

FUND AIMS

The objective is to obtain a yield higher than that generally available from investment in global equities whilst, over the longer term, achieving growth in both capital and income. The Fund will invest principally in equities worldwide, but may also invest in convertibles and fixed and floating rate debt instruments from time to time. Up to (but no more than) 10% in value of the Fund may be invested in each of the following: collective investment schemes and deposits.

INVESTMENT REPORT

- The Fund converted to a global income mandate in March. We believe a globally-invested portfolio offers enhanced access to real income and capital growth opportunities, whilst exhibiting attractive diversification characteristics.
- Across many markets we see an increasing commitment to dividends as a key component of total shareholder returns. The Fund holds a selection of corporate bonds which, we believe, offer attractive yields and strong total return prospects.
- We sold Berkshire Hathaway, the diversified investment vehicle of Warren Buffet, which pays no dividend and is now highly valued after appreciating on entry to the S&P 500 Index. The proceeds were used to add to a number of positions including China Shenhua Energy, a leading Chinese coal producer, and McDonald's, the global fast food retailer.

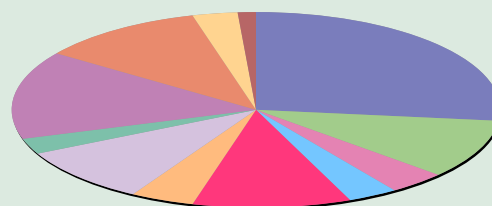
GENERAL INFORMATION

Fund Manager:	Dominic Neary
Launch Date:	1 March 2010
Fund Size:	£4.74m
IMA Sector:	Global Growth

All data as at 30 July 2010 and source Baillie Gifford unless otherwise stated.

SECTOR ANALYSIS OF TOTAL ASSETS

Financials 26.8%	Consumer Goods 9.2%
Oil & Gas 9.8%	Health Care 2.6%
Basic Materials 3.8%	Fixed 14.6%
Telecommunications 3.3%	Technology 11.0%
Industrials 10.5%	Utilities 3.0%
Consumer Services 4.2%	Cash 1.2%



TOP TEN HOLDINGS

Holdings	% of Total Assets
1 Aberforth Geared Cap & Inc Trust	4.8
2 Baillie Gifford High Yield Bond Fund	4.3
3 New York Community Bancorp	3.0
4 Philip Morris International	2.9
5 Bank of China	2.7
6 Tortoise Energy Infrastructure	2.7
7 Penn West Energy Trust	2.5
8 Total	2.2
9 TSMC	2.2
10 Brambles	2.1
	<u>29.4</u>

CHARGES

	Initial charge	Annual charge	Estimated Yield
Class A - Inc	5.00%	1.50%	4.5%
Class A - Acc	5.00%	1.50%	4.5%
Class B - Inc	1.00%	0.65%	4.5%
Class B - Acc	1.00%	0.65%	4.5%

Please note that with effect from 1 March 2010, the Baillie Gifford Income Fund changed its name and objective. Consequently the IMA sector of the Fund has changed and no historic performance has been carried forward.

BAILLIE GIFFORD GLOBAL INCOME FUND ('the Fund')

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The share price is calculated daily at 10.00am and is based on the mid value of the underlying assets of the Fund, known as the net asset value. All shares are single priced.

You should be aware of a number of risk factors:

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested.

The specific risks associated with the Fund include:

Changes in the rates of exchange may cause the value of your investment (and any income it may pay) to go down.

Corporate bonds are generally perceived to carry a greater possibility of capital loss than investment in, for example, higher rated UK government bonds.

Bonds issued by companies and governments may be adversely affected by changes in interest rates and expectations of inflation.

Further details of the risks associated with investing in the Fund can be found in the Simplified Prospectus, copies of which are available at www.bailliegifford.com or the full Prospectus which is available by calling the ACD.

Further Information

A full statement of all the terms and conditions for our products is available by contacting us as below. Any comments expressed in this factsheet should not be taken as a recommendation or advice.

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Simplified Prospectus and decide whether to contact an authorised intermediary. If you do not already have a copy, please call us on the number below. The Simplified Prospectus details your cancellation rights (if any) and shows you how charges and expenses might affect your investment.

This factsheet has been issued and approved by Baillie Gifford & Co Limited (FSA Register 119179), which is authorised and regulated by the Financial Services Authority, and which is wholly owned by Baillie Gifford & Co (FSA Register 142597), which is also authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our address is Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland.

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the above address, call our Client Relations Team free on **0800 917 2113**, (telephone calls may be recorded), visit our website at www.bailliegifford.com, or fax us on **0131 275 3955**.