission on trading futures contracts	85		30	
	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	515	0.03	215	0.01
Taxes	971	0.05	541	0.03
Total direct transaction costs	1,486	0.08	756	0.04
	2020		2019	
	%		%	
Average portfolio dealing spread	0.26		0.09	

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.

Notes to the Financial Statements cont.

3 Revenue

	2020	2019
	£'000	£'000
UK dividends ¹	7,147	4,594
Overseas dividends ¹	12,522	8,882
Property income distributions ¹	2,119	4,292
Interest on debt securities ¹	18,308	24,402
Bank interest	-	424
Management fee rebates from third party funds	264	103
Total revenue	40,360	42,697

¹Includes income from relevant Collective Investment Schemes.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	6,114	5,268
Expenses rebate	(12)	-
	6,102	5,268
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	169	136
Bank charges	139	144
Bank overdraft interest	11	-
	319	280
Other expenses:		
Audit fee	13	11
Non-audit fees paid to auditor	2	2
Professional fees	5	9
	20	22
Total expenses	6,441	5,570

Notes to the Financial Statements cont.

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	658	587
Irrecoverable tax on property income distributions	404	848
Prior year tax reclaims written off	-	32
Tax recoverable on overseas dividends	(127)	-
Total taxation	935	1,467

The Fund is subject to corporation tax at 20% (2019: 20%), however, the Fund operates under the Tax Elected Fund regime, and therefore the Fund has made distributions divided between dividend distributions and non-dividend distributions. The non-dividend distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The deduction of non-dividend distributions has been restricted to reflect the priority utilisation of the management expenses incurred by the Fund in the year, as per regulation 13 (1A) of SI2006/964. This results in no excess management expenses or non-dividend distributions being carried forward.

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	33,919	37,127
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	6,784	7,425
Effects of:		
Non-taxable UK dividends	(1,429)	(919)
Non-taxable overseas dividends	(2,454)	(1,719)
Non-taxable property income distributions	(424)	(858)
Non-dividend distributions	(2,477)	(3,929)
Overseas tax on dividends	581	466
Irrecoverable tax on property income distributions	404	848
Overseas tax on coupons	77	121
Prior year tax reclaims written off	-	32
Tax recoverable on overseas dividends	(127)	-
Total taxation	935	1,467

Notes to the Financial Statements cont.

6 Distributions

	2020	2019
	£'000	£'000
Interim to 30 June	12,777	14,032
Final to 31 December	21,191	25,286
	33,968	39,318
Amounts deducted on cancellation of shares	2,113	1,062
Amounts added on issue of shares	(3,093)	(4,857)
Total distributions	32,988	35,523

The distributions take account of income 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

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	32,984	35,660
Add expenses allocated to capital	1	-
Add distributable revenue brought forward	201	64
Less distributable revenue carried forward	(198)	(201)
Net distributions for the year	32,988	35,523

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	811	208
Sales awaiting settlement	15,776	7,539
Accrued income	3,682	4,188
Overseas tax recoverable	101	85
VAT recoverable	2	6
Collateral held by counterparties	5,430	11,985
Amounts due from ACD	12	-
Other debtors	135	54
Total debtors	25,949	24,065

Notes to the Financial Statements cont.

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling amounts held at clearing houses and brokers	140	-
Foreign amounts held at clearing houses and brokers	3,147	3,666
Sterling bank accounts	109,883	51,048
Foreign currency bank accounts	5,822	4,892
Sterling amounts held at clearing houses and brokers overdrawn	-	(638)
Total cash and bank balances	118,992	58,968

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	1,172	299
Purchases awaiting settlement	31,848	2,833
Due to the ACD or associates	558	537
Due to the Depositary or associates	60	52
Collateral held on behalf of counterparty	6,790	7,815
Capital gains tax provision	-	17
Other accrued expenses	21	17
Total other creditors	40,449	11,570

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. 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.

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.

	2020			2019		
	Purchases £'000	Sales £'000	Income £'000	Purchases £'000	Sales £'000	Income £'000
Baillie Gifford American Fund C Acc	-	-	46	3,826	-	41
Baillie Gifford Emerging Markets Bond Fund C Acc	22,756	91,497	3,346	96,977	67,498	7,761
Baillie Gifford Emerging Markets Leading Companies Fund C Acc	-	17,966	2,579	26,876	4,561	1,016
Baillie Gifford European Fund C Acc	15,822	76,236	744	19,064	-	682
Baillie Gifford High Yield Bond Fund C Acc	9,589	3,699	1,240	33,101	16,401	1,013
Baillie Gifford UK Equity Alpha Fund C Acc	-	-	849	12,154	-	471
Baillie Gifford Worldwide Global Credit Fund C Acc USD	24,238	15,462	-	12,363	-	-
Baillie Gifford Worldwide Japanese Fund C Acc GBP	-	-	-	19,716	23,438	-

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:

