

22 January 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.

Dear Shareholder,

Closure of Baillie Gifford Emerging Markets Bond Fund (the “Fund”) a sub-fund of Baillie Gifford Bond Funds ICVC (the “ICVC”)**Fund Name:****ISIN:****Background**

The purpose of this letter is to describe the change that we, Baillie Gifford & Co Limited (the “ACD”), are making in relation to the future of the Fund.

After carrying out a review of the future prospects for the Fund, we have taken the decision to close the Fund. This letter provides you with formal notice that we intend to commence termination of the Fund on 22 April 2024 (or such other date as we may notify you in writing) (the “**Closure Date**”).

Why are we closing the Fund?

Following a strategic review of our investment capabilities, Baillie Gifford & Co, the Fund’s investment adviser, and ourselves, the ACD, have concluded it to be in the best interests of shareholders to close the Fund. The vast majority of investments in the Fund (over 95%) come from other pooled vehicles managed by the ACD or associates of the ACD. In light of there being no expectation of meaningful future inflows, we, together with the Fund’s investment adviser, have determined it is no longer commercially viable to continue to operate the Fund.

The depositary of the ICVC, NatWest Trustee and Depositary Services Limited, is aware of the contents of this letter and has no objections to the closure of the Fund. As required by the rules which apply to us and the Fund, we have, today, written to the Financial Conduct Authority (the “**FCA**”) to seek formal approval to terminate the Fund. We have no reason to believe that the FCA will not provide the necessary confirmation to the termination. Following the outcome of our discussions with the

FCA, we will provide an update as to the progress of our plans to close the Fund on the Fund's page on the Baillie Gifford website which can be accessed at www.bailliegifford.com and we will also provide an update by way of an addendum to the Fund prospectus.

If for any reason, there is a change to the Closure Date or if the proposed termination does not go ahead, we shall write to you again.

Were any alternatives considered?

We considered merging the Fund with another fund managed by us, however we do not manage another fund that is similar to the Fund in terms of providing exposure to emerging markets bonds. In addition, we considered a merger with a fund managed by another manager, however, we do not believe that the fund size (after the investments held by pooled vehicles managed by the ACD or associates of the ACD are deducted) would be attractive to another manager, and accordingly we do not consider such a merger to be a commercially viable alternative to closure.

What does this mean for you at the Closure Date?

All shareholder trading in the Fund will cease with effect from 9.59am on the Closure Date (currently expected to be 22 April 2024). Any request for subscriptions, redemptions or switches in the Fund received by 9.59am on the Closure Date will be dealt with in the usual way using the price calculated at 10.00am on the Closure Date.

When will you receive your Termination Proceeds?

It is intended that shareholders in the Fund will be sent notice of their pro-rata termination proceeds ("**Termination Proceeds**") on 23 April 2024 and will receive their Termination Proceeds on or around 25 April 2024.

Any income accruing from the beginning of the accounting period to the Closure Date will be paid to shareholders as part of the Termination Proceeds. It is expected that there will be minimal income accrued between 31 March 2024 and the Closure Date.

We expect to make only one payment of Termination Proceeds to shareholders. However, should there be any residual amounts remaining that are due to shareholders after this initial payment of Termination Proceeds, a further payment may be made.

What options are available to you between now and the Closure Date?

There are a number of options available that you should consider and which are given below. If you are in any doubt about which option to take, you should seek the advice of a financial adviser authorised under the Financial Services and Markets Act 2000 ("**FSMA**") for any assistance you may require when considering these options.

Until the Closure Date (currently expected to be 22 April 2024) you may:

1. **Switch your holding into another fund within the Baillie Gifford OEIC range** by contacting us on the number below no later than 9.59am on the Closure Date. Any instruction

received after this time will not be accepted. For the avoidance of doubt, should you choose this option and switch to another fund within the Baillie Gifford OEIC range, a dilution adjustment may be applied which may reduce the value of your holding. Our Client Relations Team is able to provide indicative dilution rates for the funds upon request.

2. **Redeem your holding in the Fund and withdraw the proceeds.** Note that any instruction to redeem shares must be received by the ACD no later than 9.59am on the Closure Date. Your redemption instruction should be sent to our correspondence address Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN. A dilution adjustment may be applied which may reduce the value of your holding. Our Client Relations Team is able to provide an indicative dilution rate for the Fund upon request.
3. **Remain in the Fund until the Closure Date.** It is expected that shareholders remaining in the Fund will be sent their Termination Proceeds on or around 25 April 2024. Termination Proceeds will be paid to the bank account details that you have previously provided to us.

When considering your options please remember that we cannot comment on the appropriateness of any course of action for you and therefore recommend that you seek investment advice from an adviser authorised under FSMA.

Information about the Baillie Gifford OEIC range, available share classes and their minimum investment criteria can be found at www.bailliegifford.com or by contacting the Client Relations Team on 0800 917 2113 (UK clients and non-UK clients).

What are the tax implications?

Please note that redemption of your shares (including a switch) or receipt of Termination Proceeds could result in a crystallisation of a taxable gain by you or result in another taxable event. This will depend on your particular circumstances and if you are in any doubt about your potential liability to tax, you should seek professional advice.

Are there any costs associated with the closure?

Yes. Costs, excluding our annual management charge (see below), but including custodian and depositary fees for the period to the Closure Date and all trading costs, will be borne by the Fund, and will therefore impact the Termination Proceeds you receive. We have waived our annual management charge from 1 January 2024 to the Closure Date. In addition, we will pay the costs associated with terminating the Fund.

Trading costs will be incurred when selling down the portfolio after 10am on the Closure Date and these are expected to be around 0.25%. Where we can, we will seek to control or reduce any such costs, acting in all times in shareholders' best interests.

Indicative timeline of events

The following timeline assumes a Closure Date of 22 April 2024. In the event that there is a change to the Closure Date or our termination plans change, we shall write to you.

Event	Date
Deadline for FCA to determine Fund termination application	21 February 2024
Latest time when redemption or switch instructions will be accepted	9.59am on 22 April 2024
Shareholder trading in the Fund ceases	9.59am on 22 April 2024
Final valuation point of the Fund	10.00am on 22 April 2024
Liquidation of portfolio and termination of the Fund commences (the “ Closure Date ”)	Following the 10.00am final valuation point on 22 April 2024
Notice sent to shareholders of pro-rata Termination Proceeds	23 April 2024
Payment of Termination Proceeds	On or around 25 April 2024
Termination Accounts produced	No later than four months after the completion of the termination of the Fund

Further information

If you have any queries about this letter or the closure of the Fund, please do not hesitate to contact our Client Relations Team on 0800 917 2113. Your call may be recorded for training or monitoring purposes.

Yours faithfully,



Derek S McGowan

Director

**Baillie Gifford & Co Limited, as Authorised Corporate Director of Baillie Gifford Bond Funds
ICVC**