

Baillie Gifford™

Baillie Gifford Bond Funds ICVC

Annual Report and Financial Statements

for the year ended 30 September 2023



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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 Bond 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 investments, thus reducing risk.

At 30 September 2023, the Company offered five sub-funds and the range may be varied in the future. Each sub-fund is valued on a daily basis. The 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 6 December 2023 and the Instrument of Incorporation was last revised on 19 September 2022. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

The Company is registered in Great Britain, registered number IC000402, and the address of its Head Office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. The operation of the Company is governed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') (the 'Regulations'), its Instrument of Incorporation and its Prospectus.

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

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

Baillie Gifford Investment Grade Long Bond Fund

On 25 October 2023, the ACD informed shareholders of its decision to close the Fund on 6 December 2023. Consequently, the ACD is no longer actively seeking subscriptions for the Fund. Consequently the sub-fund is not a going concern and the financial statements have been prepared on a basis other than going concern. There is no impact on the financial statements or disclosure notes of Baillie Gifford Investment Grade Long Bond Fund, on the basis that the assets and liabilities on the

balance sheet are valued at fair value, which materially equate to the sub-fund's residual value. Investments have been reclassified from fixed assets to current assets.

Assessment of value for the Sub-Funds

Under COLL 6.6.20R (1), Baillie Gifford & Co Limited, the ACD of the Company, must conduct an assessment at least annually for each UK authorised sub-fund it manages, of whether the payments out of the sub-funds set out in the prospectus are justified in the context of the overall value delivered to shareholders. This assessment of value must, as a minimum, consider seven criteria, namely: quality of service, performance, authorised fund manager costs, economies of scale, comparable market rates, comparable services and classes of shares. The ACD will issue the statement of value in a separate composite report, performing the assessment across their full range of UK authorised sub-funds. The ACD has chosen a reference date of 31 March and will publish a composite report by 31 July each year. The latest report as at 31 March 2023 is available on the website at www.bailliegifford.com.

Sub-fund Cross-holdings Table

At 30 September 2023 none of the shares in the sub-funds were held by any other sub-funds of the Company.

About the Company cont.

Authorised Corporate Director

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

Directors of the ACD

Executive

M J C Wylie (Chairman)
E Delaney
C M Fraser
L B S Haddow
D S McGowan
C M Murphy (appointed 22 November 2023)
A J Telfer (resigned 22 November 2023)

Independent Non-Executive

K B M Bolsover
D R Buckley
C R S Turpin (appointed 22 November 2023)

Investment Adviser

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

Depositary

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

Registrar

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

Independent Auditors

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 Director's 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland";
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- take reasonable steps for the prevention and detection of fraud and irregularities.

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

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

M J C Wylie, Chairman
C M Fraser, Director
Baillie Gifford & Co Limited
7 December 2023

Statement of Depositary's Responsibilities and Report of the Depositary to the Shareholders of Baillie Gifford Bond Funds ICVC ('The Company') for the Year Ended 30 September 2023

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 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 is 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 and borrowing powers applicable to the Company.

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

information available to us and the explanations provided, that in all material respects the Company, acting through the 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 the 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 October 2023*

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

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Baillie Gifford Bond 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 30 September 2023 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Baillie Gifford Bond Funds ICVC is an Open Ended Investment Company ('OEIC') with five 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 30 September 2023; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Emphasis of matter - financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note (1) in the Accounting Policies which describes the Authorised Corporate Director's reason why the financial statements of Baillie Gifford Investment Grade Long Bond Fund (the "terminating sub-fund"), a sub-fund of Baillie Gifford Bond Funds ICVC, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

Conclusions relating to going concern

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

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or 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.

Based on our work undertaken in the course of the audit, the Collective Investment sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director’s board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
7 December 2023*

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') Financial Statements of UK Authorised Funds issued in May 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 Baillie Gifford Investment Grade Long Bond Fund. Baillie Gifford Investment Grade Long Bond Fund is no longer considered to be a going concern because the sub-fund will close on 6 December 2023 with termination proceeds paid to shareholders on or around 12 December 2023. Consequently the sub-fund is not a going concern and the financial statements have been prepared on a basis other than going concern. There is no impact on the financial statements or disclosure notes of Baillie Gifford Investment Grade Long Bond Fund, on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to the sub-fund's residual value. Investments have been reclassified from fixed assets to current assets.

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*

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

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.

(3) *Treatment of expenses*

For the purpose of calculating the distribution, all expenses are allocated to capital.

For all of the sub-funds, VAT is written off to the extent that it is not considered to be recoverable.

(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*

Baillie Gifford Strategic Bond Fund distributes monthly and pays interest distributions. All the other sub-funds distribute quarterly and pay interest distributions. All sub-funds pay distributions out of income.

(6) *Taxation*

Corporation tax is charged at 20% of the revenue liable to corporation tax less allowable expenses and, where applicable, interest distributions made. All sub-funds satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions are therefore made as interest distributions.

Accounting Policies cont.

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

(7) *Basis of valuation of investments*

The investments of the sub-funds have been valued at the closing bid prices on 30 September 2023, or the Investment Adviser's valuation where indicated. Investments are valued using the fair value hierarchy, referenced in accounting policy 1.

(8) *Foreign exchange*

All foreign securities and currencies held at the year end have been translated into sterling at the rate of exchange ruling at 30 September 2023. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

(9) *Financial Derivative Instruments*

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

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

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 all or part of the swap is used to calculate the realised gain or loss. Costs relating to the clearing of swaps 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 Adviser 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 for the purposes of meeting its investment objectives. The strategies used may include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies. In addition, derivatives are used for the purposes of efficient portfolio management. The Investment Adviser makes use of these strategies as and when it considers it appropriate to do so. Derivative investments (which may be exchange-traded and/or off-exchange) are undertaken on a covered basis and the types of asset which underlie the derivative contract are appropriate in the context of each sub-fund's investment objective and policy. The Investment Adviser's use of derivatives is constrained to a level that ensures the 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 any sub-fund.

The market risk of each sub-fund's financial asset and liability positions is monitored by the Investment Adviser using Value at Risk (VaR) analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. Disclosure on the VaR is contained in the Notes to the Financial Statements of each sub-fund.

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 all the sub-funds 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

The sub-funds are subject to interest rate risk because bond yields are linked to underlying bank rates or equivalents. Disclosure on the interest rate risk profile is contained in the Notes to the Financial Statements of each sub-fund.

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.

Investment markets can go down as well as up and market conditions can change rapidly. This means the value of an investor's holding may go down as well as up, and an investor may not recover the amounts invested especially if investments are not held for the long term. A market price decrease applied to the assets of the sub-fund would result in a decrease on the net asset value of the sub-fund and vice versa.

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 insufficient 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'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.

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 'ACD'), which is the group's sole UK UCITS management company for the range of UK UCITS operated within the group. The Policy is subject to review on at least an annual basis by the Management Committee of Baillie Gifford and the Board of the ACD. Details of the policy are set out in the Remuneration Disclosure, updated in June 2023, and are summarised below.

Application of the UK UCITS Remuneration Code

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

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

General Principles of the Policy

The ACD endeavours to reward staff fairly and appropriately for their contribution towards the success of the business and the level of service and performance delivered to its clients. The Policy is designed to be consistent with and promote sound and effective risk management and should not encourage risk-taking which is inconsistent with the risk profiles of the UK UCITS the ACD manages. It is designed to be in line with the ACD's strategy, objectives, values and the long-term interests of investors in the UK UCITS funds it manages. The Policy has been designed to avoid conflicts of interest and is subject to independent internal review by the compliance and 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 ACD also oversees adherence to the UK UCITS Remuneration Code.

Approach to Remuneration

The key elements of staff remuneration are:

Fixed pay: salary and pension contributions. The aim is to offer compensation which is well positioned relative to the industry, supported by a positive working environment and strong culture.

The Annual Performance Award: an annual variable compensation award determined by performance measures that are important to the firm and its clients, with measures generally shared across the firm, weighted according to the role each member performs.

A Long-Term Profit Award: an annual variable compensation award distributing a proportion of the firm's profitability to all staff, reinforcing the collegiate culture and the sense of collective responsibility and purpose. Awards will rise and fall alongside the financial performance of the firm.

These elements are balanced to achieve an appropriate ratio between fixed and variable pay. The different levels within both performance-linked and profit awards offer the opportunity for people to progress over time, in line with changes to their role, responsibilities and contribution to the firm.

Additionally, the firm's deferral arrangements enhance this common sense of purpose and longer-term view by re-investing between 10% and 50% of any award into funds that broadly represent the overall investment approach of the firm.

Recent Changes to the Policy

Amendments to staff variable remuneration arrangements were introduced for the performance year commencing 1 April 2022 and are reflected in the structure outlined above. Full details of these arrangements can be found in the Remuneration Disclosure at www.bailliegifford.com.

Remuneration Report cont.

	Headcount	Total Remuneration ¹ £'000
Baillie Gifford & Co Limited		
Fixed remuneration	47	1,660
Variable remuneration	47	510
Baillie Gifford & Co Limited Remuneration Code Staff²		
Total remuneration	26	2,050

This remuneration disclosure has been provided at the level of Baillie Gifford & Co Limited as authorised fund manager of UK UCITS, as at 31 March 2023. Remuneration information at an individual AIF or UK UCITS level is not readily available.

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

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

Baillie Gifford™

Baillie Gifford Emerging Markets Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2023*



Baillie Gifford Emerging Markets Bond Fund

Investment Objective

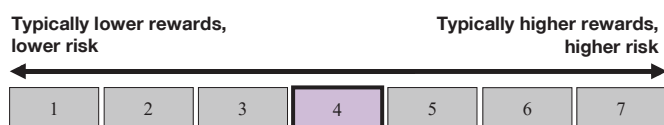
The Fund aims to outperform (after deduction of costs) the J.P. Morgan GBI-EM Global Diversified Index unhedged in sterling by 0.6% per annum over rolling three-year periods.

Investment Policy

The Fund will invest at least 80% in bonds issued by emerging market issuers or in emerging market currencies. Emerging markets will be determined by the investment manager at its discretion. The Fund may also invest in other bonds including developed market bonds. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be exposed to foreign currencies. The Fund will be actively managed and is not constrained by the index.

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.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in government bonds issued by emerging market borrowers.

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

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

Investing in China may harm your investment due to difficulties with market volatility, political and economic instability including the risk of market shutdown, trading, liquidity, settlement, corporate governance, regulation, legislation and taxation.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

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

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

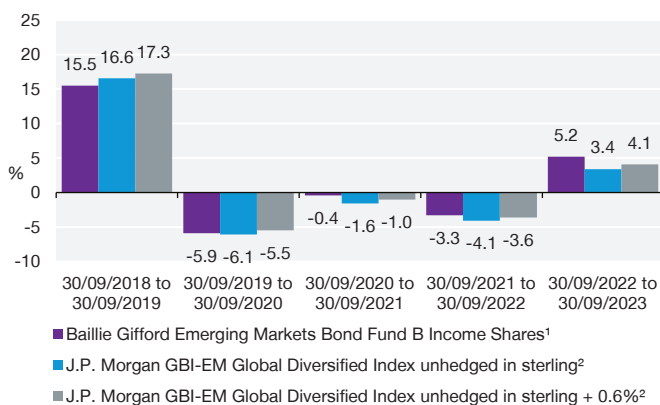
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.40%, but exclude any initial charge paid. 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.

Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the J.P. Morgan GBI-EM Global Diversified Index unhedged in sterling (the 'Index') by 0.6% per annum (the 'target return') over rolling three-year periods. For the year to 30 September 2023, the return on B Income Shares was 5.2%¹ compared to the Index of 3.4%² and the target return of 4.1%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance, a period in-line with the Fund's objectives. Over that period, the annualised return on B Income Shares was 0.4%¹ compared to the return on the Index of -0.8%² and the target return of -0.2%².

Market environment

Bond markets have been more stable during the past year following the rapid rise in yields during 2022. Emerging market (EM) bond prices proved to be more resilient than their developed market equivalents for various reasons,

including clear evidence showing inflation decelerating in emerging markets, as earlier central bank measures to control inflation proved effective. The inflation slowdown has been most rapid in parts of Latin America, and Central and Eastern Europe, where double-digit inflation rates prompted rapid monetary tightening. Economic growth in emerging markets has slowed too, in a sign that higher interest rates have cooled these economies. This combination of falling inflation and slowing growth supported bond prices during the year.

This has not been true in much of the developed world. Markets are now pricing in an expectation that interest rates will remain 'higher for longer' – mainly because US growth has proved much more resilient than expected, despite the monetary tightening. This backdrop makes the 'carry' available from EM bonds less attractive. Looking ahead, local currency bonds continue to provide attractive yields. However, spreads versus US Treasuries are at the tight end of their historic range, so the direction of US interest rate policy will be especially important for returns during the next year.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and J.P. Morgan, total return. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 194. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Performance

The Fund's return was ahead of both the Index and the target return during the year. Interest rate positioning was the key driver of outperformance. The Fund was positioned with a longer duration position compared with the benchmark Index at the start of the period and benefited as emerging market rates rallied, and spreads versus US Treasuries tightened. Overweight positions in Latin American countries, including Peru and Uruguay, were among the contributors.

Currency returns were mixed. The Fund's short position in the Turkish lira was the main contributor to FX returns, as the country's governance continued to falter. The Uruguayan peso was one of the best performing currencies during the year, so the Fund's long position also contributed to returns. Conversely, a short position in the Thai baht was among the detractors, as interest rate differentials versus the dollar weighed on the currency.

Over three years, the Fund's annualised return is also ahead of both the Index and the target return. The Fund's returns have, in absolute terms, been marginally positive though returns for the benchmark have been negative during that time. Contributions to outperformance from rates and FX are similar during that three-year period.

Positioning

We used the asset class's recent strength as an opportunity to reduce both interest rate risk and credit risk towards the end of the year. The Fund remains long duration (versus its benchmark) but this overweight has been reduced to 0.3 years. While the recent fall in inflation is welcome, we believe that market pricing became overly optimistic about the prospects for significant rate cuts in the short term. After all, emerging market central banks will be wary of deviating too much from the US Federal Reserve's policy course. We reduced allocations to various high yield issuers, though the Fund's average credit rating (BBB) is unchanged.

Baillie Gifford & Co, 30 October 2023

Principal Bond Holdings as at 30 September 2023

Investment	Percentage of total Fund
Brazil 0% 01/01/2024	6.73
Colombia 7% 26/03/2031	4.74
Brazil 10% 01/01/2025	4.36
Mexico 7.75% 23/11/2034	3.99
South Africa 8.5% 31/01/2037	3.50
China Development Bank 3.23% 10/01/2025	3.32
Indonesia 8.375% 15/03/2034	3.28
Indonesia 9% 15/03/2029	3.25
Uruguay 8.25% 21/05/2031	3.21
Malaysia 4.254% 31/05/2035	3.07

Material Portfolio Changes for the year ended 30 September 2023

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Uruguay 8.25% 21/05/2031	14,829	Brazil 0% 01/07/2023	25,029
Peru 5.4% 12/08/2034	10,429	Peru 5.4% 12/08/2034	18,083
Indonesia 6.375% 15/08/2028	9,953	Uruguay 3.875% IL 02/07/2040	14,089
Mexico 8.5% 31/05/2029	9,557	Poland 1.75% 25/04/2032	12,207
Colombia 7% 26/03/2031	9,378	China Development Bank 3.09% 18/06/ 2030	11,650
Dominican Republic 13.625% 03/02/2033	8,664	Dominican Republic 9.75% 05/06/2026	11,106
Malaysia 4.254% 31/05/2035	8,071	China 1.99% 09/04/2025	10,368
Romania 4.25% 28/04/2036	7,033	Mexico 7.75% 13/11/2042	10,245
Indonesia 8.375% 15/03/2034	6,863	Colombia 9.25% 28/05/2042	8,612
Mexico 7.75% 29/05/2031	5,361	Brazil 10% 01/01/2023	8,040

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 30 September 2023

Stock description	Holding	Market value £'000	% of total net assets
Fixed Income - 90.23% (92.93%)			
Albania - 0.00% (0.59%)			
Brazil - 13.61% (16.62%)			
Brazil 0% 01/01/2024	154,998	24,646	6.73
Brazil 10% 01/01/2025	98,647	15,947	4.36
Brazil 10% 01/01/2027	58,101	9,219	2.52
Chile - 2.16% (2.06%)			
Chile 1.5% IL 01/03/2026	102,500	3,241	0.89
Chile 1.9% IL 01/09/2030	152,000	4,652	1.27
China - 4.03% (9.47%)			
China 3.81% 14/09/2050	20,520,000	2,603	0.71
China Development Bank 3.23% 10/01/2025	107,140,000	12,131	3.32
Colombia - 5.37% (3.92%)			
Colombia 7% 26/03/2031	109,330,000,000	17,344	4.74
Colombia 7.25% 26/10/2050	12,048,400,000	1,528	0.42
Colombia 9.25% 28/05/2042	4,770,500,000	768	0.21
Cote D'Ivoire - 0.00% (0.23%)			
Czech Republic - 4.48% (3.06%)			
Czech Republic 0.25% 10/02/2027	204,490,000	6,256	1.71
Czech Republic 1.75% 23/06/2032	360,260,000	10,148	2.77
Dominican Republic - 2.53% (2.43%)			
Dominican Republic 11.25% 15/09/2035	210,000,000	3,112	0.85
Dominican Republic 13.625% 03/02/2033	363,200,000	6,131	1.68
Egypt - 0.00% (0.79%)			

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Hungary - 2.65% (1.84%)			
Hungary 4.5% 23/03/2028	3,569,400,000	7,045	1.92
Hungary 4.75% 24/11/2032	1,440,000,000	2,662	0.73
Indonesia - 10.65% (7.95%)			
Indonesia 6.375% 15/08/2028	133,486,000,000	7,026	1.92
Indonesia 7.5% 15/08/2032	25,193,000,000	1,391	0.38
Indonesia 8.375% 15/03/2034	203,534,000,000	12,014	3.28
Indonesia 8.375% 15/04/2039	110,222,000,000	6,638	1.82
Indonesia 9% 15/03/2029	202,391,000,000	11,897	3.25
Malaysia - 6.57% (4.97%)			
Malaysia 3.906% 15/07/2026	47,714,000	8,397	2.29
Malaysia 4.254% 31/05/2035	63,715,000	11,243	3.07
Malaysia 4.736% 15/03/2046	24,208,000	4,410	1.21
Mexico - 11.03% (7.36%)			
Mexico 7.5% 03/06/2027	2,314,150	9,957	2.72
Mexico 7.75% 23/11/2034	3,632,400	14,591	3.99
Mexico 7.75% 29/05/2031	1,471,803	6,113	1.67
Mexico 8.5% 31/05/2029	2,200,000	9,700	2.65
Mongolia - 0.00% (0.45%)			
North Macedonia - 0.00% (0.58%)			
Peru - 3.18% (4.74%)			
Peru 5.4% 12/08/2034	7,900	1,456	0.40
Peru 6.9% 12/08/2037	13,972	2,869	0.78
Peru 7.3% 12/08/2033	33,924	7,317	2.00
Poland - 1.68% (4.24%)			
Poland 2.5% 25/07/2027	36,029,000	6,157	1.68

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Romania - 2.49% (2.66%)			
Romania 3.65% 24/09/2031	33,225,000	4,679	1.28
Romania 4.25% 28/04/2036	17,000,000	2,264	0.62
Romania 6.7% 25/02/2032	12,770,000	2,179	0.59
Serbia - 0.42% (0.34%)			
Serbia 5.875% 08/02/2028	202,170,000	1,539	0.42
South Africa - 8.78% (9.24%)			
South Africa 10.5% 21/12/2026	244,921,569	10,957	2.99
South Africa 6.5% 28/02/2041	227,514,012	5,583	1.53
South Africa 7% 28/02/2031	81,332,525	2,775	0.76
South Africa 8.5% 31/01/2037	402,142,350	12,793	3.50
South Korea - 0.69% (0.67%)			
Korean EXIM Bank 7.25% 07/12/2024 (IDR)	47,000,000,000	2,509	0.69
Supranational - 0.00% (0.56%)			
Thailand - 5.03% (3.82%)			
Thailand 1.25% IL 12/03/2028	155,000,000	3,728	1.02
Thailand 1.585% 17/12/2035	256,109,000	4,766	1.30
Thailand 2% 17/06/2042	260,000,000	4,590	1.25
Thailand 3.775% 25/06/2032	227,676,000	5,328	1.46
Ukraine - 0.93% (1.05%)			
Ukraine 7.75% 31/05/2041 (USD)	9,078,000	3,384	0.93
Uruguay - 3.21% (2.67%)			
Uruguay 8.25% 21/05/2031	599,200,000	11,747	3.21
Zambia - 0.74% (0.62%)			
Zambia 13% 21/08/2033	45,000,000	972	0.26
Zambia 13% 26/06/2033	85,000,000	1,746	0.48

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Derivatives - 0.09% (0.65%)			
Forward currency contracts (see Table 1)		(145)	(0.04)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		489	0.13
Portfolio of investments		330,492	90.32
Net other assets - 9.68% (6.42%)		35,414	9.68
Net assets		365,906	100.00

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

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2022.

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

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
Barclays Bank	26/10/23	GBP	340,826	MXN	7,500,000	(11)	0.00
Barclays Bank	14/12/23	MYR	75,410,000	GBP	12,979,626	262	0.07
Barclays Bank	12/09/24	TRY	115,500,000	GBP	2,497,280	(54)	(0.02)
Citigroup	26/10/23	GBP	6,346,476	CLP	6,730,000,000	187	0.05
Citigroup	26/10/23	GBP	4,157,601	COP	21,500,000,000	(162)	(0.04)
Citigroup	26/10/23	GBP	2,135,842	MXN	47,000,000	(70)	(0.02)
Citigroup	26/10/23	THB	874,700,000	GBP	19,911,969	(189)	(0.05)
Citigroup	30/11/23	GBP	4,779,182	UYU	235,000,000	(170)	(0.05)
Citigroup	14/12/23	GBP	1,963,297	CLP	2,200,000,000	(42)	(0.01)
Citigroup	14/12/23	GBP	928,808	ZAR	22,000,000	(21)	(0.01)
Deutsche Bank	26/10/23	CZK	65,000,000	GBP	2,316,617	(5)	0.00
Deutsche Bank	11/07/24	NGN	2,775,000,000	GBP	2,478,108	(54)	(0.01)
Goldman Sachs	30/11/23	GBP	4,298,928	PEN	20,200,000	(49)	(0.01)
Goldman Sachs	08/08/24	EGP	126,000,000	GBP	2,451,934	5	0.00
HSBC	30/11/23	CNY	98,200,000	GBP	10,777,802	381	0.10
JP Morgan Chase	26/10/23	CZK	100,000,000	GBP	3,564,026	(7)	0.00
JP Morgan Chase	26/10/23	GBP	8,791,854	BRL	53,800,000	20	0.01

Portfolio Statement as at 30 September 2023 cont.

