

BAILLIE GIFFORD

Baillie Gifford UK & Balanced Funds ICVC

Annual Report & Financial Statements

for the year ended 31 January 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 UK & Balanced Funds ICVC (Investment Company with Variable Capital) (the 'Company') is an umbrella UK Open-Ended Investment Company ('OEIC') under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001. An OEIC is a collective investment vehicle in which your funds are pooled with those of other investors and spread across a portfolio of companies, thus reducing risk.

At 31 January 2020 the Company offered nine sub-funds, and the range may be varied in the future. Each sub-fund is valued on a daily basis. All nine sub-funds are subject to different charging structures and subscription limits. All shares are single priced. Details of the sub-funds and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus was last revised on 20 March 2020 and the Instrument of Incorporation was last revised on 1 November 2019. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

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

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

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

Glenfinlas Global Fund

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

Changes to Share Classes

Class B Income Shares were launched in one of the sub-funds, Baillie Gifford UK and Worldwide Equity Fund, on 17 April 2019.

Amendment to the Investment Objective and Policy of All Sub-Funds

The investment objectives and policies of the sub-funds have been amended to make them clearer and more meaningful to shareholders, increasing consistency across our range of funds and helping shareholders to better understand what the sub-funds are trying to achieve. In addition, the Financial Conduct Authority (the 'FCA') issued new rules and guidance for fund managers on the use of benchmarks. A benchmark has now been included for each sub-fund, which should make it easier for shareholders to monitor how well the sub-fund is performing against that benchmark. The new investment objectives and policies, which came into effect on 7 August 2019, are shown in each sub-funds section of the Annual Report.

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. We will issue the statement of value in a separate composite report, performing the assessment across our full range of UK authorised sub-funds. We have chosen a reference date of 31 March and will publish a composite report by 31 July each year which will be available on our website at www.bailliegifford.com. The first composite report will be available on 31 July 2020.

About the Company cont.

Sub-fund Cross-holdings Table

Sub-fund	Cross-holding	Number of Shares	Value of Shares £'000
Baillie Gifford Managed Fund	Baillie Gifford British Smaller Companies Fund C Acc	3,466,897	31,414
Baillie Gifford UK and Worldwide Equity Fund	Baillie Gifford British Smaller Companies Fund C Acc	988,579	8,958

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

About the Company cont.

Authorised Corporate Director

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

Directors of the ACD

Executive

A W Paterson (Chairman - resigned 29 August 2019)
M J C Wylie (Chairman - appointed 29 August 2019)
E Delaney
P J Edwardson (resigned 6 September 2019)
C M Fraser
D S McGowan
S Swindells (resigned - 8 November 2019)
A J Telfer

Independent Non-Executive

D R Buckley (appointed 16 April 2019)
K B M Bolsover (appointed 2 May 2019)

Investment Adviser

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

Depository

NatWest Trustee and Depositary Services Limited
(formerly National Westminster Bank Plc)
(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 revenue and expenditure and of its net gains and losses on the property of the Company for the year. In preparing the financial statements the Authorised Corporate Director is required to:

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

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

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

M J C Wylie, Chairman
C M Fraser, Director
Baillie Gifford & Co Limited
14 May 2020

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

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

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

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

The Depositary must ensure that:

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

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

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

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

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

*National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh
1 February 2020*

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 January 2020 and of the net revenue and the net capital gains of the scheme property of the Company and each of the sub-funds for the year/period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Baillie Gifford UK & Balanced Funds ICVC is an Open Ended Investment Company ('OEIC') with ten sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report") which comprise: the balance sheets as at 31 January 2020; the statement of total return and the statement of change in net assets attributable to shareholders for the year/period then ended; the distribution tables; the accounting policies; and notes to the financial statements.

Emphasis of Matter – Basis of Preparation

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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

Reporting on other information

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

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

Authorised Corporate Director's Responsibilities

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 4, 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.

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.

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Accounting Policies

(1) *Basis of accounting*

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

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

(2) *Recognition of income*

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

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

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

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

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

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

Accounting Policies cont.

(3) *Treatment of management expenses*

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

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

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

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

(5) *Distribution policies*

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

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

(6) *Taxation*

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

(7) *Basis of valuation of investments*

The investments of the sub-funds have been valued at closing bid prices on 31 January 2020, or the Investment Adviser's valuation where indicated. Investments are valued using the fair value hierarchy, referenced in account policy 1.

(8) *Foreign exchange*

All foreign securities and currencies held at the year end have been translated into sterling at the rate of exchange ruling at 31 January 2020. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

Accounting Policies cont.

(9) *Financial derivative instruments*

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

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

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

Risk Disclosures

General Risk Management Process

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

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

Sub-Fund Risk Profile

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

Market Risk

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

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

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

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

Foreign currency risk

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

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

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

Risk Disclosures cont.

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

Interest rate risk

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

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

Other price risk

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

Counterparty credit risk

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

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

Liquidity risk

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

Operational risk

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

Infectious Virus Risk

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

Fair values

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

Remuneration Report

Baillie Gifford & Co ('Baillie Gifford') maintains a Remuneration Policy (the 'Policy') which applies to group companies, including Baillie Gifford & Co Limited (the 'Company'), which is the group's sole UCITS management company for the range of UCITS operated within the group. The Policy is subject to review on at least an annual basis by the Management Committee of Baillie Gifford & Co and the Board of Baillie Gifford & Co Limited. It was updated in May 2019, 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 UCITS 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 UCITS Remuneration Code

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

Governance of Remuneration

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

Salary/Bonus Review Process

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

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

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

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

Remuneration Report cont.

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

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

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

	Headcount	Total Remuneration ¹ £'000
Baillie Gifford & Co Limited		
Fixed remuneration	40	1,360
Variable remuneration	40	540
Baillie Gifford & Co Limited Remuneration Material Risk Takers²		
Total remuneration	25	1,830

This remuneration disclosure has been provided at the level of Baillie Gifford & Co Limited as authorised fund manager of UCITS, as at 31 March 2019. Remuneration information at an individual AIF or UCITS level is not readily available.

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

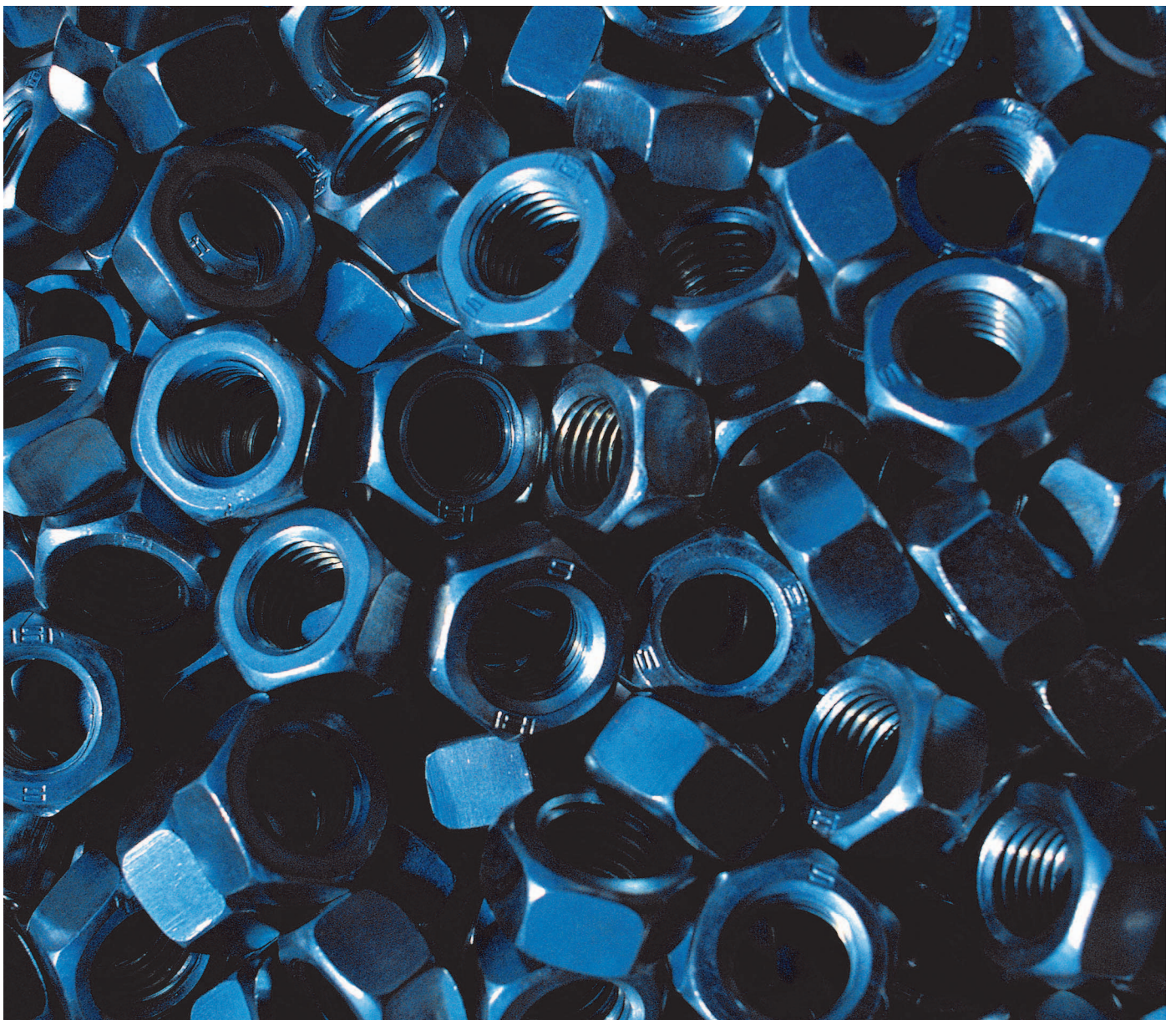
²All Material Risk Takers are senior managers or staff engaged in control functions of Baillie Gifford & Co Limited and therefore a breakdown of remuneration between senior management and other risk takers is not applicable.

BAILLIE GIFFORD

Baillie Gifford British Smaller Companies Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford British Smaller Companies Fund

Investment Objective

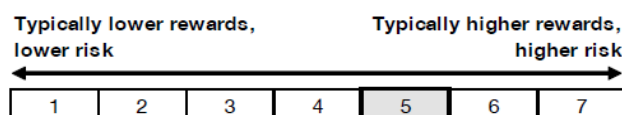
The Fund aims to outperform (after deduction of costs) the Numis Smaller Companies Index (excluding Investment Companies) by at least 2% per annum over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

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

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

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

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

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

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

The process for the UK to leave the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

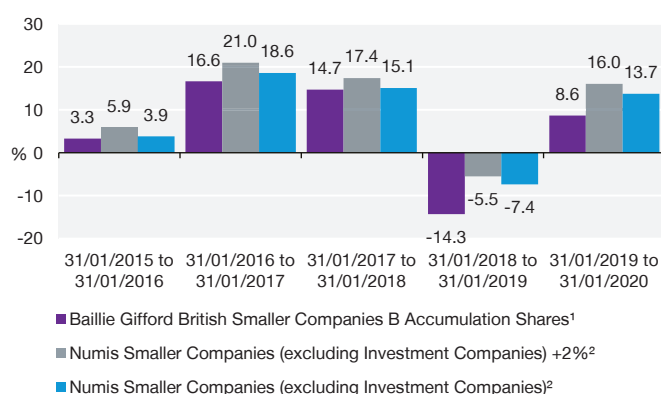
Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of the Fund and the distributions paid by the Fund to shareholders.

Baillie Gifford British Smaller Companies Fund cont.

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 8.5%³ compared to the return on the Numis Smaller Companies Index (excluding Investment Companies) (the 'Index') of 13.7%² and the Fund's target (the 'target return') of the Index +2% of 16.0%². The investment objective of the Fund is to outperform the Index by 2% per annum over rolling five-year periods. As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability. The annualised five-year return on B Accumulation Shares was 5.1%³ compared to the return on the Index of 8.4%² and the target return of 10.5%².

In some ways 2019 brought us clarity in the form of a clear election result, and much delayed action on Brexit. In other ways the year ended with yet more uncertainty, as Britain's long-term position in the world remains far from certain, and global trade disputes, and more recently medical peril, overhang economic progress. Over the period markets were understandably volatile, although, perhaps surprisingly, resilient. The smaller-company universe did remarkably well over the period, with the Index rising 16.0% over the reporting period. Given that in times of trouble capital has historically moved out of

smaller businesses in favour of their larger more stable peers, small-cap outperformance over the past year is both an indicator of the faith that remains in the prospects for the British economy, and a remarkable testament to the achievement of the underlying businesses, many of which have continued to innovate, grow, and adapt despite their macro backdrop. These are the businesses we are looking for. Of course, 2019 was also a big year for myself and my colleague Steve Vaughan. In May 2019 we took over management duties of your Fund.

Taking on responsibilities for a new portfolio is a process that presents a number of challenges. There are new businesses to learn about, new management teams to meet, and a new universe of investment opportunities to weigh against existing holdings. The challenges are further magnified when taking on a portfolio where relative investment performance is not where it should be. In this scenario a new manager must also think hard about the process and philosophy behind existing investments, and how they want to adapt going forwards to improve outcomes. This is particularly hard when investing over the long term. When performance today is driven by decisions made five years ago, unravelling the good from the bad takes hard work and patience.

¹Source: FE, 10am dealing prices, income accumulated. ²Source: Baillie Gifford & Co Limited, closing net asset value, income accumulated. ³Source: FE and relevant underlying index provider, total return. The target return outperformance is compound daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 289.

Investment Report cont.

For us this new role represents both an exciting opportunity and a meaningful responsibility. We have welcomed the challenges I have described above. We have had a head start in that both Steve and I have prior experience with UK equities, and with small cap investing through our time spent on Baillie Gifford's UK Desk, and our ongoing management of a Pan-European smaller company mandate. We already knew a number of the holdings very well, and others we knew tangentially. Still there was work to be done. Our starting point has been to get to know the portfolio in great depth from top to bottom. Over the past nine months we have spoken to the management teams of the majority of the holdings. We have looked over all past investment cases and evaluated potential future outcomes. This has given us a clear road map of the changes we feel are needed. I am happy to say we have made good progress.

Since May we have taken steps to remove a number of positions where we felt the initial investment case had either failed, fully played out, or changed beyond recognition. Not all of these have been failures. The sales of the institutional stockbroker and corporate adviser, Numis and the property developer Helical, followed good long-term performance from both businesses. In each case however we felt strongly that the underlying investment case had shifted over the years. Management teams and business models had changed, and we believed future prospects were not attractive relative to our opportunity set. This led us to move on.

Other sales came from a less positive position. Over the period we sold the holdings in inkjet print technology provider Xaar and software business Alfa Financial. In both these cases the underlying business had failed to deliver on its goals. Xaar had long sought out new commercial applications for its novel print head technology, but last year threw in the towel, closing many of its operations and changing the management team. Alfa Financial had consistently struggled to find traction for its expensive software targeting finance-providing businesses. Like Xaar, this led to a prolonged period of disappointing returns. Making these

decisions is always hard, however we believe we are now largely through the process and are happy with the investment rationale behind the remaining holdings.

Selling out of positions that have run their course is a part of what we need to do to drive long-term performance, however we strongly believe the far more important job is to make sure we own the next generation of exceptional growth businesses. This comes down to the asymmetry of investment returns, an idea at the heart of our process and philosophy. Simply put, the downside of an investment is capped at 100%, but the upside is almost unlimited. This is particularly the case when struggling businesses have already transitioned into small holding sizes. At this point sell discipline matters, but buy discipline matters far more. The numbers here speak for themselves. In the five reporting years to 2020, our two largest detractors of performance, Tissue Regenix and Utilitywise lost 97%⁴ and 99%⁴ of their value, respectively. In comparison, our two most successful holdings, Boohoo and YouGov, rose 1186%⁴ and 471%⁴. The big winners matter more than the big losers. I am delighted to say that both Boohoo and YouGov remain amongst the top contributors over the past year, continuing to deliver, even as their less successful peers fall out of the numbers.

This then is where Steve and I have focused most of our efforts and where we are most excited. We do not differentiate by industry and believe that successful companies come in many shapes and sizes. Our underlying process is based entirely upon uncovering the diverse set of businesses with the potential to offer exceptional asymmetric outcomes for our clients, then holding them long enough for this potential to be realised. In practice this means buying businesses that address large opportunities with novel technologies and products. We put a lot of weight on financially and philosophically aligned management teams able and willing to invest in the long-term success of their businesses. I am delighted to say that over the past year we think we have uncovered several companies meeting these criteria.

⁴Source: SPA. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Two helpful illustrations would be Team17 and Alpha FX. Team17 is an indie videogame publishing studio that rose to fame designing the Worms franchise in the '90s. Today, it helps small game designers build their games, then sell them to the largest audience possible. In doing this, the business takes on relatively little development risk, but exposes itself to a massive upside if one of its games is a success. The video games market is already larger than that of both music and film. This gives the business a vast runway for growth. Team17's success largely comes down to its CEO Debbie Bestwick, who has been with the business for several decades, and still retains significant ownership. On the surface, Alpha FX could not be more different. The business helps mid-sized UK corporations manage their foreign currency exposure. Looking closer however, the similarities are greater than they seem. Like video games, the global FX market is massive, measured in trillions of pounds. Like Team17, Alpha FX only needs a tiny share of its market to grow the business to many multiples of its current size. The company offers a high-touch service to clients. This builds its reputation as a trusted partner, helping it to retain existing customers, and win new ones. It is also run by a founder whose ambition and significant ownership stake keeps him aligned with investors.

Having identified businesses with the potential to be investment outliers, the next step is putting in place a process that allows us to maximise the upside when one of these works out. This is another area where Steve and I have made significant progress. Over the summer, we have adjusted our guidelines to allow greater scope to run our winners, and benefit from upside. The first step was changing the benchmark of the Fund to the Numis Smaller Companies Index. This has been done partly to make the Fund more easily comparable with its UK peers, but more importantly, the Index includes companies further up the market cap spectrum. This means that whilst we still intend to only buy companies with a market cap below £1bn at time of purchase, we are now able to hold them for far longer as they grow, before they break above the top of the Index and our guidelines require us to sell. It is dangerous to hypothesize on what might have been, but it is worth noting that in past years the Fund has had to sell businesses such as ASOS and Hargreaves Lansdown, which have subsequently

continued to grow, due to the lack of framework to run winners. We believe this is now remedied. Our task is to find the small companies of today, which have the potential to become the large companies of tomorrow. We are now in a position where we can fully benefit from the ones who make it.

Another area where we have put significant thought is governance and sustainability. In one sense, this is nothing new. We have never invested in companies we felt were unsustainable. To do so over a long-term investment horizon would be mad. Where we have refined our thinking however is in how environmental, social, and governance factors may impact a business more broadly. Governance is straightforward. We have always looked for aligned owners, managers and stewards who think about the long-term good of their businesses, something which is almost always intrinsically linked to the long-term benefit of wider stakeholders. Environmental and social factors on the other hand are often far harder to quantify and incorporate into our investment cases. Luckily, we have excellent support in place to help us wrestle with these issues. We work closely with our internal team of 16 Governance and Sustainability professionals and have a dedicated member of the team who focuses on UK companies. With this support, we are able to navigate the grey areas, and often proactively push businesses where we feel there is more that can be done. We have now engaged with a wide range of holdings on issues as diverse as succession management, board structure, and supply chain management. This has fed through into our investment process. There have now been several investment opportunities we have turned down because we felt that the environmental and social impact would negatively impact the sustainability of the business. These include a petrol station operator, and a firm that profited from pursuing legal damages.

So where does all this leave us today? We believe we have made a number of important changes. These are practical: we have sold some struggling holdings to fund the purchase of a new generation of exciting growth businesses; structural: we have positioned Fund guidelines to allow us to run winners and benefit from the asymmetry of returns; and philosophical: we are focusing all our efforts on identifying businesses that

Investment Report cont.

have transformative growth potential. Although short term numbers are promising, we do not place any weight in quarterly movements. Longer-term performance has yet to reflect our renewed optimism. Although frustrating, we would expect this given that it is still very early days, particularly when compared to our five-year-plus investment timeframes. We are excited about what lies ahead and relish the challenge. We believe we are now in an extremely strong position going forward. We trust in our team and in our process. The mission remains clear: to invest the capital in the next generation of exceptional British companies. We appreciate your patience and support through this transition as we adapt and evolve. We believe we have now placed the portfolio in the best possible position to benefit from these changes over the long term.

about their commitment to such concepts in coming weeks.

Charlie Broughton, 27 February 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
YouGov	6.40
Boohoo	5.02
Creo Medical	4.21
Renishaw	4.19
Abcam	3.87
Oxford Instruments	3.61
Genus	3.42
Hotel Chocolat	3.04
Ten Lifestyle	2.92
Kainos Group	2.86

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Kainos Group	3,104	Boohoo	4,448
Alpha FX	2,774	Helical	3,797
Mind Gym	2,341	Vectura	2,434
Keywords Studios	2,292	Hostelworld Group	2,253
Dotdigital Group	1,988	Ricardo	2,149
Team 17 Group	1,942	Numis Corporation	2,011
On The Beach	1,644	Craneware	1,303
Bioventix	1,522	Clipper Logistics	1,061
First Derivatives	1,300	easyHotel	958
Sumo Group	1,212	Shearwater Gp	922

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Basic Materials - 1.83% (2.14%)			
Victrex	142,362	3,155	1.83
Consumer Goods - 5.83% (7.63%)			
Fevertree Drinks	184,038	2,532	1.47
Focusrite	415,071	3,030	1.76
Science In Sport	3,788,336	1,743	1.01
Sumo Group	757,239	1,454	0.85
Ted Baker	174,878	388	0.23
Victoria	210,760	885	0.51
Consumer Services - 25.10% (22.51%)			
4imprint	144,225	4,774	2.77
Angling Direct	1,008,000	655	0.38
AO World	2,574,097	1,974	1.15
Arena Events	3,407,941	784	0.46
Boohoo	2,860,854	8,640	5.02
Gear4music	542,199	1,383	0.80
Hotel Chocolat	1,161,405	5,226	3.04
Naked Wines	371,759	779	0.45
On The Beach	755,711	2,946	1.71
Patisserie Holdings ¹	323,677	-	0.00
Ten Lifestyle	3,932,054	5,033	2.92
YouGov	1,720,990	11,014	6.40
Financials - 6.15% (7.52%)			
Alpha FX	308,138	4,006	2.33
Draper Esprit	881,487	4,460	2.59
IP Group	1,272,541	875	0.51
Mercia Technologies	4,643,976	1,245	0.72
Health Care - 19.40% (22.55%)			
Abcam	477,603	6,658	3.87
Avacta	4,454,885	980	0.57
Benchmark Holdings	5,111,459	2,147	1.25

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Bioventix	39,224	1,530	0.89
Clinigen	379,707	3,677	2.14
Creo Medical	4,268,312	7,256	4.21
Genus	191,677	5,892	3.42
Horizon Discovery	1,757,922	2,777	1.61
Midatech Pharma	7,833,696	235	0.14
Midatech Pharma Warrants ²	6,550,000	-	0.00
Reneuron	256,442	367	0.21
Vectura	2,012,386	1,884	1.09
Industrials - 24.13% (20.78%)			
Ceres Power	1,056,725	4,459	2.59
Clipper Logistics	478,205	1,234	0.72
Fisher (James) & Sons	120,863	2,379	1.38
Gooch & Housego	123,623	1,725	1.00
Keywords Studios	182,606	2,246	1.30
Kromek	5,910,222	1,330	0.77
Mind Gym	1,484,131	2,939	1.71
Oxford Instruments	403,340	6,219	3.61
Porvair	465,703	3,660	2.13
Renishaw	181,360	7,211	4.19
Ricardo	397,824	3,063	1.78
Robert Walters	634,589	3,807	2.21
Smart Metering Systems	243,133	1,245	0.72
Xeros	2,614,265	27	0.02
Oil & Gas - 0.00% (0.43%)			
Technology - 15.91% (12.92%)			
Craneware	183,434	3,430	1.99
Dotdigital Group	3,587,504	4,018	2.33
FDM Group	392,744	3,849	2.23
First Derivatives	98,617	2,732	1.59
Kainos Group	623,513	4,926	2.86
LoopUp	1,357,321	1,113	0.65

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
NCC Group	1,844,091	3,956	2.30
Proactis	1,460,626	613	0.36
Team 17 Group	558,405	2,764	1.60
Portfolio of investments		169,329	98.35
Net other assets - 1.65% (3.52%)		2,844	1.65
Net assets		172,173	100.00

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

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

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	621.30	719.14	644.51
Return before operating charges*	56.61	(87.25)	85.19
Operating charges	(9.57)	(10.59)	(10.56)
Return after operating charges*	47.04	(97.84)	74.63
Distributions	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	668.34	621.30	719.14
*After direct transaction costs of:	0.25	0.28	0.21
Performance:			
Return after charges	7.57%	(13.61)%	11.58%
Other Information:			
Closing net asset value (£'000)	1,561	2,038	3,000
Closing number of shares	233,631	328,094	417,175
Operating charges	1.52%	1.52%	1.53%
Direct transaction costs ¹	0.04%	0.04%	0.03%
Prices:			
Highest share price (pence)	682.5	754.2	748.5
Lowest share price (pence)	577.9	594.3	647.5

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	729.09	836.76	743.58
Return before operating charges*	66.86	(102.20)	98.55
Operating charges	(4.97)	(5.47)	(5.37)
Return after operating charges*	61.89	(107.67)	93.18
Distributions	(4.58)	(5.68)	(5.26)
Retained distributions on accumulation shares	4.58	5.68	5.26
Closing net asset value per share	790.98	729.09	836.76
*After direct transaction costs of:	0.30	0.33	0.24
Performance:			
Return after charges	8.49%	(12.87)%	12.53%
Other Information:			
Closing net asset value (£'000)	20,210	21,386	39,969
Closing number of shares	2,555,067	2,933,323	4,776,712
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs ¹	0.04%	0.04%	0.03%
Prices:			
Highest share price (pence)	807.5	882.5	870.8
Lowest share price (pence)	682.1	696.8	747.9

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	518.36	599.54	536.13
Return before operating charges*	47.57	(73.30)	71.07
Operating charges	(3.53)	(3.81)	(3.87)
Return after operating charges*	44.04	(77.11)	67.20
Distributions on income shares	(3.26)	(4.07)	(3.79)
Closing net asset value per share	559.14	518.36	599.54
 *After direct transaction costs of:	 0.21	 0.22	 0.17
Performance:			
Return after charges	8.50%	(12.86)%	12.53%
Other Information:			
Closing net asset value (£'000)	5,955	12,679	3,471
Closing number of shares	1,064,941	2,445,968	579,016
Operating charges	0.67%	0.68%	0.67%
Direct transaction costs ¹	0.04%	0.04%	0.03%
Prices:			
Highest share price (pence)	574.1	632.4	627.9
Lowest share price (pence)	485.0	499.3	539.3

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	823.61	939.11	829.13
Return before operating charges*	75.91	(115.32)	110.16
Operating charges	(0.17)	(0.18)	(0.18)
Return after operating charges*	75.74	(115.50)	109.98
Distributions	(10.67)	(12.34)	(11.71)
Retained distributions on accumulation shares	10.67	12.34	11.71
Closing net asset value per share	899.35	823.61	939.11
*After direct transaction costs of:	0.34	0.37	0.27
Performance:			
Return after charges	9.20%	(12.30)%	13.26%
Other Information:			
Closing net asset value (£'000)	144,441	125,079	149,228
Closing number of shares	16,060,635	15,186,664	15,890,289
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ¹	0.04%	0.04%	0.03%
Prices:			
Highest share price (pence)	917.9	994.8	977.1
Lowest share price (pence)	774.0	786.6	834.6

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	521.11	603.13	539.20
Return before operating charges*	48.08	(73.98)	71.67
Operating charges	(0.11)	(0.12)	(0.12)
Return after operating charges*	47.97	(74.10)	71.55
Distributions on income shares	(6.75)	(7.92)	(7.62)
Closing net asset value per share	562.33	521.11	603.13
 *After direct transaction costs of:	 0.21	 0.23	 0.18
Performance:			
Return after charges	9.21%	(12.29)%	13.27%
Other Information:			
Closing net asset value (£'000)	6	5	6
Closing number of shares	1,000	1,000	1,000
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ¹	0.04%	0.04%	0.03%
Prices:			
Highest share price (pence)	580.8	639.0	635.5
Lowest share price (pence)	489.8	505.3	542.8

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions. A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		12,572		(26,017)
Revenue	3	2,085		2,546	
Expenses	4	(243)		(328)	
Net revenue before taxation		1,842		2,218	
Taxation	5	-		-	
Net revenue after taxation			1,842		2,218
Total return before distributions			14,414		(23,799)
Distributions	6		(1,844)		(2,222)
Change in net assets attributable to shareholders from investment activities			12,570		(26,021)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		161,187		195,674
Amounts receivable on issue of shares	10,724		6,251	
Amounts payable on cancellation of shares	(14,261)		(16,858)	
		(3,537)		(10,607)
Dilution adjustment		122		100
Change in net assets attributable to shareholders from investment activities		12,570		(26,021)
Retained distributions on accumulation shares		1,831		2,041
Closing net assets attributable to shareholders		172,173		161,187

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	169,329	155,507
Current assets:			
Debtors	8	3,268	574
Cash and bank balances	9	2,332	5,353
Total assets		174,929	161,434
Liabilities:			
Creditors:			
Distributions payable		(35)	(100)
Other creditors	10	(2,721)	(147)
Total liabilities		(2,756)	(247)
Net assets attributable to shareholders		172,173	161,187

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	12,575	(26,014)
Transaction costs	(3)	(3)
Net capital gains/(losses)	12,572	(26,017)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	26,654	28,967
Commissions	15	11
Taxes	32	29
Total transaction costs on equity purchases ¹	47	40
Purchases including transaction costs	26,701	29,007

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	0.06	0.04
Taxes on equity purchases	0.12	0.10

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	25,471	39,487
Commissions	(17)	(23)
Taxes	-	-
Total transaction costs on equity sales ¹	(17)	(23)
Sales net of transaction costs	25,454	39,464

¹These 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 sales	(0.07)		(0.06)	
Taxes on equity sales	0.00		0.00	
	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	32	0.02	34	0.02
Taxes	32	0.02	29	0.02
Total direct transaction costs	64	0.04	63	0.04
	2020		2019	
	%		%	
Average portfolio dealing spread	0.70		0.70	

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

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

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

3 Revenue

	2020	2019
	£'000	£'000
UK dividends	1,840	2,284
Overseas dividends	235	207
Property income	-	46
Bank interest	10	9
Total revenue	2,085	2,546

Notes to the Financial Statements cont.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	222	298
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	13	20
Bank charges	2	4
	15	24
Other expenses:		
Audit fee	6	6
Total expenses	243	328

5 Taxation

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

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.

At 31 January 2020, the Fund had excess management expenses of £3,373,000 (2019: £3,139,000) 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	1,842	2,218
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	368	444
Effects of:		
Non-taxable UK dividends	(368)	(457)
Non-taxable overseas dividends	(47)	(41)
Excess management expenses	47	54
Total taxation	-	-

Notes to the Financial Statements cont.

6 Distributions

	2020	2019
	£'000	£'000
Final to 31 January	1,865	2,141
Amounts deducted on cancellation of shares	47	180
Amounts added on issue of shares	(68)	(99)
Total distributions	1,844	2,222

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	1,842	2,218
Add capital transfers for deficits of income	3	3
Add distributable revenue brought forward	-	1
Less distributable revenue carried forward	(1)	-
Net distributions for the year	1,844	2,222

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	3,036	-
Sales awaiting settlement	15	217
Accrued income	112	257
Overseas tax recoverable	104	99
Other debtors	1	1
Total debtors	3,268	574

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	2,332	5,353
Total cash and bank balances	2,332	5,353

Notes to the Financial Statements cont.

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	35	117
Purchases awaiting settlement	2,662	-
Due to the ACD or associates	17	21
Due to the Depositary or associates	2	3
Other accrued expenses	5	6
Total other creditors	2,721	147

11 Related party transactions

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

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

Shares held by the ACD and associates of the ACD

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

	2020	2019
	%	%
ACD and associates of the ACD	29.18	24.28

12 Reconciliation of shares in issue

	2020				
	A Accumulation	B Accumulation	B Income	C Accumulation	C Income
	Shares	Shares	Shares	Shares	Shares
Opening shares in issue	328,094	2,933,323	2,445,968	15,186,664	1,000
Shares issued	24,516	174,734	45,757	1,048,372	1,000
Shares cancelled	(74,095)	(591,196)	(1,426,784)	(174,401)	(1,000)
Shares converted	(44,884)	38,206	-	-	-
Closing shares in issue	233,631	2,555,067	1,064,941	16,060,635	1,000

Notes to the Financial Statements cont.