	2020	2019
	%	%
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 31.12.19	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 31.12.20
B1 Accumulation Shares	614,563,500	186,413,358	(144,520,144)	(7,515,487)	648,941,227
B Income Shares	255,798,957	11,622,670	(11,835,789)	(22,039,284)	233,546,554
B2 Accumulation Shares	119,331,893	9,505,378	(6,241,788)	-	122,595,483
C Accumulation Shares	595,011,464	151,320,247	(45,847,096)	11,571,909	712,056,524
C Income Shares	8,628,317	-	(625,378)	17,056,169	25,059,108
J Accumulation Shares	-	45,689	(935)	-	44,754
J Income Shares	-	36,944	(1,020)	-	35,924
P Accumulation Shares	27,494,697	5,900,212	(1,235,961)	-	32,158,948
Q Income Shares	-	3,604	-	-	3,604

13 Basis of valuation

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1: Quoted prices	933,913	-	805,227	-
Level 2: Observable market data	1,149,667	(13,672)	985,429	(17,330)
Level 3: Unobservable data ¹	118,737	-	69,774	-
Total	2,202,317	(13,672)	1,860,430	(17,330)

¹For further information on the assets included in Level 3, as at 31 December 2020, please refer to the Portfolio Statement.

14 Credit ratings

	2020		2019	
Rating Block	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	223,012	9.74	455,384	22.51
High Yield	143,575	6.27	89,541	4.43
Unrated	217,988	9.52	-	-
Total Bonds - Direct	584,575	25.53	544,925	26.94
Other	1,706,148	74.47	1,477,782	73.06
Net Assets	2,290,723	100.00	2,022,707	100.00

Notes to the Financial Statements cont.

15 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)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	12,142	12,142	1,394	(1,481)	(87)
Brazilian real	-	(6,821)	(6,821)	-	41,061	41,061
Canadian dollar	-	(265,714)	(265,714)	-	(147,267)	(147,267)
Chinese yuan	-	63,075	63,075	-	-	-
Colombian peso	-	-	-	-	-	-
Danish krone	-	11,906	11,906	-	-	-
Egyptian pound	-	-	-	-	2,073	2,073
Euro	756	(291,432)	(290,676)	1,566	(131,356)	(129,790)
Hong Kong dollar	-	6,628	6,628	-	-	-
Hungarian forint	-	(19,984)	(19,984)	-	-	-
Indian rupee	1	-	1	1	11,943	11,944
Indonesian rupiah	-	45,441	45,441	-	43,134	43,134
Israeli new shekel	-	33,297	33,297	-	-	-
Japanese yen	-	226,924	226,924	276	145,509	145,785
Malaysian ringgit	-	-	-	-	4,692	4,692
Mexican peso	-	22,706	22,706	-	-	-
New Zealand dollar	-	(57,201)	(57,201)	-	-	-
Norwegian krona	-	46,612	46,612	-	49,839	49,839
Peruvian nuevo sol	-	-	-	-	8,856	8,856
Polish zloty	-	18,454	18,454	-	-	-
Romanian leu	-	-	-	-	(28,076)	(28,076)
Russian ruble	-	22,542	22,542	-	46,494	46,494
Singapore dollar	-	5,463	5,463	-	4,705	4,705
South African rand	-	(31,673)	(31,673)	-	(29,688)	(29,688)
South Korean won	-	41,680	41,680	-	(114,942)	(114,942)
Swedish krona	-	-	-	-	19,376	19,376
Swiss franc	-	(126,706)	(126,706)	-	(122,070)	(122,070)
Thai baht	-	38,884	38,884	-	(58,714)	(58,714)
Turkish lira	-	-	-	-	(8,900)	(8,900)
UK sterling	108,663	2,424,512	2,533,175	54,579	2,261,077	2,315,656
US dollar	8,212	(32,091)	(23,879)	5,322	(90,026)	(84,704)

Short term debtors and creditors have not been disclosed.

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2020				2019			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Australian dollar	-	-	46,917	46,917	39,920	-	-	39,920
Brazilian real	-	34,960	-	34,960	-	-	41,061	41,061
Canadian dollar	-	-	10,145	10,145	-	-	6,936	6,936
Chinese yuan	-	63,075	-	63,075	-	-	-	-
Colombian peso	-	-	-	-	-	-	-	-
Danish krone	-	-	11,906	11,906	-	-	-	-
Egyptian pound	-	-	-	-	-	2,073	-	2,073
Euro	56,670	35,705	245,865	338,240	145,608	5,848	168,623	320,079
Hong Kong dollar	-	-	6,628	6,628	-	-	-	-
Indian rupee	1	-	-	1	1	11,943	-	11,944
Indonesian rupiah	-	22,862	22,579	45,441	-	4,368	38,766	43,134
Israeli new shekel	-	-	33,297	33,297	-	-	-	-
Japanese yen	-	-	226,924	226,924	61,264	-	84,520	145,784
Malaysian ringgit	-	-	-	-	-	-	4,692	4,692
Mexican peso	-	-	22,706	22,706	-	-	-	-
Norwegian krona	-	-	46,612	46,612	-	-	49,839	49,839
Peruvian nuevo sol	-	-	-	-	-	8,856	-	8,856
Polish zloty	-	-	18,454	18,454	-	-	-	-
Russian ruble	-	-	22,542	22,542	-	-	46,494	46,494
Singapore dollar	-	-	5,463	5,463	-	-	4,705	4,705
South Korean won	-	-	41,680	41,680	-	-	4,530	4,530
Swedish krona	-	-	-	-	-	-	19,376	19,376
Swiss franc	-	-	39,551	39,551	-	-	-	-
Thai baht	-	11,303	27,581	38,884	-	-	-	-
UK sterling	221,935	-	2,874,711	3,096,646	332,863	111,542	2,223,433	2,667,838
US dollar	53,436	365,093	339,751	758,280	229,767	110,123	138,295	478,185

