

31 October 2019

Fund Objective

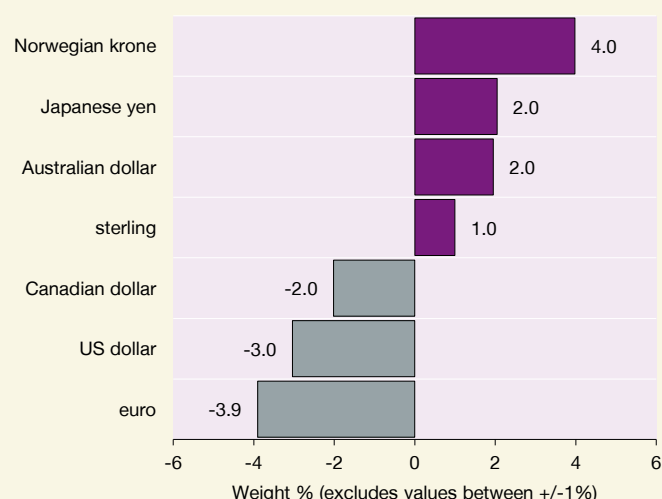
To outperform (after deduction of costs) the FTSE Actuaries UK Conventional Gilts All Stocks Index by 0.35% per annum over rolling three-year periods.

The manager believes this is an appropriate benchmark given the investment policy of the Fund and the approach taken by the manager when investing. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Key Information

Fund Manager	Steven Hay
Launch Date	27 April 1992
Fund Size	£76.52m
% of Total Assets in UK Government Bonds	92.9%

Active Currency Positions



Investment Proposition

We aim to add value against the FTSE UK Conventional Gilts All Stocks Index by investing in a broad range of positions, whilst controlling overall risk versus the benchmark. We make use of derivatives to take active positions and to manage unwanted risks. Active currency management is an important part of our strategy.

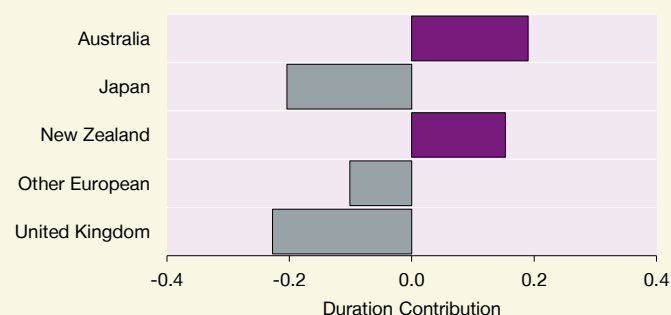
Besides investing in UK Gilts, the Fund may invest in high quality non-government securities and takes views on the relative attractiveness of overseas bonds against UK bonds.

The Fund is managed by active investors focusing on the fundamental attractiveness of individual countries and markets. It is invested with a longer time horizon; this is reflected in the way we closely manage the diversity of the portfolio and the scale of positions.

Portfolio Characteristics

	Fund	Benchmark
Average Credit Quality	AA	AA
Redemption Yield (%)	0.9	0.8
Running Yield (%)	2.4	2.5
Duration	12.1	12.2

Active Duration Country Positions



Charges and Yield

	Initial Charge	Ongoing Charge*	Distribution Yield	Underlying Yield
Class B-Inc (%)	0.00	0.21	1.2	1.0
Class B-Acc (%)	0.00	0.21	1.2	1.0

The ongoing charge figures are at 31 March 2019.

*Estimated.

Performance

Periodic Performance

	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Inc (%)	6.0	8.7	3.5	4.4
Benchmark (%)*	7.5	10.7	4.3	5.7
Index (%)**	7.3	10.3	4.0	5.4

Performance source: FE, FTSE, total return in sterling.

Returns reflect the annual charges but exclude any initial charge paid.

*FTSE UK Conventional Gilts All Stocks Index +0.35%.

**FTSE UK Conventional Gilts All Stocks Index.

Annual Discrete Performance

	30/09/14-30/09/15	30/09/15-30/09/16	30/09/16-30/09/17	30/09/17-30/09/18	30/09/18-30/09/19
Class B-Inc (%)	6.4	11.7	-4.7	0.3	12.5
Benchmark (%)*	8.6	13.0	-3.2	1.0	13.8
Index (%)**	8.2	12.6	-3.6	0.6	13.4

Performance source: FE, FTSE, total return in sterling.

Returns reflect the annual charges but exclude any initial charge paid.

*FTSE UK Conventional Gilts All Stocks Index +0.35%.

** FTSE UK Conventional Gilts All Stocks Index.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford Bond Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The benchmark for this Fund is the FTSE Actuaries UK Conventional Gilts All Stocks Index +0.35% per annum over rolling three-year periods. The manager believes this is an appropriate benchmark given the investment policy of the Fund and the approach taken by the manager when investing. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

The Distribution Yield reflects the annualised income of the Fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the Fund (excluding tax) as at the date shown. It is based on a snapshot or the portfolio on that day. The Underlying Yield reflects the annualised income net of expenses of the Fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the Fund (excluding tax) as at the date shown. It is based on a snapshot or the portfolio on that day. The Distribution yield is higher than the Underlying Yield because the Fund's expenses are charged to capital. This has the effect of increasing distributions and constraining the Fund's capital performance.

Average Credit Quality – this is a measure of the average credit rating band across the portfolio as a whole. AAA, AA, A and BBB are all classed as investment grade.

Duration – a measure of the price sensitivity of a bond to a change in interest rates. For a 1% change in yield, the price of a bond will move in the opposite direction by 1% multiplied by the Duration of the bond.

Active Duration Positions – the chart shows material interest rate positions in the Fund relative to the FTSE Actuaries UK Conventional Gilts All Stocks Index. The bars represent net positions held in each country. A positive value indicates the Fund should benefit from a fall in yield and vice versa.

Active Currency Positions – the chart shows material currency positions in the Fund relative to the FTSE Actuaries UK Conventional Gilts All Stocks Index. The bars represent net positions held in each currency. A positive value indicates the Fund should benefit from a rise in the value of the currency and vice versa.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, www.bailliegifford.com

Further Information

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

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

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

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. Past performance is not a guide to future returns.

The specific risks associated with the Fund include:

- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund 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.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- Custody of assets involves a risk of loss if the custodian becomes insolvent or breaches duties of care.
- The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.
- More than 35% of scheme property will be invested in securities issued or guaranteed by the UK Government. For further details please see the Prospectus.
- From 1 October 2019 the Fund's expenses will be taken from the Fund's capital. This will reduce the capital value of the Fund. The figure for the current financial period has not yet been determined but for the year to 31 March 2019, the Fund's expenses were 0.21%.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document, copies of which are available at www.bailliegifford.com, or the Prospectus which is available by calling the ACD.

Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the below address, call our Client Relations Team on **0800 917 2113** (your call may be recorded for training or monitoring purposes), visit our website at **www.bailliegifford.com**, fax us on **0131 275 3955** or email **trustenquiries@bailliegifford.com**

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Target Market

This Fund is suitable for all investors seeking a fund that aims to deliver growth and income with a medium or long investment time horizon as a core or component of a portfolio of investments. The Fund will allow ready access to the investment. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be compatible for investors outside the target market.

Institutional Enquiries

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email Institutional.Enquiries@bailliegifford.com
Your call may be recorded for training or monitoring purposes.

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