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
JP Morgan Chase	26/10/23	GBP	5,001,164	IDR	96,700,000,000	(115)	(0.03)
JP Morgan Chase	14/12/23	GBP	8,730,850	USD	10,940,000	(227)	(0.06)
JP Morgan Chase	14/12/23	HUF	514,000,000	GBP	1,126,206	8	0.00
JP Morgan Chase	14/12/23	RON	26,360,000	GBP	4,558,188	32	0.01
Merrill Lynch	26/10/23	GBP	7,501,735	ZAR	173,800,000	(38)	(0.01)
Merrill Lynch	26/10/23	THB	138,000,000	GBP	3,141,479	(30)	(0.01)
Merrill Lynch	14/12/23	GBP	802,152	ZAR	19,000,000	(18)	(0.01)
Merrill Lynch	14/12/23	PLN	75,000,000	GBP	13,878,918	144	0.04
Royal Bank of Canada	14/12/23	PLN	40,790,000	GBP	7,548,281	78	0.02
Unrealised gains/(losses) on open forward currency contracts						(145)	(0.04)

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
US 5 Year Note December 2023	04/01/24	173	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Table 3: 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 Bank	PLN	03/10/33	33,100,000	4.98%	GPW Benchmark WIBOR PLN 6M	4	0.00
BNP Paribas	PLN	06/06/26	132,000,000	GPW Benchmark WIBOR PLN 6M	5.5407%	631	0.17
BNP Paribas	PLN	06/06/33	37,000,000	5.2493%	GPW Benchmark WIBOR PLN 6M	(138)	(0.04)
Citigroup	CNY	20/03/28	267,000,000	China Fixing Repo Rates 7 Day	2.8177%	553	0.15
HSBC	BRL	04/01/27	113,000,000	Brazil Cetip Interbank Deposit Rate	9.9225%	(482)	(0.13)
HSBC	CNY	20/03/28	46,000,000	2.8177%	China Fixing Repo Rates 7 Day	(95)	(0.03)

Portfolio Statement as at 30 September 2023 cont.

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total net assets
JP Morgan	BRL	02/01/29	50,000,000	Brazil Cetip Interbank Deposit Rate	11.48%	121	0.03
JP Morgan	BRL	03/01/33	19,000,000	11.595%	Brazil Cetip Interbank Deposit Rate	(56)	(0.01)
JP Morgan	COP	03/10/26	166,000,000,000	Columbian IBR Overnight Interbank rate	9.15%	(16)	0.00
JP Morgan	COP	13/06/28	44,860,000,000	Columbian IBR Overnight Interbank rate	8.335%	(204)	(0.06)
JP Morgan	COP	13/06/33	53,320,000,000	8.195%	Columbian IBR Overnight Interbank rate	567	0.16
JP Morgan	COP	03/10/33	66,800,000,000	0.00%	Columbian IBR Overnight Interbank rate	-	0.00
JP Morgan	MXN	14/03/25	79,000,000	7.35%	Mexico Interbank TIIE 28 Day	182	0.05
JP Morgan	MXN	14/03/25	300,000,000	Mexico Interbank TIIE 28 Day	7.35%	(693)	(0.19)
Merrill Lynch	MXN	14/03/25	50,000,000	7.35%	Mexico Interbank TIIE 28 Day	115	0.03
Standard Chartered Bank	MYR	12/02/26	57,157,600	Malaysia Interbank Offered Rate Fixing 3 Month	3.725%	-	0.00
Unrealised gains/(losses) on open interest rate swap contracts						489	0.13

Comparative Tables

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	70.73	77.47	82.77
Return before operating charges*	3.71	(1.20)	0.38
Operating charges	(0.84)	(0.89)	(1.00)
Return after operating charges*	2.87	(2.09)	(0.62)
Distributions on income shares	(5.33)	(4.65)	(4.68)
Closing net asset value per share	68.27	70.73	77.47
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	4.06%	(2.70)%	(0.75)%
Other Information:			
Closing net asset value (£'000)	138	221	201
Closing number of shares	201,496	313,074	259,051
Operating charges	1.19%	1.20%	1.22%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	73.35	78.89	90.08
Lowest share price (pence)	67.77	69.55	78.50

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	127.58	130.22	130.36
Return before operating charges*	6.88	(2.02)	0.54
Operating charges	(0.68)	(0.62)	(0.68)
Return after operating charges*	6.20	(2.64)	(0.14)
Distributions	(9.85)	(7.96)	(7.49)
Retained distributions on accumulation shares	9.85	7.96	7.49
Closing net asset value per share	133.78	127.58	130.22
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	4.86%	(2.03)%	(0.11)%
Other Information:			
Closing net asset value (£'000)	3,199	2,900	2,991
Closing number of shares	2,391,042	2,272,656	2,296,796
Operating charges	0.52% ¹	0.49%	0.52% ³
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	136.9	135.1	142.1
Lowest share price (pence)	122.4	120.9	126.1

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	72.52	78.86	83.64
Return before operating charges*	3.86	(1.23)	0.38
Operating charges	(0.39)	(0.37)	(0.43)
Return after operating charges*	3.47	(1.60)	(0.05)
Distributions on income shares	(5.48)	(4.74)	(4.73)
Closing net asset value per share	70.51	72.52	78.86
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	4.78%	(2.03)%	(0.06)%
Other Information:			
Closing net asset value (£'000)	11,196	8,905	9,537
Closing number of shares	15,879,193	12,279,560	12,093,771
Operating charges	0.53% ¹	0.49%	0.51% ³
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	75.39	80.43	91.17
Lowest share price (pence)	69.53	70.81	79.34

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	189.06	192.20	191.63
Return before operating charges*	10.18	(2.93)	0.82
Operating charges	(0.19)	(0.21)	(0.25)
Return after operating charges*	9.99	(3.14)	0.57
Distributions	(14.62)	(11.78)	(11.04)
Retained distributions on accumulation shares	14.62	11.78	11.04
Closing net asset value per share	199.05	189.06	192.20
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	5.28%	(1.63)%	0.30%
Other Information:			
Closing net asset value (£'000)	351,373	400,859	274,781
Closing number of shares	176,529,153	212,028,135	142,964,412
Operating charges	0.10%	0.11%	0.13%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	203.6	200.3	209.0
Lowest share price (pence)	181.4	179.0	185.7

¹As at 30 September 2023 the ACD considered 0.50% to be more indicative rate for the ongoing charges for Class B Shares.

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. Commission is also payable to the counterparty on the trading of future contracts.

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

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

³As at 30 September 2021 the ACD considered 0.53% to be a more indicative rate for the ongoing charges figure for Class B Shares.

Financial Statements

Statement of Total Return for the year ended 30 September 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(8,148)		(25,473)
Revenue	3	34,361		21,218	
Expenses	4	(462)		(376)	
Net revenue before taxation		33,899		20,842	
Taxation	5	(286)		(401)	
Net revenue after taxation			33,613		20,441
Total return before distributions			25,465		(5,032)
Distributions	6		(34,062)		(20,821)
Change in net assets attributable to shareholders from investment activities			(8,597)		(25,853)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		412,885		287,510
Amounts receivable on issue of shares	175,375		211,379	
Amounts payable on cancellation of shares	(246,795)		(83,877)	
		(71,420)		127,502
Dilution adjustment		2,131		1,257
Change in net assets attributable to shareholders from investment activities		(8,597)		(25,853)
Retained distributions on accumulation shares		30,907		22,469
Closing net assets attributable to shareholders		365,906		412,885

Financial Statements cont.

Balance Sheet as at 30 September 2023

	Notes	2023 £'000	2022 £'000
Assets:			
Fixed assets:			
Investments	13	333,439	390,419
Current assets:			
Debtors	8	13,498	44,346
Cash and bank balances	9	26,160	22,800
Total assets		373,097	457,565
Liabilities:			
Investment liabilities	13	(2,947)	(4,024)
Creditors:			
Bank overdrafts	9	(1,855)	(101)
Distributions payable		(399)	(277)
Other creditors	10	(1,990)	(40,278)
Total liabilities		(7,191)	(44,680)
Net assets attributable to shareholders		365,906	412,885

Notes to the Financial Statements

1 Net capital gains/(losses)

	2023	2022
	£'000	£'000
Non-derivative securities	872	(22,381)
Derivative contracts	(639)	(790)
Forward currency contracts	(7,596)	(1,597)
Currency gains/(losses)	(778)	(700)
Transaction costs	(7)	(5)
Net capital gains/(losses)	(8,148)	(25,473)

2 Purchases, sales and transaction costs

	2023	2022
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs	212,059	292,078
Commissions	-	-
Taxes	4	3
Total transaction costs on bond purchases ¹	4	3
Purchases including transaction costs	212,063	292,081

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

	2023	2022
	%	%
Transaction costs as a percentage of principal amount		
Commission on bond purchases	0.00	0.00
Taxes on bond purchases	0.00	0.00

	2023	2022
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	274,490	158,804
Commissions	-	-
Taxes	(3)	-
Sales net of transaction costs	274,487	158,804

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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2023	2022		
	%	%		
Transaction costs as a percentage of principal amount				
Commission on bond sales	0.00	0.00		
Taxes on bond sales	0.00	0.00		
	2023	2022		
	£'000	£'000		
Transaction cost on derivative contracts				
Commission on trading futures contracts	1	1		
	2023	2022		
	£'000	£'000		
	%	%		
	% of average	% of average		
	NAV	NAV		
Portfolio transaction costs				
Commissions	1	0.00	1	0.00
Taxes	7	0.00	3	0.00
Total direct transaction costs	8	0.00	4	0.00
	2023	2022		
	%	%		
Average portfolio dealing spread	0.50	0.72		

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

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

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

	2023	2022
	£'000	£'000
Interest on debt securities	33,060	20,288
Bank interest	433	69
Swaps interest	868	861
Total revenue	34,361	21,218

4 Expenses

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	55	50
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	31	21
Bank charges	361	292
	392	313
Other expenses:		
Audit fee	11	11
Non-audit fees paid to auditors	4	2
	15	13
Total expenses	462	376

5 Taxation

	2023	2022
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	286	347
Prior year tax reclaims written off	-	54
Total taxation	286	401

The Fund is subject to corporation tax at 20% (2022: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2023	2022
	£'000	£'000
Net revenue before taxation	33,899	20,842
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2022: 20%)	6,780	4,168
Effects of:		
Interest distributions	(6,812)	(4,163)
Overseas offsetable withholding tax	(57)	(80)
Overseas tax on coupons	286	347
Prior year tax reclaims written off	-	54
Management expenses charged to capital	92	75
Tax on undistributed income carried forward	(3)	-
Total taxation	286	401

6 Distributions

	2023	2022
	£'000	£'000
Interim to 31 December	6,346	2,889
Interim to 31 March	6,427	2,761
Interim to 30 June	6,367	4,766
Final to 30 September	12,601	12,645
	31,741	23,061
Amounts deducted on cancellation of shares	4,445	1,711
Amounts added on issue of shares	(2,124)	(3,951)
Total distributions	34,062	20,821

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

	2023	2022
	£'000	£'000
Net revenue after taxation for the year	33,613	20,441
Add expenses allocated to capital	462	375
Add distributable revenue brought forward	2	7
Less distributable revenue carried forward	(15)	(2)
Net distributions for the year	34,062	20,821

Notes to the Financial Statements cont.

8 Debtors

	2023	2022
	£'000	£'000
Receivable for issue of shares	95	60
Sales awaiting settlement	4,826	33,122
Accrued income	5,549	6,977
Overseas tax recoverable	924	983
VAT recoverable	1	1
Collateral held by counterparties	630	1,330
Amounts due from clearing brokers	408	599
Amounts due from clearing house	835	1,074
Other debtors	230	200
Total debtors	13,498	44,346

9 Cash and bank balances

	2023	2022
	£'000	£'000
Sterling amounts held at clearing houses and brokers	-	20
Foreign amounts held at clearing houses and brokers	449	240
Sterling bank accounts	25,711	22,461
Foreign currency bank accounts	-	79
	26,160	22,800
Sterling amounts held at clearing houses and brokers overdrawn	(138)	(101)
Foreign amounts held at clearing houses and brokers overdrawn	(49)	-
Sterling bank accounts overdrawn	(1,668)	-
	(1,855)	(101)
Total cash and bank balances	24,305	22,699

Notes to the Financial Statements cont.

10 Other creditors

	2023	2022
	£'000	£'000
Payable for cancellation of shares	-	21,211
Purchases awaiting settlement	83	12,812
Due to the ACD or associates	5	4
Due to the Depositary or associates	45	70
Collateral held on behalf of counterparty	775	3,965
Amounts due to clearing broker	881	2,112
Capital gains tax provision	159	67
Other accrued expenses	42	37
Total other creditors	1,990	40,278

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 annual management charge 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:

	2023	2022
	%	%
ACD and associates of the ACD	96.03	97.09

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.22	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.23
A Income Shares	313,074	132,149	(41,468)	(202,259)	201,496
B Accumulation Shares	2,272,656	792,562	(659,471)	(14,705)	2,391,042
B Income Shares	12,279,560	4,591,316	(1,214,399)	222,716	15,879,193
C Accumulation Shares	212,028,135	91,127,868	(126,626,850)	-	176,529,153

Notes to the Financial Statements cont.

13 Basis of valuation

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	-	-	-	-
Level 2: Observable market data	333,439	(2,947)	389,114	(4,024)
Level 3: Unobservable data	-	-	1,304	-
Total	333,439	(2,947)	390,419	(4,024)

14 Credit ratings

Rating Block	2023		2022	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	231,344	63.22	246,884	59.79
High Yield	98,804	27.00	136,816	33.14
Total	330,148	90.22	383,700	92.93
Other	35,758	9.78	29,185	7.07
Net Assets	365,906	100.00	412,885	100.00

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2023		Total	2022		Total
	Monetary exposures	Non-monetary exposures		Monetary exposures	Non-monetary exposures	
£'000	£'000	£'000	£'000	£'000	£'000	
Brazilian real	-	40,623	40,623	-	42,872	42,872
Chilean peso	-	(272)	(272)	-	8,037	8,037
Chinese yuan	-	26,351	26,351	-	41,579	41,579
Colombian peso	-	15,668	15,668	-	3,880	3,880
Czech koruna	2	22,273	22,275	2	21,090	21,092
Dominican peso	-	9,243	9,243	-	10,014	10,014
Egyptian pound	-	2,457	2,457	-	2,119	2,119
Euro	-	-	-	-	(10,642)	(10,642)
Hungarian forint	-	10,841	10,841	-	11,085	11,085
Indian rupee	-	-	-	-	(10,057)	(10,057)
Indonesian rupiah	-	36,359	36,359	-	41,933	41,933
Israeli new shekel	-	-	-	-	4,706	4,706
Kenyan shilling	-	-	-	79	-	79
Malaysian ringgit	-	37,291	37,291	-	44,689	44,689
Mexican peso	558	37,409	37,967	702	46,101	46,803
Nigerian naira	-	2,424	2,424	-	-	-
Peruvian nuevo sol	-	7,294	7,294	-	9,862	9,862
Philippine peso	-	-	-	-	(5,698)	(5,698)
Polish zloty	(368)	28,303	27,936	(1,977)	29,688	27,711
Romanian leu	-	13,712	13,712	-	13,925	13,925
Serbian dinar	-	1,539	1,539	-	1,419	1,419
South African rand	-	22,798	22,798	-	40,444	40,444
South Korean won	-	-	-	-	(461)	(461)
Thai baht	-	41,246	41,246	-	36,627	36,627
Turkish lira	-	2,443	2,443	-	(5,438)	(5,438)
UK sterling	24,595	(31,452)	(6,857)	20,819	(31,573)	(10,754)
Ukrainian hryvnia	-	-	-	-	1,304	1,304
Uruguayan peso	-	6,797	6,797	-	11,010	11,010
US dollar	(266)	(5,574)	(5,840)	-	25,309	25,309
Zambian kwacha	-	2,718	2,718	-	2,570	2,570

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2023				2022			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Brazilian real	3,277	77,172	-	80,449	-	68,612	-	68,612
Chilean peso	7,893	-	-	7,893	8,523	-	-	8,523
Chinese yuan	4,592	41,943	11,159	57,694	-	39,109	2,470	41,579
Colombian peso	24,224	60,856	-	85,080	9,792	16,164	-	25,956
Czech koruna	2	16,404	5,869	22,275	2	12,625	8,465	21,092
Dominican peso	-	9,243	-	9,243	-	10,014	-	10,014
Egyptian pound	-	-	2,457	2,457	-	2,119	-	2,119
Euro	-	-	-	-	-	10,114	-	10,114
Hungarian forint	-	9,707	1,134	10,841	-	7,575	3,509	11,084
Indonesian rupiah	-	41,475	-	41,475	-	37,923	4,009	41,932
Israeli new shekel	-	-	-	-	-	-	4,706	4,706
Kenyan shilling	-	-	-	-	79	-	-	79
Malaysian ringgit	-	34,150	13,241	47,391	-	37,641	24,457	62,098
Mexican peso	6,640	53,812	-	60,452	6,449	49,974	16,302	72,725
Nigerian naira	-	-	2,424	2,424	-	-	-	-
Peruvian nuevo sol	-	11,642	-	11,642	-	19,577	-	19,577
Polish zloty	13,194	31,605	21,649	66,449	44,930	17,492	10,785	73,207
Romanian leu	-	9,122	4,590	13,712	-	6,686	7,239	13,925
Serbian dinar	-	1,539	-	1,539	-	1,419	-	1,419
South African rand	-	32,108	-	32,108	-	38,158	2,286	40,444
South Korean won	-	-	-	-	-	7,280	-	7,280
Thai baht	3,728	14,683	22,834	41,246	-	15,791	20,836	36,627
Turkish lira	-	-	2,443	2,443	-	-	-	-
UK sterling	27,176	-	55,779	82,954	24,885	-	89,221	114,106
Ukrainian hryvnia	-	-	-	-	-	1,304	-	1,304
Uruguayan peso	-	11,747	-	11,747	11,010	-	-	11,010
US dollar	3,654	-	-	3,654	3,016	3,003	19,290	25,309

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2023				2022			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Zambian kwacha	-	2,718	-	2,718	-	2,570	-	2,570

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2023				2022			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Brazilian real	27,722	3,333	8,772	39,827	-	-	25,739	25,739
Chilean peso	-	-	8,164	8,164	-	-	485	485
Chinese yuan	26,656	4,688	-	31,343	-	-	-	-
Colombian peso	41,436	23,656	4,319	69,412	-	8,499	13,578	22,077
Euro	-	-	-	-	-	-	20,756	20,756
Indian rupee	-	-	-	-	-	-	10,057	10,057
Indonesian rupiah	-	-	5,117	5,117	-	-	-	-
Israeli new shekel	-	-	-	-	-	-	-	-
Malaysian ringgit	10,100	-	-	10,100	17,408	-	-	17,408
Mexican peso	14,144	5,784	2,557	22,485	20,492	5,431	-	25,923
Peruvian nuevo sol	-	-	4,348	4,348	-	-	9,715	9,715
Philippine peso	-	-	-	-	-	-	5,698	5,698
Polish zloty	25,212	13,301	-	38,513	2,112	43,384	-	45,496
South African rand	-	-	9,310	9,310	-	-	-	-
South Korean won	-	-	-	-	7,741	-	-	7,741
Turkish lira	-	-	-	-	-	-	5,438	5,438
UK sterling	2,581	-	87,230	89,811	4,066	-	120,794	124,860
Uruguayan peso	-	-	4,949	4,949	-	-	-	-
US dollar	535	-	8,958	9,493	-	-	-	-

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	2023				2022			
	Forward currency contracts	Interest rate swaps	Cash collateral held	Total exposure	Forward currency contracts	Interest rate swaps	Cash collateral held	Total exposure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Barclays	262	4	(210)	56	622	-	(1,130)	(508)
BNP Paribas	-	631	-	631	-	-	-	-
CitiGroup	187	553	-	740	12	2,557	(630)	1,939
Deutsche Bank	-	-	-	-	208	-	-	208
Goldman Sachs	5	-	(130)	(125)	-	-	-	-
HSBC	381	-	-	381	1,418	-	(730)	688
JP Morgan Chase	60	870	(110)	820	152	275	(270)	157
Merrill Lynch	144	115	(185)	75	-	123	-	123
NatWest	-	-	-	-	48	-	(990)	(942)
Royal Bank of Canada	78	-	(140)	(62)	-	-	(215)	(215)
Standard Chartered Bank	-	-	-	-	1,239	-	-	1,239

Collateral pledged on derivatives was:

	2023	2022
	£'000	£'000
Cash collateral pledged on derivatives		
CitiGroup	200	-
Deutsche Bank	40	280
Goldman Sachs	-	160
HSBC	390	-
Merrill Lynch	-	165
Standard Chartered Bank	-	725

In addition, the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil.

Notes to the Financial Statements cont.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2023	2022
	%	%
Fund VaR:	5.06	5.24
Index VaR:	4.70	4.93

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and benchmark constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Tables

Interim distribution for the period ended 31 December 2022

Group 1 : shares purchased prior to 1 October 2022

Group 2 : shares purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.23)	Distribution (paid/accumulated 28.02.22)
	31.12.22 pence per share	31.12.22 pence per share	31.12.22 pence per share	31.12.21 pence per share
A Income				
Group 1	0.97000	-	0.97000	0.70000
Group 2	0.08216	0.88784	0.97000	0.70000
B Accumulation				
Group 1	1.75000	-	1.75000	1.00000
Group 2	0.45816	1.29184	1.75000	1.00000
B Income				
Group 1	1.00000	-	1.00000	0.85000
Group 2	0.25425	0.74575	1.00000	0.85000
C Accumulation				
Group 1	2.59000	-	2.59000	2.00000
Group 2	0.88813	1.70187	2.59000	2.00000

Distribution Tables cont.

Interim distributions for the period ended 31 March 2023

Group 1 : shares purchased prior to 1 January 2023

Group 2 : shares purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.23)	Distribution (paid/accumulated 31.05.22)
	31.03.23 pence per share	31.03.23 pence per share	31.03.23 pence per share	31.03.22 pence per share
A Income				
Group 1	0.97000	-	0.97000	0.70000
Group 2	-	0.97000	0.97000	0.70000
B Accumulation				
Group 1	1.75000	-	1.75000	1.00000
Group 2	-	1.75000	1.75000	1.00000
B Income				
Group 1	1.00000	-	1.00000	0.85000
Group 2	0.00932	0.99068	1.00000	0.85000
C Accumulation				
Group 1	2.59000	-	2.59000	2.00000
Group 2	-	2.59000	2.59000	2.00000

Distribution Tables cont.

Interim distribution for the period ended 30 June 2023

Group 1 : share purchased prior to 1 April 2023

Group 2 : share purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.23)	Distribution (paid/accumulated 31.08.22)
	30.06.23 pence per share	30.06.23 pence per share	30.06.23 pence per share	30.06.22 pence per share
A Income				
Group 1	0.97000	-	0.97000	0.70000
Group 2	-	0.97000	0.97000	0.70000
B Accumulation				
Group 1	1.75000	-	1.75000	1.00000
Group 2	-	1.75000	1.75000	1.00000
B Income				
Group 1	1.00000	-	1.00000	0.85000
Group 2	-	1.00000	1.00000	0.85000
C Accumulation				
Group 1	2.59000	-	2.59000	2.00000
Group 2	-	2.59000	2.59000	2.00000

Distribution Tables cont.