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	169,329	155,507
Level 2: Observable market data	-	-
Level 3: Unobservable data ¹	-	-
Total	169,329	155,507

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

14 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Accumulation Shares was -11.1%¹. The Fund's net asset value as at 10am on this day was £157,754,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Table

Final distribution for the year ended 31 January 2020

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Accumulation				
Group 1	4.58000	-	4.58000	5.68000
Group 2	2.17778	2.40222	4.58000	5.68000
B Income				
Group 1	3.26000	-	3.26000	4.07000
Group 2	1.66058	1.59942	3.26000	4.07000
C Accumulation				
Group 1	10.67000	-	10.67000	12.34000
Group 2	4.75955	5.91045	10.67000	12.34000
C Income				
Group 1	6.75000	-	6.75000	7.92000
Group 2	6.75000	-	6.75000	7.92000

BAILLIE GIFFORD

Baillie Gifford Global Alpha Growth Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford Global Alpha Growth Fund

Investment Objective

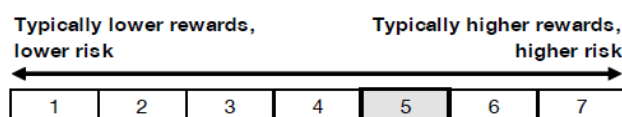
The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in Sterling, by at least 2% per annum over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

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

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

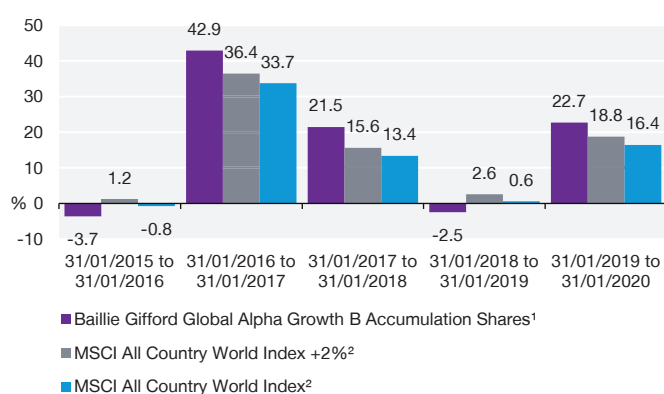
The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 20.6%³ compared to the return on the MSCI All Country World Index (the 'Index') of 16.4%² and the Fund's target (the 'target return') of the Index +2% of 18.8%². The investment objective of the Fund is to outperform the Index by 2% per annum over rolling five-year periods. As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability. The annualised five-year return on B Accumulation Shares was 14.6%³ compared to the return on the Index of 12.0%² and the target return of 14.2%².

Global stock markets put in a stellar performance over the period, posting strong gains. This was despite various political and economic concerns around the world such as trade tensions between the US and China, Brexit and the possibility of a looming recession in various globally significant economies.

In such favourable market conditions, we undertook an exercise to test the upside for holdings where share prices had risen strongly. We were encouraged by the results which leave us confident about the remaining upside for a vast majority of the portfolio. We have

subsequently added to Alphabet (parent company of Google) and Microsoft (software company) where the strength of our conviction has increased that these companies can grow materially from today's starting point.

The primary driver of the portfolio's relative performance was stock selection, in particular Advantest, Moody's and Shopify. Advantest, a Japanese semiconductor testing company, has seen its share price rise as the development of 5G infrastructure has driven demand for semiconductor testing, boosting the company's profitability. Moody's competitive position in its ratings business (an effective oligopoly with S&P) remains secure and highly profitable. Over the years, the company has also developed Moody's Analytics (MA), a data business that provides risk management and financial analysis solutions to a wide range of end markets. MA continues to see strong organic growth and, as scale builds, margins have improved. The share price performance reflects the increased appreciation of the quality of this business.

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE 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. Please see Disclaimer on page 289. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

The e-commerce enabler Shopify saw strong share price appreciation driven by exceptional underlying operational performance. This continued growth has been driven by widening its client base to both entrepreneurs and large enterprises, while deepening their client footprint through solutions-based services like online payments and shipping.

Among the top detractors are online food ordering platform GrubHub and the Chinese search engine Baidu, with the former experiencing significant share price weakness as the company acknowledged that increased competition was having a meaningful impact on both growth rates and profitability. GrubHub is planning to increase investment in response which is likely to depress profitability as it fights to increase customer loyalty and bring more restaurants (and hence choice) onto its platform. Baidu (sold during the period) was weak, reflecting concerns over the quality of the company's capital allocation and the potential erosion of its core online search business. We shared these concerns as well as having doubts about the company's culture and the ability to attract and retain talent and decided to sell the holding.

Over the course of the reporting year there has been a number of new purchases in healthcare-related companies. These included Novocure (manufacturer of specialised medical equipment), Illumina (US leading gene sequencing company), Abiomed (provider of temporary heart pumps), Sysmex (manufacturer of equipment for clinical testing) and Teladoc (US telemedicine company). This increase reflects our belief that healthcare systems around the world may be on the cusp of radical change and we see these companies developing innovative ways to improve patient outcomes, reduce the cost of treatment and improve access to healthcare systems.

As markets become ever more short-term and extractive, it is vital that we remain focused on our mission. That is to look for companies which commit capital to future growth and have the vision to think decades in advance. These are the businesses that stand a good chance of growing their revenues, cash flows and earnings at above-market rates for significant periods of time. Only by taking significant holdings in these companies and holding them for long periods can we remain confident of continuing to add value for our clients, after fees, for decades to come.

Baillie Gifford & Co, 17 March 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Amazon.com	3.25
Alibaba	3.09
Moody's	2.81
Naspers	2.77
Prudential	2.68
Alphabet Inc Class C	2.67
Mastercard	2.59
Microsoft	2.16
Anthem Inc	2.09
AIA Group	2.03

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Sysmex Corp.	46,759	MarketAxess Holdings	55,496
Broadridge Financial Solutions	44,127	Royal Caribbean Cruises	46,553
Alibaba	43,509	ICICI Bank ADR	44,295
Illumina	35,674	Banco Bradesco Pref	43,250
Microsoft	34,975	Verisk Analytics	42,987
Naspers	32,913	Visa Inc-Class A Shares	39,793
Prudential	32,011	Amazon.com	36,686
Brilliance China Automotive	32,001	Advantest Corp	36,109
Abiomed	30,111	First Republic Bank	35,051
EOG Resources	27,879	Naspers	35,050

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Australia - 0.50% (0.48%)			
Orica	1,667,883	19,338	0.50
Brazil - 1.75% (3.21%)			
B3 S.A.	3,599,800	30,675	0.80
Banco Bradesco Pref	6,225,832	36,340	0.95
Canada - 2.46% (2.15%)			
Fairfax Financial Holdings	86,479	29,317	0.76
Ritchie Bros Auctioneers (USA)	664,063	21,269	0.56
Shopify 'A'	123,789	43,722	1.14
China - 7.41% (7.51%)			
58.Com Inc ADR	420,492	17,742	0.46
Alibaba	757,847	118,765	3.09
Autohome Inc - ADR	316,556	18,349	0.48
Brilliance China Automotive	31,456,000	21,389	0.56
Meituan Dianping	2,402,800	23,310	0.61
Ping An Insurance	6,683,000	57,913	1.51
Trip.com Group	727,305	17,728	0.46
Tsingtao Brewery 'H'	2,170,000	9,180	0.24
Denmark - 0.50% (1.01%)			
Genmab	110,968	19,375	0.50
France - 2.31% (2.40%)			
Bureau Veritas	1,558,076	32,603	0.85
Pernod Ricard SA	424,823	55,857	1.46
Germany - 2.57% (2.93%)			
Deutsche Boerse	257,330	31,823	0.83
SAP	674,028	66,853	1.74
Hong Kong - 2.38% (2.64%)			
AIA Group	10,270,200	78,012	2.03

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Sands China	3,559,600	13,198	0.35
India - 3.61% (3.65%)			
HDFC Corp	2,045,032	52,483	1.37
ICICI Bank ADR	4,444,718	49,127	1.28
Reliance Inds. GDR	1,243,595	36,887	0.96
Ireland - 2.86% (3.01%)			
Bank of Ireland (Dublin)	4,721,535	17,513	0.46
CRH	1,897,436	54,191	1.41
Ryanair	3,039,385	38,072	0.99
Italy - 0.00% (1.01%)			
Japan - 7.62% (7.07%)			
Advantest Corp	997,900	40,999	1.07
CyberAgent Inc	823,100	25,435	0.66
Hoshizaki Corp	105,400	7,451	0.19
MS&AD Insurance	1,879,300	48,103	1.25
Olympus	5,270,256	65,826	1.72
SMC	104,000	35,108	0.92
Sumitomo Mitsui Trust	1,102,600	31,510	0.82
Sysmex Corp.	683,200	37,762	0.99
Netherlands - 1.83% (0.71%)			
Prosus N.V.	709,911	38,930	1.02
Signify NV	1,230,499	31,158	0.81
Norway - 1.03% (1.03%)			
Adevinta	1,196,881	11,013	0.29
Schibsted	922,916	21,138	0.55
Schibsted B	348,864	7,522	0.19
Russia - 1.18% (1.24%)			
Mail.ru Group GDR	684,893	12,231	0.32

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Sberbank Spon ADR	2,734,692	33,120	0.86
Singapore - 0.83% (0.63%)			
Jardine Matheson	378,800	16,043	0.42
SEA Ltd ADR	461,101	15,811	0.41
South Africa - 2.77% (4.00%)			
Naspers	855,880	106,446	2.77
Sweden - 1.75% (1.77%)			
Atlas Copco A	54,843	1,480	0.04
Atlas Copco B	1,275,577	30,198	0.79
Epiroc A	30,686	270	0.01
Epiroc B	2,425,799	20,906	0.54
Spotify Technology SA	133,935	14,352	0.37
Switzerland - 1.84% (1.90%)			
Richemont	495,297	27,512	0.72
Schindler	219,042	42,935	1.12
Taiwan - 1.34% (1.17%)			
TSMC ADR	1,253,517	51,284	1.34
United Kingdom - 4.84% (4.89%)			
BHP Group PLC	1,981,792	32,878	0.86
Hays	8,534,384	13,237	0.35
Just Eat	2,104,879	18,123	0.47
M&G PLC	7,719,044	18,541	0.48
Prudential	7,601,747	102,776	2.68
United States - 47.47% (44.34%)			
Abiomed	134,372	18,964	0.49
AJ Gallagher & Co	650,818	50,641	1.32
Albemarle	420,233	25,615	0.67
Alnylam Pharmaceuticals	443,159	38,591	1.01

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Alphabet Inc Class C	94,009	102,259	2.67
Amazon.com	81,890	124,724	3.25
Anthem Inc	398,903	80,274	2.09
Apache	1,361,334	28,297	0.74
Axon Enterprise Inc	375,042	21,853	0.57
Broadridge Financial Solutions	349,823	31,617	0.82
Chegg	534,891	16,730	0.44
Chipotle Mexican Grill	44,501	29,259	0.76
EOG Resources	741,573	41,011	1.07
Facebook	332,387	50,907	1.33
Grubhub Inc	405,778	16,660	0.43
Howard Hughes	156,482	14,444	0.38
Illumina	107,108	23,558	0.61
Interactive Brokers Group	433,212	15,446	0.40
Jefferies Financial	1,293,263	21,221	0.55
Kirby	714,566	39,691	1.04
LendingTree	79,582	18,788	0.49
Markel	42,230	37,612	0.98
MarketAxess Holdings	33,931	9,117	0.24
Martin Marietta Materials	260,652	52,140	1.36
Mastercard	414,907	99,411	2.59
Microsoft	643,029	83,010	2.16
Moody's	552,781	107,629	2.81
Myriad Genetics Inc	908,270	19,051	0.50
Netflix Inc	88,919	23,275	0.61
Novocure Ltd	337,811	20,876	0.54
Now Inc	914,969	6,941	0.18
ResMed	448,457	54,079	1.41
Seattle Genetics	389,586	32,034	0.84
Service Corp.Intl.	1,082,005	39,350	1.03
SiteOne Landscape Supply	389,961	28,553	0.74
Stericycle	475,273	22,595	0.59
TD Ameritrade Holding Corp	704,034	25,358	0.66
Teladoc	336,441	25,941	0.68
Teradyne	668,965	33,469	0.87

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Tesla Inc	111,687	55,093	1.44
The Trade Desk	114,766	23,422	0.61
Thermo Fisher Scientific	219,047	51,995	1.36
Visa Inc-Class A Shares	428,034	64,585	1.68
Wabtec	355,766	19,931	0.52
Waters	228,999	38,886	1.01
Zillow Group Inc Class C	1,019,886	35,752	0.93
Portfolio of investments		3,791,784	98.85
Net other assets - 1.15% (1.25%)		43,979	1.15
Net assets		3,835,763	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	255.62	262.61	216.81
Return before operating charges*	54.28	(3.22)	49.40
Operating charges	(4.16)	(3.77)	(3.60)
Return after operating charges*	50.12	(6.99)	45.80
Distributions	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	305.74	255.62	262.61
*After direct transaction costs of:	0.06	0.10	0.12
Performance:			
Return after charges	19.61%	(2.66)%	21.12%
Other Information:			
Closing net asset value (£'000)	11,460	12,612	11,811
Closing number of shares	3,748,237	4,933,837	4,497,381
Operating charges	1.45%	1.44%	1.51% ¹
Direct transaction costs ³	0.02%	0.04%	0.05%
Prices:			
Highest share price (pence)	323.4	283.9	268.7
Lowest share price (pence)	257.7	234.1	215.8

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	276.81	281.97	230.83
Return before operating charges*	58.94	(3.49)	52.82
Operating charges	(1.84)	(1.67)	(1.68)
Return after operating charges*	57.10	(5.16)	51.14
Distributions	(2.23)	(1.81)	(1.19)
Retained distributions on accumulation shares	2.23	1.81	1.19
Closing net asset value per share	333.91	276.81	281.97
*After direct transaction costs of:	0.06	0.11	0.13
Performance:			
Return after charges	20.63%	(1.83)%	22.15%
Other Information:			
Closing net asset value (£'000)	1,585,740	1,651,178	442,412
Closing number of shares	474,896,998	596,504,064	156,899,643
Operating charges	0.59%	0.59%	0.65% ²
Direct transaction costs ³	0.02%	0.04%	0.05%
Prices:			
Highest share price (pence)	353.1	306.3	288.5
Lowest share price (pence)	279.1	253.3	229.8

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	257.41	263.91	216.98
Return before operating charges*	54.82	(3.21)	49.63
Operating charges	(1.72)	(1.59)	(1.59)
Return after operating charges*	53.10	(4.80)	48.04
Distributions on income shares	(2.07)	(1.70)	(1.11)
Closing net asset value per share	308.44	257.41	263.91
 *After direct transaction costs of:	 0.06	 0.11	 0.12
Performance:			
Return after charges	20.63%	(1.82)%	22.14%
Other Information:			
Closing net asset value (£'000)	227,201	178,564	209,243
Closing number of shares	73,661,262	69,369,030	79,284,563
Operating charges	0.59%	0.60%	0.66% ²
Direct transaction costs ³	0.02%	0.04%	0.05%
Prices:			
Highest share price (pence)	327.9	286.3	270.7
Lowest share price (pence)	259.5	236.7	216.0

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	292.72	296.49	241.21
Return before operating charges*	62.48	(3.68)	55.39
Operating charges	(0.07)	(0.09)	(0.11)
Return after operating charges*	62.41	(3.77)	55.28
Distributions	(4.25)	(3.62)	(2.92)
Retained distributions on accumulation shares	4.25	3.62	2.92
Closing net asset value per share	355.13	292.72	296.49
*After direct transaction costs of:	0.07	0.12	0.14
Performance:			
Return after charges	21.32%	(1.27)%	22.92%
Other Information:			
Closing net asset value (£'000)	1,972,652	1,896,926	4,046,484
Closing number of shares	555,480,217	648,029,351	1,364,804,416
Operating charges	0.02%	0.03%	0.04%
Direct transaction costs ³	0.02%	0.04%	0.05%
Prices:			
Highest share price (pence)	375.5	323.1	303.3
Lowest share price (pence)	295.2	267.7	240.1

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	289.18	293.90 ⁴
Return before operating charges*	61.70	(1.35)
Operating charges	(0.07)	(0.08)
Return after operating charges*	61.63	(1.43)
Distributions on income shares	(4.20)	(3.29)
Closing net asset value per share	346.61	289.18
 *After direct transaction costs of:	 0.07	 0.10
Performance:		
Return after charges	21.31%	(0.49)%
Other Information:		
Closing net asset value (£'000)	38,710	18,385
Closing number of shares	11,168,125	6,357,625
Operating charges	0.02%	0.03%
Direct transaction costs ³	0.02%	0.04%
Prices:		
Highest share price (pence)	370.2	322.1
Lowest share price (pence)	291.6	266.8

¹With effect from 1 October 2017, the ACD's annual fee for Class A shares was reduced from 1.50% to 1.42%. As at 31 January 2018 the ACD considered 1.46% to be a more indicative rate for the ongoing charges figure.

²With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.65% to 0.57%. As at 31 January 2018 the ACD considered 0.61% to be a more indicative rate for the ongoing charges figure.

³The 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.

⁴Class C Income Shares were launched on 21 March 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		714,967		(113,372)
Revenue	3	59,014		62,253	
Expenses	4	(11,366)		(12,055)	
Net revenue before taxation		47,648		50,198	
Taxation	5	(4,968)		(5,668)	
Net revenue after taxation			42,680		44,530
Total return before distributions			757,647		(68,842)
Distributions	6		(42,762)		(44,622)
Change in net assets attributable to shareholders from investment activities			714,885		(113,464)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		3,757,665		4,709,950
Amounts receivable on issue of shares	434,579		153,351	
Amounts payable on cancellation of shares	(593,666)		(722,972)	
Creation of shares settled by transfer of stocks	180,799		-	
Stocks transferred out on cancellation of shares	(696,225)		(306,768)	
		(674,513)		(876,389)
Dilution adjustment		1,115		594
Change in net assets attributable to shareholders from investment activities		714,885		(113,464)
Retained distributions on accumulation shares		36,611		36,974
Closing net assets attributable to shareholders		3,835,763		3,757,665

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	3,791,784	3,710,669
Current assets:			
Debtors	8	23,917	14,641
Cash and bank balances	9	48,787	47,503
Total assets		3,864,488	3,772,813
Liabilities:			
Creditors:			
Bank overdrafts	9	(11,175)	(8,045)
Distributions payable		(1,621)	(1,066)
Other creditors	10	(15,929)	(6,037)
Total liabilities		(28,725)	(15,148)
Net assets attributable to shareholders		3,835,763	3,757,665

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	713,082	(112,612)
Currency gains/(losses)	1,895	(747)
Transaction costs	(10)	(13)
Net capital gains/(losses)	714,967	(113,372)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Purchases of equities	665,282	887,473
Equity transferred in	182,286	-
Gross purchases of equities excluding transaction costs	847,568	887,473
Commissions	239	531
Taxes	292	754
Total transaction costs on equity purchases ¹	531	1,285
Purchases including transaction costs	848,099	888,758

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	0.03	0.06
Taxes on equity purchases	0.03	0.08

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	£'000	£'000
Sales and transaction costs		
Sales of equity	809,088	1,403,079
Equity transferred out	671,557	289,340
Gross sales of equities excluding transaction costs	1,480,645	1,692,419
Commissions	(336)	(458)
Taxes	(65)	(137)
Total transaction costs on equity sales ¹	(401)	(595)
Sales net of transaction costs	1,480,244	1,691,824

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)	(0.03)
Taxes on equity sales	(0.00)	(0.01)

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	575	0.01	989	0.02
Taxes	357	0.01	891	0.02
Total direct transaction costs	932	0.02	1,880	0.04

	2020	2019
	%	%
Average portfolio dealing spread	0.05	0.05

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

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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

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

3 Revenue

	2020	2019
	£'000	£'000
UK dividends	7,795	6,281
Overseas dividends	51,026	55,754
Bank interest	193	218
Total revenue	59,014	62,253

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	10,566	11,087
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	313	429
Bank charges	433	525
	746	954
Other expenses:		
Audit fee	6	6
Professional fees	48	8
	54	14
Total expenses	11,366	12,055

Notes to the Financial Statements cont.

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	4,746	5,668
Prior year tax reclaims written off	395	-
Tax recoverable on overseas dividends	(173)	-
Total taxation	4,968	5,668

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.

At 31 January 2020, the Fund had excess management expenses of £34,765,000 (2019: £25,206,000) 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	47,648	50,198
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	9,529	10,039
Effects of:		
Non-taxable UK dividends	(1,559)	(1,256)
Non-taxable overseas dividends	(9,825)	(10,602)
Overseas tax on dividends	4,746	5,668
Excess management expenses	1,912	1,901
Prior year tax reclaims written off	395	-
Tax recoverable on overseas dividends	(173)	-
Expense relief claimed on overseas tax	(57)	(82)
Total taxation	4,968	5,668

Notes to the Financial Statements cont.

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	11,906	13,898
Final to 31 January	26,699	24,512
	38,605	38,410
Amounts deducted on cancellation of shares	7,261	6,650
Amounts added on issue of shares	(3,104)	(438)
Total distributions	42,762	44,622

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	42,680	44,530
Add capital transfers for deficits of income	15	27
Add distributable revenue brought forward	75	140
Less distributable revenue carried forward	(8)	(75)
Net distributions for the year	42,762	44,622

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	16,844	537
Sales awaiting settlement	3,964	8,035
Accrued income	542	2,347
Overseas tax recoverable	2,501	3,644
VAT recoverable	10	14
Other debtors	56	64
Total debtors	23,917	14,641

Notes to the Financial Statements cont.

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	24,628	19,568
Foreign currency bank accounts	24,159	27,935
	48,787	47,503
Sterling bank accounts overdrawn	(11,175)	(8,045)
Total cash and bank balances	37,612	39,458

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	7,262	2,605
Purchases awaiting settlement	7,614	2,349
Due to the ACD or associates	912	877
Due to the Depositary or associates	131	197
Other accrued expenses	10	9
Total other creditors	15,929	6,037

11 Related party transactions

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

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

Shares held by the ACD and associates of the ACD

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

	2020	2019
	%	%
ACD and associates of the ACD	10.25	10.39

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

	2020				
	A Accumulation Shares	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares
Opening shares in issue	4,933,837	596,504,064	69,369,030	648,029,351	6,357,625
Shares issued	679,523	44,747,981	6,193,703	140,661,413	-
Shares cancelled	(1,865,123)	(129,103,870)	(1,940,973)	(263,622,908)	-
Shares converted	-	(37,251,177)	39,502	30,412,361	4,810,500
Closing shares in issue	3,748,237	474,896,998	73,661,262	555,480,217	11,168,125

13 Basis of valuation

	2020 Assets £'000	2019 Assets £'000
Level 1: Quoted prices	3,791,784	3,710,669
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	3,791,784	3,710,669

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	19,338	19,338	-	-	-
Brazilian real	-	67,015	67,015	-	30,136	30,136
Canadian dollar	-	29,317	29,317	-	-	-
Danish krone	-	19,375	19,375	-	-	-
Euro	-	312,809	312,809	-	155,002	155,002
Hong Kong dollar	-	203,002	203,002	-	83,063	83,063
Indian rupee	-	52,483	52,483	-	-	-
Japanese yen	-	292,194	292,194	-	139,388	139,388
Norwegian krona	-	39,673	39,673	-	-	-
South African rand	-	106,446	106,446	-	-	-
Swedish krona	-	52,854	52,854	-	33,001	33,001
Swiss franc	-	70,447	70,447	-	71,291	71,291
UK sterling	13,453	239,745	253,198	11,523	168,162	179,685
US dollar	24,159	2,287,086	2,311,245	27,935	1,011,550	1,039,485

Short term debtors and creditors have not been disclosed.

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

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Accumulation				
Group 1	0.40000	-	0.40000	0.40000
Group 2	-	0.40000	0.40000	0.40000
B Income				
Group 1	0.40000	-	0.40000	0.40000
Group 2	-	0.40000	0.40000	0.40000
C Accumulation				
Group 1	1.30000	-	1.30000	1.30000
Group 2	0.53789	0.76211	1.30000	1.30000
C Income				
Group 1	0.70000	-	0.70000	0.70000
Group 2	0.70000	-	0.70000	0.70000

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Accumulation				
Group 1	1.83000	-	1.83000	1.41000
Group 2	0.17627	1.65373	1.83000	1.41000
B Income				
Group 1	1.67000	-	1.67000	1.30000
Group 2	0.15695	1.51305	1.67000	1.30000
C Accumulation				
Group 1	2.95000	-	2.95000	2.32000
Group 2	0.43222	2.51778	2.95000	2.32000
C Income				
Group 1	3.50000	-	3.50000	2.59000
Group 2	3.50000	-	3.50000	2.59000

BAILLIE GIFFORD

Baillie Gifford Global Income Growth Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford Global Income Growth Fund

Investment Objective

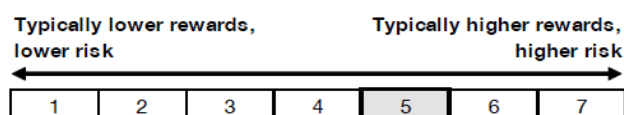
The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the FTSE All World Index.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

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

The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Fees Charged to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 31 January 2020 91% of expenses were charged to capital (year to 31 January 2019: 71%). This will reduce the capital value of the Fund. This number will vary from year to year.

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Income Shares was 17.6%³. The investment objective of the Fund is to achieve growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the FTSE All World Index (the 'Index'). As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability. Over the year the Fund declared income totalling 20.64 pence per share giving a yield of 3.1%³ compared to the yield on the Index of 2.6%⁴. The increase in income over the five-year period was 30.3%³ and the capital return was 51.3%³.

Overall, we have been pleased by how the businesses we invest in have performed operationally. In particular, it has been encouraging to see several of our consumer goods businesses, such as Procter & Gamble, Nestle and Coca Cola, delivering improving sales results. This has long been our expectation and, in our view, has been largely due to management efforts to improve the pace of innovation within these large businesses. We have also had useful engagements with the management teams on their efforts to ensure the businesses stay ahead of consumer trends around, for instance, packaging and healthiness. Another example is TSMC, the leading semiconductor foundry, which has expressed more

confidence in the medium-term outlook as customer demand for the next generation of semiconductors is accelerating.

In terms of transactions, earlier in the year we took a new holding in Watsco, an American air conditioning distributor, and Carsales.com, which operates an online car advertising platform in Australia. Schneider Electric and Amadeus were two more recent new purchases for the portfolio. Both are businesses we have been researching for years. A combination of attendance at industry conferences, conversations with independent experts, and fresh research on the growth opportunities facing both companies has given us the confidence to make an investment.

On the other hand, we have sold our holding in Alphabet, which has been an excellent investment but where we concluded that the company is unlikely to pay a dividend for the foreseeable future. We also sold Johnson & Johnson, where we have come to the conclusion that the company falls short of our expectations of management and culture. More recently, we sold our holding in Apache, where some of the key people we were backing to reinvigorate the business left the company unexpectedly, which undermined an

¹Source: FE, 10am dealing prices, income reinvested. ²Source: FE and relevant underlying index provider, total return in sterling terms. Please see Disclaimer on page 289. ³Source: Baillie Gifford & Co Limited, closing net asset values, income reinvested. ⁴Source: UBS and relevant underlying index provider. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

important part of our investment case. We also sold Zenkoku Hoshō, the Japanese mortgage guarantor, as we were concerned that the risk profile of the business may be increasing.

There is never a shortage of gloomy headlines and macroeconomic concerns to worry about, but we do not think we can add much value in focusing our attention on these. Instead, we view our job as being able to find exceptionally well-managed businesses, with the resilience to thrive in many environments. We try our hardest to build an 'all-weather' portfolio that does not rely on a specific set of macroeconomic events to occur in order to meet our long-term aims. We have great confidence in the people managing many of the businesses in the portfolio, and believe the portfolio has a healthy amount of diversification, in terms of where growth comes from, and what might threaten that growth.

The past year has been a good year for the portfolio and for most of our holdings. Operational performance has been encouraging, and we are excited about what the next few years hold. Perhaps most importantly, the flow of potential new ideas feels strong. This means that we can look forward to maintaining the same high standards when selecting new holdings in 2020.