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2020				2019			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Australian dollar	-	-	34,775	34,775	-	-	40,007	40,007
Brazilian real	-	-	41,781	41,781	-	-	-	-
Canadian dollar	-	-	275,859	275,859	-	-	154,204	154,204
Euro	-	-	628,916	628,916	-	-	449,871	449,871
Hungarian forint	-	-	19,984	19,984	-	-	-	-
New Zealand dollar	-	-	57,201	57,201	-	-	-	-
Romanian leu	-	-	-	-	-	-	28,076	28,076
South African rand	-	-	31,673	31,673	-	-	29,688	29,688
South Korean won	-	-	-	-	-	-	119,472	119,472
Swiss franc	-	-	166,257	166,257	-	-	122,070	122,070
Thai baht	-	-	-	-	-	-	58,714	58,714
Turkish lira	-	-	-	-	-	-	8,900	8,900
UK sterling	6,790	-	556,682	563,472	8,453	-	295,325	303,778
US dollar	-	-	782,159	782,159	-	-	562,889	562,889

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.

Notes to the Financial Statements cont.

16 Derivative exposure

The exposure to derivative counterparties was:

Counterparty	2020					2019				
	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	17,538	-	-	(6,760)	10,778	6,193	-	-	-	6,193
CitiGroup	3,371	-	-	-	3,371	4,251	-	-	(5,470)	(1,219)
Deutsche Bank	651	-	-	-	651	-	-	-	-	-
HSBC	3,554	-	-	-	3,554	2,012	-	-	-	2,012
JP Morgan Chase	4,473	-	-	-	4,473	1,197	-	-	-	1,197
National Australia Bank	2,667	-	-	-	2,667	170	-	-	(860)	(690)
Royal Bank of Canada	1,589	-	-	-	1,589	2,265	-	-	-	2,265
Royal Bank of Scotland	1,106	-	-	(30)	1,076	1,170	-	-	-	1,170
Standard Chartered Bank	504	-	-	-	504	2,314	-	-	(1,485)	829

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.

Collateral pledged on derivatives was:

	2020	2019
	£'000	£'000
Cash collateral pledged on derivatives		
Barclays	-	600
CitiGroup	420	-
Deutsche Bank	435	-
HSBC	2,370	1,380
JP Morgan Chase	700	4,510
National Australia Bank	320	-
Royal Bank of Canada	820	265
Royal Bank of Scotland	-	5,230
Standard Chartered Bank	365	-

Notes to the Financial Statements cont.

17 Leverage

The term “leverage” is defined under AIFMD as any method by which the ACD increases the exposure of a fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The ACD has, in accordance with the Regulations, set the maximum level of leverage which the Fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of scheme property resulting from fluctuations in the value of assets in which it invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of “exposure” compared to the net asset value of the Fund, with “exposure” being calculated in accordance with a “gross” and “commitment” method. The “gross” method, generally speaking, takes account of the absolute exposure of the Fund while the “commitment” method takes into account netting or hedging arrangements put in place.

There have been no changes to the maximum level of leverage that can be employed by the Fund under both the gross and commitment methods during the year. The leverage limits have not been exceeded during the year. The Fund’s maximum and actual leverage levels at 31 December 2020 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum Limit	1,000%	500%
Actual	253%	162%

Typical types and sources of leverage which the Fund employs include: (i) borrowing cash; (ii) derivatives for efficient portfolio management purposes (including hedging); and (iii) derivatives for investment purposes. For information on the associated risks with these types and sources of leverage please refer to the Prospectus which is available by contacting Client Relations.

Distribution Tables

Interim dividend distribution for the period ended 30 June 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 30 June 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.08.20)	Distribution (paid/accumulated 31.08.19)
	30.06.20 pence per share	30.06.20 pence per share	30.06.20 pence per share	30.06.19 pence per share
B1 Accumulation				
Group 1	0.30000	-	0.30000	0.30000
Group 2	-	0.30000	0.30000	0.30000
B2 Accumulation				
Group 1	0.30000	-	0.30000	0.25000
Group 2	-	0.30000	0.30000	0.25000
B Income				
Group 1	0.30000	-	0.30000	0.30000
Group 2	0.02854	0.27146	0.30000	0.30000
C Accumulation				
Group 1	0.45000	-	0.45000	0.45000
Group 2	-	0.45000	0.45000	0.45000
C Income				
Group 1	0.45000	-	0.45000	0.45000
Group 2	0.45000	-	0.45000	0.45000
J Accumulation				
Group 1	0.20000	-	0.20000	n/a
Group 2	0.20000	-	0.20000	n/a
J Income				
Group 1	0.20000	-	0.20000	n/a
Group 2	0.20000	-	0.20000	n/a
P Accumulation				
Group 1	0.30000	-	0.30000	0.30000
Group 2	-	0.30000	0.30000	0.30000
Q Income				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a

Distribution Tables cont.