Final distribution for the period ended 30 September 2023

Group 1 : shares purchased prior to 1 July 2023

Group 2 : shares purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.23)	Distribution (paid/accumulated 30.11.22)
	30.09.23 pence per share	30.09.23 pence per share	30.09.23 pence per share	30.09.22 pence per share
A Income				
Group 1	2.42000	-	2.42000	2.55000
Group 2	0.79467	1.62533	2.42000	2.55000
B Accumulation				
Group 1	4.60000	-	4.60000	4.96000
Group 2	1.53053	3.06947	4.60000	4.96000
B Income				
Group 1	2.48000	-	2.48000	2.19000
Group 2	0.53435	1.94565	2.48000	2.19000
C Accumulation				
Group 1	6.85000	-	6.85000	5.78000
Group 2	1.19890	5.65110	6.85000	5.78000

Baillie Gifford™

Baillie Gifford High Yield Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2023*



Baillie Gifford High Yield Bond Fund

Investment Objective

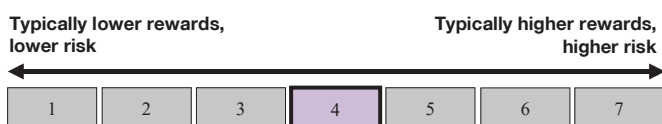
The Fund aims to produce a combination of income and capital growth.

Investment Policy

The Fund will invest at least 80% in sub-investment grade bonds. The Fund may also invest in other bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be 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.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

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

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

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

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies..

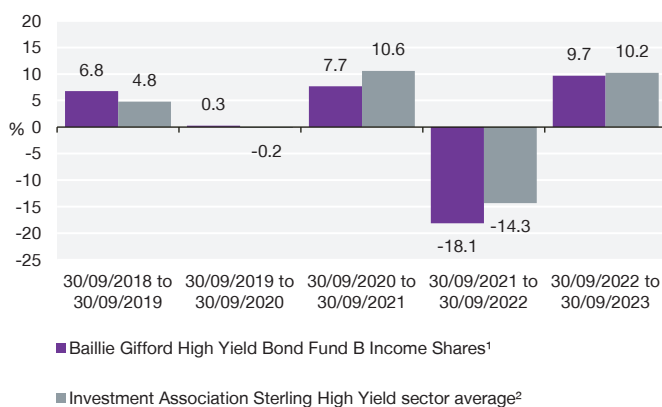
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.35%, but exclude any initial charge paid. 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.

Past Performance

The investment objective of the Fund is to produce a combination of income and capital growth. For the year to 30 September 2023 income totalling 6.60 pence per share was declared for B Income Shares and the total return was 9.7%¹ compared to the comparator benchmark (Investment Association Sterling High Yield sector average) of 10.2%². The capital return in the period was 3.2%³. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, income totalling 18.17 pence per share was declared for B Income Shares and the annualised total return was -1.1%¹ compared to the comparator benchmark of 1.3%². The annualised capital return was -5.5%³. It is disappointing that over this period the Fund has not met its capital growth objective.

Market environment

Bond markets have been more stable in the past 12 months, following the rapid rise in yields during much of 2022, which caused bond prices to fall. Returns for high yield corporate bonds have been positive over the past year, predominantly due to high levels of income, but also an improvement in corporate bond prices. While inflation remains high it has stabilised somewhat and is expected to fall, with accompanying interest rate rises mainly behind us. Market expectations have oscillated in the past year between signs that inflation is proving stickier than expected, which may lead to 'higher for longer' interest rates, and concerns that tighter financial conditions will soon bite with a significant impact on growth. The risk of recession remains, particularly in the UK, although more recently, growth has surprised positively in the US, which has important implications for the global financial system. This environment has proved supportive for corporate fundamentals and bond prices, although we remain wary that current valuations do not fully reflect the risk of a deteriorating outlook.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and The Investment Association, total return. Please see Disclaimer on page 194. ³Source: Baillie Gifford & Co Limited, 10am dealing prices, excluding income. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Performance

The Fund underperformed over the last 12 months. The Fund's position in SVB Financial, a specialist American bank which defaulted in March 2023 was the main detractor. While defaults are an inevitable part of investing in high yield bonds, we strive to avoid them through our in-depth fundamental research process, which seeks to identify resilient companies. In this case, we underestimated the risks associated with the concentrated nature of the bank's deposit base which was a key factor in what became the fastest bank run in history. This is an important lesson learned.

Over three years the Fund has also underperformed its comparator benchmark. This reflects a number of factors, including bond selection, the longer-duration nature of our approach, which detracted as interest rate expectations rose sharply in 2022, and our decision to reduce exposure to Covid-19 impacted sectors in advance of the announcement of vaccine success in November 2020.

Positioning

Against the uncertain macroeconomic outlook, we have taken a number of actions to reduce portfolio risk over the last 12 months. Given inflationary pressures, we are bearish on the United Kingdom's growth outlook, leading us to sell out of holdings in British businesses such as restaurant owner Mitchells & Butlers and retailer Marks & Spencer in favour of resilient bonds issued by North American companies. At sector level we reduced exposure to consumer-facing holdings in favour of less cyclical healthcare names. Overall, we favour balanced portfolio positioning, prioritising diversification and maintaining a relatively neutral risk position.

Given the market backdrop, we believe the scope for spread tightening (a reduction in the premium received by bondholders to take greater default risk, which provides capital upside) is limited. Therefore, we increasingly want returns to be generated by bonds with attractive coupons (interest payments from bond issuers) where total returns are less reliant on capital upside. This attracts us to seek opportunities to lend to resilient

companies in the new issue market where coupons are higher, reflecting increased financing costs. For example, we purchased a new issue from Infopro Digital Group, a French business that creates information and technology solutions for its clients. This single-B-rated new issue with a five-year maturity offered an 8% coupon at new issue and, therefore, contributes to a higher portfolio-level running yield (expected cash income from coupons) without adding duration or lending to a distressed name.

Baillie Gifford & Co, 30 October 2023

Principal Bond Holdings as at 30 September 2023

Investment	Percentage of total Fund
LeasePlan 7.375% 2024 Perp AT1	2.15
Victoria 3.625% 2026	2.06
Ziggo 2.875% 2030	1.96
Digi Communications 3.25% 2028	1.72
James Hardie 3.625% 2026	1.71
Iliad 6.5% 2026 (144A)	1.70
Grifols 3.875% 2028	1.64
Canpack 2.375% 2027	1.51
Match.com 5% 2027 144A	1.48
Progroup Ag 3% 2026	1.45

Material Portfolio Changes for the year ended 30 September 2023

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Catalent 2.375% 2028	10,018	Santander 4.375% 2026 Perp	13,735
Iliad 6.5% 2026 (144A)	7,524	Burford Capital 6.25% 2028 (144a)	13,200
Belden 3.375% 2031	6,376	Bharti Airtel 5.65% 2025 Perp	12,509
IQVIA 2.25% 2029	6,270	Nielsen 5.625% 2028 (144A)	12,103
Shriram Transport Finance 5.1% 2023	6,247	Adevinta 3% 2027	11,566
FMG Resources 6.125% 2032 (144A)	6,233	Rothesay Life 6.875% Perp	10,613
Taseko Mines 7% 2026 (144A)	6,155	PaymentSense 8% 2025	10,246
Pershing Square Holdings 3.25% 2030	6,116	Centene 4.625% 2029	9,714
Ziggo 2.875% 2030	6,071	Avantor 2.625% 2025	9,656
Sealed Air 6.875% 2033 (144A)	6,003	Paprec 4% 2025	9,510

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 30 September 2023

Stock description	Holding	Market value £'000	% of total net assets
Asset Backed - 0.00% (0.48%)			
Automotive - 2.07% (0.97%)			
IHO Verwaltungs PIK 4.75% 2026 (144A)	3,200,000	2,411	0.53
IHO Verwaltungs PIK 8.75% 2028	2,500,000	2,236	0.49
Volkswagen 7.5% 2028 Perp	1,500,000	1,311	0.29
ZF NA Capital 6.875% 2028 (144A)	4,310,000	3,455	0.76
Banking - 4.11% (5.90%)			
Barclays 7.125% 2025 Perp AT1	6,593,000	6,138	1.35
Erste Group Bank AG 5.125% 2025 Perp AT1	2,800,000	2,168	0.48
Natwest 6% 2025 Perp AT1	3,000,000	2,255	0.49
Rabobank 4.375% Perp	4,600,000	3,522	0.77
Santander 6.75% 2024 Perp AT1	2,350,000	2,277	0.50
Santander 7.5% 2024 Perp AT1	3,000,000	2,391	0.52
Basic Industry - 11.06% (6.20%)			
Compass Minerals International 6.75% 2027 (144A)	3,400,000	2,639	0.58
FMG Resources 6.125% 2032 (144A)	8,000,000	5,956	1.31
Ht Troplast Ag 9.375% 2028	2,730,000	2,383	0.52
Italmatch Chemicals 10% 2028	3,300,000	2,783	0.61
James Hardie 3.625% 2026	9,370,000	7,805	1.71
OCI 6.7% 2033 (144A)	705,000	551	0.12
Solenis 9.75% 2028 (144A)	3,100,000	2,537	0.56
SPCM 2.625% 2029	8,327,000	6,343	1.39
Taseko Mines 7% 2026 (144A)	8,400,000	6,429	1.41
Victoria 3.625% 2026	13,771,000	9,377	2.06
WEPA 2.875% 2027	4,770,000	3,621	0.79
Capital Goods - 9.54% (3.07%)			
Ardagh Packaging 2.125% 2026	7,700,000	5,920	1.30
Canpack 2.375% 2027	9,237,000	6,870	1.51
Canpack 3.875% 2029 (144A)	2,200,000	1,473	0.32
Chart Industries 7.5% 2030 (144A)	7,170,000	5,906	1.30
IMA 3.75% 2028	3,178,000	2,437	0.54

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
JB Poindexter 7.125% 2026 (144A)	3,000,000	2,391	0.52
Progroup Ag 3% 2026	8,294,000	6,608	1.45
Sealed Air 6.875% 2033 (144A)	7,200,000	5,729	1.26
TransDigm Gp 6.75% 2028 (144A)	3,000,000	2,420	0.53
Weir Group 6.875% 2028	3,675,000	3,703	0.81
Consumer Goods - 3.20% (4.51%)			
Darling Ingredients 6% 2030 (144A)	7,240,000	5,622	1.23
Dometic Group 3% 2026	7,678,000	6,218	1.37
Herbalife 4.875% 2029 (144A)	4,720,000	2,746	0.60
Energy - 3.20% (1.96%)			
Calumet Specialty Products 8.125% 2027 (144A)	2,500,000	1,963	0.43
Neptune 6.625% 2025	6,185,000	5,019	1.10
Venture Global Delta LNG 8.125% 2028 (144A)	4,700,000	3,813	0.84
Venture Global Delta LNG 8.375% 2031 (144A)	4,700,000	3,783	0.83
Financial Services - 8.74% (14.88%)			
Burford Capital 6.125% 2025	4,340,000	3,410	0.75
Burford Capital 6.25% 2028 (144a)	2,990,000	2,259	0.50
Burford Capital 9.25% 2031 (144A)	5,000,000	4,137	0.91
Jefferies Finance Group 5% 2028 (144A)	5,730,000	3,953	0.87
LeasePlan 7.375% 2024 Perp AT1	11,424,000	9,799	2.15
LendingTree 0.5% 2025 Convertible	4,750,000	3,065	0.67
Midcap Financial 6.5% 2028 (144A)	1,500,000	1,061	0.23
PaymentSense 8% 2025	5,191,000	5,053	1.11
Pershing Square Holdings 3.25% 2030	8,350,000	5,173	1.13
Softbank 5% 2028	2,400,000	1,902	0.42
Health Care - 9.54% (7.18%)			
Biogroup 5% 2029	9,050,000	6,123	1.34
Catalent 2.375% 2028	5,300,000	3,839	0.84
Cheplapharm 5.5% 2028 (144A)	6,700,000	4,986	1.09
Grifols 3.875% 2028	10,180,000	7,476	1.64
Gruenthal Gmbh 3.625% 2026	4,500,000	3,703	0.81

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
IQVIA 2.25% 2029	8,900,000	6,448	1.42
Organon & Co. 5.125% 2031 (144A)	3,500,000	2,298	0.51
Perrigo Co 4.4% 2030	4,100,000	2,865	0.63
Teva Pharma Ind 7.375% 2029	6,500,000	5,724	1.26
Insurance - 0.00% (1.66%)			
Leisure - 3.35% (2.36%)			
Cirsa Finance 10.375% 2027	2,500,000	2,329	0.51
Live Nation 4.75% 2027 (144A)	3,300,000	2,476	0.54
One Toronto Gaming 8% 2030 (144A)	2,920,000	2,392	0.53
Pure Gym 6.375% 2025	4,068,000	4,060	0.89
Six Flags Entertainment 7.25% 2031 (144A)	5,200,000	4,007	0.88
Media - 7.36% (7.91%)			
ANGI Homeservices 3.875% 2028 (144A)	6,960,000	4,462	0.98
Banijay Gp 7% 2029	2,700,000	2,322	0.51
CCO Holdings 5.375% 2038	3,580,000	2,407	0.53
CCO Holdings 6.375% 2029 (144A)	6,600,000	5,043	1.11
Cimpress 7% 2026 (144A)	3,600,000	2,761	0.61
Match.com 5% 2027 144A	8,894,000	6,721	1.48
Match.com 5.625% 2029 144A	4,964,000	3,752	0.82
Sirius Media 5% 2027 (144A)	5,500,000	4,116	0.90
Townsquare Media 6.875% 2026 (144A)	2,500,000	1,934	0.42
Real Estate - 1.39% (2.42%)			
CPI Property 4.875% 2025 Perp	16,705,000	4,999	1.09
Heimstaden Bostad 3.625% 2026 Perp	3,400,000	1,355	0.30
Retail - 3.74% (11.35%)			
ASDA 3.25% 2026	2,610,000	2,266	0.50
Birkenstock 5.25% 2029	3,030,000	2,558	0.56
Iceland Foods 10.875% 2027	2,300,000	2,348	0.52
Liberty Interactive 4% 2029 Convertible	11,901,000	2,434	0.53
Nordstrom 4.375% 2030	7,908,000	4,980	1.09

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Rakuten 4.25% 2027 Perp	5,210,000	2,475	0.54
Services - 8.55% (13.06%)			
Aggreko 6.125% 2026 (144A)	7,550,000	5,830	1.28
Albion Financing 1sarl / 5.25% 2026	1,615,000	1,324	0.29
EquipmentShare 9% 2028 (144A)	1,400,000	1,102	0.24
Gartner Inc 4.5% 2028 (144A)	4,250,000	3,177	0.70
Loxam 4.5% 2027	4,500,000	3,689	0.81
Ocado 3.875% 2026	2,600,000	2,140	0.47
PeopleCert 5.75% 2026	5,955,000	4,959	1.09
Ritchie Bros 6.75% 2028 (144A)	3,951,000	3,230	0.71
Sarens 5.75% 2027	5,241,000	3,970	0.87
The House of HR 9% 2029	5,700,000	4,821	1.06
Veritext 8.5% 2030 (144A)	2,894,000	2,349	0.51
Zenith 6.5% 2027	3,000,000	2,368	0.52
Technology & Electronics - 7.25% (4.49%)			
AMS 0% 2025 Convertible	3,200,000	2,455	0.54
Belden 3.375% 2031	7,500,000	5,448	1.20
Cellnex Telecom 2% 2033	6,900,000	4,610	1.01
CrowdStrike 3% 2029	5,730,000	3,960	0.87
IPD 3 8% 2028	4,300,000	3,761	0.82
Open Text 3.875% 2028 (144A)	5,300,000	3,792	0.83
Sensata Technologies 4% 15/04/2029 (144a)	3,400,000	2,399	0.53
TTM Technologies 4% 2029 (144A)	2,000,000	1,373	0.30
Verra Mobility 5.5% 2029 (144A)	7,091,000	5,229	1.15
Telecommunications - 11.34% (6.34%)			
Cogent Communications Holdings 7% 2027 (144A)	3,100,000	2,426	0.53
Digi Communications 3.25% 2028	11,000,000	7,848	1.72
Frontier Communications 5.875% 2027 (144A)	3,400,000	2,533	0.56
Iliad 6.5% 2026 (144A)	10,070,000	7,751	1.70
TalkTalk 3.875% 2025	5,567,000	4,186	0.92
Telecom Italia 7.875% 2028	4,100,000	3,682	0.81
Telefonica 7.125% 2028 PERP	4,000,000	3,557	0.78

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Total Play Telecom 7.5% 2025	3,900,000	2,285	0.50
Virgin Media 4.125% 2030 (144A)	6,080,000	4,779	1.05
Virgin Media RFN 4.875% 2028	4,444,000	3,688	0.81
Ziggo 2.875% 2030	12,746,000	8,943	1.96
Utilities - 1.21% (1.80%)			
EDF 6% 2026 Perp	6,000,000	5,535	1.21
Derivatives - -0.81% (-0.86%)			
Forward currency contracts (see Table 1)		(3,684)	(0.81)
Portfolio of investments		432,194	94.84
Net other assets - 5.16% (4.32%)		23,538	5.16
Net assets		455,732	100.00

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

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2022.

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
HSBC	19/10/23	GBP	192,657,276	EUR	222,879,000	(810)	(0.18)
NatWest	19/10/23	GBP	198,347,528	USD	245,631,000	(2,874)	(0.63)
Unrealised gains/(losses) on open forward currency contracts						(3,684)	(0.81)

Comparative Tables

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	99.17	128.02	124.40
Return before operating charges*	10.20	(21.97)	10.35
Operating charges	(1.06)	(1.20)	(1.33)
Return after operating charges*	9.14	(23.17)	9.02
Distributions on income shares	(6.26)	(5.68)	(5.40)
Closing net asset value per share	102.05	99.17	128.02
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	9.22%	(18.10)%	7.25%
Other Information:			
Closing net asset value (£'000)	11,644	13,761	15,675
Closing number of shares	11,410,489	13,875,449	12,244,104
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	108.7	128.5	132.1
Lowest share price (pence)	98.91	102.6	125.5

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	224.30	272.80	252.67
Return before operating charges*	23.30	(47.56)	21.12
Operating charges	(0.89)	(0.94)	(0.99)
Return after operating charges*	22.41	(48.50)	20.13
Distributions	(14.45)	(12.27)	(11.10)
Retained distributions on accumulation shares	14.45	12.27	11.10
Closing net asset value per share	246.71	224.30	272.80
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	9.99%	(17.78)%	7.97%
Other Information:			
Closing net asset value (£'000)	243,312	332,296	459,238
Closing number of shares	98,621,206	148,149,870	168,340,078
Operating charges	0.37%	0.37%	0.37%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	250.3	273.9	275.1
Lowest share price (pence)	223.8	224.6	254.9

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	104.38	133.80	129.17
Return before operating charges*	10.75	(23.01)	10.75
Operating charges	(0.41)	(0.46)	(0.50)
Return after operating charges*	10.34	(23.47)	10.25
Distributions on income shares	(6.60)	(5.95)	(5.62)
Closing net asset value per share	108.12	104.38	133.80
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	9.91%	(17.54)%	7.94%
Other Information:			
Closing net asset value (£'000)	163,128	217,030	285,839
Closing number of shares	150,877,956	207,925,635	213,635,268
Operating charges	0.37%	0.37%	0.37%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	114.7	134.3	137.7
Lowest share price (pence)	104.2	107.6	130.3

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	344.13	417.09	384.96
Return before operating charges*	35.79	(72.88)	32.21
Operating charges	(0.07)	(0.08)	(0.08)
Return after operating charges*	35.72	(72.96)	32.13
Distributions	(22.21)	(18.80)	(16.94)
Retained distributions on accumulation shares	22.21	18.80	16.94
Closing net asset value per share	379.85	344.13	417.09
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	10.38%	(17.49)%	8.35%
Other Information:			
Closing net asset value (£'000)	37,647	40,776	69,549
Closing number of shares	9,911,034	11,848,950	16,674,808
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	385.4	418.8	420.5
Lowest share price (pence)	343.4	344.7	388.3

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	110.41	140.96	135.45
Return before operating charges*	11.37	(24.27)	11.43
Operating charges	(0.01)	(0.01)	(0.03)
Return after operating charges*	11.36	(24.28)	11.40
Distributions on income shares	(7.01)	(6.27)	(5.89)
Closing net asset value per share	114.76	110.41	140.96
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	10.29%	(17.22)%	8.42%
Other Information:			
Closing net asset value (£'000)	1	1	1
Closing number of shares	500	500	500
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	121.5	141.5	144.7
Lowest share price (pence)	110.2	113.6	136.6

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.

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

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

Financial Statements

Statement of Total Return for the year ended 30 September 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		25,427		(172,998)
Revenue	3	31,521		35,959	
Expenses	4	(1,866)		(2,612)	
Net revenue before taxation		29,655		33,347	
Taxation	5	(14)		(40)	
Net revenue after taxation			29,641		33,307
Total return before distributions			55,068		(139,691)
Distributions	6		(31,498)		(35,921)
Change in net assets attributable to shareholders from investment activities			23,570		(175,612)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		603,864		830,302
Amounts receivable on issue of shares	44,286		85,339	
Amounts payable on cancellation of shares	(235,144)		(157,873)	
		(190,858)		(72,534)
Dilution adjustment		1,313		418
Change in net assets attributable to shareholders from investment activities		23,570		(175,612)
Retained distributions on accumulation shares		17,843		21,290
Closing net assets attributable to shareholders		455,732		603,864

Financial Statements cont.

Balance Sheet as at 30 September 2023

	Notes	2023 £'000	2022 £'000
Assets:			
Fixed assets:			
Investments	13	435,879	582,956
Current assets:			
Debtors	8	32,781	36,956
Cash and bank balances	9	13,917	8,518
Total assets		482,577	628,430
Liabilities:			
Investment liabilities	13	(3,685)	(5,154)
Creditors:			
Bank overdrafts	9	-	(3,746)
Distributions payable		(4,607)	(6,901)
Other creditors	10	(18,553)	(8,765)
Total liabilities		(26,845)	(24,566)
Net assets attributable to shareholders		455,732	603,864

Notes to the Financial Statements

1 Net capital gains/(losses)

	2023	2022
	£'000	£'000
Non-derivative securities	1,568	(125,001)
Forward currency contracts	23,652	(47,857)
Currency gains/(losses)	212	(136)
Transaction costs	(5)	(4)
Net capital gains/(losses)	25,427	(172,998)

2 Purchases, sales and transaction costs

	2023	2022
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	308,704	170,962
Purchases including transaction costs	308,704	170,962

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

	2023	2022
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs	460,071	282,187
Sales net of transaction costs	460,071	282,187

	2023	2022
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	-	-

	2023		2022	
	£'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

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2023	2022
	%	%
Average portfolio dealing spread	0.81	0.88

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions.

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.

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

	2023	2022
	£'000	£'000
Interest on debt securities	30,827	35,914
Bank interest	694	45
Total revenue	31,521	35,959

4 Expenses

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,796	2,513
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	37	49
Bank charges	22	39
	59	88
Other expenses:		
Audit fee	11	11
Total expenses	1,866	2,612

Notes to the Financial Statements cont.