*The Baillie Gifford Global Income Growth Team,
10 March 2020*

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not

only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Coca Cola	3.46
Roche	3.18
Procter & Gamble	3.03
Deutsche Boerse	2.86
Microsoft	2.82
Sonic Healthcare	2.79
Edenred	2.67
Pepsico	2.66
B3 S.A.	2.63
Nestle	2.50

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Watsco Inc	9,747	Scottish & Southern Energy	9,033
Schneider Electric SE	8,341	Signify NV	7,200
Carsales.com	7,483	ANTA Sports Products	5,857
Roche	5,958	Zenkoku Hosho Co Ltd	5,311
Pernod Ricard SA	5,590	Alphabet Inc Class A	5,283
Amadeus IT Group SA	5,465	RPM International	5,164
Nestle	4,883	Johnson & Johnson	4,852
Prudential	4,705	Wolters Kluwer NV	4,557
Pepsico	3,863	Analog Devices	4,452
UPS	3,755	Fastenal	4,155

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Australia - 5.54% (4.02%)			
Carsales.com	823,001	7,202	1.28
Cochlear	54,643	6,684	1.19
Sonic Healthcare	977,491	15,722	2.79
WPP AUNZ	5,539,514	1,589	0.28
Brazil - 3.55% (3.59%)			
Ambev SA	1,628,400	5,157	0.92
B3 S.A.	1,742,700	14,850	2.63
China - 1.08% (1.19%)			
Want Want China	9,680,000	6,100	1.08
Denmark - 1.65% (1.07%)			
Novo Nordisk	200,826	9,304	1.65
France - 7.98% (5.75%)			
Edenred	367,511	15,034	2.67
Kering	17,744	8,272	1.47
Pernod Ricard SA	38,012	4,998	0.88
Schneider Electric SE	110,674	8,420	1.49
Total	222,979	8,275	1.47
Germany - 3.89% (3.68%)			
Deutsche Boerse	130,662	16,158	2.86
SAP	58,353	5,788	1.03
Hong Kong - 5.07% (6.32%)			
ANTA Sports Products	1,445,327	9,616	1.71
China Mobile	1,063,500	6,671	1.18
Hong Kong Exchanges & Clearing	260,100	6,576	1.17
Man Wah Holdings Ltd	10,734,400	5,705	1.01
Japan - 2.15% (2.81%)			
Sumitomo Mitsui Trust	240,400	6,870	1.22

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
USS Co	376,400	5,269	0.93
Mexico - 1.50% (1.39%)			
Kimberly-Clark De Mexico	5,382,200	8,424	1.50
Netherlands - 1.64% (3.31%)			
Wolters Kluwer NV	161,777	9,237	1.64
Singapore - 1.40% (1.20%)			
United Overseas Bank	554,100	7,890	1.40
South Africa - 1.24% (1.67%)			
AVI	1,783,734	6,982	1.24
Spain - 1.85% (1.23%)			
Amadeus IT Group SA	89,698	5,339	0.95
Bankinter SA	1,034,009	5,089	0.90
Sweden - 3.80% (3.63%)			
Atlas Copco A	329,571	8,892	1.58
Sandvik	502,394	6,971	1.24
Svenska Handelsbanken	745,413	5,545	0.98
Switzerland - 9.62% (6.41%)			
Kuehne & Nagel	76,375	9,369	1.66
Nestle	168,603	14,108	2.50
Partners Group	18,443	12,835	2.28
Roche	70,270	17,922	3.18
Taiwan - 2.28% (1.70%)			
TSMC ADR	314,406	12,863	2.28
UK - 13.97% (15.48%)			
Admiral Group	569,045	12,855	2.28
British American Tobacco	160,838	5,399	0.96

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
British American Tobacco - ADR	95,121	3,179	0.56
Experian	475,379	12,536	2.22
Glaxosmithkline	644,008	11,489	2.04
Greencoat UK Wind	5,573,975	7,915	1.41
Hiscox	533,147	6,995	1.24
Prudential	878,505	11,877	2.11
Rio Tinto	159,126	6,499	1.15
United States - 30.99% (33.75%)			
AJ Gallagher & Co	70,853	5,513	0.98
Albemarle	102,239	6,232	1.10
Analog Devices	116,557	9,704	1.72
Apple	35,316	8,287	1.47
CH Robinson	193,137	10,581	1.88
Coca Cola	439,770	19,480	3.46
Cullen/Frost Bankers	86,418	5,840	1.04
Dolby Laboratories	99,413	5,228	0.93
Fastenal	531,545	14,061	2.49
McDonald's	61,112	9,915	1.76
Microsoft	123,351	15,924	2.82
National Instruments Corp	184,215	6,237	1.11
Pepsico	139,035	14,975	2.66
Procter & Gamble	181,121	17,106	3.03
TJX Companies	141,167	6,322	1.12
UPS	128,560	10,093	1.79
Watsco Inc	69,757	9,205	1.63
Portfolio of investments		559,173	99.20
Net other assets - 0.80% (1.80%)		4,515	0.80
Net assets		563,688	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	1,245.55	1,260.37	1,126.09
Return before operating charges*	226.57	3.48	152.67
Operating charges	(20.39)	(18.30)	(18.39)
Return after operating charges*	206.18	(14.82)	134.28
Distributions	(37.32)	(35.82)	(29.78)
Retained distributions on accumulation shares	37.32	35.82	29.78
Closing net asset value per share	1,451.73	1,245.55	1,260.37
*After direct transaction costs of:	0.70	0.63	0.73
Performance:			
Return after charges	16.55%	(1.18)%	11.92%
Other Information:			
Closing net asset value (£'000)	2,365	1,581	2,016
Closing number of shares	162,757	126,884	159,992
Operating charges	1.45%	1.45%	1.51% ¹
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	1,535	1,349	1,293
Lowest share price (pence)	1,259	1,182	1,121

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	589.00	613.27	561.73
Return before operating charges*	106.65	1.84	75.62
Operating charges	(9.55)	(8.81)	(9.09)
Return after operating charges*	97.10	(6.97)	66.53
Distributions on income shares	(17.35)	(17.30)	(14.99)
Closing net asset value per share	668.75	589.00	613.27
*After direct transaction costs of:	0.33	0.30	0.36
Performance:			
Return after charges	16.49%	(1.14)%	11.84%
Other Information:			
Closing net asset value (£'000)	3,402	2,827	2,453
Closing number of shares	508,013	479,984	399,919
Operating charges	1.45%	1.45%	1.51% ¹
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	711.7	648.2	632.7
Lowest share price (pence)	595.1	563.7	559.4

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	1,338.72	1,343.17	1,189.91
Return before operating charges*	245.10	3.65	161.80
Operating charges	(9.13)	(8.10)	(8.54)
Return after operating charges*	235.97	(4.45)	153.26
Distributions	(41.31)	(38.33)	(35.37)
Retained distributions on accumulation shares	41.31	38.33	35.37
Closing net asset value per share	1,574.69	1,338.72	1,343.17
*After direct transaction costs of:	0.76	0.68	0.78
Performance:			
Return after charges	17.63%	(0.33)%	12.88%
Other Information:			
Closing net asset value (£'000)	95,096	56,462	37,827
Closing number of shares	6,036,479	4,217,257	2,816,269
Operating charges	0.60%	0.60%	0.66% ³
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	1,663.0	1,445	1,377
Lowest share price (pence)	1,353.0	1,269	1,185

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	675.07	696.89	634.44
Return before operating charges*	123.15	2.08	85.66
Operating charges	(4.55)	(4.15)	(4.51)
Return after operating charges*	118.60	(2.07)	81.15
Distributions on income shares	(20.64)	(19.75)	(18.70)
Closing net asset value per share	773.03	675.07	696.89
*After direct transaction costs of:	0.38	0.35	0.41
Performance:			
Return after charges	17.57%	(0.30)%	12.79%
Other Information:			
Closing net asset value (£'000)	86,795	55,066	22,893
Closing number of shares	11,223,107	8,156,424	3,284,970
Operating charges	0.60%	0.60%	0.66% ³
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	822.5	740.1	720.4
Lowest share price (pence)	682.1	645.5	631.8

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	1,411.80	1,408.32	1,239.88
Return before operating charges*	259.35	3.91	168.98
Operating charges	(0.48)	(0.43)	(0.54)
Return after operating charges*	258.87	3.48	168.44
Distributions	(44.35)	(42.20)	(39.20)
Retained distributions on accumulation shares	44.35	42.20	39.20
Closing net asset value per share	1,670.67	1,411.80	1,408.32
*After direct transaction costs of:	0.80	0.71	0.81
Performance:			
Return after charges	18.34%	0.25%	13.59%
Other Information:			
Closing net asset value (£'000)	375,020	394,256	421,088
Closing number of shares	22,447,000	27,925,725	29,900,000
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	1,764.0	1,520	1,444
Lowest share price (pence)	1,426.0	1,334	1,235

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	744.06	764.67	692.93
Return before operating charges*	136.23	2.04	93.72
Operating charges	(0.25)	(0.23)	(0.23)
Return after operating charges*	135.98	1.81	93.49
Distributions on income shares	(23.17)	(22.42)	(21.75)
Closing net asset value per share	856.87	744.06	764.67
*After direct transaction costs of:			
	0.42	0.38	0.46
Performance:			
Return after charges	18.28%	0.24%	13.49%
Other Information:			
Closing net asset value (£'000)	1,010	981	22,447
Closing number of shares	117,830	131,808	2,935,564
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs ²	0.05%	0.05%	0.06%
Prices:			
Highest share price (pence)	911.5	814.8	791.5
Lowest share price (pence)	751.8	712.0	690.0

¹With effect from 1 October 2017, the ACD's annual fee for Class A shares was reduced from 1.50% to 1.42%. As at 31 January 2018 the ACD considered 1.46% to be a more indicative rate for the ongoing charges figure.

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

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

³With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.65% to 0.57%. As at 31 January 2018 the ACD considered 0.61% to be a more indicative rate for the ongoing charges figure.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		75,210		(14,486)
Revenue	3	16,790		16,555	
Expenses	4	(1,088)		(656)	
Net revenue before taxation		15,702		15,899	
Taxation	5	(1,434)		(1,173)	
Net revenue after taxation			14,268		14,726
Total return before distributions			89,478		240
Distributions	6		(15,270)		(15,102)
Change in net assets attributable to shareholders from investment activities			74,208		(14,862)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		511,173		508,724
Amounts receivable on issue of shares	70,161		72,634	
Amounts payable on cancellation of shares	(105,072)		(47,215)	
Stocks transferred out on cancellation of shares	-		(21,727)	
		(34,911)		3,692
Dilution adjustment		203		169
Change in net assets attributable to shareholders from investment activities		74,208		(14,862)
Retained distributions on accumulation shares		13,015		13,450
Closing net assets attributable to shareholders		563,688		511,173

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	559,173	501,950
Current assets:			
Debtors	8	2,363	4,360
Cash and bank balances	9	2,937	8,590
Total assets		564,473	514,900
Liabilities:			
Creditors:			
Distributions payable		(651)	(511)
Other creditors	10	(134)	(3,216)
Total liabilities		(785)	(3,727)
Net assets attributable to shareholders		563,688	511,173

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	75,511	(14,122)
Currency gains/(losses)	(295)	(358)
Transaction costs	(6)	(6)
Net capital gains/(losses)	75,210	(14,486)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	125,208	153,804
Commissions	42	48
Taxes	124	147
Total transaction costs on equity purchases ¹	166	195
Purchases including transaction costs	125,374	153,999

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	0.03	0.03
Taxes on equity purchases	0.10	0.10

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	£'000	£'000
Sales and transaction costs		
Sales of equity	143,674	114,620
Equity transferred out	-	20,197
Gross sales of equities excluding transaction costs	143,674	134,817
Commissions	(43)	(45)
Taxes	(15)	(7)
Total transaction costs on equity sales ¹	(58)	(52)
Sales net of transaction costs	143,616	134,765

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)	(0.01)

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	85	0.02	93	0.02
Taxes	139	0.03	154	0.03
Total direct transaction costs	224	0.05	247	0.05

	2020	2019
	%	%
Average portfolio dealing spread	0.05	0.10

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

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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

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

3 Revenue

	2020	2019
	£'000	£'000
UK dividends	3,213	3,466
Overseas dividends	13,563	13,081
Bank interest	14	8
Total revenue	16,790	16,555

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	939	531
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	40	52
Bank charges	69	62
	109	114
Other expenses:		
Audit fee	7	7
Professional fees	33	4
	40	11
Total expenses	1,088	656

Notes to the Financial Statements cont.

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	1,304	1,169
Prior year tax reclaims written off	130	-
Tax recoverable on overseas dividends	-	4
Total taxation	1,434	1,173

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.

At 31 January 2020, the Fund had excess management expenses of £2,039,000 (2019: £1,319,000) 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	15,702	15,899
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	3,140	3,180
Effects of:		
Non-taxable UK dividends	(643)	(693)
Non-taxable overseas dividends	(2,629)	(2,540)
Overseas tax on dividends	1,304	1,169
Excess management expenses	145	63
Prior year tax reclaims written off	130	-
Tax recoverable on overseas dividends	-	4
Expense relief claimed on overseas tax	(13)	(10)
Total taxation	1,434	1,173

Notes to the Financial Statements cont.

6 Distributions

	2020	2019
	£'000	£'000
Interim to 30 April	3,642	3,346
Interim to 31 July	3,824	3,303
Interim to 31 October	3,624	3,629
Final to 31 January	4,149	4,887
	15,239	15,165
Amounts deducted on cancellation of shares	426	555
Amounts added on issue of shares	(395)	(618)
Total distributions	15,270	15,102

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	14,268	14,726
Add expenses allocated to capital	1,003	375
Add distributable revenue brought forward	2	3
Less distributable revenue carried forward	(3)	(2)
Net distributions for the year	15,270	15,102

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	1,040	1,258
Sales awaiting settlement	-	1,512
Accrued income	539	839
Overseas tax recoverable	784	750
VAT recoverable	1	1
Other debtors	(1)	-
Total debtors	2,363	4,360

Notes to the Financial Statements cont.

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	2,937	8,590
Total cash and bank balances	2,937	8,590

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	10	107
Purchases awaiting settlement	-	3,022
Due to the ACD or associates	96	56
Due to the Depositary or associates	16	24
Other accrued expenses	12	7
Total other creditors	134	3,216

11 Related party transactions

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

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

Shares held by the ACD and associates of the ACD

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

	2020	2019
	%	%
ACD and associates of the ACD	66.53	75.95

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

	2020					
	A Accumulation Shares	A Income Shares	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares
Opening shares in issue	126,884	479,984	4,217,257	8,156,424	27,925,725	131,808
Shares issued	67,424	429,245	2,025,577	4,775,541	-	-
Shares cancelled	(25,774)	(400,163)	(209,801)	(1,713,561)	(5,478,725)	(13,978)
Shares converted	(5,777)	(1,053)	3,446	4,703	-	-
Closing shares in issue	162,757	508,013	6,036,479	11,223,107	22,447,000	117,830

13 Basis of valuation

	2020	2019
	Assets £'000	Assets £'000
Level 1: Quoted prices	559,173	501,950
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	559,173	501,950

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	31,197	31,197	-	20,550	20,550
Brazilian real	-	20,007	20,007	-	18,334	18,334
Danish krone	-	9,304	9,304	-	5,447	5,447
Euro	-	86,610	86,610	-	71,374	71,374
Hong Kong dollar	-	34,668	34,668	-	38,422	38,422
Japanese yen	-	12,139	12,139	-	14,372	14,372
Mexican peso	-	8,424	8,424	-	7,118	7,118
Singapore dollar	-	7,890	7,890	-	6,117	6,117
South African rand	-	6,983	6,983	-	8,524	8,524
Swedish krona	-	21,408	21,408	-	18,535	18,535
Swiss franc	-	54,234	54,234	-	32,782	32,782
UK sterling	2,937	75,565	78,502	8,590	76,321	84,911
US dollar	-	190,745	190,745	-	184,055	184,055

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 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Income Shares was -6.8%¹. The Fund's net asset value as at 10am on this day was £527,038,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income reinvested. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Tables

Interim distribution for the period ended 30 April 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 30 April 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.06.19)	Distribution (paid/accumulated 30.06.18)
	30.04.19 pence per share	30.04.19 pence per share	30.04.19 pence per share	30.04.18 pence per share
A Accumulation				
Group 1	9.03000	-	9.03000	8.13000
Group 2	5.71678	3.31322	9.03000	8.13000
A Income				
Group 1	4.27000	-	4.27000	3.95000
Group 2	2.02760	2.24240	4.27000	3.95000
B Accumulation				
Group 1	9.72000	-	9.72000	8.67000
Group 2	5.47909	4.24091	9.72000	8.67000
B Income				
Group 1	4.90000	-	4.90000	4.50000
Group 2	2.58936	2.31064	4.90000	4.50000
C Accumulation				
Group 1	10.26000	-	10.26000	9.10000
Group 2	10.26000	-	10.26000	9.10000
C Income				
Group 1	5.41000	-	5.41000	4.94000
Group 2	5.41000	-	5.41000	4.94000

Distribution Tables cont.

Interim distributions for the period ended 31 July 2019

Group 1 : shares purchased prior to purchased prior to 1 May 2019

Group 2 : shares purchased purchased prior to 1 May 2019 to 31 July 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
A Accumulation				
Group 1	9.26000	-	9.26000	8.34000
Group 2	3.48074	5.77926	9.26000	8.34000
A Income				
Group 1	4.35000	-	4.35000	4.03000
Group 2	0.22454	4.12546	4.35000	4.03000
B Accumulation				
Group 1	9.98000	-	9.98000	8.91000
Group 2	0.65894	9.32106	9.98000	8.91000
B Income				
Group 1	5.00000	-	5.00000	4.60000
Group 2	0.22810	4.77190	5.00000	4.60000
C Accumulation				
Group 1	10.55000	-	10.55000	9.37000
Group 2	10.55000	-	10.55000	9.37000
C Income				
Group 1	5.52000	-	5.52000	5.06000
Group 2	5.52000	-	5.52000	5.06000

Distribution Tables cont.

Interim distribution for the period ended 31 October 2019

Group 1 : share purchased prior to 1 August 2019

Group 2 : share purchased 1 August 2019 to 31 October 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.12.19)	Distribution (paid/accumulated 31.12.18)
	31.10.19 pence per share	31.10.19 pence per share	31.10.19 pence per share	31.10.19 pence per share
A Accumulation				
Group 1	9.66000	-	9.66000	8.73000
Group 2	-	9.66000	9.66000	8.73000
A Income				
Group 1	4.52000	-	4.52000	4.21000
Group 2	0.46666	4.05334	4.52000	4.21000
B Accumulation				
Group 1	10.43000	-	10.43000	9.35000
Group 2	-	10.43000	10.43000	9.35000
B Income				
Group 1	5.20000	-	5.20000	4.80000
Group 2	0.01064	5.18936	5.20000	4.80000
C Accumulation				
Group 1	11.03000	-	11.03000	9.83000
Group 2	11.03000	-	11.03000	9.83000
C Income				
Group 1	5.75000	-	5.75000	5.28000
Group 2	5.75000	-	5.75000	5.28000

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 November 2019

Group 2 : shares purchased 1 November 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	9.37000	-	9.37000	10.62000
Group 2	1.46408	7.90592	9.37000	10.62000
A Income				
Group 1	4.22000	-	4.22000	5.11000
Group 2	-	4.22000	4.22000	5.11000
B Accumulation				
Group 1	11.18000	-	11.18000	11.40000
Group 2	2.18815	8.99185	11.18000	11.40000
B Income				
Group 1	5.54000	-	5.54000	5.85000
Group 2	1.07983	4.46017	5.54000	5.85000
C Accumulation				
Group 1	12.51000	-	12.51000	13.90000
Group 2	12.51000	-	12.51000	13.90000
C Income				
Group 1	6.49000	-	6.49000	7.14000
Group 2	6.49000	-	6.49000	7.14000

BAILLIE GIFFORD

Baillie Gifford International Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford International Fund

Investment Objective

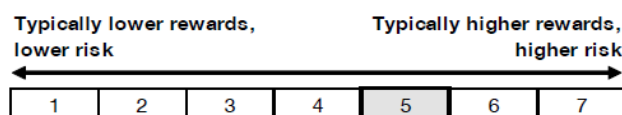
The Fund aims to outperform (after deduction of costs) the MSCI All Country World ex-UK Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

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

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

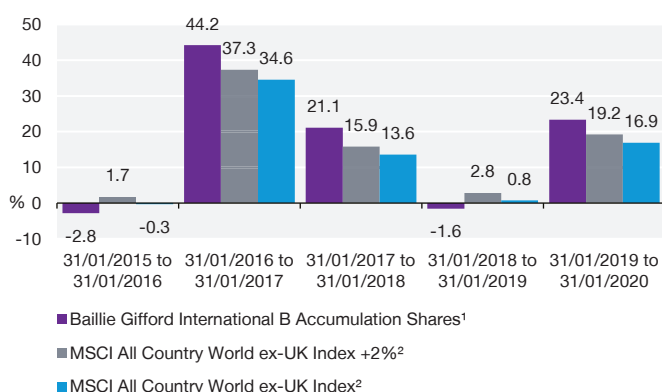
The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 21.0%³ compared to the return on the MSCI All Country World ex-UK Index (the 'Index') of 16.9%² and the Fund's target (the 'target return') of the Index +2% of 19.2%². The investment objective of the Fund is to outperform the Index by 2% per annum over rolling five-year periods. As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability. The annualised five-year return on B Accumulation Shares was 15.2%³ compared to the return on the Index of 12.4%² and the target return of 14.7%².

Global stock markets put in a stellar performance over the period, posting strong gains. This was despite various political and economic concerns around the world such as trade tensions between the US and China, Brexit and the possibility of a looming recession in various globally significant economies.

In such favourable market conditions, we undertook an exercise to test the upside for holdings where share prices had risen strongly. We were encouraged by the results which leave us confident about the remaining upside for a vast majority of the portfolio. We have

subsequently added to Alphabet (parent company of Google) and Microsoft (software company) where the strength of our conviction has increased that these companies can grow materially from today's starting point.

The primary driver of the portfolio's relative performance was stock selection, in particular Advantest, Moody's and Shopify. Advantest, a Japanese semiconductor testing company, has seen its share price rise as the development of 5G infrastructure has driven demand for semiconductor testing, boosting the company's profitability. Moody's competitive position in its ratings business (an effective oligopoly with S&P) remains secure and highly profitable. Over the years, the company has also developed Moody's Analytics (MA), a data business that provides risk-management and financial analysis solutions to a wide range of end markets. MA continues to see strong organic growth and, as scale builds, margins have improved. The share price performance reflects the increased appreciation of the quality of this business.

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE 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. Please see Disclaimer on page 289 ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

The e-commerce enabler Shopify saw strong share price appreciation driven by exceptional underlying operational performance. This continued growth has been driven by widening its client base to both entrepreneurs and large enterprises, while deepening their client footprint through solutions-based services like online payments and shipping.

Among the top detractors are online food ordering platform GrubHub and the Chinese search engine Baidu, with the former experiencing significant share price weakness as the company acknowledged that increased competition was having a meaningful impact on both growth rates and profitability. GrubHub is planning to increase investment in response which is likely to depress profitability as it fights to increase customer loyalty and bring more restaurants (and hence choice) onto its platform. Baidu (sold during the period) was weak, reflecting concerns over the quality of the company's capital allocation and the potential erosion of its core online search business. We shared these concerns as well as having doubts about the company's culture and the ability to attract and retain talent and decided to sell the holding.

Over the course of the reporting year there has been a number of new purchases in healthcare-related companies. These included Novocure (manufacturer of specialised medical equipment), Illumina (US leading gene sequencing company), Abiomed (provider of temporary heart pumps), Sysmex (manufacturer of equipment for clinical testing) and Teladoc (US telemedicine company). This increase reflects our belief that healthcare systems around the world may be on the cusp of radical change and we see these companies developing innovative ways to improve patient outcomes, reduce the cost of treatment and improve access to healthcare systems.

As markets become ever more short-term and extractive, it is vital that we remain focused on our mission. That is to look for companies which commit capital to future growth and have the vision to think decades in advance. These are the businesses that stand a good chance of growing their revenues, cash flows and earnings at above-market rates for significant periods of time. Only by taking significant holdings in these

companies and holding them for long periods can we remain confident of continuing to add value for our clients, after fees, for decades to come.

Baillie Gifford & Co, 17 March 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Amazon.com	3.45
Alibaba	3.29
Moody's	2.91
Naspers	2.86
Alphabet Inc Class C	2.79
AIA Group	2.74
Mastercard	2.72
Microsoft	2.21
Anthem Inc	2.20
SAP	1.80

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Alibaba	14,756	MarketAxess Holdings	14,224
Sysmex Corp.	13,001	Royal Caribbean Cruises	13,311
Broadridge Financial Solutions	12,332	Verisk Analytics	11,827
Microsoft	10,357	First Republic Bank	9,134
Naspers	10,107	Fiat Chrysler Automobiles	8,308
Illumina	9,963	ICICI Bank ADR	8,172
Alphabet Inc Class C	8,777	Advantest Corp	6,835
Brilliance China Automotive	8,740	Visa Inc-Class A Shares	6,716
Abiomed	8,481	Apache	6,642
EOG Resources	7,927	Baidu.com ADR	6,566

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Australia - 1.47% (1.58%)			
BHP Group Ltd (Aus. listing)	612,178	12,250	0.95
Orica	569,012	6,597	0.52
Brazil - 1.89% (3.06%)			
B3 S.A.	1,313,100	11,189	0.87
Banco Bradesco Pref	2,233,048	13,035	1.02
Canada - 2.50% (2.18%)			
Fairfax Financial Holdings	30,376	10,297	0.80
Ritchie Bros Auctioneers (USA)	227,534	7,288	0.57
Shopify 'A'	41,188	14,548	1.13
China - 7.78% (7.61%)			
58.Com Inc ADR	146,325	6,174	0.48
Alibaba	269,836	42,287	3.29
Autohome Inc - ADR	104,409	6,052	0.47
Brilliance China Automotive	10,250,000	6,970	0.54
Meituan Dianping	874,500	8,484	0.66
Ping An Insurance	2,351,000	20,373	1.59
Trip.com Group	259,711	6,330	0.49
Tsingtao Brewery 'H'	770,000	3,257	0.26
Denmark - 0.51% (0.98%)			
Genmab	37,693	6,581	0.51
France - 2.42% (2.48%)			
Bureau Veritas	543,664	11,376	0.88
Pernod Ricard SA	150,353	19,769	1.54
Germany - 2.66% (3.11%)			
Deutsche Boerse	88,822	10,984	0.86
SAP	233,627	23,172	1.80

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Hong Kong - 3.08% (3.28%)			
AIA Group	4,633,600	35,197	2.74
Sands China	1,172,000	4,345	0.34
India - 3.82% (3.63%)			
HDFC Corp	731,699	18,778	1.46
ICICI Bank ADR	1,581,897	17,485	1.36
Reliance Inds. GDR	430,156	12,759	1.00
Ireland - 3.09% (3.02%)			
Bank of Ireland (Dublin)	1,742,633	6,464	0.50
CRH	679,653	19,411	1.51
Ryanair	1,105,620	13,849	1.08
Italy - 0.00% (1.00%)			
Japan - 7.89% (7.27%)			
Advantest Corp	345,600	14,199	1.11
CyberAgent Inc	287,400	8,881	0.69
Hoshizaki Corp	36,100	2,552	0.20
MS&AD Insurance	628,100	16,077	1.25
Olympus	1,834,200	22,909	1.78
SMC	37,200	12,558	0.98
Sumitomo Mitsui Trust	386,300	11,040	0.86
Sysmex Corp.	238,000	13,155	1.02
Netherlands - 1.91% (0.74%)			
Prosus N.V.	246,993	13,544	1.06
Signify NV	432,709	10,957	0.85
Norway - 1.07% (1.08%)			
Adevinta	417,108	3,838	0.30
Schibsted	313,490	7,180	0.56
Schibsted B	126,506	2,728	0.21

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Russia - 1.19% (1.23%)			
Mail.ru Group GDR	234,461	4,187	0.32
Sberbank Spon ADR	922,061	11,167	0.87
Singapore - 0.86% (0.58%)			
Jardine Matheson	131,900	5,586	0.43
SEA Ltd ADR	160,013	5,487	0.43
South Africa - 2.86% (4.09%)			
Naspers	295,643	36,769	2.86
Sweden - 1.79% (1.82%)			
Atlas Copco B	460,699	10,907	0.85
Epiroc B	842,915	7,264	0.56
Spotify Technology SA	45,295	4,854	0.38
Switzerland - 1.94% (1.99%)			
Richemont	168,207	9,344	0.73
Schindler	79,613	15,605	1.21
Taiwan - 1.44% (1.17%)			
TSMC ADR	453,096	18,537	1.44
United States - 48.94% (45.93%)			
Abiomed	44,683	6,306	0.49
AJ Gallagher & Co	227,010	17,664	1.37
Albemarle	137,177	8,362	0.65
Alnylam Pharmaceuticals	154,070	13,417	1.04
Alphabet Inc Class C	32,916	35,805	2.79
Amazon.com	29,104	44,327	3.45
Anthem Inc	140,515	28,277	2.20
Apache	473,925	9,851	0.77
Axon Enterprise Inc	126,615	7,378	0.57
Broadridge Financial Solutions	120,528	10,893	0.85
Chegg	186,326	5,828	0.45

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Chipotle Mexican Grill	15,600	10,257	0.80
EOG Resources	254,930	14,098	1.10
Facebook	115,515	17,692	1.38
Grubhub Inc	141,243	5,799	0.45
Howard Hughes	51,299	4,735	0.37
Illumina	37,737	8,300	0.65
Interactive Brokers Group	141,666	5,051	0.39
Jefferies Financial	439,211	7,207	0.56
Kirby	246,305	13,681	1.06
LendingTree	26,636	6,288	0.49
Markel	14,228	12,672	0.99
MarketAxess Holdings	11,540	3,101	0.24
Martin Marietta Materials	92,505	18,505	1.44
Mastercard	145,799	34,933	2.72
Microsoft	219,978	28,398	2.21
Moody's	192,134	37,409	2.91
Myriad Genetics Inc	296,684	6,223	0.48
Netflix Inc	30,206	7,906	0.62
Novocure Ltd	116,723	7,213	0.56
Now Inc	305,015	2,314	0.18
ResMed	152,412	18,379	1.43
Seattle Genetics	132,774	10,917	0.85
Service Corp.Intl.	384,474	13,982	1.09
SiteOne Landscape Supply	130,999	9,592	0.75
Stericycle	172,424	8,197	0.64
TD Ameritrade Holding Corp	226,591	8,162	0.63
Teladoc	114,967	8,865	0.69
Teradyne	222,954	11,154	0.87
Tesla Inc	40,125	19,793	1.54
The Trade Desk	38,470	7,851	0.61
Thermo Fisher Scientific	74,337	17,645	1.37
Visa Inc-Class A Shares	146,710	22,137	1.72
Wabtec	123,457	6,916	0.54
Waters	78,675	13,360	1.04
Zillow Group Inc Class A	26,449	927	0.07

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Zillow Group Inc Class C	317,585	11,133	0.87
Portfolio of investments		1,273,526	99.11
Net other assets - 0.89% (2.17%)		11,389	0.89
Net assets		1,284,915	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	5,336.67	5,431.19	4,499.99
Return before operating charges*	1,151.15	(15.50)	1,006.39
Operating charges	(87.44)	(79.02)	(75.19)
Return after operating charges*	1,063.71	(94.52)	931.20
Distributions	0.00	0.00	0.00
Retained distributions on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	6,400.38	5,336.67	5,431.19
*After direct transaction costs of:	1.21	2.18	2.00
Performance:			
Return after charges	19.93%	(1.74)%	20.69%
Other Information:			
Closing net asset value (£'000)	16,652	13,727	14,032
Closing number of shares	260,168	257,237	258,364
Operating charges	1.45%	1.45%	1.50% ¹
Direct transaction costs ³	0.02%	0.04%	0.04%
Prices:			
Highest share price (pence)	6,769	5,898	5,555
Lowest share price (pence)	5,376	4,886	4,485

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	6,184.19	6,240.44	5,126.78
Return before operating charges*	1,337.82	(18.56)	1,151.33
Operating charges	(42.12)	(37.69)	(37.67)
Return after operating charges*	1,295.70	(56.25)	1,113.66
Distributions	(42.43)	(36.15)	(22.86)
Retained distributions on accumulation shares	42.43	36.15	22.86
Closing net asset value per share	7,479.89	6,184.19	6,240.44
*After direct transaction costs of:	1.40	2.51	2.28
Performance:			
Return after charges	20.95%	(0.90)%	21.72%
Other Information:			
Closing net asset value (£'000)	713,937	561,310	480,127
Closing number of shares	9,544,750	9,076,551	7,693,802
Operating charges	0.60%	0.60%	0.66% ²
Direct transaction costs ³	0.02%	0.04%	0.04%
Prices:			
Highest share price (pence)	7,909	6,810	6,382
Lowest share price (pence)	6,230	5,657	5,110

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	5,167.94	5,245.09	4,325.25
Return before operating charges*	1,117.76	(15.05)	970.51
Operating charges	(35.06)	(31.72)	(31.39)
Return after operating charges*	1,082.70	(46.77)	939.12
Distributions on income shares	(35.44)	(30.38)	(19.28)
Closing net asset value per share	6,215.20	5,167.94	5,245.09
 *After direct transaction costs of:	 1.17	 2.11	 1.93
Performance:			
Return after charges	20.95%	(0.89)%	21.71%
Other Information:			
Closing net asset value (£'000)	276,617	240,722	199,091
Closing number of shares	4,450,650	4,657,992	3,795,763
Operating charges	0.60%	0.60%	0.65% ²
Direct transaction costs ³	0.02%	0.04%	0.04%
Prices:			
Highest share price (pence)	6,602	5,717	5,377
Lowest share price (pence)	5,206	4,749	4,311

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	6,831.86	6,854.81	5,596.57
Return before operating charges*	1,480.95	(20.87)	1,260.76
Operating charges	(2.35)	(2.08)	(2.52)
Return after operating charges*	1,478.60	(22.95)	1,258.24
Distributions	(91.18)	(79.16)	(63.80)
Retained distributions on accumulation shares	91.18	79.16	63.80
Closing net asset value per share	8,310.46	6,831.86	6,854.81
*After direct transaction costs of:	1.56	2.77	2.52
Performance:			
Return after charges	21.64%	(0.33)%	22.48%
Other Information:			
Closing net asset value (£'000)	199,006	104,537	164,082
Closing number of shares	2,394,650	1,530,138	2,393,672
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs ³	0.02%	0.04%	0.04%
Prices:			
Highest share price (pence)	8,785	7,505	7,010
Lowest share price (pence)	6,883	6,246	5,578

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	5,178.84	5,256.18	4,332.32
Return before operating charges*	1,122.53	(15.08)	975.13
Operating charges	(1.76)	(1.59)	(1.94)
Return after operating charges*	1,120.77	(16.67)	973.19
Distributions on income shares	(69.09)	(60.67)	(49.33)
Closing net asset value per share	6,230.52	5,178.84	5,256.18
 *After direct transaction costs of:	 1.18	 2.12	 1.94
Performance:			
Return after charges	21.64%	(0.32)%	22.46%
Other Information:			
Closing net asset value (£'000)	3	3	3
Closing number of shares	50	50	50
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs ³	0.02%	0.04%	0.04%
Prices:			
Highest share price (pence)	6,646	5,741	5,412
Lowest share price (pence)	5,218	4,778	4,318

Comparative Tables cont.

Comparative Table: G Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	6,797.16	6,674.00 ⁴
Return before operating charges*	1,470.71	159.27
Operating charges	(40.84)	(36.11)
Return after operating charges*	1,429.87	123.16
Distributions	(52.03)	(44.10)
Retained distributions on accumulation shares	52.03	44.10
Closing net asset value per share	8,227.03	6,797.16
*After direct transaction costs of:	1.54	2.73
Performance:		
Return after charges	21.04%	1.85%
Other Information:		
Closing net asset value (£'000)	78,700	67,252
Closing number of shares	956,599	989,419
Operating charges	0.53%	0.53%
Direct transaction costs ³	0.02%	0.04%
Prices:		
Highest share price (pence)	8,698	7,483
Lowest share price (pence)	6,848	6,218

¹With effect from 1 October 2017, the ACD's annual fee for Class A shares was reduced from 1.50% to 1.42%. As at 31 January 2018 the ACD considered 1.46% to be a more indicative rate for the ongoing charges figure.