Final dividend distribution for the period ended 31 December 2020

Group 1 : shares purchased prior to 1 July 2020

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

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
B1 Accumulation				
Group 1	0.32000	-	0.32000	0.33000
Group 2	-	0.32000	0.32000	0.33000
B2 Accumulation				
Group 1	0.32000	-	0.32000	0.27000
Group 2	-	0.32000	0.32000	0.27000
B Income				
Group 1	0.24000	-	0.24000	0.31000
Group 2	-	0.24000	0.24000	0.31000
C Accumulation				
Group 1	0.80000	-	0.80000	0.73000
Group 2	0.26000	0.54000	0.80000	0.73000
C Income				
Group 1	0.70000	-	0.70000	0.68000
Group 2	0.70000	-	0.70000	0.68000
J Accumulation				
Group 1	0.61000	-	0.61000	n/a
Group 2	0.05803	0.55197	0.61000	n/a
J Income				
Group 1	0.56000	-	0.56000	n/a
Group 2	0.02670	0.53330	0.56000	n/a
P Accumulation				
Group 1	0.54000	-	0.54000	0.69000
Group 2	-	0.54000	0.54000	0.69000
Q Income				
Group 1	0.36000	-	0.36000	n/a
Group 2	0.36000	-	0.36000	n/a

Distribution Tables cont.

Interim Non-Dividend Distribution for the period ended 30 June 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 30 June 2020

	Net Revenue (non-dividend distribution)	Equalisation	Distribution (paid/accumulated 31.08.20)	Distribution (paid/accumulated 31.08.19)
	30.06.20 pence per share	30.06.20 pence per share	30.06.20 pence per share	30.06.19 pence per share
B1 Accumulation				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.25869	0.14131	0.40000	0.60000
B2 Accumulation				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.26558	0.13442	0.40000	0.60000
B Income				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.24693	0.15307	0.40000	0.60000
C Accumulation				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.05069	0.34931	0.40000	0.60000
C Income				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.40000	-	0.40000	0.60000
J Accumulation				
Group 1	0.20000	-	0.20000	n/a
Group 2	0.20000	-	0.20000	n/a
J Income				
Group 1	0.20000	-	0.20000	n/a
Group 2	0.20000	-	0.20000	n/a
P Accumulation				
Group 1	0.40000	-	0.40000	0.60000
Group 2	0.20835	0.19165	0.40000	0.60000
Q Income				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a

Distribution Tables cont.

Final Non-Dividend Distribution for the period ended 31 December 2020

Group 1 : shares purchased prior to 1 July 2020

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

	Net Revenue (non-dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
B1 Accumulation				
Group 1	0.67000	-	0.67000	1.05000
Group 2	0.67000	-	0.67000	1.05000
B2 Accumulation				
Group 1	0.67000	-	0.67000	1.18000
Group 2	0.67000	-	0.67000	1.18000
B Income				
Group 1	0.65000	-	0.65000	0.96000
Group 2	0.65000	-	0.65000	0.96000
C Accumulation				
Group 1	0.71000	-	0.71000	1.16000
Group 2	0.30649	0.40351	0.71000	1.16000
C Income				
Group 1	0.64000	-	0.64000	1.07000
Group 2	0.64000	-	0.64000	1.07000
J Accumulation				
Group 1	0.40000	-	0.40000	n/a
Group 2	0.15658	0.24342	0.40000	n/a
J Income				
Group 1	0.34000	-	0.34000	n/a
Group 2	0.11530	0.22470	0.34000	n/a
P Accumulation				
Group 1	0.66000	-	0.66000	0.87000
Group 2	0.51334	0.14666	0.66000	0.87000
Q Income				
Group 1	0.45000	-	0.45000	n/a
Group 2	0.45000	-	0.45000	n/a

BAILLIE GIFFORD

Baillie Gifford Positive Change Fund

a sub-fund of Baillie Gifford Investment Funds ICVC

*Annual Report and Financial Statements
for the year ended 31 December 2020*



Baillie Gifford Positive Change 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 of any size, any country and in any sector, whose products or behaviour make a positive impact on society and/or the environment in the investment managers' opinion. The Fund will invest in companies addressing critical challenges in areas such as, but not limited to; education, social inclusion, healthcare and the environment. The Fund will be actively managed and will be concentrated.

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

The Fund invests in companies whose products or behaviour make a positive impact on society and/or the environment. This means the Fund will not invest in certain sectors and companies and the universe of investments available to the Fund will be more limited than other funds that do not apply such criteria. The Fund therefore may have different returns than a fund which has no such restrictions.

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.

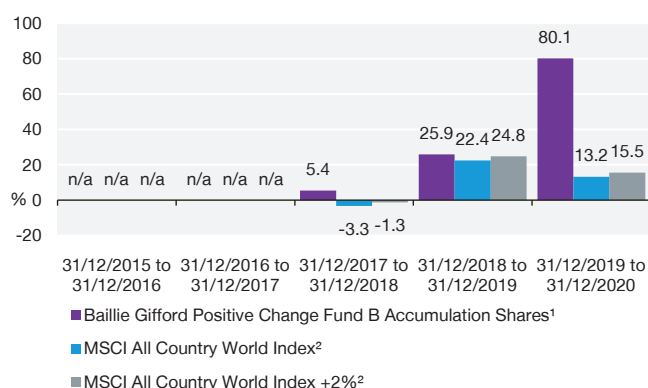
Baillie Gifford Positive Change Fund cont.

