

Baillie Gifford Worldwide Global Strategic Bond Fund

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Shareholder Rights Directive Annual Disclosure  
for the period January 01, 2023 to December 31, 2023



This disclosure is produced to meet our obligation to provide enhanced reporting under the Shareholder Rights Directive (SRD) requirements. It is not marketing material. This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients.

## Our Investment Strategy

Global Strategic Bond is an actively managed strategy aiming to achieve a high level of total return, by investing in a diverse portfolio of rewarding corporate bonds which are listed, traded or dealt in on one or more Regulated Markets worldwide. We do this through bond selection based on fundamental bottom-up research as well as through asset allocation between Investment Grade and High Yield. We focus our research efforts on areas of the corporate bond market that we view as being inefficient and look to identify resilient businesses. We do not seek to add value through active currency management and have controls on interest rate risk management given our view that this is a largely efficient part of the market.

In addition, the strategy aims to promote sustainability related characteristics and contribute to the objectives of the Paris Climate Agreement through a sustainable and low-carbon approach. Sustainability-related characteristics are evaluated within the proprietary bond scoring framework. Each investment is evaluated to identify how the company contributes towards the sustainability dimensions outlined by the Sustainability Accounting Standards Board (SASB).

## How We Make Investment Decisions

We seek to add value through comprehensive fundamental research and thoughtful bond analysis. Our best ideas together form a well-diversified portfolio with deliberately limited exposure to single risk factors. The strategy's management team have an equal share of the portfolio construction vote which avoids any one individual dominating decision making. We are mindful that the risk in bond portfolios is to the downside so if one manager does not like a position, it will not be held. If there is a difference in manager enthusiasm for an investment, this is reflected through position sizing. The management team draw on the research and insights of the Baillie Gifford Credit team. Their close interaction ensures a holistic view of the opportunities across credit markets.

## Key Material Medium to Long Term Risks

The key material medium to long-term risks associated with the portfolio investments, including corporate governance matters and other risks are:

**Fundamental risk** - the permanent loss of capital. We therefore place significant emphasis in our investment management process on understanding the fundamentals of the bonds in which we invest, including environmental, social and governance factors (ESG), which may impact the sustainability of future returns.

**Derivatives risk** - we make use of derivatives both to hedge risks and for investment purposes. A series of guidelines are in place to control the use of derivatives and limit the exposures they create.

**Portfolio risk** - a failure to maintain an appropriate level of diversification at the strategy level. A series of investment guidelines are in place which are intended to ensure that there is a sufficient level of diversification.

**Liquidity risk** - a failure to maintain appropriate level of liquidity at the strategy level. We have a series of guidelines that ensure the strategy remains sufficiently liquid, to enable positions to be exited or client cash flows to be managed with minimal impact.

**Portfolio Composition**

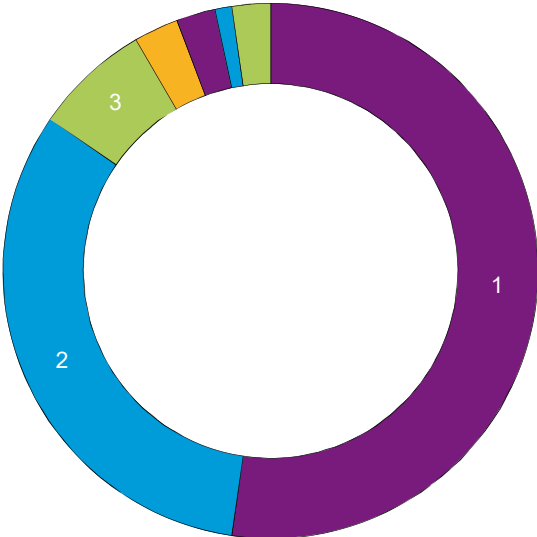
The Worldwide Global Strategic Bond Fund gives access to the most compelling investment ideas from across our Credit team in a single portfolio. With the freedom to pursue well-rewarded credit risk wherever it might appear - across borders and the credit rating spectrum - bonds are added to the portfolio based on company fundamentals. As a result, the Fund is highly differentiated from both its benchmark and its peers and is well positioned to take advantage of the wide opportunity set within global credit markets.

We aim to promote sustainability by excluding bonds operating in certain industries and investing only in companies which meet the principles embodied in the United Nations Global Compact. In addition, we aim to contribute to the objectives of the Paris Climate Agreement by maintaining a lower carbon footprint than the Index.

**Top Ten Holdings**

Asset Name	% of Portfolio
J.P. Morgan 6.4% 2038	2.1
Citigroup 4.412% 2031	2.1
NTT 1.162% 2026	2.1
MSCI Inc 4% 2029 (144A)	2.0
EIB 4.875% 2036	2.0
Investec 2.625% 2026/32 T2	1.9
KFW 0.375% 2025	1.9
Helvetia 2.75% 2031/41 T2	1.7
NatWest 7.472% 2026	1.7
Avient 5.75% 2025 (144A)	1.7

**Sector Analysis of Total Assets**



	%
1 Industrials	52.3
2 Financial	32.3
3 Quasi & Foreign Government	7.0
4 Securitized	2.7
5 Utility	2.3
6 Sovereign	1.0
7 Cash & Derivatives	2.3

Source: Baillie Gifford & Co.  
Please note that totals may not add due to rounding.

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	50

Rolling One Year Turnover is calculated as the lesser of the sum of all purchases and the sum of all sales in each month divided by the monthly average market value, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon. Purchases and sales exclude derivatives and cash.

Transaction costs:	%
Explicit transaction costs	0.00
Implicit transaction costs	0.19

Explicit costs are directly observable and include broker commissions and transaction taxes and fees. Implicit costs are the indirect costs associated with buying and selling of securities. Specifically, implicit costs represent the differential between the actual transaction price (excluding taxes and commissions) and the mid-market price of the asset when the order to transact was transmitted to a third-party. Due to the methodology used, overall transaction costs may be 'negative' if individual securities are purchased below the prevailing mid-price or conversely sold above the mid-price. Current MiFID II guidance requires us to disclose these costs, even if they result in a negative figure (i.e. an implicit gain to the investor).

Our Governance and Sustainability Approach

We look beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual issuer and a view on their long-term prospects, including material governance and sustainability factors which we believe will positively or negatively affect the financial returns of an investment. In keeping with our decentralised and autonomous culture, we are comfortable with our various investment strategies taking different approaches to reach the same goal of properly assessing and weighing up governance and sustainability considerations in the investment process. Further information regarding our approach is detailed in our Governance and Sustainability Principles and Guidelines available in the About Us section of our website.

Our Engagement Approach

We engage regularly with management and board members to identify and understand issues and to monitor performance. Analysts from the Governance and Sustainability team regularly join our investors for these meetings, in addition to meetings that they will arrange directly with company representatives to discuss specific issues. Further details of Baillie Gifford's approach to engagement as well as details of engagements undertaken can be found in the About Us section of our website under Governance and Sustainability.

## Conflicts of Interest

Baillie Gifford maintains a firm-wide Conflicts Matrix, which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. Baillie Gifford's firm wide conflict of interest disclosure is available in the Important Disclosures area of our website

We recognise the importance of managing potential conflicts of interest that may exist when we engage with or vote at a company with whom we have a material business or personal relationship and the Governance and Sustainability team is responsible for monitoring these possible material conflicts of interest.

The Governance and Sustainability team's approach to dealing with conflicts of interest in relation to voting and engagement can be found in our Investment Stewardship Activities report which is available in the Governance and Sustainability area of our website.