²With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.65% to 0.57%. As at 31 January 2018 the ACD considered 0.61% to be a more indicative rate for the ongoing charges figure.

³The 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.

⁴Class G Accumulation Shares were launched on 5 February 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		205,286		(16,950)
Revenue	3	15,508		11,935	
Expenses	4	(6,056)		(5,040)	
Net revenue before taxation		9,452		6,895	
Taxation	5	(1,594)		(1,139)	
Net revenue after taxation			7,858		5,756
Total return before distributions			213,144		(11,194)
Distributions	6		(7,896)		(5,794)
Change in net assets attributable to shareholders from investment activities			205,248		(16,988)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		987,551		857,335
Amounts receivable on issue of shares	206,475		200,647	
Amounts payable on cancellation of shares	(121,341)		(58,484)	
		85,134		142,163
Dilution adjustment		276		181
Change in net assets attributable to shareholders from investment activities		205,248		(16,988)
Retained distributions on accumulation shares		6,706		4,860
Closing net assets attributable to shareholders		1,284,915		987,551

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	1,273,526	966,138
Current assets:			
Debtors	8	3,535	5,406
Cash and bank balances	9	14,793	18,450
Total assets		1,291,854	989,994
Liabilities:			
Creditors:			
Distributions payable		(1,265)	(1,089)
Other creditors	10	(5,674)	(1,354)
Total liabilities		(6,939)	(2,443)
Net assets attributable to shareholders		1,284,915	987,551

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	204,708	(16,942)
Currency gains/(losses)	586	4
Transaction costs	(8)	(12)
Net capital gains/(losses)	205,286	(16,950)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	257,744	323,101
Commissions	80	138
Taxes	101	145
Total transaction costs on equity purchases ¹	181	283
Purchases including transaction costs	257,925	323,384

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	0.03	0.04
Taxes on equity purchases	0.04	0.04

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	155,737	182,049
Commissions	(72)	(71)
Taxes	(6)	(22)
Total transaction costs on equity sales ¹	(78)	(93)
Sales net of transaction costs	155,659	181,956

¹These 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 sales		(0.05)		(0.04)
Taxes on equity sales		(0.00)		(0.01)
	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	152	0.01	209	0.02
Taxes	107	0.01	167	0.02
Total direct transaction costs	259	0.02	376	0.04
	2020		2019	
	%		%	
Average portfolio dealing spread	0.05		0.05	

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

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

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

3 Revenue

	2020	2019
	£'000	£'000
Overseas dividends	15,447	11,881
Bank interest	61	54
Total revenue	15,508	11,935

Notes to the Financial Statements cont.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	5,798	4,830
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	89	85
Bank charges	132	109
	221	194
Other expenses:		
Audit fee	6	6
Professional fees	31	10
	37	16
Total expenses	6,056	5,040

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	1,375	1,161
Prior year tax reclaims written off	219	-
Tax recoverable on overseas dividends	-	(22)
Total taxation	1,594	1,139

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.

At 31 January 2020, the Fund had excess management expenses of £30,899,000 (2019: £25,411,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	9,452	6,895
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	1,890	1,379
Effects of:		
Non-taxable overseas dividends	(2,970)	(2,250)
Overseas tax on dividends	1,375	1,161
Excess management expenses	1,098	890
Prior year tax reclaims written off	219	-
Tax recoverable on overseas dividends	-	(22)
Expense relief claimed on overseas tax	(18)	(19)
Total taxation	1,594	1,139

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	1,746	1,475
Final to 31 January	6,529	4,801
	8,275	6,276
Amounts deducted on cancellation of shares	259	241
Amounts added on issue of shares	(638)	(723)
Total distributions	7,896	5,794

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	7,858	5,756
Add capital transfers for deficits of income	38	38
Add distributable revenue brought forward	1	1
Less distributable revenue carried forward	(1)	(1)
Net distributions for the year	7,896	5,794

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	1,372	1,915
Sales awaiting settlement	1,385	2,122
Accrued income	188	587
Overseas tax recoverable	585	769
VAT recoverable	3	3
Other debtors	2	10
Total debtors	3,535	5,406

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	13,688	17,113
Foreign currency bank accounts	1,105	1,337
Total cash and bank balances	14,793	18,450

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	2,159	272
Purchases awaiting settlement	2,575	610
Due to the ACD or associates	544	418
Due to the Depositary or associates	30	41
Capital gains tax provision	352	-
Other accrued expenses	14	13
Total other creditors	5,674	1,354

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	0.00	0.00

12 Reconciliation of shares in issue

	2020					
	A Accumulation Shares	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares	G Accumulation Shares
Opening shares in issue	257,237	9,076,551	4,657,992	1,530,138	50	989,419
Shares issued	404,880	1,130,781	450,521	1,006,049	50	952
Shares cancelled	(392,074)	(668,413)	(661,040)	(141,537)	(50)	(33,772)
Shares converted	(9,875)	5,831	3,177	-	-	-
Closing shares in issue	260,168	9,544,750	4,450,650	2,394,650	50	956,599

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	1,273,526	966,138
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	1,273,526	966,138

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	18,847	18,847	432	15,594	16,026
Brazilian real	-	24,224	24,224	-	30,243	30,243
Canadian dollar	-	10,298	10,298	-	9,773	9,773
Danish krone	-	6,581	6,581	-	9,619	9,619
Euro	-	110,116	110,116	-	102,225	102,225
Hong Kong dollar	-	78,626	78,626	-	54,872	54,872
Indian rupee	-	18,778	18,778	-	13,845	13,845
Japanese yen	-	101,371	101,371	-	71,733	71,733
Norwegian krona	-	13,746	13,746	-	10,701	10,701
South African rand	-	36,769	36,769	-	40,405	40,405
Swedish krona	-	18,171	18,171	-	14,030	14,030
Swiss franc	-	24,949	24,949	-	19,615	19,615
UK sterling	13,688	19,411	33,099	17,113	-	17,113
US dollar	1,105	791,640	792,745	905	573,482	574,387

Short term debtors and creditors have not been disclosed.

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

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Accumulation				
Group 1	8.25000	-	8.25000	8.25000
Group 2	-	8.25000	8.25000	8.25000
B Income				
Group 1	7.00000	-	7.00000	7.00000
Group 2	1.13913	5.86087	7.00000	7.00000
C Accumulation				
Group 1	24.75000	-	24.75000	24.75000
Group 2	-	24.75000	24.75000	24.75000
C Income				
Group 1	13.25000	-	13.25000	13.25000
Group 2	13.25000	-	13.25000	13.25000
G Accumulation				
Group 1	9.00000	-	9.00000	9.00000
Group 2	-	9.00000	9.00000	9.00000

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
B Accumulation				
Group 1	34.17000	-	34.17000	27.90000
Group 2	2.62064	31.54936	34.17000	27.90000
B Income				
Group 1	28.43000	-	28.43000	23.38000
Group 2	2.50506	25.92494	28.43000	23.38000
C Accumulation				
Group 1	66.43000	-	66.43000	54.41000
Group 2	13.57534	52.85466	66.43000	54.41000
C Income				
Group 1	55.84000	-	55.84000	47.42000
Group 2	55.84000	-	55.84000	47.42000
G Accumulation				
Group 1	43.03000	-	43.03000	35.10000
Group 2	-	43.03000	43.03000	35.10000

BAILLIE GIFFORD

Baillie Gifford Managed Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford Managed Fund

Investment Objective

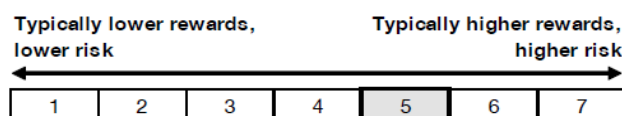
The Fund aims to achieve capital growth over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.

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

Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.

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

Baillie Gifford Managed Fund cont.

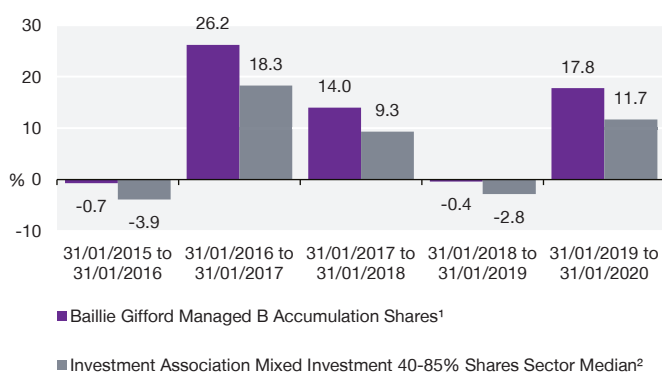
The result of the UK Referendum on membership of the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 16.7%³. The investment objective of the Fund is to achieve capital growth over rolling five-year periods. As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability. The five-year return on B Accumulation Shares was 64.8%³.

The strategic asset allocation for the Fund is 75% equities, 20% bonds and 5% cash. The target positioning of the Fund (as of January 2020) is 74% equities, 16% bonds and 10% cash. Cash is one of the tools which can be used to ensure that the fixed income portion of the Fund fulfils its dual role of delivering a return but also providing balance. As of our most recent Policy Setting Group meeting, the team remained cautious about the outlook for bonds (particularly developed market government bonds) and in the safe haven role of providing balance, we therefore prefer having a higher allocation to cash (which also provides optionality).

Notwithstanding volatility along the way, the reporting period has proven to be positive for global financial markets. Against this backdrop, performance of the Fund has been strong in absolute and relative terms, as is also the case over the longer term.

Tesla, the electric car maker, was the top contributor to returns over this period. In the short run, the company's share price has been extremely volatile. It is impossible to say at any point in time what is driving short-term share price movements. What we therefore focus on, is the evolving fundamental position of the business and in that respect, we think there is a very good chance that Tesla will be worth a lot more in five years' time. The most recent quarterly results highlight the continued progress that the company has made, which is very encouraging. While recent share price movements may suggest that more market participants also agree with us now (and we could, of course, be wrong), we think that Tesla is still only a short way into its journey towards becoming a significantly larger business.

Shopify, which builds software to help businesses sell products online, was another notable contributor with good results being announced throughout 2019. Most recently, the company reported year-on-year revenue growth of 45% in the third quarter and that there are now over one million merchants on the platform worldwide. Following a period of strong share price performance, we made a small reduction to the position during the final quarter of 2019. Elsewhere, Germany's largest IT services provider for small and medium-sized companies, Bechtle, also contributed following strong results. The

¹Source: FE, 10am dealing prices, income accumulated. ²Source: FE and relevant underlying index provider, total return in sterling terms. Please see Disclaimer on page 289. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

business has been growing quickly and expanding its distribution links to meet increasing demand for its products and services across Europe. Bechtle is run in a decentralised, entrepreneurial manner while still being controlled by one of its founders. We regard this as a positive way to ensure alignment of long-term interests.

Of those companies which detracted from returns, Abiomed, a leading provider of temporary heart pumps, was initially weak owing to confusion around a cautionary statement from the US regulator about one of its devices. Although it was subsequently confirmed that the device is safe and effective, the report impacted growth during the year. Latterly, concerns have centred on an academic study into the device, to which the company has responded by pointing out limitations of the study and providing reassurance. Additionally, the management team has committed to providing further training to get later cohorts of surgeons to adopt the company's devices. We think Abiomed is experiencing growing pains but that the opportunity remains vast for the company.

Meanwhile, shares in GrubHub, the US restaurant takeaway platform, have been weak owing to a rapidly changing competitive environment. There have been suggestions that customers are becoming less loyal, while competitors are gaining market share faster than we anticipated and disrupting GrubHub's business model. GrubHub has a lot of strengths and, although spending much more to compete, it is still acquiring customers. However, true to our long-term fundamental investment approach we are taking the time to reassess our investment thesis for the business as there has been a material change to the investment case.

The Fund's fixed income holdings delivered a positive absolute return over the year. The bond market rally over the first three quarters of 2019 was triggered by more tariff increases and a renewed flare-up in the trade war between the US and China which dashed hopes for a rebound in global activity from weak growth during the second half of 2018. Contrary to 2018 though, a slower US economy and rate cuts in the US stopped the dollar from strengthening, in turn supporting global central banks and bond markets. More recently, concerns about Coronavirus have led to bond yields falling further (i.e. prices rising). Against this backdrop, the holdings in developed and emerging government bonds, as well as high yield and investment grade debt issuances proved

helpful for returns. It is interesting to note that there are no bonds with a negative yield in the portfolio, reflecting our active approach to bond investing.

Coronavirus has been a focal point for news outlets over recent few weeks. We appreciate the extremely serious nature of this virus and the potential impact it could have globally. While we continue to monitor the matter and its impact on holdings, we have not made any major changes to the Fund as a result of this. Indeed, as long-term investors, volatility may be an opportunity for us to take advantage of attractive valuations. We believe that a resolute focus on investing in great growth businesses alongside a best ideas global bond portfolio (in addition to an allocation to cash) will leave the Fund well placed to deliver good returns over the long term.

Baillie Gifford & Co, 28 February 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Amazon.com	2.01
Tesla Inc	1.80
US Treasury 0.125% IL 15/04/2021	1.38
Shopify 'A'	1.22
US Treasury 3% 15/11/2045	1.18
US Treasury 2% 15/08/2025	1.10
IMCD Group NV	1.05
Bechtel AG	0.99
ASML	0.90
Netflix Inc	0.89

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
US Treasury 2.5% 31/01/2021	72,116	US Treasury 0.125% IL 15/04/2021	112,408
US Treasury 2% 15/08/2025	53,548	Spain 5.85% 31/01/2022	81,008
Spain 1.4% 30/04/2028	41,876	US Treasury 2.5% 31/01/2021	73,721
Spain 5.85% 31/01/2022	35,637	Bund 4.75% 04/07/2034	33,558
Greece 3.45% 02/04/2024	29,216	EXOR	30,571
Poland 2.75% IL 25/08/2023	27,188	US Treasury 2.875% 15/08/2028	27,930
Takeaway.com	26,437	US Treasury 4.25% 15/05/2039	23,344
Italy 2.1% 15/07/2026	26,354	Japan (Govt) 0.7% 20/12/2022 #326	21,691
adidas	22,172	Infineon Technologies AG	21,670
Thailand 1.25% IL 12/03/2028	19,768	Tableau Software Class A	20,712

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

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Equities - 73.50%(73.16%)			
Developed Asia Pacific - 10.35% (10.10%)			
AIA Group	1,016,400	7,721	0.17
Asahi Group Holdings	140,100	4,987	0.11
Baillie Gifford Japanese Smaller Companies Fund C Acc ¹	669,408	35,124	0.77
BHP Group Ltd (Aus. listing)	491,198	9,829	0.22
Cochlear	84,303	10,312	0.23
CyberAgent Inc	235,500	7,277	0.16
Denso	218,100	6,934	0.15
FANUC	69,000	9,813	0.22
Fast Retailing	19,300	8,016	0.18
Galaxy Entertainment Group	1,972,000	9,922	0.22
Hong Kong Exchanges & Clearing	471,700	11,927	0.26
Hoshizaki Corp	16,200	1,145	0.03
INPEX	709,700	5,119	0.11
IRESS LTD	1,176,978	8,362	0.18
James Hardie Industries	668,543	10,797	0.24
Jardine Matheson	198,600	8,411	0.19
Kakaku.com	566,200	11,397	0.25
Keyence	22,800	5,964	0.13
Makita Corporation	354,000	10,543	0.23
Mesoblast	1,884,413	2,861	0.06
Misumi	329,200	6,385	0.14
MS&AD Insurance	620,800	15,890	0.35
Murata	237,300	10,510	0.23
Nidec	73,700	7,242	0.16
Olympus	1,410,400	17,616	0.39
Pigeon	387,400	10,616	0.23
REA Group	101,167	5,857	0.13
Recruit Holdings	437,300	13,174	0.29
Ryman Healthcare Ltd	774,841	6,223	0.14
SBI Holdings	972,200	17,542	0.39
SEEK	934,758	10,767	0.24
Shimano	114,300	13,488	0.30
Shiseido	454,200	22,530	0.50

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
SMC	49,400	16,676	0.37
SoftBank Group	490,500	15,531	0.34
Sugi Holdings	300,600	11,551	0.25
Suzuki Motor Corp	121,100	4,265	0.09
Sysmex Corp.	101,100	5,588	0.12
Techtronic Industries	1,242,500	7,635	0.17
Thai Beverage PCL (Singapore)	9,407,100	4,157	0.09
TPG Telecom	2,083,317	7,904	0.17
Treasury Wine Estates	1,200,749	7,940	0.18
Tsingtao Brewery 'H'	2,226,000	9,417	0.21
United Overseas Bank	1,293,568	18,420	0.41
Washington Soul Pattinson	911,885	9,980	0.22
Xero Ltd	136,802	5,944	0.13
Emerging Markets - 7.52% (8.31%)			
Alibaba	182,045	28,529	0.63
Banco Bradesco Pref	2,789,812	16,284	0.36
Bank Rakyat Indonesia	67,473,400	16,718	0.37
Geely Automobile Holdings	10,400,000	12,741	0.28
Grupo Financiero Banorte O	2,516,500	11,687	0.26
ICICI Prudential Life Insurance	3,223,861	17,512	0.39
Li Ning	6,961,000	15,676	0.34
MercadoLibre	60,519	30,439	0.67
Naspers	70,748	8,799	0.19
NAVER Corp	72,540	8,265	0.18
Norilsk Nickel ADR	1,362,803	33,414	0.74
Petrobras Common ADR	1,863,147	19,929	0.44
Ping An Insurance	2,098,500	18,185	0.40
Reliance Industries Ltd.	1,230,435	18,466	0.41
Samsung Electronics	525,646	18,870	0.41
Sberbank Spon ADR	1,688,929	20,455	0.45
Tencent	436,700	15,914	0.35
TSMC	3,665,000	29,451	0.65
Europe (ex UK) - 18.74% (17.95%)			
Adevinta	1,847,647	17,000	0.38

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
adidas	118,587	28,513	0.63
Alfa Laval	1,379,722	26,225	0.58
ASML	190,210	40,657	0.90
Atlas Copco B	1,370,066	32,436	0.72
Avanza Bank Holding	2,928,230	21,641	0.48
Bechtle AG	410,332	45,052	0.99
Beijer Ref	931,028	21,279	0.47
Carl Zeiss Meditec	301,062	27,866	0.61
DSV	430,747	35,559	0.78
Epiroc B	1,334,063	11,497	0.25
Hexpol AB	3,511,187	23,918	0.53
IMCD Group NV	723,662	47,423	1.05
Inditex	1,137,487	29,032	0.64
Investor	613,131	25,518	0.56
Kering	33,298	15,522	0.34
Kingspan Group	819,170	38,324	0.85
Legrand	402,021	24,469	0.54
L'Oreal	130,989	27,740	0.61
Mettler-Toledo	59,685	34,290	0.76
Nibe Industrier AB 'B' Shares	3,019,824	39,787	0.88
Novozymes	487,956	19,262	0.42
Prosus N.V.	334,234	18,329	0.40
Ryanair	2,427,172	30,403	0.67
Sartorius Stedim Biotech	276,948	37,695	0.83
Schindler	162,234	31,800	0.70
Spotify Technology SA	215,945	23,141	0.51
Svenska Handelsbanken	2,496,970	18,575	0.41
Takeaway.com	370,879	26,518	0.58
Zalando SE	830,309	30,392	0.67
North America - 18.68% (18.95%)			
2U	175,829	2,642	0.06
Abiomed	113,283	15,988	0.35
Activision Blizzard Inc	163,503	7,250	0.16
Alnylam Pharmaceuticals	167,758	14,608	0.32
Alphabet Inc Class A	6,407	6,959	0.15

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Alphabet Inc Class C	29,196	31,758	0.70
Amazon.com	59,962	91,326	2.01
Appian Corp	204,392	7,908	0.17
Chegg	580,697	18,163	0.40
Chewy	517,421	10,402	0.23
CoStar Group	36,451	18,060	0.40
Denali Therapeutics	468,249	8,223	0.18
Eventbrite Inc Class A	297,024	4,766	0.10
Facebook	133,438	20,437	0.45
First Republic Bank	285,811	24,041	0.53
Fortive Corp	168,980	9,604	0.21
Glaukos Corp	324,573	13,850	0.31
Grubhub Inc	425,592	17,473	0.38
HEICO	146,041	13,564	0.30
Illumina	130,804	28,769	0.63
Interactive Brokers Group	248,879	8,874	0.20
Lyft Inc	148,006	5,326	0.12
Markel	8,424	7,503	0.17
MarketAxess Holdings	141,030	37,893	0.84
Mastercard	145,936	34,966	0.77
Moderna Inc	286,087	4,451	0.10
Netflix Inc	154,441	40,425	0.89
New Relic	128,880	6,456	0.14
Novocure Ltd	315,605	19,503	0.43
NVIDIA	49,317	8,842	0.19
Penumbra Inc	98,949	13,168	0.29
Redfin	744,283	13,720	0.30
Roku	230,847	21,162	0.47
Shopify 'A'	156,330	55,216	1.22
Stitch Fix	433,885	7,537	0.17
Teladoc	128,995	9,946	0.22
Tesla Inc	165,656	81,715	1.80
The Trade Desk	162,011	33,063	0.73
Watsco Inc	122,609	16,179	0.36
Wayfair Inc	433,653	30,825	0.68
Yext Inc	591,082	6,695	0.15

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Zillow Group Inc Class A	230,321	8,072	0.18
Zoom	171,441	9,922	0.22
UK - 18.21% (17.85%)			
Abcam	473,213	6,597	0.15
Ashtead	788,340	19,354	0.43
Auto Trader	2,877,171	16,164	0.36
Baillie Gifford British Smaller Companies Fund C Acc ¹	3,466,897	31,414	0.69
BHP Group PLC	1,657,630	27,500	0.61
Bodycote	1,141,992	9,775	0.22
Breedon Group	10,241,619	9,627	0.21
British American Tobacco	611,802	20,538	0.45
Bunzl	1,117,963	21,968	0.48
Burberry	819,490	16,005	0.35
Carnival	350,891	10,937	0.24
Compass	936,678	17,581	0.39
Diageo	995,718	29,971	0.66
Enquest	20,137,836	4,813	0.11
Euromoney Institutional Investor	540,134	6,590	0.15
FDM Group	718,085	7,037	0.15
Fisher (James) & Sons	426,266	8,389	0.18
Genus	248,712	7,645	0.17
Halma	639,833	13,475	0.30
Hargreaves Lansdown	826,317	14,250	0.31
Helical	1,146,654	5,504	0.12
Hikma Pharmaceuticals	751,805	13,762	0.30
Hiscox	997,060	13,081	0.29
HomeServe	1,498,340	19,194	0.42
Howden Joinery Group	2,776,249	19,112	0.42
HSBC	2,766,883	15,265	0.34
IG Group	1,289,836	8,562	0.19
Inchcape	2,910,337	19,121	0.42
Informa	2,095,590	16,237	0.36
IntegraFin	975,823	4,816	0.11
Intermediate Capital Group	715,471	12,464	0.27
Jupiter Fund Management	2,545,894	9,817	0.22

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Just Eat	1,664,258	14,329	0.32
Just Group	12,514,478	9,761	0.21
Keller	336,005	2,806	0.06
Legal & General	7,688,549	23,481	0.52
M&G PLC	2,175,831	5,226	0.11
Meggitt	2,653,310	17,910	0.39
Melrose Industries	5,136,153	11,978	0.26
Mitchells & Butlers	2,828,176	11,313	0.25
PageGroup	2,949,721	13,468	0.30
Prudential	2,387,979	32,285	0.71
RELX	1,166,108	23,450	0.52
Renishaw	139,630	5,552	0.12
Rightmove	3,181,320	20,901	0.46
Rio Tinto	591,235	24,146	0.53
Rolls-Royce	1,301,045	8,717	0.19
Royal Dutch Shell B Shares	1,227,144	24,543	0.54
Schroders Nv.	236,143	5,856	0.13
St. James's Place	2,583,603	29,556	0.65
Standard Chartered	2,129,621	13,438	0.30
Trainline Plc	1,243,848	5,852	0.13
Ultra Electronics	691,006	15,603	0.34
Unilever	679,172	30,790	0.68
Victrex	420,645	9,321	0.21
Volution Group	2,294,005	5,506	0.12
Wood Group	1,029,522	3,874	0.09

Portfolio Statement as at 31 January 2020 cont.

Fixed Income - 16.24% (19.04%)

Overseas Bonds - 14.78% (17.58%)

Credit Bonds - 5.48% (4.42%)

Alimentation Couche-Tard 1.875% 2026	3,101,000	2,791	0.06
American Water 2.95% 2027	2,344,000	1,857	0.04
American Water 3% 2026	780,000	619	0.01
American Water 4.2% 2048	3,877,000	3,542	0.08
Antero Resources 5.375% 2021	1,890,000	1,369	0.03
Apple 4.5% 2036	4,464,000	4,242	0.09
Aroundtown Properties 3% 2029	2,820,000	2,993	0.07
AT&T 5.3% 2058	5,065,000	4,812	0.11
Bank of America 4.183% 2027	1,850,000	1,547	0.03
Bank of America Corp 3.248% 2027	4,170,000	3,356	0.07
Bell Canada 2.9% 2026	9,145,000	5,403	0.12
Bertelsmann 3.5% 2027/75	5,300,000	4,923	0.11
Booking Holdings 3.6% 2026	3,883,000	3,180	0.07
Brown-Forman 2.6% 2028	2,769,000	3,067	0.07
Cheniere Corpus Christi 5.125% 2027	3,300,000	2,791	0.06
Cincinnati Bell 8% 2025 (144A)	1,765,000	1,428	0.03
Cirsa 4.75% 2025	590,000	515	0.01
Citigroup 2.9% 2021	5,292,000	4,080	0.09
Citigroup 6.625% 2032	1,461,000	1,534	0.03
Colfax 3.25% 2025	2,055,000	1,768	0.04
Compass Minerals International 6.75% 2027 (144A)	2,520,000	2,048	0.05
CPI Property 1.625% 2027	1,750,000	1,483	0.03
CPI Property 4.875% 2025 Perp	1,600,000	1,449	0.03
Darling Ingredients 3.625% 2026	3,628,000	3,153	0.07
Dell 5.3% 2029 (144A)	2,671,000	2,332	0.05
Dell 6.02% 2026 (144A)	4,224,000	3,741	0.08
E.ON 6.65% 2038	2,484,000	2,653	0.06
EDF 4.95% 2045 (144A)	945,000	882	0.02
EDF 6% 2026 Perp	4,100,000	4,607	0.10
EDP 4.496% 2079	2,200,000	2,063	0.05
EIB 4.875% 2036	10,042,000	10,656	0.24
Enviva Partners 6.5% 2026 (144A)	2,996,000	2,407	0.05
Equinor 5.1% 2040	5,048,000	5,051	0.11
Fairfax Financial Holdings 5.84% 2022	6,700,000	4,185	0.09

Portfolio Statement as at 31 January 2020 cont.

Fidelity 2.5% 2026	5,578,000	5,121	0.11
Fidelity Information Services 3.36% 2031	2,767,000	3,149	0.07
GE 2.125% 2037	3,204,000	2,945	0.07
GE 4.875% 2037	800,000	956	0.02
GE Capital 2.342% 2020	5,542,000	4,213	0.09
Graham Holdings 5.75% 2026 (144A)	4,977,000	4,016	0.09
Harley-Davidson 2.85% 2021 144A	3,230,000	2,470	0.05
Hasbro 3.55% 2026	4,200,000	3,320	0.07
IBRD 4.75% 2035	9,150,000	9,434	0.21
ING Group 3.15% 2022	4,017,000	3,129	0.07
ING Group 6.5% 2025 Perp	800,000	667	0.02
innogy 6.25% 2030	1,290,000	1,821	0.04
IQVIA 3.25% 2025	5,148,000	4,393	0.10
James Hardie 3.625% 2026	1,645,000	1,468	0.03
James Hardie 4.75% 2025 (144A)	2,396,000	1,874	0.04
KFW 2.125% 2022	10,581,000	8,154	0.18
KPN 8.375% 2030	2,289,000	2,469	0.05
Laredo Petroleum 10.125% 2028	1,900,000	1,286	0.03
Match.com 5% 2027 144A	2,487,000	1,980	0.04
Match.com 5.625% 2029 144A	1,900,000	1,555	0.03
MetLife 3.45% 2026 (144A)	4,190,000	3,460	0.08
MetLife 3.5% 2026	2,884,000	3,310	0.07
Millicom 6.625% 2026 (144A)	3,712,000	3,103	0.07
Netflix 4.625% 2029	6,868,000	6,428	0.14
OCI 5.25% 2024 (144A)	3,530,000	2,758	0.06
Orsted 1.75% 3019	455,000	391	0.01
Orsted 4.875% 2032	3,240,000	4,342	0.10
Rabobank 6.91% 2038 Perp	2,968,000	4,561	0.10
Range Resources 4.875% 2025	2,350,000	1,391	0.03
Russian Railways 7.487% 2031	1,237,000	1,734	0.04
SES 5.3% 2044 (144A)	2,345,000	1,853	0.04
SoftBank 4% 2029	4,252,000	3,782	0.08
Swiss Re 4.625% 2022 Perp	5,296,000	4,103	0.09
Target Hospitality 9.5% 2024 (144A)	1,900,000	1,434	0.03
Telecom Italia 7.2% 2036	4,035,000	3,782	0.08
Temasek 3.375% 2042 RegS	1,113,000	958	0.02
Temasek 4.625% 2022	4,333,000	4,737	0.10
Temasek 5.375% 2039 RegS	1,706,000	1,866	0.04
Time Warner Cable 6.55% 2037	4,938,000	4,746	0.10

Portfolio Statement as at 31 January 2020 cont.

Unicredit 5.375% 2025 Perp	1,010,000	883	0.02
Unicredit 6.625% 2023 Perp	2,278,000	2,101	0.05
Vonovia 5% 2023 (144a)	3,134,000	2,568	0.06
Walt Disney 4.375% 2041	2,719,000	2,583	0.06
Walt Disney 7% 2032	1,096,000	1,227	0.03
Want Want China 2.875% 2022	5,185,000	3,972	0.09
Welltower 4% 2025	5,840,000	4,819	0.11
WP Carey 4.25% 2026	6,356,000	5,280	0.12

Government Bonds - 6.56% (7.94%)

Australia 3% 21/03/2047	17,834,000	11,975	0.26
Canada 3.5% 01/12/2045	3,581,000	2,964	0.07
Egypt 16.5 02/04/2026	75,196,000	4,019	0.09
France 3.25% 25/05/2045	11,640,000	16,262	0.36
Greece 3.45% 02/04/2024	29,630,000	28,047	0.62
Hungary 3% 21/08/2030	2,350,000,000	6,377	0.14
Indonesia 8.25% 15/05/2029	233,000,000,000	14,265	0.32
Italy 2.1% 15/07/2026	27,150,000	25,112	0.55
Japan (Govt) 0.5% 20/03/2049 #62	1,672,000,000	12,166	0.27
Japan (Govt) 2.3% 20/06/35 #19	1,265,400,000	11,818	0.26
Malaysia 3.906% 15/07/2026	66,601,000	12,911	0.29
Peru 6.95% 12/08/2031	36,770	10,168	0.22
Spain 1.4% 30/04/2028	40,895,000	37,821	0.83
US Treasury 2% 15/08/2025	76,266,900	49,891	1.10
US Treasury 3% 15/11/2045	58,964,100	53,617	1.18

Index Linked Bonds - 2.74% (5.22%)

Japan (Govt) 0.1% CPI Linked 10/03/2026	956,900,000	6,987	0.16
Mexico 4% IL 30/11/2028	385,500	10,526	0.23
Poland 2.75% IL 25/08/2023	96,000,000	26,387	0.58
Thailand 1.25% IL 12/03/2028	696,433,000	17,553	0.39
US Treasury 0.125% IL 15/04/2021	76,266,900	62,647	1.38

UK Bonds - 1.46% (1.46%)

Credit Bonds - 1.46% (1.30%)

AstraZeneca 6.45% 2037	4,770,000	5,284	0.12
Barclays 7.125% 2025 Perp	2,867,000	3,288	0.07
British Telecom 8.625% 2030	2,446,000	2,911	0.07

Portfolio Statement as at 31 January 2020 cont.