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 0.50% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.55%), 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. There is not five full years of performance shown as the Fund was launched on 3 January 2017. Performance figures for the 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 the MSCI All Country World Index (the 'Index') +2% (the 'target return') over rolling five-year period after fees. For the year to 31 December 2020, the return on B Accumulation Shares was 79.7%³ compared to the return on the Index of 13.2%² and the target return of 15.5%², in sterling terms. 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 largest contributors to financial performance over the year were Tesla and M3.

While the Covid-19 pandemic was the topic of most headlines over the year, Tesla is certainly helping to contribute to a solution to climate change, another important global challenge, through provision of its electric vehicles and energy storage products. The company was once again the top contributor to performance. Tesla almost met its 2020 target of

delivering 500,000 electric vehicles, an increase of more than 30% on last year. This is an impressive feat given its California Gigafactory had to close for almost two months earlier this year due to the pandemic outbreak. We attended Tesla's 'Battery Day' in September and believe Tesla's lead in battery technology looks set to become further entrenched which could have profound implications – not only for the car business, but also for the energy generation and storage business.

M3 helps pharmaceutical companies and doctors access information online. Its platform uses technology and data to take costs out of healthcare systems and drive efficiencies for both doctors and pharmaceutical companies in its home country of Japan. Over the year, M3's drug marketing platform saw a rapid increase in activity from both companies and doctors as social distancing rules have severely curtailed physical drug sales activities. M3 has an early stage partnership with dominant Japanese social media platform LINE and is providing free online doctor consultations in collaboration with the government. M3 has also partnered with Alibaba on an Artificial Intelligence diagnostic tool for Covid-19 using CT scans to improve

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE, StatPro and relevant underlying index provider, total return in sterling terms. The target return outperformance is compound daily therefore the index return plus the outperformance will not equal the target return. Index and target benchmark 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 159. 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.

patient diagnosis. We are encouraged by the many ways M3 is using its data and digital platform to provide a solution to the pandemic and we believe these initiatives will be enduring.

Detractors to performance over the period included Bank Rakyat Indonesia and Discovery Ltd.

Bank Rakyat Indonesia is Indonesia's largest bank. It provides financial services and micro loans to millions of low-income individuals. Lower central bank interest rates and the need to restructure loans as a result of the pandemic have weighed on Bank Rakyat Indonesia's share price in 2020. We think the company's strong underwriting track record stands it in good stead. Looking forward, Bank Rakyat Indonesia is continuing to invest in branchless banking, and the pandemic is providing a greater emphasis on digital with the number of internet banking transactions up by 124% in the first half of the year. Loan growth also continues, and micro loans now account for 36% of the bank's overall loan book with a 40% target in place over the medium term. The investment and impact cases therefore remain intact.

Discovery Ltd is a South African life and health insurer that offers its Vitality wellness products around the world. Over the year, profitability was lower than prior year due to its life insurance business grappling with lower interest rates in the UK, and due to increased investment in new strategic initiatives, including an online bank offering in South Africa and an online investment offering in the UK. We remain focused on the long-term growth of its Vitality health insurance business which rewards long-term healthy behaviour e.g. exercising, with short-term incentives e.g. coffee shop vouchers. This positive impact leads to lower lapse and claims ratios, and higher underwriting profitability. Discovery Ltd partners with leading insurers internationally including Ping An Insurance which provides access to China, a huge growth market.

We are very pleased with the progress that the companies in the portfolio are making. Providing the fundamental investment and impact case remain intact, we are happy to own companies that are experiencing short-term setbacks. In fact, being patient owners of the companies in which we invest and encouraging management teams to take a long-term view is how we,

as investors, can add value. Ultimately, change takes time; an ability to look beyond short-term results and focus on long-term operational growth and positive impact is essential.

We believe that every company within the portfolio has the potential to deliver positive impact as well as strong financial returns. We published our third Positive Change Impact Report in July of 2020 which provided a comprehensive analysis of the impact of the holdings within the portfolio. The report combined bespoke metrics for individual companies along with the portfolio's overall contribution to the 17 UN Sustainable Development Goals. A copy of our Impact Report is available on our website: www.bailliegifford.com.

Baillie Gifford & Co, 19 January 2021

Principal Holdings as at 31 December 2020

Investment	Percentage of total Fund
Tesla Inc	9.67
M3	7.57
TSMC	6.05
ASML	5.46
MercadoLibre	5.21
Moderna Inc	4.29
Illumina	4.08
Dexcom Inc	3.56
Nibe Industrier AB 'B' Shares	3.14
Umicore	3.02

Material Portfolio Changes for the year ended 31 December 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Tesla Inc	86,311	Tesla Inc	67,308
M3	82,415	Sysmex Corp.	15,474
TSMC	78,968	Dexcom Inc	12,435
ASML	74,945	M3	9,038
Dexcom Inc	69,649	Tencent	8,742
MercadoLibre	66,524	Nibe Industrier AB 'B' Shares	5,832
Illumina	65,895	Pigeon	3,393
Kingspan Group	56,973	Signify NV	2,155
Teladoc	54,279	ASML	1,387
Moderna Inc	54,018	TSMC	276