5 Taxation

	2023	2022
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	14	40
Total taxation	14	40

The Fund is subject to corporation tax at 20% (2022: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2023	2022
	£'000	£'000
Net revenue before taxation	29,655	33,347
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2022: 20%)	5,931	6,669
Effects of:		
Interest distributions	(6,297)	(7,182)
Overseas offsetable withholding tax	(3)	(8)
Overseas tax on coupons	14	40
Management expenses charged to capital	373	523
Tax on undistributed income carried forward	(4)	(2)
Total taxation	14	40

6 Distributions

	2023	2022
	£'000	£'000
Interim to 31 December	6,648	5,414
Interim to 31 March	5,734	5,086
Interim to 30 June	5,211	4,992
Final to 30 September	11,905	19,076
	29,498	34,568
Amounts deducted on cancellation of shares	2,653	2,537
Amounts added on issue of shares	(653)	(1,184)
Total distributions	31,498	35,921

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

	2023	2022
	£'000	£'000
Net revenue after taxation for the year	29,641	33,307
Add expenses allocated to capital	1,866	2,612
Add distributable revenue brought forward	12	14
Less distributable revenue carried forward	(21)	(12)
Net distributions for the year	31,498	35,921

8 Debtors

	2023	2022
	£'000	£'000
Receivable for issue of shares	41	-
Sales awaiting settlement	20,325	6,088
Accrued income	7,724	10,038
VAT recoverable	1	2
Collateral held by counterparties	4,630	20,825
Other debtors	60	3
Total debtors	32,781	36,956

9 Cash and bank balances

	2023	2022
	£'000	£'000
Sterling bank accounts	13,917	8,518
Sterling bank accounts overdrawn	-	(3,746)
Total cash and bank balances	13,917	4,772

10 Other creditors

	2023	2022
	£'000	£'000
Payable for cancellation of shares	1,990	3,634
Purchases awaiting settlement	16,412	4,918
Due to the ACD or associates	125	185
Due to the Depositary or associates	13	16
Other accrued expenses	13	12
Total other creditors	18,553	8,765

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 annual management charge 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:

	2023	2022
	%	%
ACD and associates of the ACD	8.02	6.60

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.22	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.23
A Income Shares	13,875,449	1,129,140	(1,992,362)	(1,601,738)	11,410,489
B Accumulation Shares	148,149,870	10,967,273	(60,403,463)	(92,474)	98,621,206
B Income Shares	207,925,635	5,882,474	(64,647,127)	1,716,974	150,877,956
C Accumulation Shares	11,848,950	2,748,263	(4,686,179)	-	9,911,034
C Income Shares	500	500	(500)	-	500

13 Basis of valuation

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1: Quoted prices	-	-	-	-
Level 2: Observable market data	435,879	(3,685)	582,956	(5,154)
Level 3: Unobservable data	-	-	-	-
Total	435,879	(3,685)	582,956	(5,154)

Notes to the Financial Statements cont.

14 Credit ratings

Rating Block	2023		2022	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	16,667	3.66	14,048	2.33
High Yield	419,212	91.99	568,908	94.21
Total	435,879	95.65	582,956	96.54
Other	19,853	4.35	20,908	3.46
Net Assets	455,732	100.00	603,864	100.00

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2023		Total	2022		Total
	Monetary exposures	Non-monetary exposures		Monetary exposures	Non-monetary exposures	
£'000	£'000	£'000	£'000	£'000	£'000	
Euro	-	(3,749)	(3,749)	-	(7,743)	(7,743)
UK sterling	18,547	439,548	458,095	25,597	589,442	615,039
US dollar	-	(3,604)	(3,604)	-	(3,897)	(3,897)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2023				2022			
	Floating Rate financial assets	Fixed Rate financial assets	Financial assets not carrying interest	Total	Floating Rate financial assets	Fixed Rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Euro	-	189,718	-	189,718	2,764	267,908	-	270,672
UK sterling	18,547	48,543	391,005	458,095	29,343	114,340	475,101	618,784
US dollar	-	197,618	-	197,618	-	197,943	-	197,943

Currency	2023				2022			
	Floating Rate financial liabilities	Fixed Rate financial liabilities	Financial liabilities not carrying interest	Total	Floating Rate financial liabilities	Fixed Rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Euro	-	-	193,467	193,467	-	-	278,416	278,416
UK sterling	-	-	-	-	3,746	-	-	3,746
US dollar	-	-	201,222	201,222	-	-	201,840	201,840

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Derivative Exposure

Collateral pledged on derivatives was:

	2023	2022
	£'000	£'000
Cash collateral pledged on derivatives		
HSBC	580	6,780
NatWest	4,050	14,045

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2023	2022
	%	%
Fund VaR:	4.11	4.03
Index VaR:	4.40	5.24

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and benchmark constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

Notes to the Financial Statements cont.

17 Value at risk (VaR) (continued)

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Table

Interim distribution for the period ended 31 December 2022

Group 1 : shares purchased prior to 1 October 2022

Group 2 : shares purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.23)	Distribution (paid/accumulated 28.02.22)
	31.12.22 pence per share	31.12.22 pence per share	31.12.22 pence per share	31.12.21 pence per share
A Income				
Group 1	1.19000	-	1.19000	0.80000
Group 2	0.15786	1.03214	1.19000	0.80000
B Accumulation				
Group 1	2.68000	-	2.68000	1.60000
Group 2	1.17653	1.50347	2.68000	1.60000
B Income				
Group 1	1.25000	-	1.25000	0.95000
Group 2	0.57382	0.67618	1.25000	0.95000
C Accumulation				
Group 1	4.12000	-	4.12000	3.15000
Group 2	2.53537	1.58463	4.12000	3.15000
C Income				
Group 1	1.32000	-	1.32000	1.10000
Group 2	1.32000	-	1.32000	1.10000

Distribution Table cont.

Interim distributions for the period ended 31 March 2023

Group 1 : shares purchased prior to 1 January 2023

Group 2 : shares purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.23)	Distribution (paid/accumulated 31.05.22)
	31.03.23 pence per share	31.03.23 pence per share	31.03.23 pence per share	31.03.22 pence per share
A Income				
Group 1	1.19000	-	1.19000	0.80000
Group 2	0.22250	0.96750	1.19000	0.80000
B Accumulation				
Group 1	2.68000	-	2.68000	1.60000
Group 2	0.50340	2.17660	2.68000	1.60000
B Income				
Group 1	1.25000	-	1.25000	0.95000
Group 2	0.05920	1.19080	1.25000	0.95000
C Accumulation				
Group 1	4.12000	-	4.12000	3.15000
Group 2	2.28230	1.83770	4.12000	3.15000
C Income				
Group 1	1.32000	-	1.32000	1.10000
Group 2	1.32000	-	1.32000	1.10000

Distribution Table cont.

Interim distribution for the period ended 30 June 2023

Group 1 : share purchased prior to 1 April 2023

Group 2 : share purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.23)	Distribution (paid/accumulated 31.08.22)
	30.06.23 pence per share	30.06.23 pence per share	30.06.23 pence per share	30.06.22 pence per share
A Income				
Group 1	1.19000	-	1.19000	0.80000
Group 2	-	1.19000	1.19000	0.80000
B Accumulation				
Group 1	2.68000	-	2.68000	1.60000
Group 2	-	2.68000	2.68000	1.60000
B Income				
Group 1	1.25000	-	1.25000	0.95000
Group 2	-	1.25000	1.25000	0.95000
C Accumulation				
Group 1	4.12000	-	4.12000	3.15000
Group 2	-	4.12000	4.12000	3.15000
C Income				
Group 1	1.32000	-	1.32000	1.10000
Group 2	1.32000	-	1.32000	1.10000

Distribution Table cont.

Final distribution for the period ended 30 September 2023

Group 1 : shares purchased prior to 1 July 2023

Group 2 : shares purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.23)	Distribution (paid/accumulated 30.11.22)
	30.09.23 pence per share	30.09.23 pence per share	30.09.23 pence per share	30.09.22 pence per share
A Income				
Group 1	2.69000	-	2.69000	3.28000
Group 2	0.57210	2.11790	2.69000	3.28000
B Accumulation				
Group 1	6.41000	-	6.41000	7.47000
Group 2	2.04433	4.36567	6.41000	7.47000
B Income				
Group 1	2.85000	-	2.85000	3.10000
Group 2	0.98730	1.86270	2.85000	3.10000
C Accumulation				
Group 1	9.85000	-	9.85000	9.35000
Group 2	4.50229	5.34771	9.85000	9.35000
C Income				
Group 1	3.05000	-	3.05000	2.97000
Group 2	3.05000	-	3.05000	2.97000

Baillie Gifford™

Baillie Gifford Investment Grade Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2023*



Baillie Gifford Investment Grade Bond Fund

Investment Objective

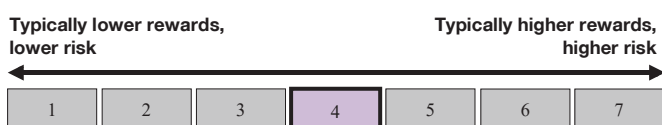
The Fund aims to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt Index by 0.75% per annum over rolling three-year periods.

Investment Policy

The Fund will invest at least 80% in investment grade bonds issued by corporate issuers, public bodies and supranationals. The Fund may also invest in other bonds including sub-investment grade bonds and government bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed and is not constrained by the index.

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.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

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

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

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

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

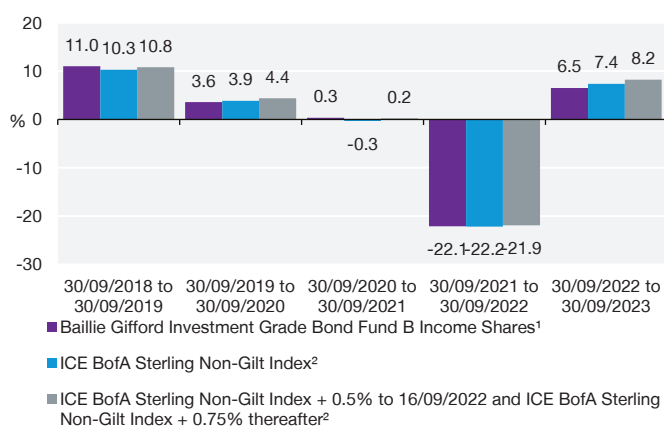
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.25%, but exclude any initial charge paid. 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.

Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt Index (the 'Index') by 0.75% per annum (the 'target return') over rolling three-year periods. For the year to 30 September 2023, the return on B Income Shares was 6.5%¹ compared to the Index of 7.4%² and the target return of 8.2%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, the annualised return on B Income Shares was -5.9%¹ compared to the return on the Index of -5.9%² and the target return of -5.4%².

Market environment

Bond markets have been more stable in the past 12 months, following the rapid rise in yields during much of 2022 which caused bond prices to fall. Returns for investment grade corporate bonds have been positive over the past year, predominantly due to high levels of income, but also with a slight improvement in corporate

bond prices. While inflation remains high it has stabilised somewhat and is expected to fall, with accompanying interest rate rises mainly behind us. Market expectations have oscillated in the past year between signs that inflation is proving stickier than expected, which may lead to 'higher for longer' interest rates, and concerns that tighter financial conditions will soon bite with a significant impact on growth. The risk of recession remains, particularly in the UK, although more recently growth has surprised positively in the US which has important implications for the global financial system. This environment has proved supportive for corporate fundamentals and bond prices, although we remain wary that current valuations do not fully reflect the risk of a deteriorating outlook.

Performance

The Fund has lagged its Index in the past 12 months, and this has impacted longer term returns – over three years the Fund has performed in line with its index but not met its target return. As inflationary pressures built post-Covid it is no surprise that monetary policy has been tightening, but the pace and scale of interest rate rises

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and ICE, total return. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 194. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

were greater than we expected. This led us to position the Fund defensively and underperform the strong market in late 2022. This backdrop also disproportionately impacted certain sectors, with real estate companies particularly exposed to slowing growth and higher interest costs. Heimstaden Bostad, a Swedish residential property company, is one example which was a detractor. The issues with Silicon Valley Bank and Credit Suisse earlier in the year also created volatility in the banking sector, impacting some of the Fund's subordinated bonds. We are confident this was a short-term overreaction as the banking system remains well capitalised and the Fund lends to very high-quality banks which we believe remain fundamentally sound. This view has been supported by improved performance in the second half of the period with higher-yielding bonds issued by Santander, for example, making a positive contribution, along with similar subordinated bonds of insurer Aviva.

cardiovascular and cancer treatments on the WHO's Essential Medicines List, with estimates that around 200 million people take a Teva medicine daily. After a tricky period, we expect Teva to gradually reduce debt and improve its credit rating.

Baillie Gifford & Co, 30 October 2023

Positioning

With corporate bond valuations increasing we have become increasingly nervous about higher interest rates affecting the real economy, and believe this risk is not reflected in bond prices. The Fund is positioned reasonably defensively as a result. We reduced exposure to the property sector during the year by selling bonds issued by CTP, an Eastern European logistics company, and the aforementioned Heimstaden Bostad. More recently we reduced positions in some BBB-rated bonds and financial companies. Current market conditions could continue for some time, however, so we have sought to maintain the yield of the portfolio by investing in some short-dated bonds, such as Volkswagen bonds which mature next year and hence carry very little credit risk.

We continue to find interesting companies which add diversification to the Fund and offer attractive valuations on a longer-term basis. For example, during the quarter we added Teva, a global pharmaceutical company headquartered in Israel which develops and manufactures both generic and branded drugs. The company plays an important role in global healthcare markets manufacturing close to three quarters of all

Principal Bond Holdings as at 30 September 2023

Investment	Percentage of total Fund
UK Treasury 3.5% 22/10/2025	3.47
KFW 1.25% 2023	2.04
EIB 6% 2028	1.91
KFW 6% 2028	1.81
IBRD 0.25% 2026	1.64
Weir Group 6.875% 2028	1.25
Volkswagen 1.875% 2024	1.23
Legal & General 5.375% 2025-45 T2	1.22
Santander 6.75% 2024 Perp AT1	1.21
GlaxoSmithKline 1.625% 2035	1.21

Material Portfolio Changes for the year ended 30 September 2023

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK Treasury 4.25% 07/03/2036	91,599	UK Treasury 4.25% 07/03/2036	86,565
UK Treasury 3.5% 22/10/2025	29,877	Investor AB 2.75% 2032	13,388
KFW 0.875% 2024	16,872	Admiral Group 5.5% 2024	12,888
KFW 1.25% 2023	16,206	UK Treasury 4.75% 07/12/2038	11,925
EIB 6% 2028	15,518	CaixaBank 5.125% 2034	10,849
Volkswagen 1.875% 2024	15,364	Volkswagen 1.125% 2023	10,442
KFW 6% 2028	13,926	KFW 0.875% 2024	9,539
EIB 1.375% 2025	13,319	EIB 1.375% 2025	8,984
IBRD 0.25% 2026	12,597	EIB 0.75% 2024	8,754
Investor AB 2.75% 2032	12,012	EIB 5.625% 2032	8,262

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 30 September 2023

Stock description	Holding	Market value £'000	% of total net assets
Agency - 2.23% (1.19%)			
Canada Pension Plan 1.25% 07/12/2027	5,000,000	4,302	0.49
Canada Pension Plan 1.625% 22/10/2071	10,800,000	3,980	0.46
SNCF Reseau 5.25% 2035	3,300,000	3,301	0.38
Swedish Export Credit 0.125% 15/12/2025	4,900,000	4,379	0.50
Temasek 5.125% 2040	3,650,000	3,502	0.40
Asset Backed - 6.66% (3.59%)			
Anglian Water 6% 2039	2,500,000	2,418	0.28
Arqiva Group 7.21% 2028	8,600,000	8,841	1.01
Center Parcs 5.876% 2027	9,081,000	8,851	1.01
Center Parcs 6.136% 2031	2,000,000	1,918	0.22
Heathrow Airport 2.75% 2049	1,900,000	1,040	0.12
Heathrow Airport 4.625% 2046	4,750,000	3,691	0.42
Heathrow Airport 7.125% 2024	6,400,000	6,409	0.74
Lunar Funding 1 5.75% 2033	8,000,000	7,943	0.91
Welsh Water 1.625% 2026	4,900,000	4,397	0.50
Welsh Water 2.375% 2034	8,300,000	5,633	0.65
Yorkshire Water 2.75% 2041	3,600,000	2,201	0.25
Yorkshire Water 5.5% 2035	1,474,000	1,342	0.15
Yorkshire Water 6.601% 2031	3,400,000	3,440	0.40
Automotive - 2.52% (3.18%)			
Volkswagen 1.875% 2024	11,300,000	10,735	1.23
Volkswagen 3.375% 2026	3,800,000	3,509	0.40
Volkswagen 5.875% 2029	8,000,000	7,774	0.89
Banking - 16.61% (16.90%)			
Banco Santander 2.92% 2026	4,716,000	4,433	0.51
Bank of America Corp 1.667% 2029	8,000,000	6,624	0.76
Bank of America Corp 8.125% 2028 T2	4,000,000	4,231	0.48
Barclays 3.25% 2033	2,600,000	2,005	0.23
Barclays 3.75% 2025-30 T2	2,360,000	2,176	0.25
Barclays 5.75% 2026 opco T2	595,000	590	0.07
Barclays 7.125% 2025 Perp AT1	4,600,000	4,283	0.49

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Barclays 8.407% 2027-32 T2	7,000,000	7,137	0.82
CaixaBank 6.875% 2028-33 T2	6,700,000	6,445	0.74
Citigroup 5.875% 2024	4,850,000	4,821	0.55
DNB Bank 1.375% 2025	9,000,000	8,512	0.97
DNB Bank 4% 2026/27	11,000,000	10,349	1.18
HSBC 6.8% 2031	4,579,000	4,626	0.53
HSBC Bank 5.844% 2031 Perp	3,072,000	3,050	0.35
HSBC Holdings 6% 2040	3,602,000	3,170	0.36
Intesa Sanpaolo 6.5% 2029	9,000,000	8,746	1.00
Nationwide 5.875% 2024 Perp AT1	4,600,000	4,306	0.49
Nationwide Building Society 6.125% 2028	8,100,000	8,192	0.94
Natwest 3.125% 2027	2,900,000	2,676	0.31
Natwest 3.622% 2025-30 T2	9,100,000	8,539	0.98
Natwest 5.125% 2027 Perp AT1	4,850,000	3,992	0.46
Santander 1.5% 2026	10,000,000	8,898	1.02
Santander 6.75% 2024 Perp AT1	10,895,000	10,555	1.21
Santander UK 7.098% 2027 SnrNP	8,200,000	8,271	0.95
Yorkshire Building Society 3.375% 2027/28	4,050,000	3,477	0.40
Yorkshire Building Society 6.375% 2028	5,000,000	4,881	0.56
Basic Industry - 0.71% (0.06%)			
Yara Intl 4.75% 2028 (144A)	8,000,000	6,169	0.71
Capital Goods - 1.25% (0.00%)			
Weir Group 6.875% 2028	10,800,000	10,883	1.25
Commercial Mortgage Backed - 3.47% (3.80%)			
Telereal (B7) FRN 2031	5,050,000	4,052	0.47
Telereal 1.3657% 2031 (A6)	2,650,000	1,582	0.18
Telereal 1.963% 2033 (B2) ¹	4,300,000	3,838	0.44
Telereal 3.5625% 2031/36 (A3)	11,000,000	9,349	1.07
Telereal 5.3887% 2031/33 (A5)	2,400,000	888	0.10
Tesco Property Finance 1 7.6227% 2039	4,300,000	3,593	0.41

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Tesco Property Finance 4 5.801% 2040	8,100,000	6,951	0.80
Consumer Goods - 1.16% (0.55%)			
AB InBev 9.75% 2024	9,800,000	10,099	1.16
Financial Services - 4.99% (8.39%)			
Abrdn 5.25% 2026 Perp AT1	5,900,000	4,811	0.55
Berkshire Hathaway 2.625% 2059	6,100,000	3,310	0.38
Blackstone Private Credit 4.875% 2026	8,050,000	7,341	0.84
Burford Capital 6.25% 2028 (144a)	5,350,000	4,042	0.46
Burford Capital 9.25% 2031 (144A)	6,600,000	5,461	0.63
Investec 1.875% 2028	8,000,000	6,530	0.75
Investor 5.5% 2037	3,500,000	3,442	0.39
LeasePlan 7.375% 2024 Perp AT1	5,000,000	4,289	0.49
Motability 3.625% 2036	5,300,000	4,340	0.50
Government Guaranteed - 9.50% (13.93%)			
KFW 0.875% 2024	10,000,000	9,646	1.10
KFW 0.875% 2026	10,200,000	9,083	1.04
KFW 1.25% 2023	18,000,000	17,816	2.04
KFW 5% 2036	4,450,000	4,540	0.52
KFW 6% 2028	15,000,000	15,845	1.81
LCR Finance 4.5% 2028	8,000,000	7,907	0.91
Network Rail 4.75% 2024	9,619,000	9,591	1.10
Network Rail 4.75% 2035	8,700,000	8,541	0.98
Health Care - 2.92% (1.21%)			
Amgen 5.65% 2053	2,700,000	2,066	0.23
Amgen 5.75% 2063	5,400,000	4,076	0.47
Amgen Inc 4% 2029	6,800,000	6,312	0.72
GlaxoSmithKline 1.625% 2035	15,700,000	10,552	1.21
Teva Pharma Ind 7.875% 2031	2,800,000	2,511	0.29
Insurance - 6.42% (6.99%)			
Abrdn 4.25% 2028 T2	7,300,000	5,084	0.58

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Admiral Group 8.5% 2034 T2	8,190,000	8,316	0.95
Aviva 6.875% 2038-58 T2	6,700,000	6,365	0.73
Legal & General 5.375% 2025-45 T2	11,000,000	10,679	1.22
MetLife 4.125% 2025	8,850,000	8,602	0.99
Pension Insurance 4.625% 2031 T2	2,261,000	1,867	0.21
Pension Insurance 8% 2026 T2	720,000	737	0.09
Phoenix Life 6.625% 2025 T2	4,700,000	4,686	0.54
Zurich Financial Services 5.125% 2032-52 T2	11,000,000	9,704	1.11
Media - 0.00% (1.66%)			
Quasi Government Bonds - 0.49% (0.00%)			
Ontario Teachers' Pension Plan Board 1.125% 2026	4,800,000	4,316	0.49
Real Estate - 6.97% (7.80%)			
Annington Finance 3.935% 2047	6,200,000	4,170	0.48
Annington Funding 2.924% 2051	11,200,000	5,849	0.67
Annington Funding 3.184% 2029	5,000,000	4,155	0.48
Annington Funding 4.75% 2033	7,000,000	5,927	0.68
Aster 4.5% 2043	2,000,000	1,725	0.20
Berkeley Group 2.5% 2031	10,000,000	6,731	0.77
Clarion 3.125% 2048	1,400,000	874	0.10
Clarion 4.25% 2042	3,650,000	2,860	0.33
CPI Property 2.75% 2028	3,800,000	2,674	0.31
Housing & Care 3.288% 2049	6,750,000	4,365	0.50
Longhurst Libra 3.25% 2043	5,000,000	3,344	0.38
Realty Income 1.125% 2027	3,300,000	2,755	0.31
Realty Income 1.75% 2033	6,376,000	4,326	0.49
Segro 5.125% 2041	2,475,000	2,191	0.25
Sovereign Housing Capital 4.768% 2043	5,000,000	4,394	0.50
Tritax Big Box 1.5% 2033	7,000,000	4,514	0.52