Co-operative Group 7.5% 2026	5,084,000	5,820	0.13
Ds Smith 0.875% 2026	6,140,000	5,176	0.11
Global Switch 4.375% 2022	3,707,000	4,017	0.09
HSBC 3.4% 2021	3,376,000	2,604	0.06
International Game Technology 3.5% 2026	3,466,000	3,068	0.07
Legal & General 5.125% 2028/48	2,306,000	2,662	0.06
Legal & General 5.375% 2025/45	2,510,000	2,877	0.06
Mitchells & Butlers 5.574% 15/12/2030	3,565,000	1,607	0.04
Mitchells & Butlers 6.469% 2030	1,666,000	1,950	0.04
Neptune 6.625% 2025	2,900,000	2,180	0.05
Pension Insurance 8% 2026	3,616,000	4,644	0.10
Phoenix Life 7.25% 2021 Perp	1,811,000	1,895	0.04
RBS 5.076% 2030	4,587,000	4,091	0.09
RBS 7.648% 2031 Perp	1,234,000	1,352	0.03
Rothsay Life 8% 2025	3,041,000	3,805	0.09
RSA 5.125% 2025/45	854,000	977	0.02
Telereal 5.3887% 2031/33 (A5)	99,000	67	0.00
Telereal 5.5534% 2031/33 (A3)	192,000	173	0.00
Telereal 5.9478% 2031/33 (A4)	2,399,000	2,195	0.05
Yorkshire Building Society 3.375% 2027/28	3,151,000	3,307	0.07

Government Bonds 0.00% (0.16%)**Derivatives - 0.04% (-0.05%)**

Forward currency contracts (see Table 1)	1,884	0.04
Futures contracts (see Table 2)	-	0.00
Inflation rate swaps contracts (see Table 3)	1,496	0.04
Interest rate swaps contracts (see Table 4)	(1,685)	(0.04)

Portfolio of investments	4,072,260	89.78
Net other assets - 10.22% (7.85%)	463,482	10.22
Net assets	4,535,742	100.00

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

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

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

Figures in brackets in the investment category headings refer to 31 January 2019.

Portfolio Statement as at 31 January 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	13/02/20	SEK	55,000,000	GBP	4,432,255	(102)	0.00
Barclays	19/03/20	GBP	8,571,045	KRW	13,000,000,000	332	0.01
Barclays	23/04/20	GBP	12,996,050	MYR	69,100,000	266	0.01
Barclays	23/04/20	GBP	18,368,625	THB	733,000,000	537	0.01
Barclays	23/04/20	GBP	8,116,141	ZAR	155,000,000	379	0.01
Citigroup	13/02/20	GBP	4,200,743	TRY	32,000,000	157	0.00
Citigroup	13/02/20	USD	7,800,000	GBP	5,943,268	(28)	0.00
Citigroup	27/02/20	BRL	12,000,000	GBP	2,174,859	(49)	0.00
Citigroup	19/03/20	RUB	1,443,000,000	GBP	17,507,348	(496)	(0.01)
Citigroup	23/04/20	GBP	4,712,598	ZAR	90,000,000	220	0.00
Citigroup	23/04/20	JPY	1,250,000,000	GBP	8,700,738	69	0.00
Citigroup	14/05/20	GBP	5,028,575	TRY	40,000,000	87	0.00
Citigroup	28/05/20	BRL	4,000,000	GBP	728,685	(25)	0.00
Deutsche Bank	13/02/20	DKK	14,000,000	GBP	1,679,154	(103)	0.00
Deutsche Bank	13/02/20	SEK	15,000,000	GBP	1,208,797	(28)	0.00
HSBC	28/05/20	BRL	80,000,000	GBP	14,573,707	(502)	(0.01)
JP Morgan Chase	23/04/20	IDR	66,000,000,000	GBP	3,674,867	(87)	0.00
JP Morgan Chase	23/04/20	JPY	6,530,000,000	GBP	45,452,657	363	0.01
JP Morgan Chase	14/05/20	GBP	12,444,748	RON	71,000,000	38	0.00
National Australia Bank	13/02/20	USD	1,200,000	GBP	914,349	(4)	0.00
National Australia Bank	27/02/20	GBP	2,207,780	AUD	4,000,000	177	0.00
National Australia Bank	27/02/20	GBP	4,982,565	HUF	1,800,000,000	500	0.01
Royal Bank of Canada	23/04/20	GBP	17,652,044	CAD	30,200,000	368	0.01
Royal Bank of Canada	23/04/20	GBP	10,833,061	MXN	270,000,000	161	0.00
Royal Bank of Canada	23/04/20	GBP	26,835,704	PLN	133,800,000	715	0.01
Royal Bank of Scotland	13/02/20	SEK	55,000,000	GBP	4,432,255	(102)	0.00
Royal Bank of Scotland	23/04/20	CHF	2,340,000	GBP	1,862,405	(15)	0.00
Royal Bank of Scotland	23/04/20	GBP	1,512,201	PEN	6,600,000	36	0.00
Royal Bank of Scotland	23/04/20	JPY	1,570,000,000	GBP	10,928,128	87	0.00
Royal Bank of Scotland	23/04/20	NOK	262,000,000	GBP	22,466,322	(946)	(0.02)
Royal Bank of Scotland	21/05/20	USD	3,994,000	GBP	3,034,590	(14)	0.00
Standard Chartered Bank	13/02/20	EUR	8,000,000	GBP	6,834,711	(106)	0.00
Unrealised gains/(losses) on open forward currency contracts						1,885	0.04

Portfolio Statement as at 31 January 2020 cont.

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Long Gilt Future 10yr Mar 20	31/03/20	(195)	-	0.00
US 2yr Note Mar 20	03/04/20	334	-	0.00
US 5yr Note Mar 20	03/04/20	334	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

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

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total Fund
Barclays	GBP	9/15/29	18,000,000	UK RPI All Items NSA	3.755	972	0.02
JP Morgan	GBP	12/15/29	18,000,000	UK RPI All Items NSA	3.587	524	0.02
Unrealised gains / losses on open inflation rate swap contracts						1,496	0.04

Portfolio Statement as at 31 January 2020 cont.

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

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total net assets
Barclays	PLN	10/02/24	18,750,000	1.655	Poland Warsaw Interbank Offer Bid Rates 6 Month	23	0.00
Barclays	PLN	24/09/24	20,000,000	1.68	Poland Warsaw Interbank Offer Bid Rates 6 Month	20	0.00
Citigroup	CNY	06/10/24	280,000,000	China Fixing Repo Rates 7 Day	2.8775	53	0.00
Citigroup	COP	13/12/29	80,500,000,000	5.56	Overnight Rate	(457)	(0.01)
Goldman Sachs	RUB	10/11/24	1,430,000,000	MosPrime 3 Months Rate	6.835	303	0.01
HSBC Bank	HUF	12/11/23	12,500,000,000	1.84	Budapest Interbank Offered Rates 6 Month Index	(1,210)	(0.03)
JP Morgan	CZK	21/05/21	3,800,000,000	Czech Interbank Rates 6 Month Intraday	2.11	(122)	0.00
JP Morgan	CZK	21/05/29	643,000,000	1.86	Czech Interbank Rates 6 Month Intraday	(645)	(0.01)
JP Morgan	PLN	20/09/24	38,750,000	1.7625	Poland Warsaw Interbank Offer Bid Rates 6 Month	12	0.00
Merrill Lynch	RUB	12/12/24	1,400,000,000	MosPrime 3 Months Rate	6.575	122	0.00
Royal Bank of Scotland	CZK	21/05/29	215,000,000	Czech Interbank Rates 6 Month Intraday	1.86	216	0.00
Unrealised gains/(losses) on open interest rate swap contracts						(1,685)	(0.04)

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	853.58	861.19	763.33
Return before operating charges*	146.45	5.78	110.46
Operating charges	(14.35)	(13.39)	(12.60)
Return after operating charges*	132.10	(7.61)	97.86
Distributions	(2.82)	(4.10)	(3.87)
Retained distributions on accumulation shares	2.82	4.10	3.87
Closing net asset value per share	985.68	853.58	861.19
*After direct transaction costs of:	0.28	0.26	0.33
Performance:			
Return after charges	15.48%	(0.88)%	12.82%
Other Information:			
Closing net asset value (£'000)	14,537	13,679	14,650
Closing number of shares	1,474,855	1,602,511	1,701,130
Operating charges	1.52%	1.53%	1.53%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	1,020.0	941.9	875.9
Lowest share price (pence)	861.5	810.1	763.6

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	668.87	678.02	603.70
Return before operating charges*	114.77	4.64	87.29
Operating charges	(11.25)	(10.57)	(9.91)
Return after operating charges*	103.52	(5.93)	77.38
Distributions on income shares	(2.21)	(3.22)	(3.06)
Closing net asset value per share	770.18	668.87	678.02
 *After direct transaction costs of:	 0.22	 0.21	 0.26
Performance:			
Return after charges	15.48%	(0.87)%	12.82%
Other Information:			
Closing net asset value (£'000)	2,303	1,939	2,263
Closing number of shares	299,032	289,904	333,813
Operating charges	1.52%	1.53%	1.52%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	798.5	740.8	692.0
Lowest share price (pence)	675.1	637.2	604.0

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	1,015.63	1,013.85	888.82
Return before operating charges*	174.72	6.24	129.21
Operating charges	(4.87)	(4.46)	(4.18)
Return after operating charges*	169.85	1.78	125.03
Distributions	(15.48)	(15.85)	(15.14)
Retained distributions on accumulation shares	15.48	15.85	15.14
Closing net asset value per share	1,185.48	1,015.63	1,013.85
*After direct transaction costs of:	0.34	0.31	0.39
Performance:			
Return after charges	16.72%	0.18%	14.07%
Other Information:			
Closing net asset value (£'000)	2,524,242	1,893,902	1,397,516
Closing number of shares	212,929,505	186,475,005	137,842,827
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	1,226.0	1,116	1,031
Lowest share price (pence)	1,025.0	962.9	889.2

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	669.49	678.61	604.02
Return before operating charges*	115.17	4.44	87.67
Operating charges	(3.20)	(2.98)	(2.81)
Return after operating charges*	111.97	1.46	84.86
Distributions on income shares	(10.18)	(10.58)	(10.27)
Closing net asset value per share	771.28	669.49	678.61
 *After direct transaction costs of:	 0.22	 0.21	 0.26
Performance:			
Return after charges	16.72%	0.22%	14.05%
Other Information:			
Closing net asset value (£'000)	265,412	195,963	165,838
Closing number of shares	34,412,146	29,270,578	24,437,863
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	804.4	742.9	696.8
Lowest share price (pence)	675.8	641.2	604.4

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	1,026.50	1,021.42	891.88
Return before operating charges*	175.84	5.39	129.84
Operating charges	(0.34)	(0.31)	(0.30)
Return after operating charges*	175.50	5.08	129.54
Distributions	(19.31)	(19.28)	(19.11)
Retained distributions on accumulation shares	19.31	19.28	19.11
Closing net asset value per share	1,202.00	1,026.50	1,021.42
*After direct transaction costs of:	0.34	0.31	0.40
Performance:			
Return after charges	17.10%	0.50%	14.52%
Other Information:			
Closing net asset value (£'000)	1,608,066	1,299,267	1,531,520
Closing number of shares	133,782,034	126,573,084	149,939,603
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	1,243.0	1,126	1,039
Lowest share price (pence)	1,036.0	972.9	892.3

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	670.42	679.52	604.73
Return before operating charges*	114.85	3.93	87.89
Operating charges	(0.22)	(0.21)	(0.20)
Return after operating charges*	114.63	3.72	87.69
Distributions on income shares	(12.59)	(12.82)	(12.90)
Closing net asset value per share	772.46	670.42	679.52
 *After direct transaction costs of:	 0.22	 0.21	 0.26
Performance:			
Return after charges	17.10%	0.55%	14.50%
Other Information:			
Closing net asset value (£'000)	4	3	3
Closing number of shares	500	500	500
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	806.8	743.9	699.1
Lowest share price (pence)	676.8	642.8	605.1

Comparative Tables cont.

Comparative Table: K Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	848.49	860.39	855.66 ²
Return before operating charges*	145.85	5.17	9.13
Operating charges	(3.31)	(3.08)	(0.22)
Return after operating charges*	142.54	2.09	8.91
Distributions on income shares	(13.54)	(13.99)	(4.18)
Closing net asset value per share	977.49	848.49	860.39
*After direct transaction costs of:			
	0.28	0.26	0.35
Performance:			
Return after charges	16.80%	0.24%	1.04%
Other Information:			
Closing net asset value (£'000)	121,178	104,581	105,467
Closing number of shares	12,396,817	12,325,613	12,258,052
Operating charges	0.35%	0.35%	0.33%
Direct transaction costs ¹	0.03%	0.03%	0.04%
Prices:			
Highest share price (pence)	1,025.0	947.1	879.3
Lowest share price (pence)	856.5	817.7	855.7

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

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

Please note that with effect from 1 September 2017 the investment objective and policy of the Fund were amended.

²Class K Income Shares were launched on 3 January 2018, when Class K Accumulation Shares were converted to Class K Income Shares.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		552,304		(53,749)
Revenue	3	77,133		68,519	
Expenses	4	(11,491)		(9,048)	
Net revenue before taxation		65,642		59,471	
Taxation	5	(4,906)		(4,085)	
Net revenue after taxation			60,736		55,386
Total return before distributions			613,040		1,637
Distributions	6		(60,740)		(55,381)
Change in net assets attributable to shareholders from investment activities			552,300		(53,744)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		3,509,334		3,217,257
Amounts receivable on issue of shares	495,501		599,273	
Amounts payable on cancellation of shares	(80,358)		(307,637)	
		415,143		291,636
Dilution adjustment		999		1,313
Change in net assets attributable to shareholders from investment activities		552,300		(53,744)
Retained distributions on accumulation shares		57,966		52,872
Closing net assets attributable to shareholders		4,535,742		3,509,334

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	4,077,302	3,237,091
Current assets:			
Debtors	8	64,329	19,456
Cash and bank balances	9	526,363	264,882
Total assets		4,667,994	3,521,429
Liabilities:			
Investment liabilities	13	(5,042)	(3,394)
Creditors:			
Bank overdrafts	9	(395)	(288)
Distributions payable		(3,897)	(3,730)
Other creditors	10	(122,918)	(4,683)
Total liabilities		(132,252)	(12,095)
Net assets attributable to shareholders		4,535,742	3,509,334

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	557,046	(44,472)
Derivative contracts	676	28
Forward currency contracts	(3,696)	(7,581)
Currency gains/(losses)	(1,702)	(1,710)
Transaction costs	(20)	(14)
Net capital gains/(losses)	552,304	(53,749)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	639,388	686,748
Gross purchases of equities excluding transaction costs	608,190	445,698
Commissions	199	179
Taxes	763	673
Total transaction costs on equity purchases²	962	852
Purchases including transaction costs	1,248,540	1,133,298

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 purchases	0.03	0.04
Taxes on equity purchases	0.13	0.15

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	687,175	576,726
Gross sales of equities excluding transaction costs	283,316	264,304
Commissions	(129)	(112)
Taxes	(15)	(13)
Total transaction costs on equity sales ²	(144)	(125)
Sales net of transaction costs	970,347	840,905

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	(0.05)	(0.04)
Taxes on equity sales	(0.01)	(0.00)

	2020	2019
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	21	11

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	349	0.01	302	0.01
Taxes	778	0.02	686	0.02
Total direct transaction costs	1,127	0.03	988	0.03

	2020	2019
	%	%
Average portfolio dealing spread	0.12	0.11

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

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

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

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

3 Revenue

	2020	2019
	£'000	£'000
UK dividends ¹	23,554	21,291
Overseas dividends	30,584	24,219
Interest on debt securities	21,894	22,341
Bank interest	1,663	922
Swaps interest	(570)	(254)
Other income	8	-
Total revenue	77,133	68,519

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	10,637	8,225
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	315	344
Bank charges	477	438
	792	782
Other expenses:		
Audit fee	13	16
Professional fees	49	25
	62	41
Total expenses	11,491	9,048

Notes to the Financial Statements cont.

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Overseas tax	2,487	1,813
Prior year tax reclaims written off	295	-
Prior year adjustments	71	-
Tax recoverable on overseas dividends	(61)	(94)
Corporation tax	2,114	2,366
Total taxation	4,906	4,085

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	65,642	59,471
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	13,128	11,894
Effects of:		
Non-taxable UK dividends	(4,711)	(4,258)
Non-taxable overseas dividends	(6,037)	(4,746)
Overseas tax on dividends	2,351	1,625
Overseas tax on coupons	136	188
Utilisation of excess management expenses	-	(119)
Prior year tax reclaims written off	295	-
Prior year adjustments	71	-
Tax recoverable on overseas dividends	(61)	(94)
Double taxation relief	(266)	(405)
Total taxation	4,906	4,085

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	22,611	20,113
Final to 31 January	40,445	37,528
	63,056	57,641
Amounts deducted on cancellation of shares	754	2,519
Amounts added on issue of shares	(3,070)	(4,779)
Total distributions	60,740	55,381

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

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	60,736	55,386
Add distributable revenue brought forward	18	13
Less distributable revenue carried forward	(14)	(18)
Net distributions for the year	60,740	55,381

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	7,447	4,008
Sales awaiting settlement	40,811	401
Accrued income	11,605	10,121
Overseas tax recoverable	2,104	2,478
VAT recoverable	6	5
Collateral held by counterparties	880	1,705
Amounts due from clearing brokers	1,279	517
Other debtors	197	221
Total debtors	64,329	19,456

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling amounts held at clearing houses and brokers	352	111
Foreign amounts held at clearing houses and brokers	936	1,041
Sterling bank accounts	515,709	263,250
Foreign currency bank accounts	9,366	480
	526,363	264,882
Sterling amounts held at clearing houses and brokers overdrawn	(395)	(288)
Total cash and bank balances	525,968	264,594

Notes to the Financial Statements cont.

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	786	153
Purchases awaiting settlement	110,373	1,229
Due to the ACD or associates	1,015	743
Due to the Depositary or associates	119	138
Collateral held on behalf of counterparty	6,020	-
Amounts due to clearing broker	2,191	-
Capital gains tax provision	1,109	42
Corporation tax due on prior periods	1,289	2,366
Other accrued expenses	16	12
Total other creditors	122,918	4,683

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	Sales	Income	Purchases	Sales	Income
	£'000	£'000	£'000	£'000	£'000	£'000
Baillie Gifford British Smaller Companies Fund C Acc	7,631	-	389	-	1,296	285
Baillie Gifford Japanese Smaller Companies Fund C Acc	4,603	-	271	288	3,729	176

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	0.00	0.00

12 Reconciliation of shares in issue

	2020						
	A Accumulation Shares	A Income Shares	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares	K Income Shares
Opening shares in issue	1,602,511	289,904	186,475,005	29,270,577	126,573,085	500	12,325,612
Shares issued	410,934	59,228	32,012,880	5,551,002	8,121,149	500	111,859
Shares cancelled	(113,671)	(34,569)	(2,388,545)	(439,756)	(4,385,710)	(500)	(38,791)
Shares converted	(424,919)	(15,531)	(3,169,835)	30,323	3,473,510	-	(1,863)
Closing shares in issue	1,474,855	299,032	212,929,505	34,412,146	133,782,034	500	12,396,817

13 Basis of valuation

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	3,267,445	-	2,516,711	-
Level 2: Observable market data	809,856	(5,042)	720,380	(3,394)
Level 3: Unobservable data	-	-	-	-
Total	4,077,302	(5,042)	3,237,091	(3,394)

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	100,497	100,497	319	22,984	23,303
Brazilian real	-	33,185	33,185	-	-	-
Canadian dollar	-	(4,732)	(4,732)	-	3,818	3,818
Chinese yuan	-	53	53	-	-	-
Colombian peso	-	(457)	(457)	-	6,946	6,946
Czech koruna	66	(551)	(485)	-	-	-
Danish krone	-	56,397	56,397	-	19,686	19,686
Egyptian pound	-	4,019	4,019	-	-	-
Euro	-	635,806	635,806	-	125,066	125,066
Hong Kong dollar	-	109,137	109,137	-	36,417	36,417
Hungarian forint	281	685	966	94	-	94
Indian rupee	1	35,978	35,979	-	-	-
Indonesian rupiah	-	34,571	34,571	-	-	-
Japanese yen	-	356,371	356,371	-	99,852	99,852
Malaysian ringgit	-	181	181	-	-	-
Mexican peso	-	11,541	11,541	-	(14,332)	(14,332)
New Zealand dollar	-	6,223	6,223	-	-	-
Norwegian krona	-	38,521	38,521	-	19,835	19,835
Peruvian nuevo sol	-	8,692	8,692	-	-	-
Polish zloty	55	321	376	-	-	-
Romanian leu	-	(12,407)	(12,407)	-	-	-
Russian ruble	-	17,436	17,436	-	-	-
Singapore dollar	-	22,577	22,577	-	15,497	15,497
South African rand	-	(3,430)	(3,430)	-	-	-
South Korean won	-	18,896	18,896	-	-	-
Swedish krona	-	230,716	230,716	-	53,524	53,524
Swiss franc	-	33,647	33,647	-	33,415	33,415
Taiwanese dollar	162	29,451	29,613	160	24,368	24,528
Thai baht	-	(279)	(279)	-	-	-
Turkish lira	-	(8,985)	(8,985)	-	-	-
UK sterling	510,527	919,319	1,429,846	264,778	570,380	835,159
US dollar	9,737	1,398,882	1,408,619	947	599,546	600,493

Short term debtors and creditors have not been disclosed.

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments (continued)

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

15 Derivative exposure

The exposure to derivative counterparties was:

Counterparty	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	1,514	972	43	(890)	125	-	-	-	-	-
CitiGroup	533	-	53	(1,700)	(1,647)	-	-	-	-	-
Deutsche Bank	-	-	-	-	1,514	211	-	-	-	211
Goldman Sachs	-	-	303	(680)	(377)	-	-	-	-	-
HSBC	-	-	-	-	558	-	-	-	-	-
JP Morgan	401	524	12	(835)	137	57	-	-	-	57
Merrill Lynch	-	-	122	(135)	(13)	-	-	-	-	-
National Australia Bank	677	-	-	(1,425)	(1,269)	38	-	-	-	38
Royal Bank of Canada	1,244	-	-	(355)	889	129	-	-	-	129
Royal Bank of Scotland	123	-	216	-	800	1,135	-	-	-	1,135

Collateral pledged on derivatives was:

Counterparty	2020			2019		
	Cash £'000	Bonds £'000	Total £'000	Cash £'000	Bonds £'000	Total £'000
Deutsche Bank	130	-	130	45	-	45
HSBC	100	-	100	520	1,937	2,457
JP Morgan	-	-	-	90	-	90
National Australia Bank	-	-	-	260	-	260
Royal Bank of Canada	-	-	-	610	-	610
Royal Bank of Scotland	360	-	360	180	-	180
Standard Chartered Bank	290	-	290	-	-	-

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

Notes to the Financial Statements cont.

16 Global Exposure

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

The leverage limits of the Fund have not been exceeded in the year. The Fund's maximum and actual leverage levels (calculated using the Commitment Approach) as at 31 January 2019 are shown below:

	2020	2019
	%	%
Maximum Limit	100.00	100.00
Actual Commitment Exposure	13.03	7.15

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
A Accumulation				
Group 1	0.80000	-	0.80000	0.80000
Group 2	-	0.80000	0.80000	0.80000
A Income				
Group 1	0.70000	-	0.70000	0.70000
Group 2	-	0.70000	0.70000	0.70000
B Accumulation				
Group 1	5.75000	-	5.75000	5.75000
Group 2	0.68649	5.06351	5.75000	5.75000
B Income				
Group 1	3.75000	-	3.75000	3.75000
Group 2	0.11868	3.63132	3.75000	3.75000
C Accumulation				
Group 1	7.50000	-	7.50000	7.50000
Group 2	1.98867	5.51133	7.50000	7.50000
C Income				
Group 1	5.00000	-	5.00000	5.00000
Group 2	5.00000	-	5.00000	5.00000
K Income				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

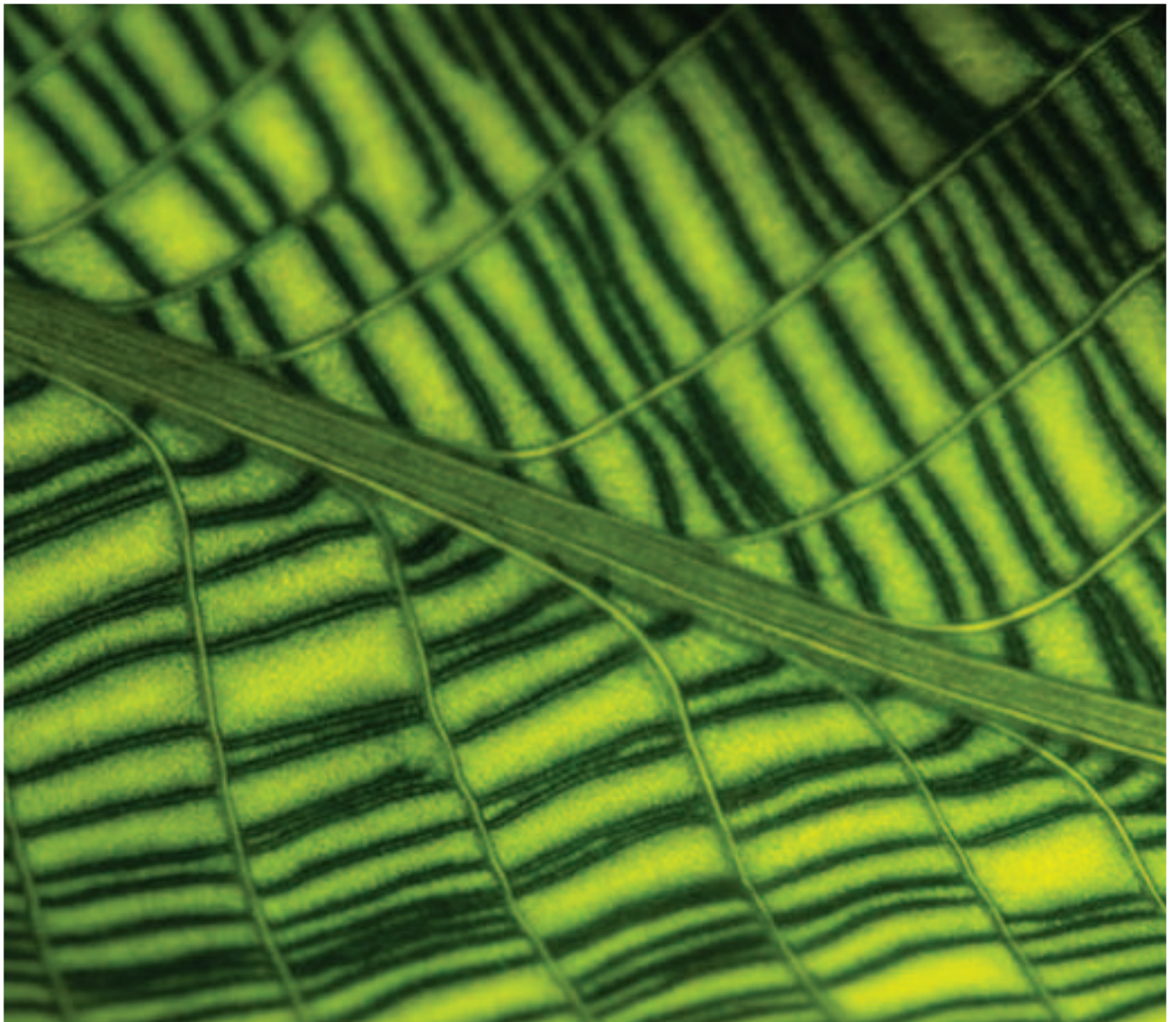
	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	2.02000	-	2.02000	3.30000
Group 2	-	2.02000	2.02000	3.30000
A Income				
Group 1	1.51000	-	1.51000	2.52000
Group 2	-	1.51000	1.51000	2.52000
B Accumulation				
Group 1	9.73000	-	9.73000	10.10000
Group 2	2.34947	7.38053	9.73000	10.10000
B Income				
Group 1	6.43000	-	6.43000	6.83000
Group 2	1.48240	4.94760	6.43000	6.83000
C Accumulation				
Group 1	11.81000	-	11.81000	11.78000
Group 2	3.01087	8.79913	11.81000	11.78000
C Income				
Group 1	7.59000	-	7.59000	7.82000
Group 2	7.59000	-	7.59000	7.82000
K Income				
Group 1	13.54000	-	13.54000	13.99000
Group 2	2.07627	11.46373	13.54000	13.99000

BAILLIE GIFFORD

Baillie Gifford Responsible Global Equity Income Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford Responsible Global Equity Income Fund

Investment Objective

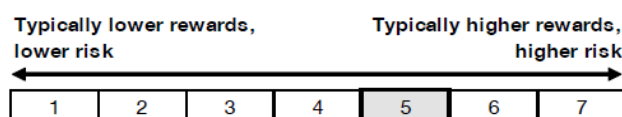
The Fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the FTSE All World Index.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

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

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

The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Baillie Gifford Responsible Global Equity Income Fund cont.

Fees Charged to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 31 January 2020 80% of expenses were charged to capital (year to 31 January 2019: 100%). This will reduce the capital value of the Fund. This number will vary from year to year.

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Income Shares was 19.2%³. The investment objective of the Fund is to achieve growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the FTSE All World Index (the 'Index'). As such, we 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. Over the year the Fund declared income totalling 2.95 pence per share giving a yield of 2.9%³ compared to the yield on the Index of 2.6%⁴. We look forward to reporting to you on more meaningful performance time periods during the years to come.

Overall, we have been pleased by how the businesses we invest in have performed operationally. In particular, it has been encouraging to see several of our consumer goods businesses, such as Procter & Gamble, Nestle and Coca Cola, delivering improving sales results. This has long been our expectation and, in our view, has been largely due to management efforts to improve the pace of innovation within these large businesses. We have also had useful engagements with the management teams on their efforts to ensure the businesses stay ahead of consumer trends around, for instance, packaging and

healthiness. Another example is TSMC, the leading semiconductor foundry, which has expressed more confidence in the medium-term outlook as customer demand for the next generation of semiconductors is accelerating.

In terms of transactions, earlier in the year we took a new holding in Watsco, an American air conditioning distributor, and Carsales.com, which operates an online car advertising platform in Australia. Schneider Electric and Amadeus were two more recent new purchases for the portfolio. Both are businesses we have been researching for years. A combination of attendance at industry conferences, conversations with independent experts, and fresh research on the growth opportunities facing both companies has given us the confidence to make an investment.

On the other hand, we have sold our holding in Alphabet, which has been an excellent investment but where we concluded that the company is unlikely to pay a dividend for the foreseeable future. We also sold Johnson & Johnson, where we have come to the conclusion that the company falls short of our expectations of management and culture. More recently, we sold our holding in Zenkoku Hoshio, the Japanese

¹Source: FE, 10am dealing prices, income reinvested. ²Source: FE and relevant underlying index provider, total return in sterling terms. Please see Disclaimer on page 289. ³Source: Baillie Gifford & Co Limited, closing net asset values, income reinvested. ⁴Source: UBS and relevant underlying index provider. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

mortgage guarantor, as we were concerned that the risk profile of the business may be increasing. We also sold our holding in Total to reflect the change to the list of exclusions for the Fund and, in particular, to exclude companies which derive more than 10% of their revenues from fossil fuel extraction.

There is never a shortage of gloomy headlines and macroeconomic concerns to worry about, but we do not think we can add much value in focusing our attention on these. Instead, we view our job as being able to find exceptionally well-managed businesses, with the resilience to thrive in many environments. We try our hardest to build an 'all-weather' portfolio that does not rely on a specific set of macroeconomic events to occur in order to meet our long-term aims. We have great confidence in the people managing many of the businesses in the portfolio, and believe the portfolio has a healthy amount of diversification, in terms of where growth comes from, and what might threaten that growth.

The past year has been a good year for the portfolio and for most of our holdings. Operational performance has been encouraging, and we are excited about what the next few years hold. Perhaps most importantly, the flow of potential new ideas feels strong. This means that we can look forward to maintaining the same high standards when selecting new holdings in 2020.