Portfolio Statement as at 31 December 2020

Stock description	Holding	Market value £'000	% of total net assets
Belgium - 3.02% (5.28%)			
Umicore	1,705,424	59,946	3.02
Brazil - 5.21% (0.00%)			
MercadoLibre	84,559	103,429	5.21
Canada - 2.41% (1.03%)			
Shopify 'A'	57,994	47,961	2.41
China - 1.59% (3.15%)			
Alibaba Group Holding	1,438,560	31,542	1.59
Denmark - 7.05% (8.46%)			
Chr Hansen Holding A/S	693,131	52,278	2.63
Novozymes	817,431	34,277	1.73
Orsted	355,918	53,436	2.69
Germany - 1.61% (0.99%)			
Sartorius Pref.	103,732	32,033	1.61
India - 2.99% (3.13%)			
HDFC Corp	2,322,143	59,487	2.99
Indonesia - 2.06% (4.00%)			
Bank Rakyat Indonesia	188,577,600	40,945	2.06
Ireland - 2.99% (4.49%)			
Kingspan Group	1,157,736	59,483	2.99
Japan - 7.57% (9.34%)			
M3	2,179,000	150,428	7.57
Kenya - 0.59% (0.52%)			
Safaricom Ltd	51,571,300	11,798	0.59

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Netherlands - 5.46% (7.44%)			
ASML	305,052	108,551	5.46
South Africa - 2.13% (3.03%)			
Discovery Ltd	5,536,607	42,338	2.13
Sweden - 3.14% (3.84%)			
Nibe Industrier AB 'B' Shares	2,587,879	62,379	3.14
Taiwan - 6.05% (6.08%)			
TSMC	8,728,000	120,210	6.05
UK - 0.73% (0.63%)			
FDM Group	1,290,056	14,500	0.73
United States - 43.78% (37.56%)			
10X Genomics Inc Class A	387,550	40,109	2.02
Abiomed	205,047	48,622	2.45
Alnylam Pharmaceuticals	403,632	38,377	1.93
Alphabet Inc Class A	45,199	57,892	2.91
Berkeley Lights Inc	224,165	14,580	0.73
Beyond Meat Inc	312,335	28,561	1.44
Deere & Co	209,696	41,238	2.07
Dexcom Inc	261,582	70,748	3.56
Ecolab	183,350	29,011	1.46
Glaukos Corp	615,501	33,888	1.71
Illumina	299,572	81,087	4.08
Moderna Inc	1,117,813	85,291	4.29
Teladoc	406,001	59,382	2.99
Tesla Inc	372,471	192,158	9.67
Xylem	658,610	49,010	2.47
Portfolio of investments		1,954,975	98.38

Portfolio Statement as at 31 December 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Net other assets - 1.62% (1.03%)		32,164	1.62
Net assets		1,987,139	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 December 2019.

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	189.02	151.34	141.85
Return before operating charges*	152.22	38.63	10.43
Operating charges	(1.49)	(0.95)	(0.94)
Return after operating charges*	150.73	37.68	9.49
Distributions	0.00	(0.95)	(0.64)
Retained distributions on accumulation shares	0.00	0.95	0.64
Closing net asset value per share	339.75	189.02	151.34
*After direct transaction costs of:	0.42	0.15	0.18
Performance:			
Return after charges	79.74%	24.90%	6.69%
Other Information:			
Closing net asset value (£'000)	1,636,008	123,446	42,994
Closing number of shares	481,536,823	65,308,200	28,408,733
Operating charges	0.53%	0.56%	0.59%
Direct transaction costs ¹	0.15%	0.09%	0.11%
Prices:			
Highest share price (pence)	348.6	193.7	178.3
Lowest share price (pence)	166.5	148.9	137.5

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	186.84	150.36	141.55
Return before operating charges*	150.44	38.38	10.37
Operating charges	(1.44)	(0.95)	(0.92)
Return after operating charges*	149.00	37.43	9.45
Distributions on income shares	0.00	(0.95)	(0.64)
Closing net asset value per share	335.84	186.84	150.36
 *After direct transaction costs of:	 0.41	 0.15	 0.17
Performance:			
Return after charges	79.75%	24.89%	6.68%
Other Information:			
Closing net asset value (£'000)	263,745	48,661	19,609
Closing number of shares	78,532,136	26,044,726	13,041,580
Operating charges	0.53%	0.56%	0.58%
Direct transaction costs ¹	0.15%	0.09%	0.11%
Prices:			
Highest share price (pence)	344.6	192.4	177.9
Lowest share price (pence)	164.6	147.9	137.2

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 December 2020 (pence per share)	Financial Year Ended 31 December 2019 (pence per share)	Financial Year Ended 31 December 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	156.98	125.06	116.65
Return before operating charges*	127.75	32.01	8.51
Operating charges	(0.07)	(0.09)	(0.10)
Return after operating charges*	127.68	31.92	8.41
Distributions	(1.06)	(1.48)	(1.18)
Retained distributions on accumulation shares	1.06	1.48	1.18
Closing net asset value per share	284.66	156.98	125.06
*After direct transaction costs of:	0.34	0.13	0.14
Performance:			
Return after charges	81.34%	25.52%	7.21%
Other Information:			
Closing net asset value (£'000)	87,386	20,017	1
Closing number of shares	30,698,899	12,750,786	1,000
Operating charges	0.03%	0.06%	0.08%
Direct transaction costs ¹	0.15%	0.09%	0.11%
Prices:			
Highest share price (pence)	291.0	160.8	147.1
Lowest share price (pence)	138.5	123.1	113.1

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.