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Retail - 1.10% (0.00%)			
Inchcape 6.5% 2028	9,600,000	9,609	1.10
Services - 1.14% (1.01%)			
University of Cambridge 3.75% 2052	3,000,000	2,348	0.27
Veritext 8.5% 2030 (144A)	3,300,000	2,678	0.31
Wellcome Trust 2.517% 2118	10,300,000	4,886	0.56
Sovereign - 3.97% (1.74%)			
UK Treasury 3.5% 22/10/2025	31,100,000	30,276	3.47
UK Treasury 4.25% 07/03/2036	4,500,000	4,349	0.50
Supranational - 6.91% (10.28%)			
EIB 0.125% 2026	10,200,000	8,807	1.01
EIB 1.375% 2025	6,000,000	5,689	0.65
EIB 4.5% 2044	7,100,000	6,584	0.76
EIB 4.625% 2054	3,600,000	3,352	0.39
EIB 6% 2028	15,800,000	16,707	1.91
IBRD 0.25% 2026	16,300,000	14,318	1.64
IBRD 5.75% 2032	4,500,000	4,831	0.55
Technology & Electronics - 0.46% (1.71%)			
Apple 3.6% 2042	5,000,000	4,030	0.46
Telecommunications - 4.58% (3.91%)			
America Movil 4.375% 2041	10,000,000	8,187	0.94
AT&T 4.25% 2043	4,400,000	3,294	0.38
AT&T 4.875% 2044	4,300,000	3,468	0.39
AT&T 7% 2040	1,050,000	1,091	0.12
Koninklijke KPN 5% 2026	1,400,000	1,378	0.16
KPN 5.75% 2029	10,000,000	9,874	1.13
Telefonica 5.375% 2026	8,700,000	8,629	0.99

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Vodafone 3% 2056	7,700,000	4,105	0.47
Transportation - 1.22% (0.00%)			
National Express Group 2.375% 2028	6,000,000	5,022	0.58
National Express Group 4.25% Perp	6,500,000	5,607	0.64
Utilities - 10.95% (8.24%)			
Centrica 7% 2033	7,200,000	7,721	0.88
E.ON 5.875% 2037	3,000,000	2,884	0.33
E.ON 6.125% 2039	3,000,000	2,947	0.34
E.ON 6.75% 2039	3,700,000	3,843	0.44
EDF 5.125% 2050	2,000,000	1,569	0.18
EDF 5.5% 2037	5,300,000	4,710	0.54
EDF 5.5% 2041	6,900,000	5,927	0.68
EDF 6% 2114	4,800,000	3,947	0.45
Enel 2.875% 2029	10,000,000	8,592	0.98
Enel 5.75% 2040	10,000,000	9,350	1.07
Iberdrola SA 4.875% 2027	8,350,000	8,134	0.93
National Grid 1.375% 2031	12,000,000	8,679	0.99
National Grid 5.625% 2025 Perp	3,550,000	3,384	0.39
National Grid 6% 2025	6,400,000	6,375	0.73
PPL Corporation 3.5% 2026	8,000,000	7,474	0.86
Yorkshire Power 7.25% 2028	9,600,000	10,080	1.16

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Derivatives - -0.07% (-0.61%)			
Forward currency contracts (see Table 1)		(1,371)	(0.16)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		795	0.09
Portfolio of investments		839,416	96.16
Net other assets - 3.84% (4.47%)		33,535	3.84
Net assets		872,951	100.00

¹This bond has been valued using a single broker quote and therefore is categorised as level 3 in note 13.

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

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2022.

Portfolio Statement as at 30 September 2023 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
JP Morgan Chase	30/11/23	GBP	29,437,603	USD	37,530,000	(1,301)	(0.15)
Royal Bank of Canada	30/11/23	GBP	6,928,534	EUR	8,050,000	(70)	(0.01)
Unrealised gains/(losses) on open forward currency contracts						(1,371)	(0.16)

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Long Gilt Future 10 Year December 2023	29/12/23	241	-	0.00
US 5 Year Note December 2023	04/01/24	(133)	-	0.00
US Ultra 10 Year Note Future December 2023	29/12/23	(20)	-	0.00
US Ultra Long (CBT) December 2023	29/12/23	(76)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Table 3: 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
Deutsche Bank	GBP	19/07/25	140,400,000	SONIA Interest Rate Benchmark	5.5741%	795	0.09
Unrealised gains/(losses) on open interest rate swap contracts						795	0.09

Comparative Tables

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	74.50	99.85	102.26
Return before operating charges*	5.53	(21.85)	1.11
Operating charges	(0.80)	(0.98)	(1.05)
Return after operating charges*	4.73	(22.83)	0.06
Distributions on income shares	(3.26)	(2.52)	(2.47)
Closing net asset value per share	75.97	74.50	99.85
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	6.35%	(22.86)%	0.06%
Other Information:			
Closing net asset value (£'000)	477	699	4,112
Closing number of shares	627,284	937,911	4,117,989
Operating charges	1.02%	1.04% ¹	1.02%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	82.35	102.6	106.5
Lowest share price (pence)	72.17	73.62	100.6

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	185.71	239.70	237.85
Return before operating charges*	13.77	(53.36)	2.53
Operating charges	(0.53)	(0.63)	(0.68)
Return after operating charges*	13.24	(53.99)	1.85
Distributions	(8.27)	(6.10)	(5.80)
Retained distributions on accumulation shares	8.27	6.10	5.80
Closing net asset value per share	198.95	185.71	239.70
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.13%	(22.52)%	0.78%
Other Information:			
Closing net asset value (£'000)	5,187	20,088	27,812
Closing number of shares	2,607,186	10,817,112	11,602,777
Operating charges	0.27%	0.28%	0.28%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	207.2	246.5	249.0
Lowest share price (pence)	179.9	180.7	235.8

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	79.19	105.28	107.01
Return before operating charges*	5.88	(23.15)	1.16
Operating charges	(0.23)	(0.28)	(0.30)
Return after operating charges*	5.65	(23.43)	0.86
Distributions on income shares	(3.49)	(2.66)	(2.59)
Closing net asset value per share	81.35	79.19	105.28
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.13%	(22.25)%	0.80%
Other Information:			
Closing net asset value (£'000)	29,333	32,632	64,508
Closing number of shares	36,058,934	41,205,433	61,274,110
Operating charges	0.27%	0.28%	0.28%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	87.76	108.3	111.7
Lowest share price (pence)	76.73	78.02	105.6

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	188.74	243.01	240.53
Return before operating charges*	14.01	(54.20)	2.55
Operating charges	(0.04)	(0.07)	(0.07)
Return after operating charges*	13.97	(54.27)	2.48
Distributions	(8.42)	(6.19)	(5.88)
Retained distributions on accumulation shares	8.42	6.19	5.88
Closing net asset value per share	202.71	188.74	243.01
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.40%	(22.33)%	1.03%
Other Information:			
Closing net asset value (£'000)	837,954	62,752	82,963
Closing number of shares	413,372,757	33,247,554	34,140,083
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	210.8	250.1	252.0
Lowest share price (pence)	182.9	183.6	238.7

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	82.26	109.04	110.55
Return before operating charges*	6.09	(24.01)	1.20
Operating charges	(0.01)	(0.02)	(0.03)
Return after operating charges*	6.08	(24.03)	1.17
Distributions on income shares	(3.62)	(2.75)	(2.68)
Closing net asset value per share	84.72	82.26	109.04
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.39%	(22.04)%	1.06%
Other Information:			
Closing net asset value (£'000)	0	0	0
Closing number of shares	100	100	100
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs ²	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	91.22	112.2	115.4
Lowest share price (pence)	79.71	80.95	109.1

¹As at 30 September 2022 the ACD considered 1.02% to be a more indicative rate for the ongoing charges figure for Class A Shares.

²The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. Commission is also payable to the counterparty on the trading of future contracts. A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Financial Statements

Statement of Total Return for the year ended 30 September 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(19,667)		(38,788)
Revenue	3	22,487		4,052	
Expenses	4	(179)		(220)	
Net revenue before taxation		22,308		3,832	
Taxation	5	(1)		-	
Net revenue after taxation			22,307		3,832
Total return before distributions			2,640		(34,956)
Distributions	6		(22,478)		(4,056)
Change in net assets attributable to shareholders from investment activities			(19,838)		(39,012)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		116,171		179,395
Amounts receivable on issue of shares	775,574		12,809	
Amounts payable on cancellation of shares	(25,116)		(39,866)	
		750,458		(27,057)
Dilution adjustment		1,942		93
Change in net assets attributable to shareholders from investment activities		(19,838)		(39,012)
Retained distributions on accumulation shares		24,218		2,752
Closing net assets attributable to shareholders		872,951		116,171

Financial Statements cont.

Balance Sheet as at 30 September 2023

	Notes	2023 £'000	2022 £'000
Assets:			
Fixed assets:			
Investments	13	840,787	111,935
Current assets:			
Debtors	8	20,226	3,764
Cash and bank balances	9	15,024	2,325
Total assets		876,037	118,024
Liabilities:			
Investment liabilities	13	(1,371)	(959)
Creditors:			
Distributions payable		(619)	(427)
Other creditors	10	(1,096)	(467)
Total liabilities		(3,086)	(1,853)
Net assets attributable to shareholders		872,951	116,171

Notes to the Financial Statements

1 Net capital gains/(losses)

	2023	2022
	£'000	£'000
Non-derivative securities	(19,550)	(37,152)
Derivative contracts	(626)	(32)
Forward currency contracts	289	(1,590)
Currency gains/(losses)	225	(11)
Transaction costs	(5)	(3)
Net capital gains/(losses)	(19,667)	(38,788)

2 Purchases, sales and transaction costs

	2023	2022
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	1,159,467	63,143
Purchases including transaction costs	1,159,467	63,143

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

	2023	2022
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs	412,425	85,957
Sales net of transaction costs	412,425	85,957

	2023	2022
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	10	5

	2023		2022	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	10	0.00	5	0.00
Taxes	-	0.00	-	0.00
Total direct transaction costs	10	0.00	5	0.00

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2023	2022
	%	%
Average portfolio dealing spread	0.51	0.41

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

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

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

	2023	2022
	£'000	£'000
Interest on debt securities	22,033	4,144
Bank interest	407	7
Swaps interest	47	(99)
Total revenue	22,487	4,052

4 Expenses

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	107	190
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	36	11
Bank charges	23	8
	59	19
Other expenses:		
Audit fee	13	11
Total expenses	179	220

Notes to the Financial Statements cont.

5 Taxation

	2023	2022
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	1	-
Total taxation	1	-

The Fund is subject to corporation tax at 20% (2022: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2023	2022
	£'000	£'000
Net revenue before taxation	22,308	3,832
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2022: 20%)	4,462	766
Effects of:		
Interest distributions	(4,495)	(809)
Overseas tax on coupons	1	-
Management expenses charged to capital	35	44
Tax on undistributed income carried forward	(2)	(1)
Total taxation	1	-

6 Distributions

	2023	2022
	£'000	£'000
Interim to 31 December	753	877
Interim to 31 March	733	834
Interim to 30 June	6,134	802
Final to 30 September	17,921	1,443
	25,541	3,956
Amounts deducted on cancellation of shares	160	135
Amounts added on issue of shares	(3,223)	(35)
Total distributions	22,478	4,056

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

	2023	2022
	£'000	£'000
Net revenue after taxation for the year	22,307	3,832
Add expenses allocated to capital	179	220
Add distributable revenue brought forward	3	7
Less distributable revenue carried forward	(11)	(3)
Net distributions for the year	22,478	4,056

8 Debtors

	2023	2022
	£'000	£'000
Receivable for issue of shares	38	-
Accrued income	15,307	2,057
VAT recoverable	1	-
Collateral held by counterparties	1,510	1,705
Amounts due from clearing house	3,319	-
Other debtors	51	2
Total debtors	20,226	3,764

9 Cash and bank balances

	2023	2022
	£'000	£'000
Sterling amounts held at clearing houses and brokers	1,446	200
Foreign amounts held at clearing houses and brokers	540	354
Sterling bank accounts	13,038	1,771
Total cash and bank balances	15,024	2,325

Notes to the Financial Statements cont.

10 Other creditors

	2023	2022
	£'000	£'000
Payable for cancellation of shares	144	20
Purchases awaiting settlement	190	165
Due to the ACD or associates	7	12
Due to the Depositary or associates	15	4
Collateral held on behalf of counterparty	-	255
Amounts due to clearing broker	729	-
Other accrued expenses	11	11
Total other creditors	1,096	467

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 annual management charge 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:

	2023	2022
	%	%
ACD and associates of the ACD	0.00	0.00

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.22	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.23
A Income Shares	937,911	17,319	(183,119)	(144,827)	627,284
B Accumulation Shares	10,817,112	342,963	(8,584,543)	31,654	2,607,186
B Income Shares	41,205,433	1,701,402	(6,907,721)	59,820	36,058,934
C Accumulation Shares	33,247,554	381,186,560	(1,061,357)	-	413,372,757
C Income Shares	100	100	(100)	-	100

Notes to the Financial Statements cont.

13 Basis of valuation

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	34,625	-	2,020	-
Level 2: Observable market data	802,324	(1,371)	109,424	(959)
Level 3: Unobservable data ¹	3,838	-	491	-
Total	840,787	(1,371)	111,935	(959)

¹For further information on the assets included in Level 3, as at 30 September 2023, please refer to the Portfolio Statement.

14 Credit ratings

Rating Block	2023		2022	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	793,191	90.86	108,650	93.53
High Yield	46,801	5.36	3,037	2.61
Total	839,992	96.22	111,687	96.14
Other	32,959	3.78	4,484	3.86
Net Assets	872,951	100.00	116,171	100.00

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2023			2022		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	-	(199)	(199)	154	(446)	(292)
UK sterling	18,584	840,777	859,361	3,421	111,791	115,212
US dollar	540	(1,161)	(621)	200	(369)	(169)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2023				2022			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
	Euro	-	6,799	-	6,799	154	6,579	-
UK sterling	23,365	940,723	36,366	1,000,453	3,676	97,229	14,562	115,467
US dollar	540	29,577	-	30,117	200	8,128	-	8,328

Currency	2023				2022			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
	Euro	-	-	6,999	6,999	-	-	7,025
UK sterling	141,092	-	-	141,092	255	-	-	255
US dollar	-	-	30,738	30,738	-	-	8,497	8,497

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	2023						2022					
	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000
Deutsche Bank	-	-	-	795	-	795	-	-	-	-	-	-
Goldman Sachs	-	-	-	-	-	-	248	-	-	-	-	(7)

Collateral pledged on derivatives was:

	2023 £'000	2022 £'000
--	---------------	---------------

Cash collateral pledged on derivatives

Barclays	-	245
HSBC	-	480
JP Morgan Chase	1,365	-
National Australia Bank	145	980

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.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2023 %	2022 %
Fund VaR:	4.61	4.25
Index VaR:	4.27	4.20

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

Notes to the Financial Statements cont.

17 Value at risk (VaR) (continued)

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and comparative index constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Table

Interim distribution for the period ended 31 December 2022

Group 1 : shares purchased prior to 1 October 2022

Group 2 : shares purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.23)	Distribution (paid/accumulated 28.02.22)
	31.12.22 pence per share	31.12.22 pence per share	31.12.22 pence per share	31.12.21 pence per share
A Income				
Group 1	0.56000	-	0.56000	0.45000
Group 2	0.16025	0.39975	0.56000	0.45000
B Accumulation				
Group 1	1.40000	-	1.40000	1.25000
Group 2	0.47867	0.92133	1.40000	1.25000
B Income				
Group 1	0.60000	-	0.60000	0.55000
Group 2	0.28921	0.31079	0.60000	0.55000
C Accumulation				
Group 1	1.42000	-	1.42000	1.30000
Group 2	1.42000	-	1.42000	1.30000
C Income				
Group 1	0.64000	-	0.64000	0.60000
Group 2	0.64000	-	0.64000	0.60000

Distribution Table cont.

Interim distributions for the period ended 31 March 2023

Group 1 : shares purchased prior to 1 January 2023

Group 2 : shares purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.23)	Distribution (paid/accumulated 31.05.22)
	31.03.23 pence per share	31.03.23 pence per share	31.03.23 pence per share	31.03.22 pence per share
A Income				
Group 1	0.56000	-	0.56000	0.45000
Group 2	0.05121	0.50879	0.56000	0.45000
B Accumulation				
Group 1	1.40000	-	1.40000	1.25000
Group 2	0.55308	0.84692	1.40000	1.25000
B Income				
Group 1	0.60000	-	0.60000	0.55000
Group 2	0.12437	0.47563	0.60000	0.55000
C Accumulation				
Group 1	1.42000	-	1.42000	1.30000
Group 2	1.42000	-	1.42000	1.30000
C Income				
Group 1	0.64000	-	0.64000	0.60000
Group 2	0.64000	-	0.64000	0.60000

Distribution Table cont.

Interim distribution for the period ended 30 June 2023

Group 1 : share purchased prior to 1 April 2023

Group 2 : share purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.23)	Distribution (paid/accumulated 31.08.22)
	30.06.23 pence per share	30.06.23 pence per share	30.06.23 pence per share	30.06.22 pence per share
A Income				
Group 1	0.56000	-	0.56000	0.45000
Group 2	-	0.56000	0.56000	0.45000
B Accumulation				
Group 1	1.40000	-	1.40000	1.25000
Group 2	-	1.40000	1.40000	1.25000
B Income				
Group 1	0.60000	-	0.60000	0.55000
Group 2	-	0.60000	0.60000	0.55000
C Accumulation				
Group 1	1.42000	-	1.42000	1.30000
Group 2	0.57900	0.84100	1.42000	1.30000
C Income				
Group 1	0.64000	-	0.64000	0.60000
Group 2	0.64000	-	0.64000	0.60000

Distribution Table cont.

Final distribution for the period ended 30 September 2023

Group 1 : shares purchased prior to 1 July 2023

Group 2 : shares purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.23)	Distribution (paid/accumulated 30.11.22)
	30.09.23 pence per share	30.09.23 pence per share	30.09.23 pence per share	30.09.22 pence per share
A Income				
Group 1	1.58000	-	1.58000	1.17000
Group 2	0.61497	0.96503	1.58000	1.17000
B Accumulation				
Group 1	4.07000	-	4.07000	2.35000
Group 2	1.51784	2.55216	4.07000	2.35000
B Income				
Group 1	1.69000	-	1.69000	1.01000
Group 2	0.51613	1.17387	1.69000	1.01000
C Accumulation				
Group 1	4.16000	-	4.16000	2.29000
Group 2	4.16000	-	4.16000	2.29000
C Income				
Group 1	1.70000	-	1.70000	0.95000
Group 2	1.70000	-	1.70000	0.95000

Baillie Gifford™

Baillie Gifford Investment Grade Long Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2023*



Baillie Gifford Investment Grade Long Bond Fund

Investment Objective

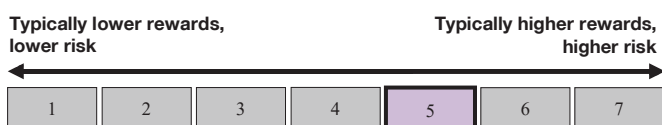
The Fund aims to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt over 10 Years Index by 0.5% per annum over rolling three-year periods.

Investment Policy

The Fund will invest at least 80% in investment grade bonds issued by corporate issuers, public bodies and supranationals. The Fund may also invest in other bonds including sub-investment grade bonds and government bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed and is not constrained by the index.

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.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

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

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

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

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

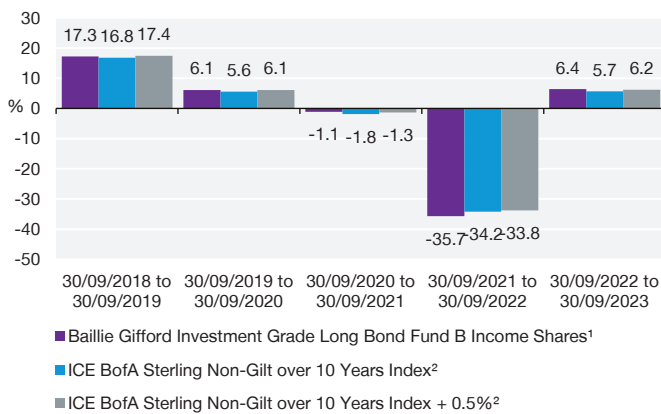
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.25%, but exclude any initial charge paid. 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.

Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt over 10 Years Index (the 'Index') by 0.5% per annum (the 'target return') over rolling three-year periods. For the year to 30 September 2023, the return on B Income Shares was 6.4%¹ compared to the Index of 5.7%² and the target return of 6.2%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, the annualised return on B Income Shares was -12.2%¹ compared to the return on the Index of -11.9%² and the target return of -11.5%².

Market environment

Bond markets have been more stable in the past 12 months, following the rapid rise in yields during much of 2022 which caused bond prices to fall. Returns for investment grade corporate bonds have been positive over the past year, predominantly due to high levels of income, but also with a slight improvement in corporate

bond prices. While inflation remains high it has stabilised somewhat and is expected to fall, with accompanying interest rate rises mainly behind us. Market expectations have oscillated in the past year between signs that inflation is proving stickier than expected, which may lead to 'higher for longer' interest rates, and concerns that tighter financial conditions will soon bite with a significant impact on growth. The risk of recession remains, particularly in the UK, although more recently growth has surprised positively in the US which has important implications for the global financial system. This environment has proved supported for corporate fundamentals and bond prices, although we remain wary that current valuations do not fully reflect the risk of a deteriorating outlook.

Performance

The Fund outperformed its Index in the past 12 months. The issues with Silicon Valley Bank and Credit Suisse earlier in the year created volatility in the banking sector, impacting some of the Fund's subordinated bonds. We are confident this was a short-term overreaction as the banking system remains well capitalised and the Fund

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and ICE, total return. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 194. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

lends to very high-quality banks which we believe remain fundamentally sound. This view has been supported by good performance in the second half of the period with higher-yielding bonds issued by Santander, for example, making a positive contribution, along with similar subordinated bonds of insurer Aviva.

The Fund lags its Index over three years with some higher-yielding bonds detracting. As inflationary pressures built post-Covid it is no surprise that monetary policy has been tightening, but the pace and scale of interest rate rises were greater than we expected in 2022. This led us to position the Fund defensively and underperform the strong market in late 2022. This backdrop also disproportionately impacted certain sectors, with real estate companies particularly exposed to slowing growth and higher interest costs. Heimstaden Bostad, a Swedish residential property company, is one example which was a detractor.

Positioning

With corporate bond valuations increasing we have become increasingly nervous about higher interest rates affecting the real economy, and believe this risk is not reflected in bond prices. The Fund is positioned reasonably defensively as a result. We reduced exposure to the property sector during the year by selling bonds issued by CTP, an Eastern European logistics company, and the aforementioned Heimstaden Bostad. More recently we reduced positions in some BBB-rated bonds and financial companies.