*The Baillie Gifford Global Income Growth Team,
10 March 2020*

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term

fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Coca Cola	3.71
Roche	3.37
Procter & Gamble	3.28
Deutsche Boerse	3.04
Microsoft	3.04
Sonic Healthcare	3.00
Pepsico	2.85
Edenred	2.83
B3 S.A.	2.80
Fastenal	2.68

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Watsco Inc	1,511	Total	1,419
Roche	1,394	Scottish & Southern Energy	1,146
Schneider Electric SE	1,362	Signify NV	1,056
Coca Cola	1,191	Zenkoku Hosho Co Ltd	742
Carsales.com	1,144	Alphabet Inc Class A	713
Nestle	1,084	Johnson & Johnson	705
Prudential	1,080	ANTA Sports Products	631
Pepsico	1,056	RPM International	579
Procter & Gamble	941	Wolters Kluwer NV	495
Sonic Healthcare	915	Apple	461

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Australia - 5.91% (4.36%)			
Carsales.com	130,189	1,139	1.37
Cochlear	8,449	1,034	1.25
Sonic Healthcare	154,426	2,484	3.00
WPP AUNZ	830,146	238	0.29
Brazil - 2.80% (2.49%)			
B3 S.A.	272,500	2,322	2.80
China - 1.16% (1.27%)			
Want Want China	1,526,000	962	1.16
Denmark - 1.78% (1.18%)			
Novo Nordisk	31,701	1,469	1.78
France - 6.01% (6.24%)			
Edenred	57,321	2,345	2.83
Kering	2,800	1,305	1.58
Schneider Electric SE	17,449	1,328	1.60
Germany - 4.13% (3.99%)			
Deutsche Boerse	20,396	2,522	3.04
SAP	9,083	901	1.09
Hong Kong - 4.15% (4.91%)			
ANTA Sports Products	231,185	1,538	1.86
Hong Kong Exchanges & Clearing	40,300	1,019	1.23
Man Wah Holdings Ltd	1,660,400	883	1.06
Japan - 2.32% (2.99%)			
Sumitomo Mitsui Trust	38,100	1,089	1.32
USS Co	59,400	831	1.00

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Mexico - 1.60% (1.51%)			
Kimberly-Clark De Mexico	844,900	1,322	1.60
Netherlands - 1.73% (3.54%)			
Wolters Kluwer NV	25,135	1,435	1.73
Singapore - 1.49% (1.28%)			
United Overseas Bank	86,900	1,237	1.49
South Africa - 1.32% (1.80%)			
AVI	279,206	1,093	1.32
Spain - 1.98% (1.31%)			
Amadeus IT Group SA	14,190	844	1.02
Bankinter SA	160,666	791	0.96
Sweden - 4.11% (3.93%)			
Atlas Copco A	52,762	1,424	1.72
Sandvik	79,473	1,103	1.33
Svenska Handelsbanken	117,934	877	1.06
Switzerland - 10.28% (6.83%)			
Kuehne & Nagel	12,271	1,505	1.82
Nestle	26,244	2,196	2.65
Partners Group	2,909	2,025	2.44
Roche	10,941	2,790	3.37
Taiwan - 2.47% (1.85%)			
TSMC ADR	49,921	2,042	2.47
UK - 13.29% (14.88%)			
Admiral Group	89,735	2,027	2.45
Experian	74,214	1,957	2.36
Glaxosmithkline	100,030	1,785	2.16

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Greencoat UK Wind	876,842	1,245	1.50
Hiscox	83,750	1,099	1.33
Prudential	138,404	1,871	2.26
Rio Tinto	24,933	1,018	1.23
United States - 33.33% (34.79%)			
AJ Gallagher & Co	11,390	886	1.07
Albemarle	15,891	969	1.17
Analog Devices	18,384	1,531	1.85
Apple	5,581	1,310	1.58
CH Robinson	30,772	1,686	2.04
Coca Cola	69,286	3,069	3.71
Cullen/Frost Bankers	13,583	918	1.11
Dolby Laboratories	15,931	838	1.01
Fastenal	83,890	2,219	2.68
McDonald's	9,708	1,575	1.90
Microsoft	19,508	2,518	3.04
National Instruments Corp	28,974	981	1.18
Pepsico	21,884	2,357	2.85
Procter & Gamble	28,787	2,719	3.28
TJX Companies	21,936	982	1.19
UPS	20,306	1,594	1.92
Watsco Inc	10,996	1,451	1.75
Portfolio of investments		82,698	99.86
Net other assets - 0.14% (0.85%)		120	0.14
Net assets		82,818	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	100.68	100.00 ¹
Return before operating charges*	(983.89)	0.77
Operating charges	1,003.32	(0.09)
Return after operating charges*	19.43	0.68
Distributions	(3.01)	(0.10)
Retained distributions on accumulation shares	3.01	0.10
Closing net asset value per share	120.11	100.68
*After direct transaction costs of:	0.07	0.00
Performance:		
Return after charges	19.30%	0.68%
Other Information:		
Closing net asset value (£'000)	2,608	1
Closing number of shares	2,169,934	1,000
Operating charges	0.63% ²	0.62%
Direct transaction costs ³	0.06%	0.01%
Prices:		
Highest share price (pence)	126.7	101.7
Lowest share price (pence)	101.5	95.9

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	100.58	100.00 ¹
Return before operating charges*	(367.26)	0.77
Operating charges	386.57	(0.09)
Return after operating charges*	19.31	0.68
Distributions on income shares	(2.95)	(0.10)
Closing net asset value per share	116.94	100.58
 *After direct transaction costs of:	 0.07	 0.00
Performance:		
Return after charges	19.20%	0.68%
Other Information:		
Closing net asset value (£'000)	8,119	1
Closing number of shares	6,936,760	1,000
Operating charges	0.61%	0.62%
Direct transaction costs ³	0.06%	0.01%
Prices:		
Highest share price (pence)	124.2	101.7
Lowest share price (pence)	101.4	95.9

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	100.77	100.00 ¹
Return before operating charges*	(632.45)	0.78
Operating charges	652.66	(0.01)
Return after operating charges*	20.21	0.77
Distributions	(3.09)	(0.19)
Retained distributions on accumulation shares	3.09	0.19
Closing net asset value per share	120.98	100.77
*After direct transaction costs of:	0.07	0.00
Performance:		
Return after charges	20.06%	0.77%
Other Information:		
Closing net asset value (£'000)	10,653	1
Closing number of shares	8,805,329	1,000
Operating charges	0.05% ²	0.04%
Direct transaction costs ³	0.06%	0.01%
Prices:		
Highest share price (pence)	127.5	101.8
Lowest share price (pence)	101.6	95.9

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	100.58	100.00 ¹
Return before operating charges*	156.98	0.78
Operating charges	(136.88)	(0.01)
Return after operating charges*	20.10	0.77
Distributions on income shares	(3.06)	(0.19)
Closing net asset value per share	117.62	100.58
 *After direct transaction costs of:	 0.07	 0.00
Performance:		
Return after charges	19.98%	0.77%
Other Information:		
Closing net asset value (£'000)	61,438	52,057
Closing number of shares	52,231,645	51,756,431
Operating charges	0.04%	0.04%
Direct transaction costs ³	0.06%	0.01%
Prices:		
Highest share price (pence)	124.9	101.8
Lowest share price (pence)	101.4	95.9

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

²As at 31 January 2020 the ACD considered 0.61% for B Acc and 0.04% for C Acc to be a more indicative rate for the ongoing charges figure.

³The 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 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		10,480		465
Revenue	3	2,129		114	
Expenses	4	(66)		(2)	
Net revenue before taxation		2,063		112	
Taxation	5	(200)		(12)	
Net revenue after taxation			1,863		100
Total return before distributions			12,343		565
Distributions	6		(1,913)		(98)
Change in net assets attributable to shareholders from investment activities			10,430		467

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		52,060		-
Amounts receivable on issue of shares	24,865		3,887	
Amounts payable on cancellation of shares	(4,833)		-	
Creation of shares settled by transfer of stocks	-		47,703	
		20,032		51,590
Dilution adjustment		45		3
Change in net assets attributable to shareholders from investment activities		10,430		467
Retained distributions on accumulation shares		251		-
Closing net assets attributable to shareholders		82,818		52,060

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	82,698	51,619
Current assets:			
Debtors	8	220	234
Cash and bank balances	9	555	641
Total assets		83,473	52,494
Liabilities:			
Creditors:			
Bank overdrafts	9	(108)	-
Distributions payable		(530)	(98)
Other creditors	10	(17)	(336)
Total liabilities		(655)	(434)
Net assets attributable to shareholders		82,818	52,060

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	10,473	488
Currency gains/(losses)	14	(22)
Transaction costs	(7)	(1)
Net capital gains/(losses)	10,480	465

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Purchases of equities	36,068	5,317
Equity transferred in	-	47,754
Gross purchases of equities excluding transaction costs	36,068	53,071
Commissions	10	1
Taxes	30	3
Total transaction costs on equity purchases ¹	40	4
Purchases including transaction costs	36,108	53,075

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	0.03	0.00
Taxes on equity purchases	0.08	0.01

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	15,500	1,954
Commissions	(5)	(1)
Taxes	(1)	-
Total transaction costs on equity sales ¹	(6)	(1)
Sales net of transaction costs	15,494	1,953

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)	(0.05)
Taxes on equity sales	(0.01)	0.00

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	15	0.02	2	0.00
Taxes	31	0.04	3	0.01
Total direct transaction costs	46	0.06	5	0.01

	2020	2019
	%	%
Average portfolio dealing spread	0.05	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.

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	367	34
Overseas dividends	1,760	80
Other income	2	-
Total revenue	2,129	114

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	39	-
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	5	1
Bank charges	8	-
Bank overdraft interest	1	-
	14	1
Other expenses:		
Audit fee	12	1
Professional fees	1	-
	13	1
Total expenses	66	2

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	170	12
Prior year tax reclaims written off	30	-
Total taxation	200	12

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 January 2020, the Fund had excess management expenses of £29,000 (2019: £0) 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	2,063	112
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	413	22
Effects of:		
Non-taxable UK dividends	(73)	(7)
Non-taxable overseas dividends	(344)	(15)
Overseas tax on dividends	170	12
Excess management expenses	5	-
Prior year tax reclaims written off	30	-
Expense relief claimed on overseas tax	(1)	-
Total taxation	200	12

6 Distributions

	2020	2019
	£'000	£'000
Interim to 30 April	399	n/a
Interim to 31 July	493	n/a
Interim to 31 October	506	n/a
Final to 31 January	629	98
	2,027	98
Amounts deducted on cancellation of shares	23	-
Amounts added on issue of shares	(137)	-
Total distributions	1,913	98

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

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	1,863	100
Add expenses allocated to capital	53	-
Add distributable revenue brought forward	2	-
Less distributable revenue carried forward	(5)	(2)
Net distributions for the year	1,913	98

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	150	-
Sales awaiting settlement	-	166
Accrued income	47	64
Overseas tax recoverable	23	4
Total debtors	220	234

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	555	641
Sterling bank accounts overdrawn	(108)	-
Total cash and bank balances	447	641

10 Other creditors

	2020	2019
	£'000	£'000
Purchases awaiting settlement	-	332
Due to the ACD or associates	5	-
Due to the Depositary or associates	5	3
Other accrued expenses	7	1
Total other creditors	17	336

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 period end given in note 10.

Shares held by the ACD and associates of the ACD

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

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

12 Reconciliation of shares in issue

	2020			
	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares
Opening shares in issue	1,000	1,000	1,000	51,756,431
Shares issued	2,275,654	10,967,927	8,871,936	475,214
Shares cancelled	(106,720)	(4,032,167)	(67,607)	-
Shares converted	-	-	-	-
Closing shares in issue	2,169,934	6,936,760	8,805,329	52,231,645

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	82,698	51,619
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	82,698	51,619

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	4,895	4,895	-	2,271	2,271
Brazilian real	-	2,322	2,322	-	1,297	1,297
Danish krone	-	1,469	1,469	-	614	614
Euro	-	11,471	11,471	-	7,849	7,849
Hong Kong dollar	-	4,401	4,401	-	3,216	3,216
Japanese yen	-	1,920	1,920	-	1,559	1,559
Mexican peso	-	1,322	1,322	-	785	785
Singapore dollar	-	1,237	1,237	-	665	665
South African rand	-	1,093	1,093	-	938	938
Swedish krona	-	3,404	3,404	-	2,044	2,044
Swiss franc	-	8,516	8,516	-	3,558	3,558
UK sterling	447	11,002	11,449	641	7,747	8,388
US dollar	-	29,645	29,645	-	19,076	19,076

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 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Income Shares was -6.2%¹. The Fund's net asset value as at 10am on this day was £81,393,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income reinvested. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Table

Interim distribution for the period ended 30 April 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 30 April 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.06.19)	Distribution (paid/accumulated 30.06.18)
	30.04.19 pence per share	30.04.19 pence per share	30.04.19 pence per share	30.04.18 pence per share
B Accumulation Shares				
Group 1	0.70000	-	0.70000	n/a
Group 2	-	0.70000	0.70000	n/a
B Income				
Group 1	0.70000	-	0.70000	n/a
Group 2	0.21166	0.48834	0.70000	n/a
C Accumulation				
Group 1	0.70000	-	0.70000	n/a
Group 2	0.70000	-	0.70000	n/a
C Income				
Group 1	0.70000	-	0.70000	n/a
Group 2	0.70000	-	0.70000	n/a

Distribution Table cont.

Interim distributions for the period ended 31 July 2019

Group 1 : shares purchased prior to purchased prior to 1 May 2019

Group 2 : shares purchased purchased prior to 1 May 2019 to 31 July 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
B Accumulation Shares				
Group 1	0.71000	-	0.71000	n/a
Group 2	-	0.71000	0.71000	n/a
B Income				
Group 1	0.71000	-	0.71000	n/a
Group 2	-	0.71000	0.71000	n/a
C Accumulation				
Group 1	0.71000	-	0.71000	n/a
Group 2	0.25690	0.45310	0.71000	n/a
C Income				
Group 1	0.71000	-	0.71000	n/a
Group 2	0.24890	0.46110	0.71000	n/a

Distribution Table cont.

Interim distribution for the period ended 31 October 2019

Group 1 : share purchased prior to 1 August 2019

Group 2 : share purchased 1 August 2019 to 31 October 2019

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.12.19)	Distribution (paid/accumulated 31.12.18)
	31.10.19 pence per share	31.10.19 pence per share	31.10.19 pence per share	31.10.19 pence per share
B Accumulation Shares				
Group 1	0.75000	-	0.75000	n/a
Group 2	-	0.75000	0.75000	n/a
B Income				
Group 1	0.74000	-	0.74000	n/a
Group 2	-	0.74000	0.74000	n/a
C Accumulation				
Group 1	0.76000	-	0.76000	n/a
Group 2	0.76000	-	0.76000	n/a
C Income				
Group 1	0.74000	-	0.74000	n/a
Group 2	-	0.74000	0.74000	n/a

Distribution Table cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 November 2019

Group 2 : shares purchased 1 November 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
B Accumulation Shares				
Group 1	0.85000	-	0.85000	0.10000
Group 2	0.07829	0.77171	0.85000	0.10000
B Income				
Group 1	0.80000	-	0.80000	0.10000
Group 2	0.05768	0.74232	0.80000	0.10000
C Accumulation				
Group 1	0.92000	-	0.92000	0.19000
Group 2	0.92000	-	0.92000	0.19000
C Income				
Group 1	0.91000	-	0.91000	0.19000
Group 2	0.91000	-	0.91000	0.19000

BAILLIE GIFFORD

Baillie Gifford UK and Worldwide Equity Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford UK and Worldwide Equity Fund

Investment Objective

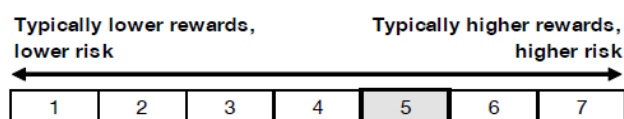
The Fund aims to outperform (after deduction of costs) a composite index comprising 60% UK and 40% overseas equities, as stated in sterling, by at least 1% per annum over rolling five-year periods. The composite index is calculated by Baillie Gifford and comprises: 60% FTSE All Share Index and 40% Overseas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

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

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

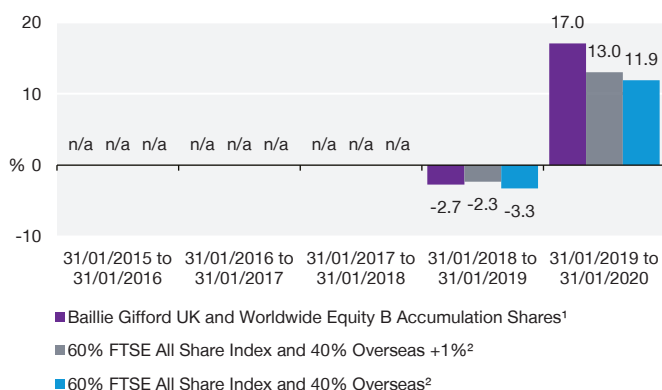
The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 16.9%³ compared to the return on a composite index (the 'Index') of 13.2%², and the Fund's target (the 'target return') of the Index +1% of 12.1%². The Index is comprised of 60% FTSE All Share Index and 40% overseas indices. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index. The investment objective of the Fund is to outperform the Index by 1% per annum over rolling five-year periods. As such, we 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.

Notwithstanding volatility along the way, the reporting period has proven to be positive for global financial markets. Against this backdrop, performance of the Fund has been strong in absolute and relative terms.

Shopify, which builds software to help businesses sell products online, was among the top contributors to returns with good results being announced throughout 2019. Most recently, the company reported year-on-year

revenue growth of 45% in the third quarter and that there are now over one million merchants on the platform worldwide. Following a period of strong share price performance, we made a small reduction to the position during the final quarter of 2019. Tesla, the electric car maker, was another contributor. In the short run, the company's share price has been extremely volatile. It is impossible to say at any point in time what is driving short-term share price movements. What we therefore focus on, is the evolving fundamental position of the business and in that respect, we think there is a very good chance that Tesla will be worth a lot more in five years' time. The most recent quarterly results highlight the continued progress that the company has made, which is very encouraging. While recent share price movements may suggest that more market participants also agree with us now (and we could, of course, be wrong), we think that Tesla is still only a short way into its journey towards becoming a significantly larger business.

Of those companies which detracted from returns, Abiomed, a leading provider of temporary heart pumps, was initially weak owing to confusion around a cautionary statement from the US regulator about one of its devices. Although it was subsequently confirmed that

¹Source: FE. 10am dealing prices, income accumulated. ²Source: StatPro and relevant underlying index provider, total return. The target return outperformance is compound daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 289. 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.

the device is safe and effective, the report impacted growth during the year. Latterly, concerns have centred on an academic study into the device, to which the company has responded by pointing out limitations of the study and providing reassurance. Additionally, the management team has committed to providing further training to get later cohorts of surgeons to adopt the company's devices. We think Abiomed is experiencing growing pains but that the opportunity remains vast for the company.

Elsewhere, Carnival, the world's largest operator of cruise ships, had a disappointing 12 months. The company lowered its earnings outlook in 2019 owing to several negative trends. The expected headwinds in 2019 include weak booking figures in parts of Europe and higher fuel expenses. The company expressed belief that despite these challenges it can return to strong growth and that its new-build ships will help it to do so. Unfortunately, at the start of 2020, the company was also impacted by the unexpected outbreak of Coronavirus (COVID-19). As at the end of January, passengers on one Carnival cruise ship were found to be infected and subsequently quarantined. Many cruises have been cancelled, numerous ports have been closed, and new bookings for all regions have been 'soft'. We are cognisant of the extremely serious nature of this virus and the potential impact it could have for the company, so will continue to monitor events closely [Update: subsequent to this report the holding in Carnival has been sold].

The multinational distributor and outsourcing company, Bunzl, was also amongst the detractors. It announced a slowdown in its important US market in 2019 as issues around product specification and price deflation in the grocery and retail divisions weighed on revenue growth. We are monitoring this but whilst market pressures persist, it nevertheless remains a high-quality, well-managed and well-diversified business. Bunzl has a strong record of making successful acquisitions and has continued to do so throughout this more challenging period. We remain confident that it can continue to grow for many years to come.

Coronavirus has been a focal point for news outlets over recent few weeks. We appreciate the extremely serious nature of this virus and the potential impact it could have globally. While we continue to monitor the matter and its impact on holdings, we have not made any major changes to the Fund as a result of this. Indeed, as long-term investors, volatility may be an opportunity for us to take advantage of attractive valuations. We believe that a resolute focus on investing in great growth businesses will leave the Fund well placed to deliver good returns over the long term.

Baillie Gifford & Co, 28 February 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹	4.92
Baillie Gifford Emerging Markets Growth Fund C Acc ¹	4.33
Prudential	2.09
BHP Billiton	2.10
Unilever	2.07
Diageo	2.03
Baillie Gifford British Smaller Companies Fund C Acc ¹	2.01
St. James's Place	1.98
BHP Group PLC	1.88
Rio Tinto	1.78

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

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Hikma Pharmaceuticals	4,103	Jardine Lloyd Thompson	4,234
Unilever	2,820	Travis Perkins	2,611
FDM Group	1,949	Johnson Matthey	2,394
Standard Chartered	1,943	EXOR	2,363
Takeaway.com	1,835	Intermediate Capital Group	2,056
adidas	1,632	Scottish & Southern Energy	1,992
Trainline Plc	1,406	Tableau Software Class A	1,793
Rio Tinto	1,372	Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹	1,720
Prosus N.V.	1,239	Advantest Corp	1,709
Beijer Ref	1,220	Baillie Gifford Emerging Markets Growth Fund C Acc ¹	1,535

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

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Developed Asia Pacific - 10.41% (10.47%)			
AIA Group	101,600	772	0.17
Asahi Group Holdings	13,900	495	0.11
Baillie Gifford Japanese Smaller Companies Fund C Acc ¹	66,403	3,484	0.78
BHP Group Ltd (Aus. listing)	48,469	970	0.22
Cochlear	8,417	1,030	0.23
CyberAgent Inc	23,400	723	0.16
Denso	21,600	687	0.15
FANUC	6,800	967	0.22
Fast Retailing	1,900	789	0.18
Galaxy Entertainment Group	195,000	981	0.22
Hong Kong Exchanges & Clearing	47,000	1,188	0.27
Hoshizaki Corp	1,600	113	0.03
INPEX	71,000	512	0.11
IRESS LTD	116,055	825	0.18
James Hardie Industries	67,330	1,087	0.24
Jardine Matheson	19,600	830	0.19
Kakaku.com	57,000	1,147	0.26
Keyence	2,200	575	0.13
Makita Corporation	35,100	1,045	0.23
Mesoblast	188,546	286	0.06
Misumi	33,500	650	0.15
MS&AD Insurance	61,100	1,564	0.35
Murata	23,300	1,032	0.23
Nidec	7,300	717	0.16
Olympus	138,600	1,731	0.39
Pigeon	38,300	1,050	0.23
REA Group	9,987	578	0.13
Recruit Holdings	43,300	1,304	0.29
Ryman Healthcare Ltd	78,409	630	0.14
SBI Holdings	95,600	1,725	0.39
SEEK	92,512	1,066	0.24
Shimano	11,300	1,333	0.30
Shiseido	44,500	2,207	0.49
SMC	4,900	1,654	0.37

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
SoftBank Group	47,800	1,514	0.34
Sugi Holdings	29,800	1,145	0.26
Suzuki Motor Corp	12,600	444	0.10
Sysmex Corp.	10,200	564	0.13
Techtronic Industries	126,500	777	0.17
Thai Beverage PCL (Singapore)	922,900	408	0.09
TPG Telecom	206,815	785	0.18
Treasury Wine Estates	118,452	783	0.18
Tsingtao Brewery 'H'	220,000	931	0.21
United Overseas Bank	126,700	1,804	0.40
Washington Soul Pattinson	90,073	986	0.22
Xero Ltd	13,318	579	0.13
Emerging Markets - 9.46% (9.96%)			
Baillie Gifford Emerging Markets Growth Fund C Acc ¹	1,994,963	19,331	4.33
Baillie Gifford Emerging Markets Leading Companies Fund C Acc ¹	4,044,068	21,968	4.92
Tencent	25,800	940	0.21
Europe (ex UK) - 12.52% (11.79%)			
Adevinta	123,943	1,140	0.25
adidas	7,789	1,873	0.42
Alfa Laval	91,851	1,746	0.39
ASML	12,532	2,679	0.60
Atlas Copco B	90,536	2,143	0.48
Avanza Bank Holding	196,780	1,454	0.33
Bechtle AG	27,245	2,991	0.67
Beijer Ref	61,767	1,412	0.32
Carl Zeiss Meditec	19,849	1,837	0.41
DSV	28,338	2,339	0.52
Epiroc B	89,907	775	0.17
Hexpol AB	231,981	1,580	0.35
IMCD Group NV	47,679	3,125	0.70
Inditex	74,764	1,908	0.43
Investor	40,374	1,680	0.38

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Kering	2,212	1,031	0.23
Kingspan Group	54,008	2,527	0.57
Legrand	26,715	1,626	0.36
L'Oreal	8,438	1,787	0.40
Mettler-Toledo	3,829	2,200	0.49
Nibe Industrier AB 'B' Shares	199,483	2,628	0.59
Novozymes	31,300	1,236	0.28
Prosus N.V.	21,440	1,176	0.26
Ryanair	159,998	2,004	0.45
Sartorius Stedim Biotech	17,765	2,418	0.54
Schindler	10,674	2,092	0.47
Spotify Technology SA	14,200	1,522	0.34
Svenska Handelsbanken	166,230	1,237	0.28
Takeaway.com	24,466	1,749	0.39
Zalando SE	54,714	2,003	0.45
North America - 12.69% (13.55%)			
2U	12,786	192	0.04
Abiomed	7,914	1,117	0.25
Activision Blizzard Inc	9,439	419	0.09
Alnylam Pharmaceuticals	11,378	991	0.22
Alphabet Inc Class C	2,340	2,545	0.57
Amazon.com	3,933	5,990	1.34
Appian Corp	13,958	540	0.12
Chegg	41,577	1,300	0.29
Chewy	35,072	705	0.16
CoStar Group	2,608	1,292	0.29
Denali Therapeutics	31,291	550	0.12
Eventbrite Inc Class A	21,789	350	0.08
Facebook	8,683	1,330	0.30
First Republic Bank	19,438	1,635	0.37
Fortive Corp	11,150	634	0.14
Glaukos Corp	21,787	930	0.21
Grubhub Inc	30,206	1,240	0.28
HEICO	6,919	643	0.14

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Illumina	8,721	1,918	0.43
Interactive Brokers Group	16,692	595	0.13
Lyft Inc	9,931	357	0.08
Markel	544	484	0.11
MarketAxess Holdings	9,524	2,559	0.57
Mastercard	9,777	2,343	0.53
Moderna Inc	19,923	310	0.07
Netflix Inc	10,268	2,688	0.60
New Relic	8,745	438	0.10
Novocure Ltd	21,461	1,326	0.30
NVIDIA	3,507	629	0.14
Penumbra Inc	6,381	849	0.19
Redfin	50,834	937	0.21
Roku	15,779	1,446	0.32
Shopify 'A'	10,963	3,872	0.87
Stitch Fix	31,398	545	0.12
Teladoc	8,517	657	0.15
Tesla Inc	10,761	5,308	1.19
The Trade Desk	10,692	2,182	0.49
Watsco Inc	8,154	1,076	0.24
Wayfair Inc	28,852	2,051	0.46
Yext Inc	42,428	481	0.11
Zillow Group Inc Class A	15,487	543	0.12
Zoom	11,203	648	0.15
UK - 54.07% (53.53%)			
Abcam	150,224	2,094	0.47
Ashtead	232,895	5,718	1.28
Auto Trader	905,763	5,089	1.14
Baillie Gifford British Smaller Companies Fund C Acc ¹	988,579	8,958	2.01
BHP Group PLC	505,757	8,391	1.88
Bodycote	398,771	3,413	0.76
Breedon Group	3,372,561	3,170	0.71
British American Tobacco	167,006	5,606	1.26
Bunzl	308,108	6,054	1.36

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Burberry	242,015	4,727	1.06
Carnival	109,271	3,406	0.76
Compass	257,641	4,836	1.08
Diageo	301,316	9,070	2.03
Enquest	6,919,601	1,654	0.37
Euromoney Institutional Investor	150,328	1,834	0.41
FDM Group	224,808	2,203	0.49
Fisher (James) & Sons	104,764	2,062	0.46
Genus	83,940	2,580	0.58
Halma	157,843	3,324	0.74
Hargreaves Lansdown	262,689	4,530	1.01
Helical	380,730	1,827	0.41
Hikma Pharmaceuticals	225,944	4,136	0.93
Hiscox	257,018	3,372	0.75
HomeServe	422,491	5,412	1.21
Howden Joinery Group	801,602	5,518	1.24
HSBC	802,002	4,425	0.99
IG Group	358,852	2,382	0.53
Inchcape	883,177	5,802	1.30
Informa	656,718	5,088	1.14
IntegraFin	321,586	1,587	0.36
Intermediate Capital Group	198,371	3,456	0.77
Jupiter Fund Management	730,666	2,817	0.63
Just Eat	428,131	3,686	0.83
Just Group	3,839,004	2,994	0.67
Keller	120,454	1,006	0.23
Legal & General	2,205,299	6,735	1.51
M&G PLC	690,984	1,660	0.37
Meggitt	674,482	4,553	1.02
Melrose Industries	1,507,937	3,517	0.79
Mitchells & Butlers	704,836	2,819	0.63
PageGroup	815,224	3,722	0.83
Prudential	690,984	9,342	2.09
RELX	261,990	5,269	1.18
Renishaw	39,975	1,589	0.36

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Rightmove	876,782	5,760	1.29
Rio Tinto	194,113	7,928	1.78
Rolls-Royce	410,144	2,748	0.62
Royal Dutch Shell B Shares	388,018	7,760	1.74
Schroders Nv.	60,199	1,493	0.33
St. James's Place	772,372	8,836	1.98
Standard Chartered	627,976	3,963	0.89
Trainline Plc	401,770	1,890	0.42
Ultra Electronics	198,965	4,493	1.01
Unilever	204,159	9,256	2.07
Victrex	112,000	2,482	0.56
Volution Group	823,388	1,976	0.44
Wood Group	364,159	1,370	0.31
Portfolio of investments		442,657	99.15
Net other assets - 0.85% (0.70%)		3,779	0.85
Net assets		446,436	100.00

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

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Period Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	103.75	106.34	100.00 ¹
Return before operating charges*	18.04	(2.08)	6.37
Operating charges	(0.54)	(0.51)	(0.03)
Return after operating charges*	17.50	(2.59)	6.34
Distributions	(2.13)	(1.93)	(0.19)
Retained distributions on accumulation shares	2.13	1.93	0.19
Closing net asset value per share	121.25	103.75	106.34
*After direct transaction costs of:	0.03	0.03	0.02
Performance:			
Return after charges	16.87%	(2.44)%	6.34%
Other Information:			
Closing net asset value (£'000)	173,056	157,935	129,701
Closing number of shares	142,726,158	152,225,883	121,973,051
Operating charges	0.47%	0.47%	0.08% ³
Direct transaction costs ⁴	0.03%	0.03%	0.02%
Prices:			
Highest share price (pence)	127.5	116.4	108.4
Lowest share price (pence)	104.6	96.71	98.14

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Period Ended 31 January 2020 (pence per share)
Change in net assets per share:	
Opening net asset value per share	114.30 ²
Return before operating charges*	7.19
Operating charges	(0.43)
Return after operating charges*	6.76
Distributions on income shares	(1.55)
Closing net asset value per share	119.51
 *After direct transaction costs of:	 0.03
Performance:	
Return after charges	5.91%
Other Information:	
Closing net asset value (£'000)	153
Closing number of shares	128,158
Operating charges	0.46%
Direct transaction costs ⁴	0.03%
Prices:	
Highest share price (pence)	127.1
Lowest share price (pence)	110.6

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Period Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	104.42	106.53	100.00 ¹
Return before operating charges*	18.19	(2.09)	6.54
Operating charges	(0.02)	(0.02)	(0.01)
Return after operating charges*	18.17	(2.11)	6.53
Distributions	(2.68)	(2.42)	(0.38)
Retained distributions on accumulation shares	2.68	2.42	0.38
Closing net asset value per share	122.59	104.42	106.53
*After direct transaction costs of:	0.03	0.03	0.02
Performance:			
Return after charges	17.40%	(1.98)%	6.53%
Other Information:			
Closing net asset value (£'000)	273,227	247,305	299,889
Closing number of shares	222,883,501	236,827,576	281,500,823
Operating charges	0.02%	0.02%	0.03%
Direct transaction costs ⁴	0.03%	0.03%	0.02%
Prices:			
Highest share price (pence)	128.9	117.0	108.6
Lowest share price (pence)	105.3	97.30	98.16

¹Class B Accumulation Shares and Class C Accumulation Shares were launched on 8 September 2017.