Financial Statements

Statement of Total Return for the year ended 31 December 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		469,138		27,969
Revenue	3	4,088		1,480	
Expenses	4	(4,026)		(603)	
Net revenue before taxation		62		877	
Taxation	5	(478)		(166)	
Net revenue/(expense) after taxation			(416)		711
Total return before distributions			468,722		28,680
Distributions	6		354		(711)
Change in net assets attributable to shareholders from investment activities			469,076		27,969

Statement of Change in Net Assets Attributable to Shareholders for the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		192,124		62,604
Amounts receivable on issue of shares	1,361,381		119,029	
Amounts payable on cancellation of shares	(37,649)		(18,457)	
		1,323,732		100,572
Dilution adjustment		1,882		170
Change in net assets attributable to shareholders from investment activities		469,076		27,969
Retained distributions on accumulation shares		325		809
Closing net assets attributable to shareholders		1,987,139		192,124

Financial Statements cont.

Balance Sheet as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	1,954,975	190,139
Current assets:			
Debtors	8	113,132	916
Cash and bank balances	9	29,937	2,167
Total assets		2,098,044	193,222
Liabilities:			
Creditors:			
Bank overdrafts	9	(22)	-
Distributions payable		-	(247)
Other creditors	10	(110,883)	(851)
Total liabilities		(110,905)	(1,098)
Net assets attributable to shareholders		1,987,139	192,124

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020			2019		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities	49,750	417,412	467,162	1,526	26,567	28,093
Currency gains/(losses)	1,942	71	2,013	(112)	3	(109)
Custodian transaction costs			(37)			(15)
Net capital gain/(losses)			469,138			27,969

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	1,422,570	113,878
Commissions	334	27
Taxes	808	74
Total transaction costs on equity purchases ¹	1,142	101
Purchases including transaction costs	1,423,712	113,979

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.02	0.02
Taxes on equity purchases	0.06	0.06

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	127,746	14,303
Commissions	(35)	(5)
Taxes	(13)	(3)
Total transaction costs on equity sales ¹	(48)	(8)
Sales net of transaction costs	127,698	14,295

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity sales	(0.03)	(0.03)
Taxes on equity sales	(0.01)	(0.02)

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	369	0.05	32	0.03
Taxes	821	0.10	77	0.06
Total direct transaction costs	1,190	0.15	109	0.09

	2020	2019
	%	%
Average portfolio dealing spread	0.10	0.07

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

	2020	2019
	£'000	£'000
UK dividends	135	18
Overseas dividends	3,952	1,457
Bank interest	1	5
Total revenue	4,088	1,480

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,850	550
Expenses rebate	(12)	0
	3,838	550
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	59	9
Bank charges	119	21
	178	30
Other expenses:		
Audit fee	5	7
Non-audit fees paid to auditor	3	1
Professional fees	2	15
	10	23
Total expenses	4,026	603

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	478	166
Total taxation	478	166

The Fund is subject to corporation tax at 20% (2019: 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 December 2020, the Fund had excess management expenses of £4,869,000 (2019: £844,000) 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:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	62	877
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	12	175
Effects of:		
Non-taxable UK dividends	(27)	(4)
Non-taxable overseas dividends	(790)	(290)
Overseas tax on dividends	478	166
Excess management expenses	805	119
Total taxation	478	166

6 Distributions

	2020	2019
	£'000	£'000
Final to 31 December	325	1,057
Amounts deducted on cancellation of shares	41	81
Amounts added on issue of shares	(720)	(427)
Total distributions	(354)	711

The distributions take account of income 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

	2020	2019
	£'000	£'000
Net revenue/(expense) after taxation for the year	(416)	711
Add capital transfers for deficits of income	59	-
Add distributable revenue brought forward	3	3
Less distributable revenue carried forward	-	(3)
Net distributions for the year	(354)	711

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	57,905	726
Sales awaiting settlement	54,135	-
Accrued income	916	113
Overseas tax recoverable	160	76
VAT recoverable	4	-
Amounts due from ACD	12	-
Other debtors	-	1
Total debtors	113,132	916

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	29,597	2,067
Foreign currency bank accounts	340	100
	29,937	2,167
Sterling bank accounts overdrawn	(22)	-
Total cash and bank balances	29,915	2,167

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	-	544
Purchases awaiting settlement	108,282	75
Due to the ACD or associates	748	73
Due to the Depositary or associates	58	6
Capital gains tax provision	1,797	138
Other accrued expenses	(2)	15
Total other creditors	110,883	851

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. 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.