Termination of the Fund

On 25 October 2023, the ACD informed shareholders of its decision to close the Fund on 6 December 2023. Consequently, the ACD is no longer actively seeking subscriptions for the Fund. The ACD has agreed to waive the annual management charge from 1 November 2023 to the closure date. In addition, the ACD has also agreed to pay the costs associated with terminating the Fund. However, all other costs, including custodian and depositary fees for the period to the closure date and all trading costs, will be borne by the Fund.

Baillie Gifford & Co, 30 October 2023

Principal Bond Holdings as at 30 September 2023

Investment	Percentage of total Fund
UK Treasury 3.5% 22/10/2025	3.52
Tesco Property Finance 4 5.801% 2040	2.80
Annington Funding 2.924% 2051	2.46
Network Rail 4.75% 2035	2.13
America Movil 4.375% 2041	2.07
GlaxoSmithKline 1.625% 2035	1.94
Centrica 4.25% 2044	1.91
KFW 4.875% 2037	1.81
Santander 6.75% 2024 Perp AT1	1.75
E.ON 5.875% 2037	1.74

Material Portfolio Changes for the year ended 30 September 2023

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK Treasury 4.25% 2040	19,608	UK Treasury 4.25% 2040	19,655
GlaxoSmithKline 5.25% 2042	4,557	GlaxoSmithKline 5.25% 2042	5,820
UK Treasury 3.75% 22/07/2052	4,286	EIB 3.875% 2037	5,049
Tesco Property Finance 4 5.801% 2040	3,742	UK Treasury 3.75% 22/07/2052	4,259
EIB 3.875% 2037	3,137	Tesco Property Finance 5.661% 2041	3,667
GlaxoSmithKline 1.625% 2035	3,109	Enel 5.75% 2040	3,416
Orsted 5.75% 2040	3,058	Aster 4.5% 2043	3,286
Aster 4.5% 2043	2,647	Clarion 3.125% 2048	3,275
UK Treasury 3.5% 22/01/2045	2,535	Tesco Property Finance 6 5.4111% 2044	3,163
Enel 5.75% 2040	2,384	Berkshire Hathaway 2.625% 2059	3,105

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 30 September 2023

Stock description	Holding	Market value £'000	% of total net assets
Agency - 0.33% (1.73%)			
Canada Pension Plan 1.625% 22/10/2071	250,000	92	0.33
Asset Backed - 8.95% (8.84%)			
Anglian Water 6% 2039	200,000	193	0.70
Freshwater Finance 4.556% 2036	400,000	328	1.19
Freshwater Finance 5.182% 2035	200,000	182	0.66
Heathrow Airport 2.75% 2049	400,000	219	0.79
Heathrow Airport 4.625% 2046	200,000	155	0.56
Lunar Funding 1 5.75% 2033	200,000	199	0.72
Thames Water 2.375% 2040	300,000	161	0.58
Welsh Water 2.375% 2034	600,000	407	1.47
Welsh Water 4.473% 2057	100,000	80	0.29
Yorkshire Water 2.75% 2041	300,000	184	0.67
Yorkshire Water 5.5% 2035	400,000	364	1.32
Automotive - 0.00% (1.79%)			
Banking - 5.09% (7.19%)			
Banca Intesa BCI 2.625% 2036	300,000	195	0.71
HSBC Holdings 6% 2040	500,000	440	1.59
Nationwide 5.875% 2024 Perp AT1	200,000	187	0.68
Rabobank Groep 5.375% 2060	100,000	100	0.36
Santander 6.75% 2024 Perp AT1	500,000	484	1.75
Basic Industry - 1.01% (0.87%)			
Holcim 2.25% 2034	400,000	278	1.01
Commercial Mortgage Backed - 2.80% (3.34%)			
Tesco Property Finance 4 5.801% 2040	900,000	772	2.80
Consumer Goods - 0.72% (0.00%)			
AB InBev 8.2% 2039	200,000	200	0.72

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Financial Services - 5.64% (5.47%)			
Abrdn 5.25% 2026 Perp AT1	200,000	163	0.59
Berkshire Hathaway 2.375% 2039	400,000	267	0.97
Berkshire Hathaway 2.625% 2059	500,000	271	0.98
Burford Capital 6.25% 2028 (144a)	200,000	151	0.55
Investor 5.5% 2037	200,000	197	0.71
LeasePlan 7.375% 2024 Perp AT1	200,000	172	0.62
Motability 1.5% 2041	400,000	219	0.79
Motability 2.125% 2042	200,000	119	0.43
Government Guaranteed - 6.50% (5.62%)			
KFW 4.875% 2037	500,000	500	1.81
KFW 5% 2036	300,000	306	1.11
LCR Finance 5.1% 2051	400,000	399	1.45
Network Rail 4.75% 2035	600,000	589	2.13
Health Care - 5.51% (4.13%)			
Amgen 5.65% 2053	200,000	153	0.55
Amgen 5.75% 2063	200,000	151	0.55
GlaxoSmithKline 1.625% 2035	800,000	537	1.94
GlaxoSmithKline 5.25% 2042	300,000	284	1.03
Pfizer 2.735% 2043	600,000	398	1.44
Insurance - 5.11% (4.87%)			
Admiral Group 8.5% 2034 T2	300,000	305	1.10
Aviva 6.875% 2038-58 T2	400,000	380	1.37
M&G 5.56% 2035/2055	100,000	85	0.31
M&G 6.25% 2048/2068	100,000	82	0.30
Pension Insurance 3.625% 2032 T2	400,000	296	1.07

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Phoenix Life 5.625% 2031 T2	300,000	264	0.96
Media - 0.00% (1.04%)			
Real Estate - 17.18% (18.24%)			
Annington Finance 3.935% 2047	200,000	135	0.49
Annington Funding 2.924% 2051	1,300,000	679	2.46
Annington Funding 3.685% 2034	200,000	153	0.55
Aster 4.5% 2043	500,000	431	1.56
Berkeley Group 2.5% 2031	200,000	135	0.49
Clarion 1.875% 2051	900,000	397	1.44
Clarion 4.25% 2042	400,000	313	1.13
Housing & Care 3.288% 2049	600,000	388	1.40
Karbon 3.375% 2047	500,000	347	1.26
Longhurst Libra 3.25% 2043	600,000	401	1.45
Realty Income 1.75% 2033	500,000	339	1.23
Segro 5.125% 2041	400,000	354	1.28
Sovereign Housing Capital 4.768% 2043	400,000	352	1.27
Tritax Big Box 1.5% 2033	500,000	322	1.17
Services - 1.70% (2.53%)			
University of Cambridge 2.35% 2078	200,000	105	0.38
University of Cambridge 3.75% 2052	100,000	78	0.28
University of Oxford 2.544% 2117	200,000	95	0.35
Wellcome Trust 2.517% 2118	400,000	190	0.69
Sovereign - 4.92% (0.00%)			
UK Treasury 3.5% 22/10/2025	1,000,000	973	3.52
UK Treasury 4.25% 07/03/2036	400,000	387	1.40
Supranational - 3.47% (5.35%)			
EIB 4.5% 2044	400,000	371	1.34
EIB 4.625% 2054	200,000	186	0.67

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
EIB 5% 2039	400,000	402	1.46
Technology & Electronics - 0.77% (4.80%)			
Apple 4.375% 2045	300,000	212	0.77
Telecommunications - 9.09% (7.48%)			
America Movil 4.375% 2041	700,000	573	2.07
America Movil 4.948% 2033	100,000	94	0.34
AT&T 4.25% 2043	600,000	449	1.62
AT&T 4.875% 2044	300,000	242	0.88
AT&T 7% 2040	100,000	104	0.38
France Telecom 5.625% 2034	100,000	100	0.36
Orange SA 5.375% 2050	300,000	277	1.00
Vodafone 3% 2056	800,000	427	1.55
Vodafone Group 3.375% 2049	400,000	246	0.89
Transportation - 0.88% (0.48%)			
Manchester Airport 2.875% 2044	400,000	243	0.88
Utilities - 19.39% (13.77%)			
Centrica 4.25% 2044	700,000	527	1.91
Centrica 7% 2033	200,000	214	0.77
E.ON 5.875% 2037	500,000	481	1.74
E.ON 6.125% 2039	100,000	98	0.36
EDF 5.125% 2050	500,000	392	1.42
EDF 5.5% 2037	100,000	89	0.32
EDF 5.5% 2041	200,000	172	0.62
EDF 6% 2114	500,000	411	1.49
ENEL 5.75% 2037	200,000	191	0.69
Enel 5.75% 2040	300,000	281	1.02
Engie 5.625% 2053 Green	400,000	365	1.32
Engie SA 5% 2060	200,000	165	0.60
National Grid 2% 2038	800,000	480	1.74
Northern Powergrid 2.25% 2059	600,000	284	1.03
Orsted 5.75% 2040	500,000	470	1.70

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Severn Trent 4.625% 2034	300,000	266	0.96
Severn Trent 4.875% 2042	300,000	255	0.92
Vattenfall 6.875% 2039	200,000	216	0.78
Derivatives - -2.68% (-4.54%)			
Forward currency contracts (see Table 1)		(43)	(0.16)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		(696)	(2.52)
Portfolio of investments		26,626	96.38
Net other assets - 3.62% (7.00%)		999	3.62
Net assets		27,625	100.00

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

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2022.

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
Royal Bank of Canada	30/11/23	GBP	172,188	EUR	200,000	(2)	(0.01)
Royal Bank of Canada	30/11/23	GBP	1,127,728	USD	1,438,000	(50)	(0.17)
Royal Bank of Canada	30/11/23	USD	268,000	GBP	210,546	9	0.03
Unrealised gains/(losses) on open forward currency contracts						(43)	(0.15)

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Long Gilt Future 10 Year December 2023	29/12/23	6	-	0.00
US Long Bond (CBT) December 2023	29/12/23	(7)	-	0.00
US Ultra Long (CBT) December 2023	29/12/23	(1)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Portfolio Statement as at 30 September 2023 cont.

Table 3: 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
JP Morgan	GBP	02/10/43	2,880,000	SONIA Interest Rate Benchmark	.7625%	(1,346)	(4.88)
Morgan Stanley	GBP	02/10/43	400,000	.7625%	SONIA Interest Rate Benchmark	187	0.68
Morgan Stanley	GBP	02/10/43	990,000	.7625%	SONIA Interest Rate Benchmark	463	1.68
Unrealised gains/(losses) on open interest rate swap contracts						(696)	(2.52)

Comparative Tables

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	207.25	320.00	323.51
Return before operating charges*	13.69	(111.93)	(2.59)
Operating charges	(0.66)	(0.82)	(0.92)
Return after operating charges*	13.03	(112.75)	(3.51)
Distributions	(11.03)	(9.22)	(8.81)
Retained distributions on accumulation shares	11.03	9.22	8.81
Closing net asset value per share	220.28	207.25	320.00
*After direct transaction costs of:	0.02	0.00	0.00
Performance:			
Return after charges	6.29%	(35.23)%	(1.08)%
Other Information:			
Closing net asset value (£'000)	2,896	3,004	19,074
Closing number of shares	1,314,829	1,449,411	5,960,750
Operating charges	0.29%	0.27%	0.28%
Direct transaction costs ¹	0.01%	0.00%	0.00%
Prices:			
Highest share price (pence)	243.0	340.8	344.6
Lowest share price (pence)	188.3	191.2	315.0

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	87.04	139.58	145.00
Return before operating charges*	5.82	(48.20)	(1.09)
Operating charges	(0.27)	(0.35)	(0.41)
Return after operating charges*	5.55	(48.55)	(1.50)
Distributions on income shares	(4.57)	(3.99)	(3.92)
Closing net asset value per share	88.02	87.04	139.58
*After direct transaction costs of:	0.01	0.00	0.00
Performance:			
Return after charges	6.38%	(34.78)%	(1.03)%
Other Information:			
Closing net asset value (£'000)	14,152	15,025	40,024
Closing number of shares	16,079,469	17,261,884	28,674,977
Operating charges	0.29%	0.28%	0.28%
Direct transaction costs ¹	0.01%	0.00%	0.00%
Prices:			
Highest share price (pence)	101.9	148.7	154.1
Lowest share price (pence)	79.08	81.90	140.2

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	210.62	324.39	327.14
Return before operating charges*	13.89	(113.68)	(2.65)
Operating charges	(0.09)	(0.09)	(0.10)
Return after operating charges*	13.80	(113.77)	(2.75)
Distributions	(11.22)	(9.23)	(8.91)
Retained distributions on accumulation shares	11.22	9.23	8.91
Closing net asset value per share	224.42	210.62	324.39
*After direct transaction costs of:	0.02	0.00	0.00
Performance:			
Return after charges	6.55%	(35.07)%	(0.84)%
Other Information:			
Closing net asset value (£'000)	1,916	2,248	17,532
Closing number of shares	853,539	1,067,169	5,404,602
Operating charges	0.04%	0.03%	0.03%
Direct transaction costs ¹	0.01%	0.00%	0.00%
Prices:			
Highest share price (pence)	247.1	345.6	348.7
Lowest share price (pence)	191.3	194.3	318.9

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	88.99	142.30	147.45
Return before operating charges*	5.95	(49.20)	(1.12)
Operating charges	(0.04)	(0.04)	(0.04)
Return after operating charges*	5.91	(49.24)	(1.16)
Distributions on income shares	(4.68)	(4.07)	(3.99)
Closing net asset value per share	90.22	88.99	142.30
*After direct transaction costs of:	0.01	0.00	0.00
Performance:			
Return after charges	6.64%	(34.60)%	(0.79)%
Other Information:			
Closing net asset value (£'000)	8,661	44,151	72,231
Closing number of shares	9,600,403	49,611,322	50,759,331
Operating charges	0.04%	0.03%	0.03%
Direct transaction costs ¹	0.01%	0.00%	0.00%
Prices:			
Highest share price (pence)	104.2	151.6	156.8
Lowest share price (pence)	80.86	83.63	142.7

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

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

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

Financial Statements

Statement of Total Return for the year ended 30 September 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		7,715		(42,628)
Revenue	3	4,131		3,437	
Expenses	4	(71)		(129)	
Net revenue before taxation		4,060		3,308	
Taxation	5	(1)		-	
Net revenue after taxation			4,059		3,308
Total return before distributions			11,774		(39,320)
Distributions	6		(4,133)		(3,440)
Change in net assets attributable to shareholders from investment activities			7,641		(42,760)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		64,428		148,861
Amounts receivable on issue of shares	129,452		2,396	
Amounts payable on cancellation of shares	(176,812)		(44,568)	
		(47,360)		(42,172)
Dilution adjustment		1,942		149
Change in net assets attributable to shareholders from investment activities		7,641		(42,760)
Retained distributions on accumulation shares		974		350
Closing net assets attributable to shareholders		27,625		64,428

Financial Statements cont.

Balance Sheet as at 30 September 2023

	Notes	2023 £'000	2022 £'000
Assets:			
Fixed assets:			
Investments	13	-	62,985
Current assets:			
Investments	13	28,024	-
Debtors	8	1,474	5,357
Cash and bank balances	9	104	810
Total assets		29,602	69,152
Liabilities:			
Investment liabilities	13	(1,398)	(3,066)
Creditors:			
Bank overdrafts	9	(11)	(152)
Distributions payable		(524)	(1,129)
Other creditors	10	(44)	(377)
Total liabilities		(1,977)	(4,724)
Net assets attributable to shareholders		27,625	64,428

Notes to the Financial Statements

1 Net capital gains/(losses)

	2023	2022
	£'000	£'000
Non-derivative securities	6,250	(39,244)
Derivative contracts	259	(1,784)
Forward currency contracts	1,167	(1,639)
Currency gains/(losses)	44	42
Transaction costs	(5)	(3)
Net capital gains/(losses)	7,715	(42,628)

2 Purchases, sales and transaction costs

	2023	2022
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	184,193	32,732
Purchases including transaction costs	184,193	32,732

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

	2023	2022
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs	225,763	75,746
Sales net of transaction costs	225,763	75,746

	2023	2022
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	7	5

	2023		2022	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	7	0.01	5	0.00
Taxes	-	0.00	-	0.00
Total direct transaction costs	7	0.01	5	0.00

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2023	2022
	%	%
Average portfolio dealing spread	0.88	0.68

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

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

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

	2023	2022
	£'000	£'000
Interest on debt securities	4,194	3,481
Bank interest	78	3
Swaps interest	(141)	(47)
Total revenue	4,131	3,437

4 Expenses

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	46	103
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	7	8
Bank charges	5	7
	12	15
Other expenses:		
Audit fee	13	11
Total expenses	71	129

Notes to the Financial Statements cont.

5 Taxation

	2023	2022
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	1	-
Total taxation	1	-

The Fund is subject to corporation tax at 20% (2022: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2023	2022
	£'000	£'000
Net revenue before taxation	4,060	3,308
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2022: 20%)	812	662
Effects of:		
Interest distributions	(826)	(687)
Overseas tax on coupons	1	-
Management expenses charged to capital	14	26
Tax on undistributed income carried forward	-	(1)
Total taxation	1	-

6 Distributions

	2023	2022
	£'000	£'000
Interim to 31 December	1,358	707
Interim to 31 March	521	668
Interim to 30 June	446	601
Final to 30 September	632	1,234
	2,957	3,210
Amounts deducted on cancellation of shares	1,562	257
Amounts added on issue of shares	(386)	(27)
Total distributions	4,133	3,440

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

	2023	2022
	£'000	£'000
Net revenue after taxation for the year	4,059	3,308
Add expenses allocated to capital	71	129
Add distributable revenue brought forward	3	6
Less distributable revenue carried forward	-	(3)
Net distributions for the year	4,133	3,440

8 Debtors

	2023	2022
	£'000	£'000
Receivable for issue of shares	93	-
Accrued income	497	1,320
Collateral held by counterparties	-	955
Amounts due from clearing brokers	752	2,484
Amounts due from clearing house	131	598
Other debtors	1	-
Total debtors	1,474	5,357

9 Cash and bank balances

	2023	2022
	£'000	£'000
Sterling amounts held at clearing houses and brokers	54	77
Foreign amounts held at clearing houses and brokers	28	227
Sterling bank accounts	22	506
	104	810
Sterling amounts held at clearing houses and brokers overdrawn	-	(10)
Sterling bank accounts overdrawn	(11)	(142)
	(11)	(152)
Total cash and bank balances	93	658

Notes to the Financial Statements cont.

10 Other creditors

	2023	2022
	£'000	£'000
Payable for cancellation of shares	20	139
Purchases awaiting settlement	1	56
Due to the ACD or associates	4	4
Due to the Depositary or associates	3	3
Collateral held on behalf of counterparty	-	160
Other accrued expenses	16	15
Total other creditors	44	377

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 annual management charge 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:

	2023	2022
	%	%
ACD and associates of the ACD	0.00	0.00

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.22	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.23
B Accumulation Shares	1,449,411	563,935	(698,517)	-	1,314,829
B Income Shares	17,261,884	3,444,260	(4,626,675)	-	16,079,469
C Accumulation Shares	1,067,169	57,088,500	(57,302,130)	-	853,539
C Income Shares	49,611,322	-	(40,010,919)	-	9,600,403

Notes to the Financial Statements cont.

13 Basis of valuation

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	1,360	-	-	-
Level 2: Observable market data	26,664	(1,398)	62,985	(3,066)
Level 3: Unobservable data	-	-	-	-
Total	28,024	(1,398)	62,985	(3,066)

14 Credit ratings

Rating Block	2023		2022	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	26,558	96.14	60,805	94.38
High Yield	807	2.92	2,037	3.16
Total	27,365	99.06	62,842	97.54
Other	260	0.94	1,586	2.46
Net Assets	27,625	100.00	64,428	100.00

15 Derivatives and other financial instruments**Currency exposures**

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

Currency	Net currency assets/(liabilities) 2023			Net currency assets/(liabilities) 2022		
	Monetary exposures	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	-	(2)	(2)	-	50	50
UK sterling	948	26,719	27,667	4,308	60,478	64,786
US dollar	28	(91)	(63)	227	(609)	(382)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2023				2022			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	-	172	-	172	-	1,043	-	1,043
UK sterling	2,349	27,859	1,300	31,508	5,579	58,583	6,866	71,028
US dollar	28	868	219	1,115	227	5,812	-	6,039

Currency	2023				2022			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	-	174	174	-	-	994	994
UK sterling	2,890	740	211	3,841	6,241	-	-	6,241
US dollar	-	-	1,178	1,178	-	-	6,421	6,421

Totals may not sum due to rounding.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	2023					2022				
	Credit default swaps £'000	Forward currency contracts £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000	Credit default swaps £'000	Forward currency contracts £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000
Goldman Sachs	-	-	-	-	-	144	-	-	(160)	(16)
JP Morgan Chase	-	-	650	-	650	-	-	-	-	-
Royal Bank of Canada	-	9	-	-	9	-	-	-	-	-

Collateral pledged on derivatives was:

	2023 £'000	2022 £'000
Cash collateral pledged on derivatives		
Barclays	-	185
National Australia Bank	-	770

Notes to the Financial Statements cont.

16 Derivative Exposure (continued)

In addition, the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2023	2022
	%	%
Fund VaR:	8.80	8.26
Index VaR:	8.74	8.56

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and comparative index constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions

Notes to the Financial Statements cont.

17 Value at risk (VaR) (continued)

and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Tables

Interim distribution for the period ended 31 December 2022

Group 1 : shares purchased prior to 1 October 2022

Group 2 : shares purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.23)	Distribution (paid/accumulated 28.02.22)
	31.12.22 pence per share	31.12.22 pence per share	31.12.22 pence per share	31.12.21 pence per share
B Accumulation				
Group 1	2.02000	-	2.02000	1.60000
Group 2	0.76239	1.25761	2.02000	1.60000
B Income				
Group 1	0.85000	-	0.85000	0.75000
Group 2	0.38300	0.46700	0.85000	0.75000
C Accumulation				
Group 1	2.05000	-	2.05000	1.80000
Group 2	1.45530	0.59470	2.05000	1.80000
C Income				
Group 1	0.87000	-	0.87000	0.80000
Group 2	0.87000	-	0.87000	0.80000

Distribution Tables cont.

Interim distributions for the period ended 31 March 2023

Group 1 : shares purchased prior to 1 January 2023

Group 2 : shares purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.23)	Distribution (paid/accumulated 31.05.22)
	31.03.23 pence per share	31.03.23 pence per share	31.03.23 pence per share	31.03.22 pence per share
B Accumulation				
Group 1	2.02000	-	2.02000	1.60000
Group 2	0.34204	1.67796	2.02000	1.60000
B Income				
Group 1	0.85000	-	0.85000	0.75000
Group 2	-	0.85000	0.85000	0.75000
C Accumulation				
Group 1	2.05000	-	2.05000	1.80000
Group 2	2.05000	-	2.05000	1.80000
C Income				
Group 1	0.87000	-	0.87000	0.80000
Group 2	0.87000	-	0.87000	0.80000

Distribution Tables cont.

Interim distribution for the period ended 30 June 2023

Group 1 : share purchased prior to 1 April 2023

Group 2 : share purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.23)	Distribution (paid/accumulated 31.08.22)
	30.06.23 pence per share	30.06.23 pence per share	30.06.23 pence per share	30.06.22 pence per share
B Accumulation				
Group 1	2.02000	-	2.02000	1.60000
Group 2	-	2.02000	2.02000	1.60000
B Income				
Group 1	0.85000	-	0.85000	0.75000
Group 2	-	0.85000	0.85000	0.75000
C Accumulation				
Group 1	2.05000	-	2.05000	1.80000
Group 2	2.05000	-	2.05000	1.80000
C Income				
Group 1	0.87000	-	0.87000	0.80000
Group 2	0.87000	-	0.87000	0.80000

Distribution Tables cont.