²Class B Income Shares were launched on 17 April 2019. As at 31 January 2020 the ACD considered 0.47% to be a more indicative rate for the ongoing charges figure.

³With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.55% to 0.45%. In addition a large creation on the second last day of the financial period has resulted in low Operating charges figure for this share class. As at 31 January 2018 the ACD considered 0.48% to be a more indicative rate for the ongoing charges figure.

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

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

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		58,965		(17,945)
Revenue	3	10,188		9,618	
Expenses	4	(820)		(800)	
Net revenue before taxation		9,368		8,818	
Taxation	5	(87)		(53)	
Net revenue after taxation			9,281		8,765
Total return before distributions			68,246		(9,180)
Distributions	6		(9,302)		(8,762)
Change in net assets attributable to shareholders from investment activities			58,944		(17,942)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		405,240		429,590
Amounts receivable on issue of shares	19,842		34,985	
Amounts payable on cancellation of shares	(46,735)		(50,291)	
		(26,893)		(15,306)
Dilution adjustment		112		205
Change in net assets attributable to shareholders from investment activities		58,944		(17,942)
Retained distributions on accumulation shares		9,033		8,693
Closing net assets attributable to shareholders		446,436		405,240

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	442,657	402,402
Current assets:			
Debtors	8	813	1,041
Cash and bank balances	9	6,454	5,898
Total assets		449,924	409,341
Liabilities:			
Creditors:			
Bank overdrafts	9	(3,127)	(3,751)
Distributions payable		(2)	-
Other creditors	10	(359)	(350)
Total liabilities		(3,488)	(4,101)
Net assets attributable to shareholders		446,436	405,240

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	58,974	(17,945)
Currency gains/(losses)	2	8
Transaction costs	(11)	(8)
Net capital gains/(losses)	58,965	(17,945)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	40,005	38,373
Commissions	19	18
Taxes	87	90
Total transaction costs on equity purchases ¹	106	108
Purchases including transaction costs	40,111	38,481

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	0.05	0.05
Taxes on equity purchases	0.22	0.23

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	59,707	41,633
Commissions	(19)	(16)
Taxes	(1)	(2)
Total transaction costs on equity sales ¹	(20)	(18)
Sales net of transaction costs	59,687	41,615

¹These 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 sales	(0.03)	(0.04)
Taxes on equity sales	(0.00)	(0.00)

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	38	0.01	34	0.01
Taxes	88	0.02	92	0.02
Total direct transaction costs	126	0.03	126	0.03

	2020	2019
	%	%
Average portfolio dealing spread	0.10	0.08

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

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

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

3 Revenue

	2020	2019
	£'000	£'000
UK dividends	8,341	7,449
Overseas dividends	1,844	2,166
Bank interest	3	3
Total revenue	10,188	9,618

Notes to the Financial Statements cont.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	760	728
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	32	42
Bank charges	21	24
	53	66
Other expenses:		
Audit fee	6	5
Professional fees	1	1
	7	6
Total expenses	820	800

5 Taxation

	2020	2019
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	98	90
Prior year tax reclaims written off	1	-
Tax recoverable on overseas dividends	(12)	(37)
Total taxation	87	53

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.

At 31 January 2020, the Fund had excess management expenses of £1,648,000 (2019: £832,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	9,368	8,818
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	1,874	1,764
Effects of:		
Non-taxable UK dividends	(1,668)	(1,490)
Non-taxable overseas dividends	(369)	(433)
Overseas tax on dividends	98	90
Excess management expenses	163	159
Prior year tax reclaims written off	1	-
Tax recoverable on overseas dividends	(12)	(37)
Total taxation	87	53

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	1,816	1,935
Final to 31 January	7,218	6,758
	9,034	8,693
Amounts deducted on cancellation of shares	480	627
Amounts added on issue of shares	(212)	(558)
Total distributions	9,302	8,762

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	9,281	8,765
Add distributable revenue brought forward	31	28
Less distributable revenue carried forward	(10)	(31)
Net distributions for the year	9,302	8,762

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	36	153
Sales awaiting settlement	28	-
Accrued income	416	547
Overseas tax recoverable	333	341
Total debtors	813	1,041

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	6,454	5,860
Foreign currency bank accounts	-	38
Sterling bank accounts overdrawn	(3,127)	(3,751)
Total cash and bank balances	3,327	2,147

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	218	235
Purchases awaiting settlement	56	38
Due to the ACD or associates	68	59
Due to the Depositary or associates	11	12
Other accrued expenses	6	6
Total other creditors	359	350

11 Related party transactions

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

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

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

Notes to the Financial Statements cont.

11 Related party transactions (continued)

	2020			2019		
	Purchases £'000	Sales £'000	Income £'000	Purchases £'000	Sales £'000	Income £'000
Baillie Gifford British Smaller Companies Fund C Acc	-	-	113	-	-	114
Baillie Gifford Emerging Markets Growth Fund C Acc	-	1,535	345	935	-	103
Baillie Gifford Emerging Markets Leading Companies Fund C Acc	-	1,720	374	939	-	114
Baillie Gifford Japanese Smaller Companies Fund C Acc	-	185	32	-	944	18

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

	2020		
	B Accumulation Shares	B Income Shares	C Accumulation Shares
Opening shares in issue	152,225,883	-	236,827,576
Shares issued	5,237,547	130,362	11,944,047
Shares cancelled	(14,737,272)	(2,204)	(25,888,122)
Shares converted	-	-	-
Closing shares in issue	142,726,158	128,158	222,883,501

13 Basis of valuation

	2020 Assets £'000	2019 Assets £'000
Level 1: Quoted prices	388,916	351,621
Level 2: Observable market data	53,741	50,781
Level 3: Unobservable data	-	-
Total	442,657	402,402

Notes to the Financial Statements cont.

14 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2020			2019		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	-	8,974	8,974	38	1,366	1,404
Danish krone	-	3,575	3,575	-	1,488	1,488
Euro	-	30,733	30,733	-	9,652	9,652
Hong Kong dollar	-	5,589	5,589	-	2,770	2,770
Japanese yen	-	25,688	25,688	-	12,100	12,100
New Zealand dollar	-	630	630	-	-	-
Norwegian krona	-	1,140	1,140	-	-	-
Singapore dollar	-	2,212	2,212	-	1,878	1,878
Swedish krona	-	14,655	14,655	-	4,053	4,053
Swiss franc	-	2,092	2,092	-	1,906	1,906
UK sterling	3,327	286,171	289,498	2,109	216,937	219,046
US dollar	-	61,197	61,197	-	41,880	41,880

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 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Accumulation Shares was -8.7%¹. The Fund's net asset value as at 10am on this day was £412,932,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
B Accumulation				
Group 1	0.40000	-	0.40000	0.40000
Group 2	-	0.40000	0.40000	0.40000
B Income				
Group 1	0.20000	-	0.20000	n/a
Group 2	-	0.20000	0.20000	n/a
C Accumulation				
Group 1	0.55000	-	0.55000	0.55000
Group 2	-	0.55000	0.55000	0.55000

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

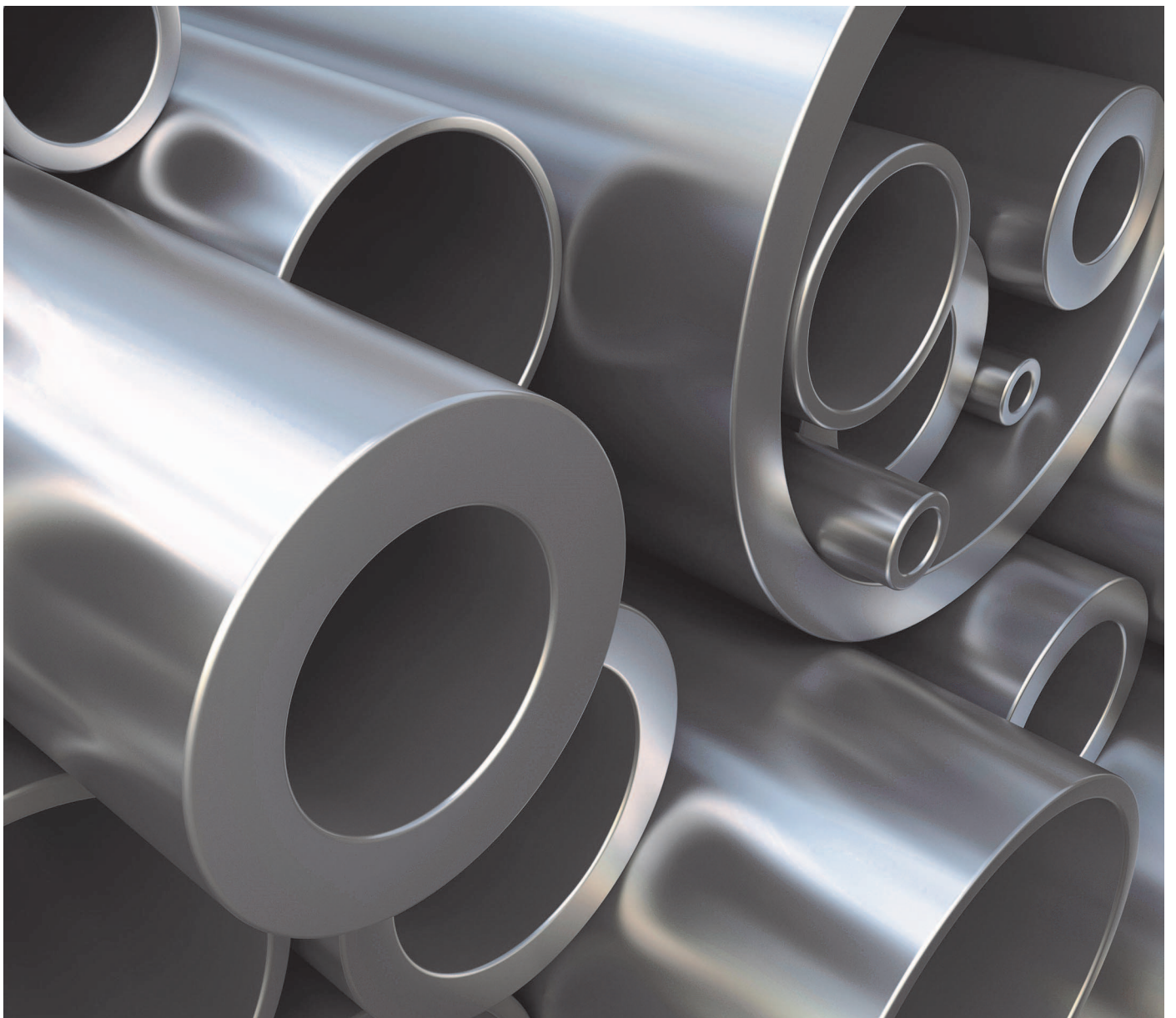
	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
B Accumulation				
Group 1	1.73000	-	1.73000	1.53000
Group 2	0.20562	1.52438	1.73000	1.53000
B Income				
Group 1	1.35000	-	1.35000	n/a
Group 2	0.27721	1.07279	1.35000	n/a
C Accumulation				
Group 1	2.13000	-	2.13000	1.87000
Group 2	0.34220	1.78780	2.13000	1.87000

BAILLIE GIFFORD

Baillie Gifford UK Equity Alpha Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford UK Equity Alpha Fund

Investment Objective

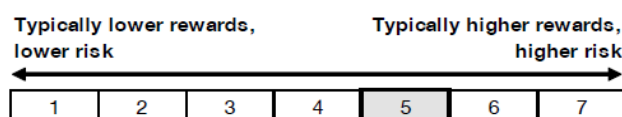
The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 2% per annum over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

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

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

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

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

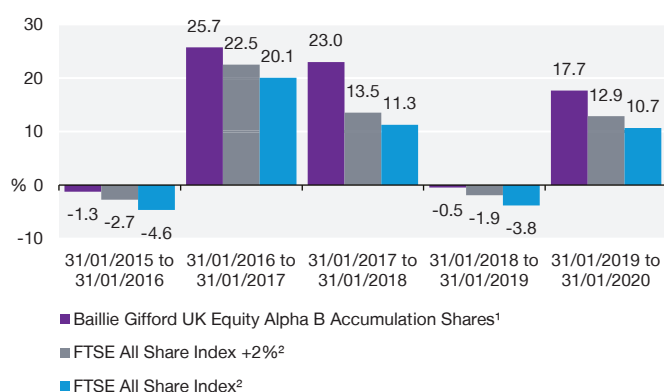
The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



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

For the year to 31 January 2020 the return on B Accumulation Shares was 17.8%³ compared to the return on the FTSE All Share (the 'Index') of 10.7%² and the Fund's target (the 'target return') of the Index +2% of 12.9%². The investment objective of the Fund is to outperform the Index by at least 2% per annum over rolling five-year periods. As such, we believe that shorter-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance. The annualised five-year return on B Accumulation Shares was 12.1%³ compared to the return on the Index of 6.3%² and the target return of 8.4%².

The year to 31 January 2020 was a period of reasonably buoyant stock markets, supported by (still) remarkably loose monetary policy, with ultra-low or even negative long-term bond yields in many markets around the world. The US stock market led the field, helped by the extraordinary U-turn from the Federal Reserve in cutting US interest rates three times, heading in the opposite direction to what most of us would have anticipated at the beginning of the year. Closer to home,

our domestic UK news agenda has clearly been dominated by the decisive election results and our now imminent departure from the EU.

Frankly, we are rather pleased to get the election out of the way, since it is not our style to try and trade our way around these unpredictable political events, and there is always a risk of damaging left field outcomes in the short term. It is simply too early to tell what the lasting impact on our local economy (and currency) will be. It is at least possible that the promised new fiscal stimulus, plus the certainty of the political result, will trigger a positive behavioural impact from consumers and companies as the new decade begins. On the other hand, ruling out any extension to the transition period with the EU beyond 2020 means that the risks of meaningful disruption from our exit are unlikely to be put to bed anytime soon. It is perhaps notable that the initial uplift in the value of sterling on the day of the election rather quickly turned to something more ambiguous. Painful as the thought may be, we have not heard the last of the Brexit process, which only really starts from here.

¹Source: FE, 10am dealing prices, income accumulated. ²Source: StatPro and relevant underlying index provider, total return. The target return outperformance is compound daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 289. ³Source: Baillie Gifford & Co Limited, closing net asset values, income accumulated. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

The portfolio also delivered a return which was usefully ahead of the FTSE All-Share benchmark over the year to the end of January although, as mentioned above, we think that is too short a period to infer anything meaningful. We would encourage you to only consider performance over periods of five years or more. This year under review did however see an encouragingly diverse range of businesses making a positive contribution, helped by what - on the whole - was a pleasing operational performance from the portfolio holdings. This included Aveva, the engineering and industrial software design company, which continued to make excellent progress following its merger with Schneider Electric's software arm in March 2018. Numbers from the outset have reflected the successful combination of the two businesses as Aveva benefits from its increased scale and more comprehensive combined product suite. Rightmove, the UK's leading property portal and one of the Fund's largest holdings, also made a useful contribution. Despite some concerns around potential competition, Rightmove has demonstrated the importance of 'first mover advantage' and remains the dominant player in the UK's online property market. It is a business with exceptional financial traits and a strong management team, and we remain confident it has many years of profitable growth ahead.

Portfolio turnover remained low during this 12-month period, which reflects both our long-term investment style and a particular reluctance to trade our way around unpredictable outcomes from UK political or economic developments. We took a new holding in Trainline Plc during the year. Trainline Plc is the leading online retailer of train and coach tickets in the UK with an exciting, albeit fledgling, business in Europe. We believe that the online penetration of selling rail tickets can continue to grow meaningfully from the current relatively low level, particularly as more paperless e-tickets are rolled out, whilst Trainline's already dominant competitive position in selling tickets in the complicated UK retail industry has the chance to become self-reinforcing over time. We also made a small addition to Creo Medical later in the year. This is a young company which is developing some very interesting and highly innovative products in the specialist medical area

of surgical endoscopy. This is a business which has the potential to bring about profound change in both the cost and efficacy of patient care and we were excited to participate in fund raising which will allow the company to accelerate its roll out both in the UK and other key markets.

Overall therefore, the portfolio rounded off the decade with a decent return, which we hope reflects the pleasing operating performance of the underlying holdings globally, rather than a one off 'gamble' on the political drama here in the UK. It is clearly helpful to have addressed the political gridlock which has been a feature of the last couple of years. Brexit will now happen, although it would be naïve to suggest that we or anyone else can predict the macroeconomic road ahead with any certainty. Where we can express confidence however is in the long-term prospects and operating potential for the underlying holdings. We obviously do not know if the next year will continue to deliver the impressive stock market returns of the decade just finished, but we are optimistic that the portfolio is populated with a number of high-quality companies, with enduring competitive advantages, capable of delivering above average growth rates for many years ahead.

Baillie Gifford & Co, 16 March 2020

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but

Investment Report cont.

should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Rightmove	7.90
Aveva	5.56
Ocado	5.44
Auto Trader	5.32
Trainline Plc	5.26
HomeServe	4.61
Abcam	4.47
Hargreaves Lansdown	4.20
Oxford Instruments	3.54
Renishaw	3.52

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Trainline Plc	20,752	HomeServe	6,270
Ocado	6,879	Aveva	6,006
Diageo	6,879	Diageo	4,111
Burberry	6,424	Oxford Instruments	2,574
IP Group	6,174	BHP Group PLC	2,301
Abcam	5,447	Burberry	2,182
Hargreaves Lansdown	4,497	Johnson Matthey	2,182
ASOS	4,481	Experian	2,154
Johnson Matthey	4,449	Jupiter Fund Management	1,324
Rightmove	4,367	Standard Chartered	1,315

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Basic Materials - 6.05% (7.75%)			
BHP Group PLC	417,408	6,925	1.32
Johnson Matthey	501,440	13,062	2.48
Rio Tinto	289,192	11,811	2.25
Consumer Goods - 5.62% (5.66%)			
Burberry	779,144	15,217	2.89
Diageo	476,202	14,333	2.73
Consumer Services - 29.41% (24.73%)			
ASOS	398,054	12,224	2.33
Auto Trader	4,981,006	27,983	5.32
Carnival	334,896	10,439	1.99
Ocado	2,336,099	28,571	5.44
On The Beach	1,573,065	6,132	1.17
Rightmove	6,321,045	41,529	7.90
Trainline Plc	5,878,141	27,657	5.26
Financials - 16.34% (17.40%)			
AJ Bell	1,322,224	5,157	0.98
Hargreaves Lansdown	1,278,989	22,056	4.20
IP Group	11,237,718	7,731	1.47
Jupiter Fund Management	2,575,189	9,930	1.89
Rathbone Brothers	772,074	15,225	2.90
Schroders Nv.	647,016	16,046	3.05
Standard Chartered	1,537,366	9,701	1.85
Health Care - 10.37% (9.87%)			
Abcam	1,683,238	23,464	4.47
Creo Medical	3,517,270	5,979	1.14
Genus	443,467	13,632	2.59
PureTech Health	3,684,693	11,423	2.17

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Industrials - 23.19% (24.38%)			
Aggreko	993,969	7,664	1.46
Experian	553,840	14,605	2.78
HomeServe	1,891,132	24,225	4.61
Intertek	230,788	13,289	2.53
Keller	1,026,866	8,574	1.63
Oxford Instruments	1,206,628	18,606	3.54
Renishaw	464,590	18,472	3.52
Spectris	234,765	6,212	1.18
Weir	756,400	10,193	1.94
Oil & Gas - 1.58% (1.87%)			
Wood Group	2,205,101	8,298	1.58
Technology - 5.56% (4.84%)			
Aveva	594,267	29,226	5.56
Portfolio of investments		515,591	98.12
Net other assets - 1.88% (3.50%)		9,878	1.88
Net assets		525,469	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	536.06	546.11	446.30
Return before operating charges*	98.74	(2.28)	107.08
Operating charges	(8.56)	(7.77)	(7.27)
Return after operating charges*	90.18	(10.05)	99.81
Distributions	(4.00)	(3.93)	(2.55)
Retained distributions on accumulation shares	4.00	3.93	2.55
Closing net asset value per share	626.24	536.06	546.11
*After direct transaction costs of:	0.67	0.17	0.24
Performance:			
Return after charges	16.82%	(1.84)%	22.36%
Other Information:			
Closing net asset value (£'000)	3,972	1,927	1,516
Closing number of shares	634,171	359,485	277,582
Operating charges	1.41%	1.41%	1.49% ¹
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	661.4	605.8	554.4
Lowest share price (pence)	538.1	494.1	447.8

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	404.69	415.27	341.01
Return before operating charges*	74.52	(1.67)	81.77
Operating charges	(6.43)	(5.92)	(5.56)
Return after operating charges*	68.09	(7.59)	76.21
Distributions on income shares	(3.02)	(2.99)	(1.95)
Closing net asset value per share	469.76	404.69	415.27
 *After direct transaction costs of:	 0.51	 0.13	 0.19
Performance:			
Return after charges	16.83%	(1.83)%	22.35%
Other Information:			
Closing net asset value (£'000)	407	134	100
Closing number of shares	86,706	33,064	24,178
Operating charges	1.40%	1.41%	1.49% ¹
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	498.7	460.4	422.9
Lowest share price (pence)	406.2	375.2	342.2

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	635.30	641.73	520.01
Return before operating charges*	117.26	(2.73)	125.39
Operating charges	(4.05)	(3.70)	(3.67)
Return after operating charges*	113.21	(6.43)	121.72
Distributions	(10.82)	(10.14)	(7.85)
Retained distributions on accumulation shares	10.82	10.14	7.85
Closing net asset value per share	748.51	635.30	641.73
*After direct transaction costs of:	0.80	0.19	0.29
Performance:			
Return after charges	17.82%	(1.00)%	23.41%
Other Information:			
Closing net asset value (£'000)	207,838	89,580	47,463
Closing number of shares	27,766,934	14,100,316	7,396,053
Operating charges	0.56%	0.57%	0.64% ³
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	789.9	715.4	651.3
Lowest share price (pence)	637.8	585.1	521.8

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	404.93	415.51	341.00
Return before operating charges*	74.73	(1.63)	82.06
Operating charges	(2.57)	(2.40)	(2.41)
Return after operating charges*	72.16	(4.03)	79.65
Distributions on income shares	(6.90)	(6.55)	(5.14)
Closing net asset value per share	470.19	404.93	415.51
 *After direct transaction costs of:	 0.51	 0.13	 0.19
Performance:			
Return after charges	17.82%	(0.97)%	23.36%
Other Information:			
Closing net asset value (£'000)	35,547	28,039	34,221
Closing number of shares	7,560,173	6,924,304	8,236,009
Operating charges	0.56%	0.57%	0.64% ³
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	501.9	462.1	425.4
Lowest share price (pence)	406.5	377.6	342.2

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	705.16	708.39	570.50
Return before operating charges*	130.39	(3.09)	138.02
Operating charges	(0.16)	(0.14)	(0.13)
Return after operating charges*	130.23	(3.23)	137.89
Distributions	(16.41)	(15.16)	(12.51)
Retained distributions on accumulation shares	16.41	15.16	12.51
Closing net asset value per share	835.39	705.16	708.39
*After direct transaction costs of:	0.88	0.22	0.32
Performance:			
Return after charges	18.47%	(0.46)%	24.17%
Other Information:			
Closing net asset value (£'000)	239,237	224,192	272,132
Closing number of shares	28,637,586	31,793,092	38,415,660
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	881.2	792.3	718.8
Lowest share price (pence)	708.0	649.1	572.5

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	405.36	415.97	341.19
Return before operating charges*	74.95	(1.64)	82.32
Operating charges	(0.09)	(0.08)	(0.08)
Return after operating charges*	74.86	(1.72)	82.24
Distributions on income shares	(9.42)	(8.89)	(7.46)
Closing net asset value per share	470.80	405.36	415.97
*After direct transaction costs of:			
	0.50	0.13	0.19
Performance:			
Return after charges	18.47%	(0.41)%	24.10%
Other Information:			
Closing net asset value (£'000)	2	2	2
Closing number of shares	500	500	500
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ²	0.11%	0.03%	0.05%
Prices:			
Highest share price (pence)	504.4	463.6	427.6
Lowest share price (pence)	407.0	379.5	342.4

Comparative Tables cont.

Comparative Table: G Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Period Ended 31 January 2019 (pence per share)
Change in net assets per share:		
Opening net asset value per share	701.66	694.00 ⁴
Return before operating charges*	129.48	11.35
Operating charges	(4.04)	(3.69)
Return after operating charges*	125.44	7.66
Distributions	(12.35)	(11.61)
Retained distributions on accumulation shares	12.35	11.61
Closing net asset value per share	827.10	701.66
*After direct transaction costs of:	0.87	0.21
Performance:		
Return after charges	17.88%	1.10%
Other Information:		
Closing net asset value (£'000)	38,466	33,349
Closing number of shares	4,650,636	4,752,831
Operating charges	0.51%	0.52%
Direct transaction costs ²	0.11%	0.03%
Prices:		
Highest share price (pence)	872.8	790.0
Lowest share price (pence)	704.4	646.2

¹With effect from 1 October 2017, the ACD's annual fee for Class A shares was reduced from 1.50% to 1.40%. As at 31 January 2018 the ACD considered 1.42% to be a more indicative rate for the ongoing charges figure.

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

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

³With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.65% to 0.55%. As at 31 January 2018 the ACD considered 0.57% to be a more indicative rate for the ongoing charges figure.

⁴Class G Accumulation Shares were launched on 5 February 2018.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		63,062		(8,840)
Revenue	3	9,142		7,585	
Expenses	4	(1,254)		(780)	
Net revenue before taxation		7,888		6,805	
Taxation	5	-		-	
Net revenue after taxation			7,888		6,805
Total return before distributions			70,950		(2,035)
Distributions	6		(7,888)		(6,807)
Change in net assets attributable to shareholders from investment activities			63,062		(8,842)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		377,223		355,434
Amounts receivable on issue of shares	154,611		62,719	
Amounts payable on cancellation of shares	(78,558)		(39,213)	
		76,053		23,506
Dilution adjustment		981		448
Change in net assets attributable to shareholders from investment activities		63,062		(8,842)
Retained distributions on accumulation shares		8,150		6,677
Closing net assets attributable to shareholders		525,469		377,223

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	515,591	364,009
Current assets:			
Debtors	8	1,589	795
Cash and bank balances	9	20,155	12,852
Total assets		537,335	377,656
Liabilities:			
Creditors:			
Distributions payable		(410)	(351)
Other creditors	10	(11,456)	(82)
Total liabilities		(11,866)	(433)
Net assets attributable to shareholders		525,469	377,223

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	63,064	(8,839)
Transaction costs	(2)	(1)
Net capital gains/(losses)	63,062	(8,840)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	126,164	36,629
Commissions	37	12
Taxes	453	118
Total transaction costs on equity purchases ¹	490	130
Purchases including transaction costs	126,654	36,759

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	0.03	0.03
Taxes on equity purchases	0.36	0.32

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	38,149	14,841
Commissions	(14)	(3)
Taxes	-	-
Total transaction costs on equity sales ¹	(14)	(3)
Sales net of transaction costs	38,135	14,838

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	(0.04)	(0.02)
Taxes on equity sales	0.00	0.00

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	51	0.01	15	0.00
Taxes	453	0.10	118	0.03
Total direct transaction costs	504	0.11	133	0.03

	2020	2019
	%	%
Average portfolio dealing spread	0.23	0.23

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

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

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

Notes to the Financial Statements cont.

3 Revenue

	2020	2019
	£'000	£'000
UK dividends	8,901	7,381
Overseas dividends	198	172
Bank interest	43	32
Total revenue	9,142	7,585

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,203	729
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	37	39
Bank charges	8	6
	45	45
Other expenses:		
Audit fee	6	6
Total expenses	1,254	780

5 Taxation

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

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.

At 31 January 2020, the Fund had excess management expenses of £10,453,000 (2019: £9,243,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	7,888	6,805
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	1,578	1,361
Effects of:		
Non-taxable UK dividends	(1,780)	(1,476)
Non-taxable overseas dividends	(40)	(34)
Excess management expenses	242	149
Total taxation	-	-

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	1,524	1,411
Final to 31 January	7,118	5,741
	8,642	7,152
Amounts deducted on cancellation of shares	561	452
Amounts added on issue of shares	(1,315)	(797)
Total distributions	7,888	6,807

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	7,888	6,805
Add distributable revenue brought forward	2	4
Less distributable revenue carried forward	(2)	(2)
Net distributions for the year	7,888	6,807

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	1,147	447
Accrued income	438	344
Other debtors	4	4
Total debtors	1,589	795

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	20,155	12,852
Total cash and bank balances	20,155	12,852

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	764	3
Purchases awaiting settlement	10,545	-
Due to the ACD or associates	137	69
Due to the Depositary or associates	5	5
Other accrued expenses	5	5
Total other creditors	11,456	82

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	11.83	10.99

12 Reconciliation of shares in issue

	2020						
	A Accumulation Shares	A Income Shares	B Accumulation Shares	B Income Shares	C Accumulation Shares	C Income Shares	G Accumulation Shares
Opening shares in issue	359,485	33,064	14,100,316	6,924,305	31,793,091	500	4,752,831
Shares issued	554,027	95,106	15,456,956	5,373,888	2,216,056	500	1,256
Shared cancelled	(255,281)	(35,355)	(1,812,335)	(4,741,314)	(5,371,561)	(500)	(103,451)
Shares converted	(24,060)	(6,109)	21,997	3,294	-	-	-
Closing shares in issue	634,171	86,706	27,766,934	7,560,173	28,637,586	500	4,650,636

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	515,591	364,009
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	515,591	364,009

14 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Accumulation Shares was -13.4%¹. The Fund's net asset value as at 10am on this day was £476,695,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
A Accumulation				
Group 1	0.90000	-	0.90000	0.90000
Group 2	-	0.90000	0.90000	0.90000
A Income				
Group 1	0.60000	-	0.60000	0.60000
Group 2	-	0.60000	0.60000	0.60000
B Accumulation				
Group 1	2.00000	-	2.00000	2.00000
Group 2	-	2.00000	2.00000	2.00000
B Income				
Group 1	1.50000	-	1.50000	1.50000
Group 2	-	1.50000	1.50000	1.50000
C Accumulation				
Group 1	3.25000	-	3.25000	3.25000
Group 2	-	3.25000	3.25000	3.25000
C Income				
Group 1	2.00000	-	2.00000	2.00000
Group 2	2.00000	-	2.00000	2.00000
G Accumulation				
Group 1	2.25000	-	2.25000	2.25000
Group 2	-	2.25000	2.25000	2.25000

Distribution Tables cont.

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
A Accumulation				
Group 1	3.10000	-	3.10000	3.03000
Group 2	-	3.10000	3.10000	3.03000
A Income				
Group 1	2.42000	-	2.42000	2.39000
Group 2	-	2.42000	2.42000	2.39000
B Accumulation				
Group 1	8.82000	-	8.82000	8.14000
Group 2	0.71606	8.10394	8.82000	8.14000
B Income				
Group 1	5.40000	-	5.40000	5.05000
Group 2	0.43727	4.96273	5.40000	5.05000
C Accumulation				
Group 1	13.16000	-	13.16000	11.91000
Group 2	1.74176	11.41824	13.16000	11.91000
C Income				
Group 1	7.42000	-	7.42000	6.89000
Group 2	7.42000	-	7.42000	6.89000
G Accumulation				
Group 1	10.10000	-	10.10000	9.36000
Group 2	10.10000	-	10.10000	9.36000

BAILLIE GIFFORD

Baillie Gifford UK Equity Focus Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Baillie Gifford UK Equity Focus Fund

Investment Objective

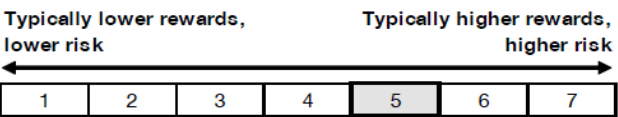
The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 1.5% per annum over rolling five-year periods.

Investment Policy

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

Risk and Reward Profile

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



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

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

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

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and you may not get back the amount invested.