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:

	2020	2019
	%	%
ACD and associates of the ACD	0.00	0.00

12 Reconciliation of shares in issue

	Shares in issue as at 31.12.19	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 31.12.20
B Accumulation Shares	65,308,200	423,583,999	(7,368,420)	13,044	481,536,823
B Income Shares	26,044,726	58,303,364	(5,802,759)	(13,195)	78,532,136
C Accumulation Shares	12,750,786	21,247,622	(3,299,509)	-	30,698,899

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	1,954,975	190,139
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	1,954,975	190,139

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)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Danish krone	-	139,991	139,991	-	16,261	16,261
Euro	-	260,013	260,013	-	34,957	34,957
Hong Kong dollar	-	31,542	31,542	-	6,048	6,048
Indian rupee	-	59,487	59,487	-	6,007	6,007
Indonesian rupiah	-	40,945	40,945	-	7,684	7,684
Japanese yen	-	150,428	150,428	-	17,950	17,950
Kenyan shilling	-	11,798	11,798	-	991	991
South African rand	-	42,338	42,338	-	5,825	5,825
Swedish krona	-	62,379	62,379	-	7,377	7,377
Taiwanese dollar	-	120,210	120,210	-	11,677	11,677
UK sterling	29,575	14,500	44,075	2,067	1,210	3,277
US dollar	340	1,021,343	1,021,683	100	74,152	74,252

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.

Notes to the Financial Statements cont.

15 Leverage

The term “leverage” is defined under AIFMD as any method by which the ACD increases the exposure of a fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The ACD has, in accordance with the Regulations, set the maximum level of leverage which the Fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of scheme property resulting from fluctuations in the value of assets in which it invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of “exposure” compared to the net asset value of the Fund, with “exposure” being calculated in accordance with a “gross” and “commitment” method. The “gross” method, generally speaking, takes account of the absolute exposure of the Fund while the “commitment” method takes into account netting or hedging arrangements put in place.

There have been no changes to the maximum level of leverage that can be employed by the Fund under both the gross and commitment methods during the year. The leverage limits have not been exceeded during the year. The Fund’s maximum and actual leverage levels at 31 December 2020 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum Limit	120%	110%
Actual	99%	100%

Typical types and sources of leverage which the Fund employs include: (i) borrowing cash; (ii) derivatives for efficient portfolio management purposes (including hedging); and (iii) derivatives for investment purposes. For information on the associated risks with these types and sources of leverage please refer to the Prospectus which is available by contacting Client Relations.

Distribution Table

Final distribution for the year ended 31 December 2020

Group 1 : shares purchased prior to 1 January 2020

Group 2 : shares purchased 1 January 2020 to 31 December 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 28.02.21)	Distribution (paid/accumulated 28.02.20)
	31.12.20 pence per share	31.12.20 pence per share	31.12.20 pence per share	31.12.19 pence per share
B Accumulation				
Group 1	-	-	-	0.95000
Group 2	-	-	-	0.95000
B Income				
Group 1	-	-	-	0.95000
Group 2	-	-	-	0.95000
C Accumulation				
Group 1	1.06000	-	1.06000	1.48000
Group 2	0.30990	0.75010	1.06000	1.48000

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 may 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.

While the ACD is not required to report income payments in the form of interest payments made to corporate bodies, such corporate bodies may have reporting obligations of their own if they are receiving payments on behalf of reportable persons.

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.

Where Class C Shares are available, they 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.

In the case of Baillie Gifford Multi Asset Growth Fund, 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 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. Class Q Shares are only available to Baillie Gifford Multi Asset Growth Feeder Fund.

The minimum lump sum investment amounts are shown in the table on page 161.

General Information cont.

Fund Charges and Costs

A further explanation of charges and costs relating to sub-funds of the ICVC can be found in the Enhanced Disclosure of Fund Charges and Costs document for each sub-fund on our website.

Equalisation

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares purchased during an accounting period are called Group 2 shares. Shares purchased during any previous accounting 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 relevant sub-fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the shareholders 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.

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.

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General Information cont.

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General Information cont.

Minimum Lump Sum Investment Amounts and ACD's Annual Fee

	Class A	Class B	Class C	Class J	Class P	Class Q
Minimum lump sum investments						
Baillie Gifford Diversified Growth Fund	£1,000	£1,000	£250,000	n/a	n/a	n/a
Baillie Gifford Long Term Global Growth Investment Fund	n/a	£1,000	£250,000	n/a	n/a	n/a
Baillie Gifford Multi Asset Growth Fund	n/a	£1,000	£250,000	£1,000	£250,000	£1,000
Baillie Gifford Positive Change Fund	n/a	£1,000	£250,000	n/a	n/a	n/a
ACD's annual charge						
Baillie Gifford Diversified Growth Fund	1.50%	0.65%	Nil	n/a	n/a	n/a
Baillie Gifford Long Term Global Growth Investment Fund	n/a	0.62%	Nil	n/a	n/a	n/a
Baillie Gifford Multi Asset Growth Fund	n/a	0.50%	Nil	0.35%	0.35%	Nil
Baillie Gifford Positive Change Fund	n/a	0.50%	Nil	n/a	n/a	n/a

Active Share

Active Share is a measure of how actively managed a sub-fund is and is calculated by taking 100 minus the % of the sub-fund that overlaps with the Target Benchmark. The Active Share as at the year end and the Target Benchmark 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.

	Active Share	Comparative Index
Baillie Gifford Long Term Global Growth Investment Fund	90%	FTSE All World Index
Baillie Gifford Positive Change Fund	95%	MSCI All Country World Index

Baillie Gifford Diversified Growth Fund and Baillie Gifford Multi Asset Growth Fund do not have a comparable index and therefore Active Share is not applicable for these funds.

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 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 Fund⁴

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 was launched on 31 July 2020.

⁴Glenfinlas 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.