Final distribution for the period ended 30 September 2023

Group 1 : shares purchased prior to 1 July 2023

Group 2 : shares purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.23)	Distribution (paid/accumulated 30.11.22)
	30.09.23 pence per share	30.09.23 pence per share	30.09.23 pence per share	30.09.22 pence per share
B Accumulation				
Group 1	4.97000	-	4.97000	4.42000
Group 2	1.63856	3.33144	4.97000	4.42000
B Income				
Group 1	2.02000	-	2.02000	1.74000
Group 2	0.66968	1.35032	2.02000	1.74000
C Accumulation				
Group 1	5.07000	-	5.07000	3.83000
Group 2	5.07000	-	5.07000	3.83000
C Income				
Group 1	2.07000	-	2.07000	1.67000
Group 2	2.07000	-	2.07000	1.67000

Baillie Gifford™

Baillie Gifford Strategic Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2023*



Baillie Gifford Strategic Bond Fund

Investment Objective

The Fund aims to produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions.

Investment Policy

The Fund will invest at least 80% in a diversified portfolio of (1) investment grade and (2) sub-investment grade bonds, issued by corporate issuers, public bodies and supranationals, and (3) developed market government bonds. The Fund may also invest in other bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed through bond selection and strategic asset allocation.

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.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

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

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if returns go down.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

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

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

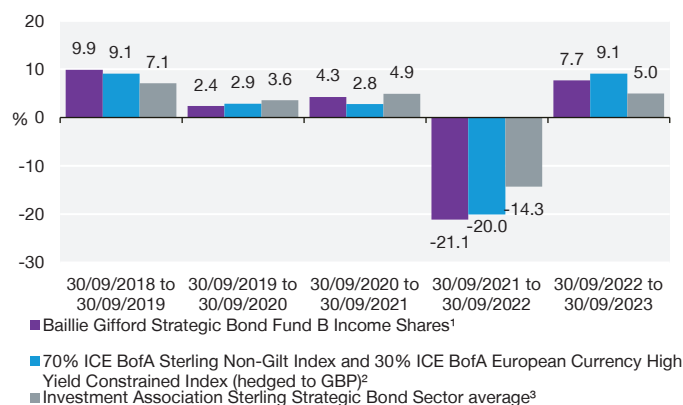
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.50%, but exclude any initial charge paid. 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.

Past Performance

The investment objective of the Fund is to produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions. For the year to 30 September 2023 income totalling 3.23 pence per share was declared for B Income Shares and the total return was 7.7%¹ compared to the composite index⁴ (comparator benchmark) of 9.1%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, income totalling 9.23 pence per share was declared for B Income Shares and the annualised total return was -4.0%¹ compared to the comparator benchmark of -3.6%².

Market environment

Bond markets have been more stable in the past 12 months, following the rapid rise in yields during late 2022 which caused bond prices to fall. Corporate bond

returns have been positive over the past year, predominantly due to high levels of income, but also with a slight improvement in corporate bond prices. While inflation remains high, it has stabilised somewhat and is expected to fall, with accompanying interest rate rises mainly behind us. Market expectations have oscillated in the past year between signs that inflation is proving stickier than expected, which may lead to 'higher for longer' interest rates, and concerns that tighter financial conditions will soon bite with a significant impact on growth. The risk of recession remains, particularly in the UK, although more recently, growth has surprised positively in the US, which has important implications for the global financial system. This environment has proved supportive for corporate fundamentals and bond prices, although we remain wary that current valuations do not fully reflect the risk of a deteriorating outlook.

Performance

In the past 12 months, the Fund underperformed the comparator benchmark. The Fund's exposure to BB and B-rated high yield corporate bonds was additive as credit

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and ICE, total return. ³Source: Revolution and The Investment Association, total return. Please see Disclaimer on page 194. ⁴The composite index is comprised of 70% ICE BofA Sterling Non-Gilt Index and 30% ICE BofA European Currency High Yield Constrained Index (hedged to GBP). You should be aware that past performance is not a guide to future performance.

Investment Report cont.

spreads - the additional yield offered by corporate bonds above government bond yields - tightened. Relative to the comparator benchmark, value added through active credit risk management was offset by bond selection. For example, American primary health care provider Cano Health, performed poorly as it was downgraded on concerns around its high leverage. We have since sold out of Cano after a possible takeover by a large US health insurer ended after the company had looked at Cano's private financial information. Clearly, this did not inspire confidence, and we sold to reinvest in higher conviction ideas.

Over three years, asset allocation has made a meaningful contribution to performance relative to the comparator index, with the Fund profiting from a dynamic approach to allocation between investment grade and high yield bonds. Relative to the peer group, three-year returns continue to be affected by the severe shift in interest expectations seen in 2022. Given our long-term approach and focus on adding value through bond selection, we hedge duration (a measure of interest rate risk) in a relatively tight range relative to the duration of the comparator Index. There is an inverse relationship between rising interest rates and bond prices, the greater the duration, the more sensitive a bond portfolio is to changes in interest rate expectations. The Fund's comparator Index had a longer duration profile than the average peer group constituent during this period leading to poor relative performance in this environment.

Positioning

Given the uncertain macroeconomic outlook, we started to reduce portfolio credit risk in the first quarter of 2023. By the end of March, high yield exposure had fallen from 41% to 26%. It was 28% at the end of September. This risk reduction exercise was achieved by reducing positions in high yield and industrial hybrid bonds issued by companies such as French hotel group Accor and Indian telco Bharti Airtel. Complete sales included UK retailer Marks and Spencer, given the continued pressures on the UK consumer. These were replaced with high-quality additions such as A-rated bonds issued by leading Japanese telecommunications company, NTT.

We believe this partially state-owned company's strong cash generation and commitment to deleveraging will see the balance sheet glide back to strength over the coming years. We also added low-risk, supranational bonds issued by the European Investment Bank.

We remain wary of increasing our exposure to credit risk as tighter monetary policy continues to feed through to a weaker growth environment. Despite continued American exceptionalism, there are clear signs of slowing (particularly in Europe), and as growth softens, company fundamentals are likely to deteriorate, particularly given higher financing costs. While the majority of companies enter this environment from a position of strength, having recently termed out their debt at attractive rates, highly leveraged companies with short-term financing needs face significant headwinds. In this context, high yield credit spreads – the premium bondholders are paid to lend to high yield issuers – are trading close to post-global financial crisis lows. We continue to prefer investment grade rated bonds which are less sensitive to declining fundamentals and a weakening economic backdrop.

Baillie Gifford & Co, 30 October 2023

Principal Bond Holdings as at 30 September 2023

Investment	Percentage of total Fund
Barclays 1.7% 2026	2.94
NatWest Gp 2.875% 2026	2.92
Enel 5.625% 2024	2.88
Telefonica 5.375% 2026	2.73
LeasePlan 7.375% 2024 Perp AT1	2.55
Rothesay Life 8% 2025	2.38
Virgin Media 5% 2027	2.28
DNB Bank 4% 2026/27	2.10
EDF 6% 2026 Perp	2.07
EIB 3.875% 2037	2.03

Material Portfolio Changes for the year ended 30 September 2023

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Enel 5.625% 2024	17,807	EDP 4.496% 2024/79	20,056
Telefonica 5.375% 2026	16,148	Co-operative Group 7.5% 2026	15,486
EIB 1.375% 2025	15,061	Compass Minerals International 6.75% 2027 (144A)	15,120
KFW 1.375% 2024	14,271	EIB 1.375% 2025	14,978
DNB Bank 4% 2026/27	13,942	Accor SA 2.625% 2025 Perp	13,768
EIB 3.875% 2037	11,649	Match.com 5.625% 2029 144A	13,020
Booking Holdings 4.5% 2031	10,419	Netflix 4.625% 2029	11,663
Weir Group 6.875% 2028	9,829	Cellnex Telecom 0.75% 2031 Convertible	11,589
NTT 1.162% 2026	9,687	Svenska Handelsbanken 6.25% 2024 Perp	10,830
Admiral Group 8.5% 2034 T2	8,925	Bharti Airtel 5.65% 2025 Perp	10,472

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 30 September 2023

Stock description	Holding	Market value £'000	% of total net assets
Agency - 2.42% (0.59%)			
Canada Pension Plan 1.25% 07/12/2027	7,600,000	6,539	1.10
Temasek 0.5% 2031	6,720,000	4,461	0.75
Temasek 3.5% 2033	4,100,000	3,418	0.57
Asset Backed - 0.34% (0.44%)			
Mitchells & Butlers 5.574% 15/12/2030 (A2)	3,470,000	815	0.14
Mitchells & Butlers 5.965% 15/12/2023 (B1)	3,404,000	52	0.01
Mitchells & Butlers 6.469% 15/09/2030 (C1)	1,322,000	1,153	0.19
Banking - 14.25% (9.68%)			
Barclays 1.7% 2026	19,360,000	17,568	2.94
Barclays 7.125% 2025 Perp AT1	3,280,000	3,054	0.51
Caixabank 6.75% 2024 Perp AT1	4,000,000	3,435	0.58
DNB Bank 4% 2026/27	13,300,000	12,513	2.10
J.P. Morgan 1.895% 2033	15,380,000	11,344	1.90
NatWest Gp 2.875% 2026	18,750,000	17,470	2.92
NatWest Gp 4.269% 2025	1,500,000	1,216	0.20
Santander 1.5% 2026	11,000,000	9,788	1.64
Santander 4.75% 2025 Perp AT1	3,400,000	2,448	0.41
Santander 6.75% 2024 Perp AT1	6,500,000	6,297	1.05
Basic Industry - 2.85% (3.67%)			
Victoria 3.625% 2026	7,231,000	4,924	0.82
Victoria 3.75% 2028	8,150,000	5,108	0.86
Yara Intl 7.378% 2032 (144A)	8,200,000	7,013	1.17
Capital Goods - 1.65% (0.00%)			
Weir Group 6.875% 2028	9,800,000	9,875	1.65
Commercial Mortgage Backed - 6.55% (5.45%)			
Delamare (B-1) 6.067% 2029	2,520,000	2,482	0.42
Delamare 5.5457% 2029	9,670,000	5,394	0.90
Telereal (B-4) 6.1645% 2031	10,112,000	8,295	1.39
Telereal (C1) FRN 2031	10,020,000	8,985	1.50

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Telereal 1.3657% 2031 (A6)	2,150,000	1,284	0.21
Tesco Property Finance 5.744% 2040	7,150,000	6,004	1.01
Tesco Property Finance 6 5.4111% 2044	8,300,000	6,684	1.12
Consumer Goods - 0.00% (0.00%)			
Virgolino De Oliveira 11.75% 2022 ¹	2,485,000	5	0.00
Energy - 0.58% (1.97%)			
Venture Global Calcasieu 3.875% 2029 (144A)	766,000	528	0.09
Venture Global Calcasieu 3.875% 2033 (144A)	4,130,000	2,627	0.44
Venture Global Delta LNG 8.125% 2028 (144A)	404,000	328	0.05
Financial Services - 10.06% (11.94%)			
Abrdn 5.25% 2026 Perp AT1	4,890,000	3,987	0.67
Berkshire Hathaway 2.375% 2039	11,520,000	7,702	1.29
Berkshire Hathaway 2.625% 2059	5,550,000	3,011	0.50
Burford Capital 9.25% 2031 (144A)	4,000,000	3,310	0.55
Investec 2.625% 2026-2032	14,620,000	11,975	2.01
Investor AB 0.375% 2035	2,380,000	1,330	0.22
LeasePlan 7.375% 2024 Perp AT1	17,751,000	15,225	2.55
Orix Corp. 4.477% 2028	3,500,000	3,052	0.51
PaymentSense 8% 2025	7,003,000	6,817	1.14
Pershing Square 3.25% 2031 (RegS)	2,130,000	1,288	0.22
Pershing Square Holdings 3.25% 2030	3,857,000	2,390	0.40
Government Guaranteed - 3.95% (2.19%)			
KFW 1.375% 2024	7,800,000	7,436	1.24
KFW 5% 2036	8,110,000	8,274	1.39
KFW 5.75% 2032	7,320,000	7,880	1.32
Health Care - 0.73% (1.22%)			
Amgen 5.5% 2026	2,485,000	2,489	0.42
Amgen Inc 4% 2029	2,020,000	1,875	0.31

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Insurance - 10.70% (8.93%)			
Admiral Group 8.5% 2034 T2	8,840,000	8,976	1.50
Helvetia Hdg 2.75% 2031-2041	13,232,000	9,149	1.53
Hiscox 6% 2027	1,680,000	1,672	0.28
Pension Insurance 3.625% 2032 T2	4,600,000	3,401	0.57
Pension Insurance 4.625% 2031 T2	5,340,000	4,409	0.74
Pension Insurance 5.625% 2030	4,650,000	4,125	0.69
Pension Insurance 8% 2026 T2	6,050,000	6,189	1.04
Rothsay Life 8% 2025	14,040,000	14,203	2.38
ZhongAn 3.125% 2025	1,700,000	1,235	0.21
ZhongAn 3.5% 2026	4,100,000	2,891	0.48
Zurich Financial Services 5.125% 2032-52 T2	8,670,000	7,648	1.28
Leisure - 2.42% (1.77%)			
Accor SA 2.625% 2025 Perp	3,800,000	3,118	0.52
Booking Holdings 4.5% 2031	9,400,000	8,251	1.38
Cirsa Finance 10.375% 2027	3,320,000	3,093	0.52
Media - 3.12% (5.84%)			
Netflix 3.625% 2030	1,180,000	971	0.16
Netflix 4.625% 2029	6,565,000	5,742	0.96
Prosus 3.832% 2051	8,800,000	3,950	0.66
Townsquare Media 6.875% 2026 (144A)	4,000,000	3,095	0.52
UPC 3.625% 2029	4,440,000	3,320	0.56
UPC 3.875% 2029	2,200,000	1,577	0.26
Real Estate - 7.94% (4.95%)			
Annington Finance 3.935% 2047	3,600,000	2,421	0.40
Annington Funding 2.308% 2032	12,346,000	8,787	1.47
Annington Funding 2.924% 2051	5,680,000	2,966	0.50
Berkeley Group 2.5% 2031	5,465,000	3,678	0.62
CPI Property 2.75% 2028	12,220,000	8,600	1.44
Ctp N.V. 0.5% 2025	1,200,000	949	0.16

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Ctp N.V. 0.75% 2027	4,900,000	3,529	0.59
Ctp N.V. 1.25% 2029	3,480,000	2,260	0.38
Ctp N.V. 2.125% 2025	1,100,000	886	0.15
Heimstaden Bostad 0.25% 2024	7,330,000	5,933	0.99
Realty Income 5.125% 2034	8,600,000	7,395	1.24
Retail - 4.00% (8.58%)			
B&M European Value Retail 4% 2028	4,700,000	3,995	0.67
Bath & Body Works 9.375% 2025 (144A)	5,000,000	4,261	0.71
Co-operative Group 5.125% 2024	7,043,000	6,950	1.16
MercadoLibre 3.125% 2031	13,490,000	8,698	1.46
Services - 4.40% (4.69%)			
InPost 2.25% 2027	15,790,000	11,852	1.99
Ocado 0.75% 2027 Convertible	900,000	654	0.11
Ocado 3.875% 2026	3,680,000	3,030	0.51
University of Cambridge 2.35% 2078	5,627,000	2,943	0.49
University of Oxford 2.544% 2117	9,530,000	4,523	0.76
Veritext 8.5% 2030 (144A)	4,000,000	3,246	0.54
Sovereign - 0.00% (0.74%)			
Supranational - 3.61% (1.79%)			
EIB 3.875% 2037	13,466,000	12,140	2.03
EIB 4.625% 2054	7,200,000	6,704	1.12
EIB 5.625% 2032	1,470,000	1,573	0.27
IBRD 5.75% 2032	1,075,000	1,154	0.19
Technology & Electronics - 2.94% (5.32%)			
AMS 0% 2025 Convertible	7,600,000	5,832	0.97
Cellnex Telecom 2% 2033	7,300,000	4,877	0.82
IPD 3 8% 2028	3,600,000	3,149	0.53
Ubisoft Entertainment 0.878% 2027	5,400,000	3,703	0.62

Portfolio Statement as at 30 September 2023 cont.

Stock description	Holding	Market value £'000	% of total net assets
Telecommunications - 8.86% (8.77%)			
Bharti Airtel 5.65% 2025 Perp	13,054,000	10,401	1.74
Millicom 4.5% 2031	534,000	313	0.05
NTT 1.162% 2026	12,200,000	8,973	1.50
NTT 1.591% 2028	4,820,000	3,348	0.56
Telefonica 5.375% 2026	16,400,000	16,266	2.73
Virgin Media 5% 2027	14,672,000	13,592	2.28
Transportation - 0.00% (0.39%)			
Utilities - 5.88% (6.48%)			
EDF 6% 2026 Perp	13,400,000	12,362	2.07
EDF 6% 2114	1,800,000	1,480	0.25
Enel 5.625% 2024	17,300,000	17,240	2.88
Orsted 1.75% 2027 Perp	5,590,000	4,057	0.68
Derivatives - -0.34% (-0.23%)			
Forward currency contracts (see Table 1)		(1,579)	(0.26)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		(461)	(0.08)
Portfolio of investments		578,843	96.91
Net other assets - 3.09% (4.83%)		18,464	3.09
Net assets		597,307	100.00

¹This bond was in default at the year end, therefore the bond has been valued at the Investment Adviser's valuation.

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

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2022.

Portfolio Statement as at 30 September 2023 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
HSBC	16/11/23	GBP	136,345,585	EUR	157,547,000	(557)	(0.09)
NatWest	16/11/23	GBP	70,880,072	USD	87,784,000	(1,022)	(0.17)
Unrealised gains/(losses) on open forward currency contracts						(1,579)	(0.26)

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro-Bobl Future December 2023	11/12/23	227	-	0.00
Euro-Bund Future December 2023	11/12/23	(180)	-	0.00
Euro-Schatz Future December 2023	11/12/23	975	-	0.00
Long Gilt Future 10 Year December 2023	29/12/23	255	-	0.00
US 5 Year Note December 2023	04/01/24	204	-	0.00
US Long Bond (CBT) December 2023	29/12/23	55	-	0.00
US Ultra 10 Year Note Future December 2023	29/12/23	(698)	-	0.00
US Ultra Long (CBT) December 2023	29/12/23	(15)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Table 3: 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
JP Morgan	GBP	03/06/25	41,500,000	SONIA Interest Rate Benchmark	4.5358%	(461)	(0.08)
Unrealised gains/(losses) on open interest rate swap contracts						(461)	(0.08)

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	180.11	228.51	220.11
Return before operating charges*	15.88	(46.20)	10.74
Operating charges	(1.96)	(2.20)	(2.34)
Return after operating charges*	13.92	(48.40)	8.40
Distributions	(8.55)	(7.50)	(7.56)
Retained distributions on accumulation shares	8.55	7.50	7.56
Closing net asset value per share	194.03	180.11	228.51
*After direct transaction costs of:	0.02	0.02	0.00
Performance:			
Return after charges	7.73%	(21.18)%	3.82%
Other Information:			
Closing net asset value (£'000)	4,565	9,087	15,311
Closing number of shares	2,353,091	5,045,630	6,700,550
Operating charges	1.02%	1.03%	1.02%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	200.5	231.3	234.2
Lowest share price (pence)	176.9	179.2	220.3

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	64.36	84.82	84.46
Return before operating charges*	5.66	(16.90)	4.13
Operating charges	(0.69)	(0.81)	(0.89)
Return after operating charges*	4.97	(17.71)	3.24
Distributions on income shares	(3.01)	(2.75)	(2.88)
Closing net asset value per share	66.32	64.36	84.82
*After direct transaction costs of:	0.01	0.01	0.00
Performance:			
Return after charges	7.72%	(20.88)%	3.84%
Other Information:			
Closing net asset value (£'000)	1,315	3,292	5,704
Closing number of shares	1,983,161	5,115,286	6,725,356
Operating charges	1.02%	1.03%	1.02%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	70.91	85.56	88.43
Lowest share price (pence)	63.20	65.13	84.53

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	197.62	249.47	239.10
Return before operating charges*	17.44	(50.63)	11.67
Operating charges	(1.10)	(1.22)	(1.30)
Return after operating charges*	16.34	(51.85)	10.37
Distributions	(9.40)	(8.21)	(8.22)
Retained distributions on accumulation shares	9.40	8.21	8.22
Closing net asset value per share	213.96	197.62	249.47
*After direct transaction costs of:	0.02	0.02	0.00
Performance:			
Return after charges	8.27%	(20.78)%	4.34%
Other Information:			
Closing net asset value (£'000)	352,570	476,766	826,897
Closing number of shares	164,784,048	241,252,330	331,457,349
Operating charges	0.52%	0.52%	0.52%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	220.3	252.8	255.5
Lowest share price (pence)	194.1	196.6	239.3

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	69.12	90.55	89.72
Return before operating charges*	6.08	(18.05)	4.37
Operating charges	(0.38)	(0.44)	(0.48)
Return after operating charges*	5.70	(18.49)	3.89
Distributions on income shares	(3.23)	(2.94)	(3.06)
Closing net asset value per share	71.59	69.12	90.55
*After direct transaction costs of:	0.01	0.01	0.00
Performance:			
Return after charges	8.25%	(20.42)%	4.34%
Other Information:			
Closing net asset value (£'000)	238,278	291,805	478,158
Closing number of shares	332,818,510	422,141,690	528,057,495
Operating charges	0.52%	0.52%	0.52%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	76.22	91.35	93.92
Lowest share price (pence)	67.89	69.51	89.79

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	230.58	289.64	276.22
Return before operating charges*	20.36	(59.01)	13.51
Operating charges	(0.02)	(0.05)	(0.09)
Return after operating charges*	20.34	(59.06)	13.42
Distributions	(11.16)	(9.54)	(9.54)
Retained distributions on accumulation shares	11.16	9.54	9.54
Closing net asset value per share	250.92	230.58	289.64
*After direct transaction costs of:	0.02	0.02	0.00
Performance:			
Return after charges	8.82%	(20.39)%	4.86%
Other Information:			
Closing net asset value (£'000)	3	5,628	3
Closing number of shares	1,000	2,440,700	1,000
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	257.5	293.7	296.4
Lowest share price (pence)	226.5	229.4	276.5

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2023 (pence per share)	Financial Year Ended 30 September 2022 (pence per share)	Financial Year Ended 30 September 2021 (pence per share)
Change in net assets per share:			
Opening net asset value per share	73.71	96.10	94.75
Return before operating charges*	6.49	(19.24)	4.64
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges*	6.47	(19.26)	4.61
Distributions on income shares	(3.46)	(3.13)	(3.26)
Closing net asset value per share	76.72	73.71	96.10
*After direct transaction costs of:	0.01	0.01	0.00
Performance:			
Return after charges	8.78%	(20.04)%	4.87%
Other Information:			
Closing net asset value (£'000)	576	553	4,114
Closing number of shares	750,278	750,278	4,280,913
Operating charges	0.02%	0.02%	0.03%
Direct transaction costs ¹	0.01%	0.01%	0.00%
Prices:			
Highest share price (pence)	81.42	97.07	99.64
Lowest share price (pence)	72.41	74.26	94.82

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

Financial Statements

Statement of Total Return for the year ended 30 September 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		33,774		(265,468)
Revenue	3	31,301		38,535	
Expenses	4	(3,634)		(5,753)	
Net revenue before taxation		27,667		32,782	
Taxation	5	-		(2)	
Net revenue after taxation			27,667		32,780
Total return before distributions			61,441		(232,688)
Distributions	6		(31,288)		(38,552)
Change in net assets attributable to shareholders from investment activities			30,153		(271,240)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		787,131		1,330,187
Amounts receivable on issue of shares	52,345		60,534	
Amounts payable on cancellation of shares	(291,843)		(356,108)	
		(239,498)		(295,574)
Dilution adjustment		1,349		781
Change in net assets attributable to shareholders from investment activities		30,153		(271,240)
Retained distributions on accumulation shares		18,172		22,977
Closing net assets attributable to shareholders		597,307		787,131

Financial Statements cont.