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

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

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

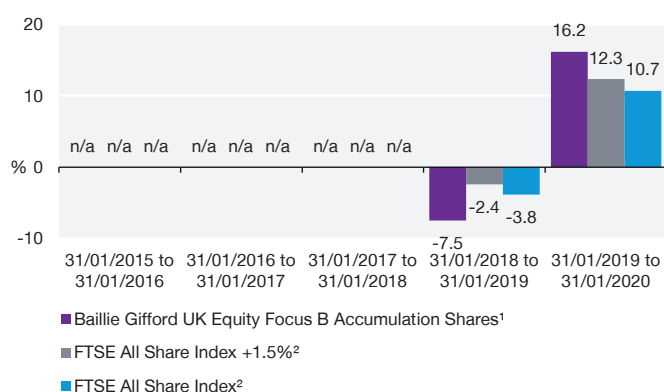
The process for the UK to exit the European Union introduces elements of political uncertainty and may have practical consequences for the Fund. Developments will be closely monitored.

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

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

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the ACD's annual fee of 0.47% (until 30 September 2017, the ACD's annual fee on Class B Shares was 0.60%), but exclude any initial charge paid. There are not five full years of performance shown as the Fund launched on 2 August 2017. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Movements in the prices of company shares in which the Fund invests between the two valuation points can lead to distortions in the returns. Performance for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

For the year to 31 January 2020, the return on B Accumulation Shares was 15.9%³ compared to the return on the FTSE All Share Index (the 'Index') of 10.7%² and the Fund's target (the 'target return') of the Index +1.5% of 12.3%². The investment objective of the Fund is to outperform the Index by at least 1.5% per annum over rolling five-year periods. As such, we 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.

2019 was a year of buoyant stock markets fuelled by still remarkably loose monetary policy and low, even negative long-term bond yields in many markets around the world. Some clarity and thawing of the US China trade tensions, and the extraordinary U-turn from the Federal Reserve in cutting US interest rates three times during the year helped support a strong end to 2019. Closer to home, the decisive election results and the now imminent departure from the EU has removed some uncertainty from UK markets and was also positive for returns at the end of the year.

As investment managers, we were regularly asked over the year what we were doing to position clients' portfolios around Brexit. It was tempting to say that as a so-called 'bottom-up' growth manager, we only concentrate on companies rather than politics and economics, that most publicly quoted companies in the UK are diverse international businesses with limited UK economic exposure, and that none of this Brexit stuff matters. But that would be only partly true. Both the immediate and long-term implications of Brexit could obviously be quite profound, either in the currency markets or for the prevailing domestic economic environment. Very few companies can live in a complete cocoon from long-lasting structural changes in the macroeconomic environment, whilst any currency volatility can also quickly impact on the valuation of certain large sectors of the stock market. The trouble is, no-one really knows how this will all pan out and ultimately, both the outcome and the impact will depend on politics and the unpredictable behavioural responses from companies and consumers. We cannot provide insight on these macro and political factors. Instead, we try to focus on topics like the competitive position of the companies in which we invest on clients' behalf, and on

¹Source: FE: 10am dealing prices, income accumulated. ²Source: FE, StatPro and relevant underlying index provider, total return. The target return outperformance is compound daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 289. 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.

whether there are sound reasons why these businesses should be significantly larger in five and ten-years' time. We think these are the key drivers to any successful investment strategy over the long term.

Over the period under review, it was encouraging to see a diverse range of businesses contributing to returns on the back of strong underlying operational performance, like in case of Boohoo, the online fashion retailer. We spent some time during the year thinking about the UK's fashion retail market given the portfolio's holdings and the current level of disruption in an industry that is experiencing nearly unprecedented levels of discounting and a growing number of bankruptcies. The divergence between winners and losers appears to be increasing and this was reflected in the Fund as Boohoo was the top contributor to performance whilst Ted Baker, the high street fashion retailer was the top detractor. Mercifully, the holding in the former is considerably larger than in the latter. Boohoo sells low priced fashion to teens and young adults. Its rapid demand-pull, high style turnaround model and successful social media marketing have continued to stand it in good stead even in the context of this challenging industry backdrop. Sadly, our investment case in Ted Baker did not play out as we had hoped. The resignation of Ray Kelvin, the company's founder CEO and largest shareholder, after allegations about his behaviour was hugely disappointing on many levels. His influence has been important over the years and his departure will almost certainly have been deeply disruptive to the internal workings and culture of the company. Our concerns over whether the company could successfully adapt over the next five years increased so we decided to sell the holding.

Elsewhere, Aveva, the engineering and industrial software design company, continued to make excellent progress following its merger with Schneider Electric's software arm in March 2018. Numbers from the outset have reflected the successful combination of the two businesses as it benefits from its increased scale and more comprehensive combined product suite. In addition, we believe it to be well positioned to benefit from the increasing digitalisation of large industrial processes.

Finally, as an active investment manager being able to take an active decision not to invest in certain companies can sometimes have as big an effect on performance as the decision to hold other companies. Not holding the big index constituents, BP and Royal Dutch Shell, for example, was beneficial over the last 12 months as the oil price was weaker and their share prices fell.

Apart from Ted Baker, one of the other main detractors was Renishaw. The share price of this world leading engineering company, specialising in ultra-high precision measurement technology, suffered from a slowdown in a number of its end markets exacerbated by the uncertainty caused by the Sino-American trade tensions and weaker demand in the machine tool sector. This led the company to downgrade its estimates. However, we remain impressed that even through these more difficult periods, Renishaw remains focused on research and development to support its future ambitions and as the structural demand drivers remain intact, we remain confident in the company's ability to deliver above average returns for many years to come.

We are discovering a range of new and exciting companies to invest in. Additions to the portfolio over the 12 months to end January, included Trainline, the UK's leading online portal for train and coach bookings which also has an exciting fledgling business in Europe; the specialist IT recruitment company and outsourcer, FDM, which focuses on training and placing graduates, ex-military personnel and 'returners' in large financial and other institutions, and Games Workshop, the company behind Warhammer and its armies of intricate figurines which can be assembled, painted and used to play table top battle games set in complex, fictional universes.

The UK offers a broad range of fascinating and diverse, growth companies that we believe will be able to navigate the short-term uncertainties around Brexit in the coming months and thrive in the years ahead. As active, bottom-up stock pickers the portfolio is populated with what we think are the best of these and as a result, we remain optimistic that the Fund can deliver attractive returns over the next five years and beyond.

Baillie Gifford & Co, 19 February 2020

Investment Report cont.

Coronavirus update

It is important during times of extreme market volatility to remember that investing is a long-term activity. History indicates that acting hastily in the midst of a crisis is typically unhelpful, and we would encourage all investors to step back and maintain perspective. When we invest on behalf of clients, it is with a five-year view of the opportunities that a company has to grow. Clearly, many such companies will be impacted in the near term by the abrupt economic slowdown which is unfolding, and stock markets have factored this heavily into prices. However, our view is that such selling has been relatively indiscriminate and driven by fear rather than long-term fundamentals. Companies with growing opportunities, competitive advantages and strong balance sheets are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over. We have therefore made few changes to fund portfolios during this period of uncertainty, and are considering opportunities to add to holdings in companies we admire at depressed prices. In recent years there has been a growing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers as well as shareholders. We will learn much about their commitment to such concepts in coming weeks.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Abcam	3.78
Renishaw	3.64
Boohoo	3.46
Experian	3.16
Spirax-Sarco	3.10
HomeServe	3.02
Hargreaves Lansdown	2.95
Genus	2.94
Just Eat	2.80
FDM Group	2.79

Material Portfolio Changes for the year ended 31 January 2020

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Renishaw	3,492	Boohoo	4,111
Games Workshop Group	2,977	Aveva	2,340
Auto Trader	2,947	ASOS	1,598
Farfetch	2,830	Clinigen	1,455
Boohoo	2,810	Reckitt Benckiser	1,070
FDM Group	2,784	Vectura	925
Abcam	2,531	Travis Perkins	883
Genus	2,470	Rotork	863
Hargreaves Lansdown	2,340	NCC Group	811
Aveva	2,148	Hostelworld Group	720

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Basic Materials - 6.61% (7.75%)			
Antofagasta	217,408	1,787	1.16
BHP Group PLC	197,524	3,277	2.13
Rio Tinto	83,393	3,406	2.21
Victrex	77,491	1,717	1.11
Consumer Goods - 9.63% (9.50%)			
British American Tobacco	89,100	2,991	1.94
Burberry	168,469	3,290	2.13
Diageo	96,972	2,919	1.89
Fevertree Drinks	49,310	679	0.44
Games Workshop Group	47,036	3,119	2.02
Reckitt Benckiser	29,603	1,859	1.21
Consumer Services - 19.46% (19.28%)			
4imprint	77,395	2,562	1.66
AO World	1,109,989	851	0.55
Auto Trader	657,432	3,693	2.40
Boohoo	1,765,188	5,331	3.46
Compass	228,235	4,284	2.78
Farfetch	273,614	2,532	1.64
Informa	210,720	1,633	1.06
Just Eat	500,568	4,310	2.80
Naked Wines	260,840	547	0.35
On The Beach	376,554	1,468	0.95
Trainline Plc	207,276	975	0.63
Wizz Air Holdings Plc	43,498	1,820	1.18
Financials - 14.09% (14.65%)			
Draper Esprit	702,873	3,556	2.30
Hargreaves Lansdown	263,664	4,547	2.95
Helical	310,449	1,490	0.97
Hiscox	148,394	1,947	1.26
IP Group	1,186,194	816	0.53
Lancashire Holdings	239,355	1,789	1.16

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
M&G PLC	237,958	572	0.37
Mercia Technologies	2,205,635	591	0.38
Prudential	237,958	3,217	2.09
St. James's Place	280,478	3,209	2.08
Health Care - 12.19% (12.69%)			
Abcam	417,911	5,826	3.78
Benchmark Holdings	2,583,869	1,085	0.70
Clinigen	159,488	1,545	1.00
Creo Medical	225,537	383	0.25
Genus	147,621	4,538	2.94
Hikma Pharmaceuticals	136,006	2,490	1.62
Horizon Discovery	829,989	1,311	0.85
Vectura	1,736,660	1,625	1.05
Industrials - 25.10% (24.59%)			
Ashtead	132,456	3,252	2.11
Experian	184,885	4,875	3.16
Fisher (James) & Sons	86,043	1,693	1.10
Halstead (James)	213,011	1,214	0.79
HomeServe	363,597	4,658	3.02
Howden Joinery Group	417,561	2,875	1.86
Oxford Instruments	136,246	2,101	1.36
Renishaw	141,318	5,619	3.64
Ricardo	305,814	2,355	1.53
Rolls-Royce	193,332	1,295	0.84
Rotork	661,054	2,012	1.30
Smart Metering Systems	186,026	952	0.62
Spirax-Sarco	53,547	4,776	3.10
Ultra Electronics	45,636	1,031	0.67
Oil & Gas - 0.34% (1.43%)			
Wood Group	138,050	519	0.34

Portfolio Statement as at 31 January 2020 cont.

Stock description	Holding	Market value £'000	% of total net assets
Technology - 10.90% (8.58%)			
Aveva	75,194	3,698	2.40
FDM Group	439,693	4,309	2.79
First Derivatives	115,175	3,190	2.07
LoopUp	176,451	145	0.09
NCC Group	1,091,669	2,342	1.52
Softcat	271,040	3,122	2.03
Portfolio of investments		151,620	98.32
Net other assets - 1.68% (1.53%)		2,584	1.68
Net assets		154,204	100.00

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

Figures in brackets refer to 31 January 2019.

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Period Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	100.04	106.98	99.80 ¹
Return before operating charges*	16.44	(6.42)	7.46
Operating charges	(0.54)	(0.52)	(0.28)
Return after operating charges*	15.90	(6.94)	7.18
Distributions	(1.72)	(1.61)	(0.52)
Retained distributions on accumulation shares	1.72	1.61	0.52
Closing net asset value per share	115.94	100.04	106.98
*After direct transaction costs of:	0.29	0.07	0.05
Performance:			
Return after charges	15.89%	(6.49)%	7.19%
Other Information:			
Closing net asset value (£'000)	431	382	1
Closing number of shares	371,935	381,353	1,009
Operating charges	0.49%	0.49%	0.54% ³
Direct transaction costs ⁴	0.26%	0.07%	0.05%
Prices:			
Highest share price (pence)	120.8	116.0	110.8
Lowest share price (pence)	100.7	93.28	97.84

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Period Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	100.81	107.29	99.58 ²
Return before operating charges*	16.58	(6.45)	7.73
Operating charges	(0.02)	(0.03)	(0.02)
Return after operating charges*	16.56	(6.48)	7.71
Distributions	(2.26)	(2.13)	(0.81)
Retained distributions on accumulation shares	2.26	2.13	0.81
Closing net asset value per share	117.37	100.81	107.29
*After direct transaction costs of:	0.29	0.07	0.05
Performance:			
Return after charges	16.43%	(6.04)%	7.74%
Other Information:			
Closing net asset value (£'000)	153,773	79,430	84,762
Closing number of shares	131,013,458	78,794,566	79,001,225
Operating charges	0.02%	0.03%	0.04%
Direct transaction costs ⁴	0.26%	0.07%	0.05%
Prices:			
Highest share price (pence)	122.3	116.6	111.1
Lowest share price (pence)	101.4	93.94	97.89

¹Class B Accumulation Shares were launched on 3 August 2017.

²Class C Accumulation Shares were launched on 2 August 2017.

³With effect from 1 October 2017, the ACD's annual fee for Class B shares was reduced from 0.60% to 0.47%. As at 31 January 2018 the ACD considered 0.51% to be a more indicative rate for the ongoing charges figure.

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

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

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		12,616		(6,745)
Revenue	3	2,470		1,696	
Expenses	4	(19)		(19)	
Net revenue before taxation		2,451		1,677	
Taxation	5	-		-	
Net revenue after taxation			2,451		1,677
Total return before distributions			15,067		(5,068)
Distributions	6		(2,447)		(1,680)
Change in net assets attributable to shareholders from investment activities			12,620		(6,748)

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		79,812		84,763
Amounts receivable on issue of shares	71,411		8,098	
Amounts payable on cancellation of shares	(13,160)		(8,046)	
		58,251		52
Dilution adjustment		530		67
Change in net assets attributable to shareholders from investment activities		12,620		(6,748)
Retained distributions on accumulation shares		2,991		1,678
Closing net assets attributable to shareholders		154,204		79,812

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	151,620	78,589
Current assets:			
Debtors	8	581	244
Cash and bank balances	9	2,059	1,101
Total assets		154,260	79,934
Liabilities:			
Creditors:			
Bank overdrafts	9	(6)	(18)
Other creditors	10	(50)	(104)
Total liabilities		(56)	(122)
Net assets attributable to shareholders		154,204	79,812

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Non-derivative securities	12,621	(6,743)
Currency gains/(losses)	(2)	-
Transaction costs	(3)	(2)
Net capital gains/(losses)	12,616	(6,745)

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	79,344	14,417
Commissions	29	6
Taxes	285	40
Total transaction costs on equity purchases ¹	314	46
Purchases including transaction costs	79,658	14,463

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	0.04
Taxes on equity purchases	0.36	0.28

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	19,258	12,038
Commissions	(11)	(7)
Taxes	-	-
Total transaction costs on equity sales ¹	(11)	(7)
Sales net of transaction costs	19,247	12,031

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	(0.06)	(0.06)
Taxes on equity sales	0.00	0.00

	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	40	0.03	13	0.02
Taxes	285	0.23	40	0.05
Total direct transaction costs	325	0.26	53	0.07

	2020	2019
	%	%
Average portfolio dealing spread	0.31	0.38

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	2,311	1,501
Overseas dividends	154	182
Property income	-	9
Bank interest	5	4
Total revenue	2,470	1,696

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2	2
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	10	9
Bank charges	2	2
	12	11
Other expenses:		
Audit fee	5	6
Total expenses	19	19

5 Taxation

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

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.

At 31 January 2020, the Fund had excess management expenses of £21,000 (2019: £7,000) which have not been recognised as a deferred tax asset. This is because the Fund is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, the Fund is unlikely to be able to reduce future tax liabilities through the use of existing excess expenses.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	2,451	1,677
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	490	335
Effects of:		
Non-taxable UK dividends	(462)	(300)
Non-taxable overseas dividends	(31)	(36)
Excess management expenses	3	1
Total taxation	-	-

6 Distributions

	2020	2019
	£'000	£'000
Interim to 31 July	680	389
Final to 31 January	2,311	1,289
	2,991	1,678
Amounts deducted on cancellation of shares	138	81
Amounts added on issue of shares	(682)	(79)
Total distributions	2,447	1,680

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

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	2,451	1,677
Add distributable revenue brought forward	2	5
Less distributable revenue carried forward	(6)	(2)
Net distributions for the year	2,447	1,680

Notes to the Financial Statements cont.

8 Debtors

	2020	2019
	£'000	£'000
Receivable for issue of shares	310	48
Sales awaiting settlement	7	-
Accrued income	228	158
Overseas tax recoverable	36	38
Total debtors	581	244

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	2,059	1,101
Sterling bank accounts overdrawn	(6)	(18)
Total cash and bank balances	2,053	1,083

10 Other creditors

	2020	2019
	£'000	£'000
Payable for cancellation of shares	43	96
Due to the Depositary or associates	2	2
Other accrued expenses	5	6
Total other creditors	50	104

11 Related party transactions

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

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

Shares held by the ACD and associates of the ACD

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

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

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

	2020	
	B Accumulation Shares	C Accumulation Shares
Opening shares in issue	381,353	78,794,566
Shares issued	4,252	64,144,754
Shares cancelled	(13,670)	(11,925,862)
Shares converted	-	-
Closing shares in issue	371,935	131,013,458

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	151,620	78,589
Level 2: Observable market data	-	-
Level 3: Unobservable data	-	-
Total	151,620	78,589

14 Post Balance Sheet Events

The extreme market volatility of recent weeks has impacted the Fund's performance since the year end. From the year end to 12 May 2020 the return on Class B Accumulation Shares was -9.8%¹. The Fund's net asset value as at 10am on this day was £140,058,000.

¹Source: Baillie Gifford & Co Limited, 10am dealing prices, income accumulated. Performance figures for the other share classes in issue can be obtained by contacting Client Relations.

Distribution Tables

Interim distribution for the period ended 31 July 2019

Group 1 : shares purchased prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 July 2019

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 30.09.19)	Distribution (paid/accumulated 30.09.18)
	31.07.19 pence per share	31.07.19 pence per share	31.07.19 pence per share	31.07.18 pence per share
B Accumulation				
Group 1	0.35000	-	0.35000	0.35000
Group 2	0.35000	-	0.35000	0.35000
C Accumulation				
Group 1	0.50000	-	0.50000	0.50000
Group 2	-	0.50000	0.50000	0.50000

Final distribution for the period ended 31 January 2020

Group 1 : shares purchased prior to 1 August 2019

Group 2 : shares purchased 1 August 2019 to 31 January 2020

	Net Revenue (dividend distribution)	Equalisation	Distribution (paid/accumulated 31.03.20)	Distribution (paid/accumulated 31.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
B Accumulation				
Group 1	1.37000	-	1.37000	1.26000
Group 2	0.03343	1.33657	1.37000	1.26000
C Accumulation				
Group 1	1.76000	-	1.76000	1.63000
Group 2	0.22537	1.53463	1.76000	1.63000

BAILLIE GIFFORD

Glenfinlas Global Fund

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

*Annual Report & Financial Statements
for the year ended 31 January 2020*



Investment Report

Following the redemption of all outstanding shares on 13 November 2015, the ACD is no longer actively seeking subscriptions for the Fund.

Principal Holdings as at 31 January 2020

Investment	Percentage of total Fund
Espirito Santo Finacials ¹	0.00
African Minerals Ltd ²	0.00
SNS Reaal ³	0.00

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

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

³This stock was delisted at the year end and has been valued at the Investment Adviser's valuation.

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015. The remaining holdings have been valued at zero, based on the Investment Adviser's valuation, as detailed in the Portfolio Statement.

Portfolio Statement as at 31 January 2020

Stock description	Holding	Market value £'000	% of total net assets
Luxembourg - 0.00% (0.00%)			
Espirito Santo Finacials ¹	32,000	-	0.00
Netherlands - 0.00% (0.00%)			
SNS Reaal ²	133,875	-	0.00
UK - 0.00% (0.00%)			
African Minerals Ltd ³	51,500	-	0.00
Portfolio of investments		-	0.00
Net other liabilities - 0.00% (0.00%)		-	0.00
Net assets		-	0.00

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

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

³This stock was in administration at the year end and has been valued at the Investment Adviser's valuation.

All investments are approved securities within the meaning of the FCA rules unless otherwise stated.

Figures in brackets refer to 31 January 2019.

This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

Comparative Tables

Comparative Table: Z Accumulation Shares

	Financial Year Ended 31 January 2020 (pence per share)	Financial Year Ended 31 January 2019 (pence per share)	Financial Year Ended 31 January 2018 (pence per share)
Change in net assets per share:			
Opening net asset value per share	0.00	0.00	0.00
Return before operating charges*	-	-	-
Operating charges	-	-	-
Return after operating charges*	-	-	-
Closing net asset value per share	0.00	0.00	0.00
*After direct transaction costs of:	n/a	n/a	n/a
Performance:			
Return after charges	-	-	-
Other Information:			
Closing net asset value (£'000)	-	-	-
Closing number of shares ¹	-	-	-
Operating charges	-	-	-
Direct transaction costs	-	-	-
Prices:			
Highest share price (pence)	n/a	n/a	n/a
Lowest share price (pence)	n/a	n/a	n/a

¹This Fund is no longer available for subscription. On 13 November 2015, all shares in the Fund were redeemed and the proceeds paid to the shareholders on 18 November 2015.

Financial Statements

Statement of Total Return for the year ended 31 January 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		-		-
Revenue	3	-		-	
Expenses	4	-		-	
Net revenue before taxation		-		-	
Taxation	5	-		-	
Net revenue after taxation			-		-
Total return before distributions			-		-
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			-		-

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

	2020		2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Amounts receivable on issue of shares	-		-	
Amounts payable on cancellation of shares	-		-	
		-		-
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities		-		-
Closing net assets attributable to shareholders		-		-

Financial Statements cont.

Balance Sheet as at 31 January 2020

	Notes	2020 £'000	2019 £'000
Assets:			
Fixed assets:			
Investments	13	-	-
Current assets:			
Debtors	8	4	2
Cash and bank balances	9	8	5
Total assets		12	7
Liabilities:			
Creditors:			
Bank overdrafts	9	(8)	(3)
Other creditors	10	(4)	(4)
Total liabilities		(12)	(7)
Net assets attributable to shareholders		-	-

Notes to the Financial Statements

1 Net capital gains/(losses)

	2020	2019
	£'000	£'000
Net capital gains/(losses)	-	-

2 Purchases, sales and transaction costs

	2020	2019
	£'000	£'000
Purchases and transaction costs		
Gross purchases of equities excluding transaction costs	-	-
Commissions	-	-
Taxes	-	-
Total transaction costs on equity purchases ¹	-	-
Purchases including transaction costs	-	-

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

	2020	2019
	%	%
Transaction costs as a percentage of principal amount		
Commission on equity purchases	0.00	0.00
Taxes on equity purchases	0.00	0.00

	2020	2019
	£'000	£'000
Sales and transaction costs		
Gross sales of equities excluding transaction costs	-	-
Commissions	-	-
Taxes	-	-
Total transaction costs on equity sales	-	-
Sales net of transaction costs	-	-

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2020		2019	
	%		%	
Transaction costs as a percentage of principal amount				
Commission on equity sales	0.00		0.00	
Taxes on equity sales	0.00		0.00	
	2020		2019	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	-	0.00	-	0.00
Taxes	-	0.00	-	0.00
Total direct transaction costs	-	0.00	-	0.00
	2020		2019	
	%		%	
Average portfolio dealing spread	0.00		0.00	

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

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

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

3 Revenue

	2020	2019
	£'000	£'000
Total revenue	-	-

Notes to the Financial Statements cont.

4 Expenses

	2020	2019
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Expenses rebate	(4)	(4)
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	-	-
Bank charges	-	-
	-	-
Other expenses:		
Audit fee	4	4
Total expenses	-	-

5 Taxation

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

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 combined with offsetable overseas tax exceed the taxable income of the Fund and the result is no corporation tax payable by the Fund.

	2020	2019
	£'000	£'000
Net revenue/(expense) before taxation	-	-
Net expense before taxation multiplied by the standard rate of corporation tax of 20% (2019: 20%)	-	-
Total taxation	-	-

6 Distributions

	2020	2019
	£'000	£'000
Total distributions	-	-

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

Notes to the Financial Statements cont.

7 Reconciliation of net revenue to net distributions for the year

	2020	2019
	£'000	£'000
Net revenue after taxation for the year	-	-
Net distributions for the year	-	-

8 Debtors

	2020	2019
	£'000	£'000
Amounts due from ACD	4	2
Total debtors	4	2

9 Cash and bank balances

	2020	2019
	£'000	£'000
Sterling bank accounts	8	5
Sterling bank accounts overdrawn	(8)	(3)
Total cash and bank balances	-	2

10 Other creditors

	2020	2019
	£'000	£'000
Other accrued expenses	4	4
Total other creditors	4	4

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company.

During the year Baillie Gifford & Co Limited deemed it appropriate to reimburse expenses to the Fund. The amount of expenses reimbursed is given in note 4 with amounts receivable at the year end given in note 8. Any amount due to be refunded back to the ACD, relating to surplus revenue, is given in note 10.

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

	2020
	Z Accumulation
Opening shares in issue	-
Shares issued	-
Shares cancelled	-
Shares converted	-
Closing shares in issue	-

13 Basis of valuation

	2020	2019
	Assets	Assets
	£'000	£'000
Level 1: Quoted prices	-	-
Level 2: Observable market data	-	-
Level 3: Unobservable data ¹	-	-
Total	-	-

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

Distribution Table

Final distribution for the year ended 31 January 2020

Group 1 : shares purchases prior to 1 February 2019

Group 2 : shares purchased 1 February 2019 to 31 January 2020

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.03.20)	Distribution (paid/accumulated 30.03.19)
	31.01.20 pence per share	31.01.20 pence per share	31.01.20 pence per share	31.01.19 pence per share
Z Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

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. 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, including their identity, tax residency and tax status. Shareholders must provide the ACD with any information required to meet these obligations, and may also be asked to provide self-certifications and tax reference numbers or the equivalent. The ACD reserves the right to refuse an application for Shares or a transfer

of Shares until it receives a declaration as to the Shareholder's tax residency or status in the form prescribed by the ACD.

The ACD is also required to provide to HMRC certain information regarding Shareholders, payments made to Shareholders and proceeds arising on the disposal of Shares, and HMRC may pass such information on to the tax authorities of another jurisdiction.

Share Classes

The net asset value per share and the number of shares in each class are shown in the Comparative Tables sections of the relevant sub-funds. The distributions per share class are shown in the Distribution Tables. In each sub-fund all share classes have the same rights on winding up

Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Class J Shares are only available to persons who has, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.

Class K Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Class W Shares are only available to persons who has, or whose agent has, a separate fee arrangement with the ACD or one of its associates, in relation to the relevant Class W Shares.

The minimum lump sum investments are shown in the table on page 292.

General Information cont.

Equalisation

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 shares. Shares purchased during any previous distribution period are called Group 1 shares. Group 2 shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the sub-fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the holders of Group 2 shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

An 'income equalisation-like' mechanism will be operated by the ACD for conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those converting their shares and other shareholders in the affected classes.

Fund Charges and Costs

A further explanation of charges and costs relating to the 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.

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.

Minimum Lump Sum Investment Amounts and ACD's Annual Fee

	Class A	Class B	Class C	Class G	Class J	Class K	Class W	Class Z
Minimum lump sum investments:								
Baillie Gifford British Smaller Companies Fund	£1,000	£1,000	£250,000	n/a	n/a	n/a	n/a	n/a
Baillie Gifford Global Alpha Growth Fund	£1,000	£1,000	£250,000	n/a	n/a	n/a	£1,000	n/a
Baillie Gifford Global Income Growth Fund	£1,000	£1,000	£250,000	n/a	£1,000	n/a	n/a	n/a
Baillie Gifford International Fund	£1,000	£1,000	£250,000	£250,000	n/a	n/a	n/a	n/a
Baillie Gifford Managed Fund	£1,000	£1,000	£250,000	n/a	n/a	£250,000	n/a	n/a
Baillie Gifford Responsible Global Equity Income Fund	n/a	£1,000	£250,000	n/a	£1,000	n/a	n/a	n/a
Baillie Gifford UK and Worldwide Equity Fund	£1,000	£1,000	£250,000	n/a	n/a	n/a	n/a	n/a
Baillie Gifford UK Equity Alpha Fund	n/a	£1,000	£250,000	£250,000	n/a	n/a	n/a	n/a
Baillie Gifford UK Equity Focus Fund	n/a	£1,000	£250,000	n/a	n/a	n/a	n/a	n/a
Glenfinlas Global Fund ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

General Information cont.

Minimum Lump Sum Investment Amounts and ACD's Annual Fee cont.

	Class A	Class B	Class C	Class G	Class J	Class K	Class W	Class Z
ACD's annual fee:								
Baillie Gifford British Smaller Companies Fund	1.50%	0.65%	Nil	n/a	n/a	n/a	n/a	n/a
Baillie Gifford Global Alpha Growth Fund	1.42%	0.57%	Nil	n/a	n/a	n/a	Note 1	n/a
Baillie Gifford Global Income Growth Fund	1.42%	0.57%	Nil	n/a	0.35%	n/a	n/a	n/a
Baillie Gifford International Fund	1.42%	0.57%	Nil	0.50%	n/a	n/a	n/a	n/a
Baillie Gifford Managed Fund	1.50%	0.40%	Nil	n/a	n/a	0.32%	n/a	n/a
Baillie Gifford Responsible Global Equity Income Fund	n/a	0.57%	Nil	n/a	0.35%	n/a	n/a	n/a
Baillie Gifford UK and Worldwide Equity Fund	n/a	0.45%	Nil	n/a	n/a	n/a	n/a	n/a
Baillie Gifford UK Equity Alpha Fund	1.40%	0.55%	Nil	0.50%	n/a	n/a	n/a	n/a
Baillie Gifford UK Equity Focus Fund	n/a	0.47%	Nil	n/a	n/a	n/a	n/a	n/a
Glenfinlas Global Fund ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹Glenfinlas Global Fund is no longer available for subscription.

Note 1: Where the combined net asset value of the relevant Class W Shares (accumulation and income) is equal to or greater than £100 million, the following fee scale will be applied to the whole of the net asset value of the relevant Class W Shares:

- 0.57% on the first £60 million;
- 0.35% on the next £540 million; and
- 0.33% thereafter.

Where the combined net asset value of the relevant Class W Shares (accumulation and income) is less than £100 million a rate of 0.57% shall be applied to the whole of the net asset value of the relevant Class W Shares.

General Information cont.

Active Share

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. The Active Share as at the year end and the comparative index for each sub-fund is shown in the table below. The Active Share has been shown against these indices to highlight the active management style against what is deemed to be the most relevant index for each sub-fund.

Sub-fund	Active Share	Comparative Index
Baillie Gifford British Smaller Companies Fund	94%	Numis Smaller Companies Excluding Investment Companies Index
Baillie Gifford Global Alpha Growth Fund	88%	MSCI All Country World Index
Baillie Gifford Global Income Growth Fund	90%	FTSE All World Index
Baillie Gifford International Fund	87%	MSCI All Country World ex-UK Index
Baillie Gifford Managed Fund	83%	Mean of the Investment Association Mixed 40-85% Shares Sector ¹
Baillie Gifford Responsible Global Equity Income Fund	90%	FTSE All World Index
Baillie Gifford UK and Worldwide Equity Fund	77%	Composite Index. 60% FTSE All Share Index and 40% overseas. The overseas element is made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index; and 16% MSCI Emerging Markets Index.
Baillie Gifford UK Equity Alpha Fund	89%	FTSE All Share Index
Baillie Gifford UK Equity Focus Fund	82%	FTSE All Share Index

¹As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

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 Active Gilt Investment Fund ¹
Baillie Gifford Active Index-Linked Gilt Investment Fund ¹
Baillie Gifford Active Long Gilt Investment Fund ¹
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 Japanese Income Growth Fund
Baillie Gifford Multi Asset Income Fund
Baillie Gifford Sterling Aggregate Bond Fund
Baillie Gifford Sterling Aggregate Plus Bond Fund
Baillie Gifford UK Equity Core Fund

Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund
Baillie Gifford China Fund ²
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 Fund ³

¹Termination commenced on 31 March 2020 and are no longer available for subscription.

²With effect from 2 May 2019 the name of Baillie Gifford Greater China was changed to Baillie Gifford China Fund.

³Glenfinlas 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.

