



Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Class B Income Shares – Baillie Gifford Investment Grade Bond Fund (ISIN GB0030816481), a sub-fund of Baillie Gifford Bond Funds ICVC

Baillie Gifford Bond Funds ICVC is an Investment Company with Variable Capital. Baillie Gifford & Co Ltd, is the Authorised Corporate Director of the Fund and is wholly owned by Baillie Gifford & Co, both companies are authorised and regulated by the Financial Services Authority.

Objectives and investment policy

Objective

- The Fund aims to maximise the value of its shares through combined capital growth and income payment whilst achieving a higher level of income than that earned from investment only in comparable UK government bonds.

Policy

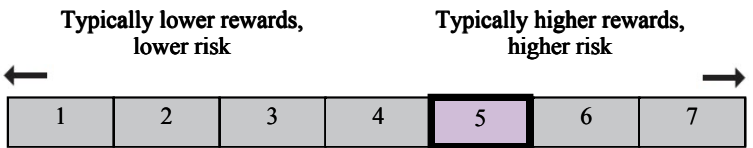
- To invest worldwide mainly in investment grade bonds issued in sterling.
- Derivatives, which are a type of financial contract, may be used to protect or increase the value of the shares.

Other Information

- Investment grade bonds are a type of investment which can be issued by governments, companies and other organisations when they want to borrow money. The issuer of the bond owes the holder a debt. The issuer is obliged to pay interest and/or repay the debt at a later date.
- You can sell some or all of your shares on any business day in the United Kingdom by contacting our Dealing Department by phone or post. Where properly completed documentation is received by post, shares will be sold at the next valuation point following receipt of the instruction.
- Any income due to you will be paid into your bank or building society account, paid on the dates specified in the Prospectus.
- More than 35% in value of the property of this Fund may be invested in Government and public securities (“GAPS”).
- For further explanation and information see the Prospectus, which is available by contacting us.
- Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within five years.

Risk and reward profile

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



- Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. Some risks which can’t be easily measured may not be fully captured by the Risk and Reward Indicator.
- The Fund is classified in the category above because of the past behaviour of the share price.
- The indicator does not take into account the following material risks of investing in this Fund:
 - Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.
 - Custody of assets may involve a risk of loss if the custodian becomes insolvent or breaches duties of care.
 - The issuers of bonds in which the Fund invests may not meet their obligations which could mean that the bonds lose some or all of their value.
 - The Fund’s use of financial contracts may impact on its performance.
- 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 therefore price of shares in the Fund.
- Market values for securities which have become difficult to trade may not be readily available, and there can be no assurance that any value assigned to them will reflect the price the Fund might receive upon their sale.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.50%
Exit charge	0.00%

These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.29%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

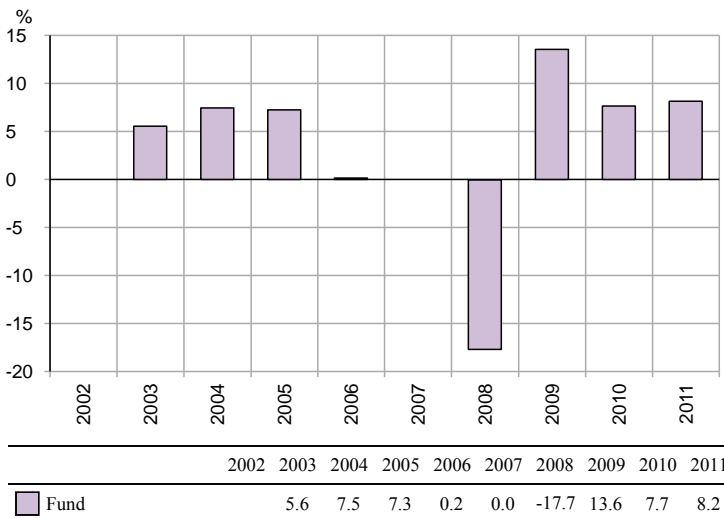
- Switching charge (for switching into the Fund from another fund) 0.00%.

The ongoing charges figure is based on the last year's expenses for the year ending 2011 and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

For the ongoing charge, the figure is at 31/03/12.

You can find further details about the charges in Part 6 of the Prospectus. Switching charges are applicable when switching from one Baillie Gifford fund to another Baillie Gifford fund.

Past Performance



Source: FE 2012

- You should be aware that past performance is not a guide to future performance.
- The Fund was launched on 30/11/2001.
- The share/unit class was launched on 26/03/2002.
- Performance is calculated in GBP.
- Performance reflects the annual charge but excludes any initial charge paid.

Practical information

- The Fund's Depositary is National Westminster Bank plc.
- You can find further information on the Fund, the Prospectus and the latest annual and semi-annual reports from Baillie Gifford or by visiting www.bailliegifford.com. These are available in English free of charge on request.
- This Key Investor Information Document describes the Baillie Gifford Investment Grade Bond Fund only. The Prospectus and the annual and semi-annual reports and accounts are prepared for the whole ICVC.
- The assets and liabilities of this Fund are not independent from those of the other funds of the Baillie Gifford Bond Funds ICVC. In the event of any Fund being unable to meet liabilities attributable to it, the remaining liabilities may have to be met from assets attributable to other funds within the ICVC.
- You can also find other information, including the Fund's latest prices, on our website.
- Tax laws in the United Kingdom may have an impact on your own tax position.
- You may at any time switch all or some of your shares in the Fund for shares of the same or another class in any fund of any of the ICVC(s).
- Baillie Gifford & Co Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Fund.
- To contact us please call Client Relations: 0800 917 2113 (fax 0131 275 3955) or visit our website at www.bailliegifford.com or e-mail us at trutenquiries@bailliegifford.com.
- Your call may be recorded for training or monitoring purposes.