Balance Sheet as at 30 September 2023

	Notes	2023 £'000	2022 £'000
Assets:			
Fixed assets:			
Investments	13	580,883	753,927
Current assets:			
Debtors	8	16,825	43,592
Cash and bank balances	9	13,156	16,787
Total assets		610,864	814,306
Liabilities:			
Investment liabilities	13	(2,041)	(4,845)
Creditors:			
Bank overdrafts	9	(6,829)	(223)
Distributions payable		(1,879)	(3,187)
Other creditors	10	(2,808)	(18,920)
Total liabilities		(13,557)	(27,175)
Net assets attributable to shareholders		597,307	787,131

Notes to the Financial Statements

1 Net capital gains/(losses)

	2023	2022
	£'000	£'000
Non-derivative securities	18,399	(217,245)
Derivative contracts	(506)	(5,686)
Forward currency contracts	15,680	(42,309)
Currency gains/(losses)	209	(219)
Transaction costs	(8)	(9)
Net capital gains/(losses)	33,774	(265,468)

2 Purchases, sales and transaction costs

	2023	2022
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	345,753	391,374
Purchases including transaction costs	345,753	391,374

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

	2023	2022
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs	535,339	723,349
Sales net of transaction costs	535,339	723,349

	2023	2022
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	36	64

	2023		2022	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	36	0.01	64	0.01
Taxes	-	0.00	-	0.00
Total direct transaction costs	36	0.01	64	0.01

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2023	2022
	%	%
Average portfolio dealing spread	0.66	0.73

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

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

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

	2023	2022
	£'000	£'000
Interest on debt securities	31,596	41,150
Bank interest	497	49
Swaps interest	(792)	(2,664)
Total revenue	31,301	38,535

Notes to the Financial Statements cont.

4 Expenses

	2023	2022
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	3,529	5,579
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	52	78
Bank charges	39	85
Bank overdraft interest	2	-
	93	163
Other expenses:		
Audit fee	12	11
Total expenses	3,634	5,753

5 Taxation

	2023	2022
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	-	2
Total taxation	-	2

The Fund is subject to corporation tax at 20% (2022: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2023	2022
	£'000	£'000
Net revenue before taxation	27,667	32,782
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2022: 20%)	5,533	6,556
Effects of:		
Interest distributions	(6,255)	(7,704)
Overseas tax on coupons	-	2
Management expenses charged to capital	727	1,151
Tax on undistributed income carried forward	(5)	(3)
Total taxation	-	2

Notes to the Financial Statements cont.

6 Distributions

	2023	2022
	£'000	£'000
Interim to 31 October	2,038	2,755
Interim to 30 November	1,965	2,670
Interim to 31 December	2,390	2,654
Interim to 31 January	2,360	2,634
Interim to 28 February	2,324	2,564
Interim to 31 March	2,257	2,455
Interim to 30 April	2,064	2,371
Interim to 31 May	1,963	2,296
Interim to 30 June	1,968	2,219
Interim to 31 July	3,162	2,179
Interim to 31 August	3,099	2,145
Final to 30 September	4,499	9,939
	30,089	36,881
Amounts deducted on cancellation of shares	1,556	1,960
Amounts added on issue of shares	(357)	(289)
Total distributions	31,288	38,552

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

	2023	2022
	£'000	£'000
Net revenue after taxation for the year	27,667	32,780
Add expenses allocated to capital	3,634	5,753
Add distributable revenue brought forward	14	33
Less distributable revenue carried forward	(27)	(14)
Net distributions for the year	31,288	38,552

Notes to the Financial Statements cont.

8 Debtors

	2023	2022
	£'000	£'000
Receivable for issue of shares	1	-
Sales awaiting settlement	3,548	12,807
Accrued income	10,142	13,548
VAT recoverable	1	2
Collateral held by counterparties	1,835	17,230
Amounts due from clearing brokers	534	-
Amounts due from clearing house	752	-
Other debtors	12	5
Total debtors	16,825	43,592

9 Cash and bank balances

	2023	2022
	£'000	£'000
Sterling amounts held at clearing houses and brokers	1,616	2,486
Foreign amounts held at clearing houses and brokers	2,019	5,568
Sterling bank accounts	9,521	8,733
	13,156	16,787
Sterling bank accounts overdrawn	(6,829)	(223)
Total cash and bank balances	6,327	16,564

10 Other creditors

	2023	2022
	£'000	£'000
Payable for cancellation of shares	2,188	7,952
Purchases awaiting settlement	349	7,098
Due to the ACD or associates	245	352
Due to the Depositary or associates	18	26
Collateral held on behalf of counterparty	-	3,480
Other accrued expenses	8	12
Total other creditors	2,808	18,920

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 annual management charge 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:

	2023	2022
	%	%
ACD and associates of the ACD	0.00	0.71

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.22	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.23
A Accumulation Shares	5,045,630	1,041,530	(2,881,943)	(852,126)	2,353,091
A Income Shares	5,115,286	69,250	(1,596,170)	(1,605,205)	1,983,161
B Accumulation Shares	241,252,330	16,306,604	(93,319,091)	544,205	164,784,048
B Income Shares	422,141,690	7,140,951	(98,620,372)	2,156,241	332,818,510
C Accumulation Shares	2,440,700	4,673,096	(7,112,796)	-	1,000
C Income Shares	750,278	-	-	-	750,278

13 Basis of valuation

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1: Quoted prices	-	-	5,861	-
Level 2: Observable market data	580,883	(2,041)	745,706	(4,845)
Level 3: Unobservable data	-	-	2,361	-
Total	580,883	(2,041)	753,927	(4,845)

Notes to the Financial Statements cont.

14 Credit ratings

Rating Block	2023		2022	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	414,455	69.39	379,017	48.15
High Yield	166,428	27.86	371,854	47.24
Total	580,883	97.25	750,871	95.39
Other	16,424	2.75	36,260	4.61
Net Assets	597,307	100.00	787,131	100.00

15 Derivatives and other financial instruments

Currency exposures

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

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2023			2022		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	655	(3,860)	(3,204)	776	(6,949)	(6,173)
UK sterling	7,429	585,490	592,919	24,745	771,029	795,774
US dollar	1,364	(2,787)	(1,423)	4,792	(14,997)	(10,205)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2023				2022			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	655	133,042	-	133,698	776	212,173	-	212,949
UK sterling	23,243	410,774	207,226	641,242	38,822	361,046	399,609	799,477
US dollar	1,364	69,116	-	70,480	4,792	170,335	-	175,127

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2023				2022			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	-	136,902	136,902	-	-	219,122	219,122
UK sterling	48,323	-	-	48,323	3,703	-	-	3,703
US dollar	-	-	71,903	71,903	-	-	185,332	185,332

Totals may not sum due to rounding.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	Credit default swaps £'000	Cash collateral held £'000	Total exposure £'000	Credit default swaps £'000	Cash collateral held £'000	Total exposure £'000
	Goldman Sachs	-	-	-	£3,056	(3,480)

Collateral pledged on derivatives was:

	2023 £'000	2022 £'000
Cash collateral pledged on derivatives		
HSBC	420	5,320
NatWest	1,415	11,910

In addition, the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil.

Notes to the Financial Statements cont.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2023	2022
	%	%
Fund VaR:	3.87	4.16
Index VaR:	3.47	3.57

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and comparative index constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Table

Interim distribution for the period ended 31 October 2022

Group 1 : shares purchased prior to 1 October 2022

Group 2 : shares purchased 1 October 2022 to 31 October 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.11.22)	Distribution (paid/accumulated 29.11.21)
	31.10.22 pence per share	31.10.22 pence per share	31.10.22 pence per share	31.10.21 pence per share
A Accumulation				
Group 1	0.40000	-	0.40000	0.40000
Group 2	0.15699	0.24301	0.40000	0.40000
A Income				
Group 1	0.15000	-	0.15000	0.15000
Group 2	0.09354	0.05646	0.15000	0.15000
B Accumulation				
Group 1	0.50000	-	0.50000	0.50000
Group 2	0.15364	0.34636	0.50000	0.50000
B Income				
Group 1	0.20000	-	0.20000	0.20000
Group 2	0.06179	0.13821	0.20000	0.20000
C Accumulation				
Group 1	0.65000	-	0.65000	0.65000
Group 2	0.01050	0.63950	0.65000	0.65000
C Income				
Group 1	0.20000	-	0.20000	0.20000
Group 2	0.20000	-	0.20000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 30 November 2022

Group 1 : shares purchased prior to 1 November 2022

Group 2 : shares purchased 1 November 2022 to 30 November 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.12.22)	Distribution (paid/accumulated 30.12.21)
	30.11.22 pence per share	30.11.22 pence per share	30.11.22 pence per share	30.11.21 pence per share
A Accumulation				
Group 1	0.40000	-	0.40000	0.40000
Group 2	-	0.40000	0.40000	0.40000
A Income				
Group 1	0.15000	-	0.15000	0.15000
Group 2	-	0.15000	0.15000	0.15000
B Accumulation				
Group 1	0.50000	-	0.50000	0.50000
Group 2	-	0.50000	0.50000	0.50000
B Income				
Group 1	0.20000	-	0.20000	0.20000
Group 2	0.02826	0.17174	0.20000	0.20000
C Accumulation				
Group 1	0.65000	-	0.65000	0.65000
Group 2	0.48930	0.16070	0.65000	0.65000
C Income				
Group 1	0.20000	-	0.20000	0.20000
Group 2	0.20000	-	0.20000	0.20000

Distribution Table cont.

Interim distribution for the period ended 31 December 2022

Group 1 : shares purchased prior to 1 December 2022

Group 2 : shares purchased 1 December 2022 to 31 December 2022

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.01.23)	Distribution (paid/accumulated 28.01.22)
	31.12.22 pence per share	31.12.22 pence per share	31.12.22 pence per share	31.12.21 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	0.72000	-	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 31 January 2023

Group 1 : shares purchased prior to 1 January 2023

Group 2 : shares purchased 1 January 2023 to 31 January 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 27.02.23)	Distribution (paid/accumulated 25.02.22)
	31.01.23 pence per share	31.01.23 pence per share	31.01.23 pence per share	31.01.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	-	0.72000	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 28 February 2023

Group 1 : shares purchased prior to 1 February 2023

Group 2 : shares purchased 1 February 2023 to 28 February 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.03.23)	Distribution (paid/accumulated 30.03.22)
	28.02.23 pence per share	28.02.23 pence per share	28.02.23 pence per share	29.02.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	0.72000	-	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim distributions for the period ended 31 March 2023

Group 1 : shares purchased prior to 1 March 2023

Group 2 : shares purchased 1 March 2023 to 31 March 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 27.04.23)	Distribution (paid/accumulated 28.04.22)
	31.03.23 pence per share	31.03.23 pence per share	31.03.23 pence per share	31.03.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	0.72000	-	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 30 April 2023

Group 1 : shares purchased prior to 1 April 2023

Group 2 : shares purchased 1 April 2023 to 30 April 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.05.23)	Distribution (paid/accumulated 30.05.22)
	30.04.23 pence per share	30.04.23 pence per share	30.04.23 pence per share	30.04.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	0.72000	-	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 31 May 2023

Group 1 : shares purchased prior to 1 May 2023

Group 2 : shares purchased 1 May 2023 to 31 May 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.06.23)	Distribution (paid/accumulated 29.06.22)
	31.05.23 pence per share	31.05.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	-	0.72000	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim distribution for the period ended 30 June 2023

Group 1 : share purchased prior to 1 June 2023

Group 2 : share purchased 1 June 2023 to 30 June 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.07.23)	Distribution (paid/accumulated 28.07.22)
	30.06.23 pence per share	30.06.23 pence per share	30.06.23 pence per share	30.06.22 pence per share
A Accumulation				
Group 1	0.65000	-	0.65000	0.40000
Group 2	-	0.65000	0.65000	0.40000
A Income				
Group 1	0.20000	-	0.20000	0.15000
Group 2	-	0.20000	0.20000	0.15000
B Accumulation				
Group 1	0.69000	-	0.69000	0.50000
Group 2	-	0.69000	0.69000	0.50000
B Income				
Group 1	0.21000	-	0.21000	0.20000
Group 2	-	0.21000	0.21000	0.20000
C Accumulation				
Group 1	0.72000	-	0.72000	0.65000
Group 2	0.72000	-	0.72000	0.65000
C Income				
Group 1	0.24000	-	0.24000	0.20000
Group 2	0.24000	-	0.24000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 31 July 2023

Group 1 : shares purchased prior to 1 July 2023

Group 2 : shares purchased 1 July 2023 to 31 July 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.08.23)	Distribution (paid/accumulated 30.08.22)
	31.07.23 pence per share	31.07.23 pence per share	31.07.23 pence per share	31.07.22 pence per share
A Accumulation				
Group 1	0.90000	-	0.90000	0.40000
Group 2	-	0.90000	0.90000	0.40000
A Income				
Group 1	0.39000	-	0.39000	0.15000
Group 2	-	0.39000	0.39000	0.15000
B Accumulation				
Group 1	1.00000	-	1.00000	0.50000
Group 2	-	1.00000	1.00000	0.50000
B Income				
Group 1	0.40000	-	0.40000	0.20000
Group 2	-	0.40000	0.40000	0.20000
C Accumulation				
Group 1	1.40000	-	1.40000	0.65000
Group 2	1.40000	-	1.40000	0.65000
C Income				
Group 1	0.41000	-	0.41000	0.20000
Group 2	0.41000	-	0.41000	0.20000

Distribution Table cont.

Interim Distribution for the period ended 31 August 2023

Group 1 : shares purchased prior to 1 August 2023

Group 2 : shares purchased 1 August 2023 to 31 August 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.09.23)	Distribution (paid/accumulated 29.09.22)
	31.08.23 pence per share	31.08.23 pence per share	31.08.23 pence per share	31.08.22 pence per share
A Accumulation				
Group 1	0.90000	-	0.90000	0.40000
Group 2	-	0.90000	0.90000	0.40000
A Income				
Group 1	0.39000	-	0.39000	0.15000
Group 2	-	0.39000	0.39000	0.15000
B Accumulation				
Group 1	1.00000	-	1.00000	0.50000
Group 2	-	1.00000	1.00000	0.50000
B Income				
Group 1	0.40000	-	0.40000	0.20000
Group 2	-	0.40000	0.40000	0.20000
C Accumulation				
Group 1	1.40000	-	1.40000	0.65000
Group 2	1.40000	-	1.40000	0.65000
C Income				
Group 1	0.41000	-	0.41000	0.20000
Group 2	0.41000	-	0.41000	0.20000

Distribution Table cont.

Final distribution for the period ended 30 September 2023

Group 1 : shares purchased prior to 1 September 2023

Group 2 : shares purchased 1 September 2023 to 30 September 2023

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.10.23)	Distribution (paid/accumulated 28.10.22)
	30.09.23 pence per share	30.09.23 pence per share	30.09.23 pence per share	30.09.22 pence per share
A Accumulation				
Group 1	1.40000	-	1.40000	3.10000
Group 2	0.44879	0.95121	1.40000	3.10000
A Income				
Group 1	0.53000	-	0.53000	1.10000
Group 2	0.12813	0.40187	0.53000	1.10000
B Accumulation				
Group 1	1.57000	-	1.57000	2.71000
Group 2	0.40872	1.16128	1.57000	2.71000
B Income				
Group 1	0.56000	-	0.56000	0.74000
Group 2	0.11102	0.44898	0.56000	0.74000
C Accumulation				
Group 1	2.02000	-	2.02000	2.39000
Group 2	2.02000	-	2.02000	2.39000
C Income				
Group 1	0.56000	-	0.56000	0.93000
Group 2	0.56000	-	0.56000	0.93000

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, subscriptions facilitated 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 subscriptions facilitated by the ACD and by 'redemptions' of shares we mean cancellations by the Company and redemptions by the ACD.

The COLL Rules acknowledge that the need to make a dilution adjustment may depend on the volume of purchases of shares or redemptions of shares. Accordingly, the ACD reserves the right at its sole discretion to impose a dilution adjustment in the following circumstances:

- (a) If the sub-fund is experiencing steady decline (net outflow of investment).
- (b) If the sub-fund is experiencing steady growth (net inflow of investment).

- (c) If the sub-fund is experiencing large levels of net purchases or net redemptions relative to its size.
- (d) Where the sub-fund experiences net purchases or net redemptions on any Dealing Day exceeding a particular value or a particular percentage of the value of the sub-fund.
- (e) In any other circumstances where the ACD believes it will be in the interests of shareholders to make a dilution adjustment.

The ACD is currently of the opinion that it is in the best interests of shareholders in the Company to make a dilution adjustment whenever dealings in the shares of any sub-fund result in shares in that sub-fund being issued or cancelled by the Company. The ACD believes that this policy should result in no significant dilution occurring. The adjustment will take account of any spread between the buying and selling prices of the relevant sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's investments results in significant movement in the prices of these investments the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a sub-fund. The ACD has thresholds for the sub-funds for daily net inflows or outflows of cash into or out of the sub-funds. Above these thresholds, which vary by sub-fund and according to market conditions, the ACD will increase the dilution adjustment to reflect the increased dealing costs incurred by the sub-funds as a result of larger inflows and outflows. A consequence of this policy is, however, that smaller transactions made on any day that the relevant threshold is exceeded will 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 charge to SDRT when shareholders surrender or redeem shares. However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge of SDRT may apply.

Taxation Reporting

In order to fulfil its legal obligations, the ACD is required to collect and report certain information about shareholders (and in some circumstances the shareholder's controlling persons), including their identity, tax residency, tax status and financial information relating to their shareholding. 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-fund. 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.

With effect from 1 March 2022, Class A shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held shares in this Class as at 28 February 2022 and who will continue to hold shares in this Class.

Where Class C shares are available, they are only available to persons to whom the ACD, or 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.

The minimum lump sum investment amounts are shown in the table on page 195.

Equalisation

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares subscribed for during a distribution period are called Group 2 shares. Shares subscribed for during any previous distribution period are called Group 1 shares. Group 2 shares contain in their subscription 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 subscription. The amount of

General Information cont.

Equalisation cont.

equalisation is averaged across all the shareholders of Group 2 shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

An 'income equalisation-like' mechanism will be operated by the ACD for conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those converting their shares and other shareholders in the affected classes.

Fund Charges and Costs

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

Conflicts of Interest

From time to time, there may be situations that give rise to a material interest or conflict of interest. Such interests can arise between the interests of the ACD, the Investment Adviser, other persons associated with them and the interests of the sub-funds and their shareholders. A material interest or a conflict of interest can also arise between the interests of different shareholders. In such circumstances the ACD will put in place effective organisational and administrative arrangements to manage and monitor the material interest or conflict of interest in a way that ensures shareholders are treated fairly, or where it is impractical to manage the conflict, it will be disclosed.

The ACD, the Investment Adviser and other persons associated with them 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 interests of the Company so far as practicable, having regard to its 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.

Full details of the ACD's conflicts of interest policy can be inspected at the offices of the ACD at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN during normal business hours.

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General Information cont.

Third Party Data Provider Disclaimers cont.

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General Information cont.

Minimum Lump Sum Investments and Annual Management Charge

	Class A	Class B ¹	Class C
Minimum lump sum investments:			
Baillie Gifford Emerging Markets Bond Fund	£1,000	£100,000	£250,000
Baillie Gifford High Yield Bond Fund	£1,000	£100,000	£250,000
Baillie Gifford Investment Grade Bond Fund	£1,000	£100,000	£250,000
Baillie Gifford Investment Grade Long Bond Fund	n/a	£100,000	£250,000
Baillie Gifford Strategic Bond Fund	£1,000	£100,000	£250,000
Annual management charge:			
Baillie Gifford Emerging Markets Bond Fund	1.10%	0.40%	Nil
Baillie Gifford High Yield Bond Fund	1.00%	0.35%	Nil
Baillie Gifford Investment Grade Bond Fund	1.00%	0.25%	Nil
Baillie Gifford Investment Grade Long Bond Fund	n/a	0.25%	Nil
Baillie Gifford Strategic Bond Fund	1.00%	0.50%	Nil

¹Applicable to new investors from 1 March 2022. Further details are provided in the Prospectus of the minimum lump sum applicable to investors in Baillie Gifford Funds prior to 1 March 2022.

The Group's Funds

Baillie Gifford Bond Funds ICVC

Baillie Gifford Emerging Markets Bond Fund

Baillie Gifford High Yield Bond Fund

Baillie Gifford Investment Grade Bond Fund

Baillie Gifford Investment Grade Long Bond Fund¹

Baillie Gifford Strategic Bond Fund

Baillie Gifford Investment Funds ICVC

Baillie Gifford Climate Optimism Fund

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 Sustainable Multi Asset Fund

Baillie Gifford Investment Funds II ICVC

Baillie Gifford Health Innovation Fund

Baillie Gifford Japanese Income Growth Fund

Baillie Gifford Sterling Aggregate Bond Fund

Baillie Gifford Sustainable Growth Fund²

Baillie Gifford Sustainable Income Fund³

Baillie Gifford UK Equity Core Fund

Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund

Baillie Gifford China Fund

Baillie Gifford Developed Asia Pacific Fund

Baillie Gifford Emerging Markets Growth Fund

Baillie Gifford Emerging Markets Leading Companies Fund

Baillie Gifford European Fund

Baillie Gifford Global Discovery Fund

Baillie Gifford Japanese Fund

Baillie Gifford Japanese Smaller Companies Fund

Baillie Gifford Pacific Fund

Baillie Gifford UK & Balanced Funds ICVC

Baillie Gifford British Smaller Companies Fund

Baillie Gifford Global Alpha Paris-Aligned 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

Glenfinlas Global Fund⁴

¹ With effect from 6 December 2023 Baillie Gifford Investment Grade Long Bond fund will no longer be available for subscription.

² With effect from 31 March 2023 the name of Baillie Gifford Global Stewardship Fund was changed to Baillie Gifford Sustainable Growth Fund.

³ With effect from 31 March 2023 the name of Baillie Gifford Global Multi Asset Income Fund was changed to Baillie Gifford Sustainable Income Fund.

⁴ Glenfinlas 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.

