

15 February 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, our website (www.bailliegifford.com) includes details of firms that can help you locate one in your area or our **Client Relations Team** can provide you with details.*

Dear Shareholder

Baillie Gifford Health Innovation Fund (the “Fund”), a sub-fund of Baillie Gifford Investment Funds II ICVC**Share Class Conversion – Y Accumulation and Y Income shares and B Accumulation and B Income shares****ISIN Codes: GB00BMVLY475, GB00BMVLY582, GB00BMVLY038 and GB00BMVLY145****Background**

We are writing to inform you of a change that we are making to the share class you are currently invested in. You currently hold Y shares. We are converting the shares in the Y share class (accumulation and income) into B shares (accumulation and income, respectively) on **15 April 2024**. Accordingly, following the valuation point on **15 April 2024**, the existing shares that you hold will all be designated B shares and the Y share class will be terminated.

We believe that this change is in the best interests of shareholders.

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 **15 April 2024** (the “Effective Date”) but we are required to give you advance notice of the change.

There are no costs to you associated with this change. Share class conversions are not treated as redemptions or sales and therefore this change will not be treated as a disposal for the purposes of Capital Gains Tax.

What is changing?

Following a review of the share classes that are available in the Fund, we have decided to convert the Y share class into the B share class. This means that the Y share class will be replaced with the equivalent B shares as your current holding. The number of shares that you hold will change as the price of the two share classes is not the same due to the historic variations in annual management charge. However, the value of your new holding in B shares will be the same as the value of your Y shares at the point of conversion.

Y shares in this Fund were only available to persons who subscribed to the Fund within the first six months of the Fund's launch on 15 December 2020, and thereafter were only available for further subscription by existing holders of such Y shares. Initially, Y shares were charged a discounted annual management charge but the annual management charge for Y and B share classes is now the same. Other charges are also consistent between the two share classes, as are the dividend yields.

Further information

There are differences in the minimum investment and redemption levels. Changes were made to the minimum investment and redemption levels for B shares with effect from 1 March 2022, in recognition of an increase in the level of direct investments being made and the limitations in our service offering in comparison with many online platforms.

The minimum initial investment and minimum holding amount for B shares is £100,000 however, these limits will not apply to shareholders converting from Y shares to B shares, for whom the limits will be nil (currently £1,000 for Y shares). The minimum subsequent investment and minimum redemption amounts are £1,000 for B shares (as set out in the prospectus of the Fund) and these limits apply to all investors, for the avoidance of doubt this will include those converting from Y class.

We are of the view that converting the Y share class into the B share class in order to reduce the number of classes of shares available would benefit shareholders, as the conversion would remove different share classes with similar terms.

We will do this conversion using an existing power within the Fund's prospectus to carry out compulsory conversions of share classes where we reasonably consider it to be in the best interests of shareholders to do so. This is also in line with recent regulatory guidance.

We will send notification of your new holding in B shares within 5 business days following the Effective Date. Please note that if you place any deals to buy or sell Y shares after 10am on 15 April 2024, we will treat this as an instruction to buy or sell B shares.

If you would prefer to convert your existing Y share class holding into B shares prior to the Effective Date, you may do so through the usual channels. This would not confer any additional benefit or incur additional cost.

If you have any queries about this change, please do not hesitate to contact our **Client Relations Team** on **0800 917 2113** or by email to enquiries@bailliegifford.com. Your call may be recorded for training or monitoring purposes.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Derek McGowan', with a stylized flourish at the end.

Derek McGowan

Director

Baillie Gifford & Co Limited as Authorised Corporate Director of Baillie Gifford Investment Funds II ICVC