

29 April 2024

If there is anything in this letter which you do not understand or if you are in any doubt as to what action to take, you should consult with an adviser authorised under the Financial Services and Markets Act 2000 immediately. If you require assistance finding a financial adviser, please contact our Client Relations Team who can provide details of an organisation that can assist you further to find an advisor in your area.

Dear Shareholder

Fund Costs and an Increase in our Funds' Ongoing Charges Figures

This letter is to inform you of a change that we, Baillie Gifford & Co Ltd, are making to our range of UK OEIC funds (the 'Funds'), in which you are an investor. As a result, the ongoing charges of the Funds will increase.

Background

All funds incur costs to cover their day-to-day operations. For our Funds these costs currently include:

- the annual management charge, which is paid to us, as the Authorised Corporate Director (the 'ACD') of the Fund,
- fees for the depositary, custodian and auditors,
- regulatory fees,
- fees for other professional advisory services, and
- if the Fund invests in other funds, the costs and expenses of those funds.

These costs make up the Fund's Ongoing Charges Figure (or 'OCF'). The OCF is expressed as a percentage and represents how the costs of the Fund relate to the value of the Fund. The costs are paid out of the Fund's assets and its daily share price reflects this. The OCFs for the B Class Shares of our Funds, which are best suited to individual investors, currently range from 0.27% to 0.83%.

What is Changing?

With effect from 1 July 2024, some additional costs, that are currently paid either by us or another Baillie Gifford entity, will be paid by the Funds instead. The additional costs being added to the OCF will be:

- costs incurred processing instructions from investors to buy and sell shares in the Fund,
- directors' insurance,
- legal fees incurred on behalf of the Funds, and
- fees for a third party to provide a pricing calculation contingency service.

How will this affect you?

The effect of this change is that Fund costs will increase and accordingly **the OCF will increase**. As the Fund costs will increase, the income available for distribution will decrease. Please note that this will affect you whether you hold income shares or accumulation shares.

For the majority of Funds, we estimate that the increase in OCF will be less than an additional 0.01% of the Fund's value. For example, an existing OCF of 0.67% will not typically increase above 0.68%.

In the attached document we have set out for each share class of every Fund the current OCF and the indicative (new) OCF. The indicative OCF includes the additional costs to be paid by the Funds. If you are not sure which class of shares you hold you can check on statements or contract notes we previously sent to you, or you can contact us using the details given at the end of this letter.

Why are we making this change?

We believe it is appropriate that the Funds pay these costs. Our research shows it is normal practice for the additional costs to be paid by funds rather than the ACD.

This change also means that the costs included in the OCF for the Funds are brought into line with other pooled fund ranges offered by Baillie Gifford. We believe this approach is more transparent and fairer for all investors.

Fund Value

We produce a Value Assessment Report that gives an in-depth analysis of whether the Funds are providing value to investors. This is produced on a yearly basis and is available on our website or on request by contacting the **Client Relations team** on **0800 917 2113** or at enquiries@bailliegifford.com. We concluded in the most recent Value Assessment Report (to 31 March 2023) that fee levels overall are fair and competitive.

We appreciate that an increase in costs borne by you as an investor in the Funds is disappointing, but we believe that the OCFs for the Funds continue to be competitive when compared to other similarly managed funds.

Do you need to take any action?

No. **You do not need to take any action** in relation to this change as it will take place automatically on 1 July 2024.

Further information

The prospectus for each Fund contains details on all charges and expenses and is available on our website <https://www.bailliegifford.com>.

If you have any queries about this change, or would like a copy of the prospectus to be sent to you (free of charge and also available in accessible formats) please contact our **Client Relations Team** on **0800 917 2113** or at enquiries@bailliegifford.com. Your call may be recorded for training or monitoring purposes.

Yours faithfully,



Derek McGowan
Director

Baillie Gifford & Co Limited as Authorised Corporate Director of the Funds