

Fund objective

To achieve (after deduction of costs):

- an annualised return over rolling five-year periods that is 3.5% more than UK Base Rate
- a positive return over rolling three-year periods
- annualised volatility of returns over rolling five-year periods that is below 10%

There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

The manager believes these are appropriate targets given the investment policy of the Fund and the approach taken by the manager when investing.

There is no guarantee that these objectives will be achieved over any time period and actual results may differ from these objectives, particularly over shorter time periods.

Investment proposition

The Fund is actively managed. When constructing the portfolio, we consider the associated returns and risks prospects for each asset class; consequently, asset allocation does vary over time depending on where we see the best opportunities. The Fund can invest in a wide range of different asset classes including, but not limited to, listed equities; developed market government and corporate bonds; emerging market debt; property; commodities; infrastructure and absolute return funds.

Periodic performance

	3 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)
Class B-Acc (%)	4.8	6.2	6.9	3.7
Index (%)*	1.0	4.5	4.6	4.3
Target (%)**	1.9	8.0	8.1	7.8

Annual discrete performance

	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Class B-Acc (%)	N/A	N/A	1.6	13.4	6.2
Index (%)*	N/A	N/A	4.2	5.5	4.6
Target (%)**	N/A	N/A	7.6	8.8	8.0

Source: FE, Revolution. Total return net of charges, in sterling.

Share class returns calculated using 10am prices, while the Index is calculated close-to-close.

Share Class Inception Date: 20 May 2022.

*UK Base Rate.

**UK Base Rate +3.5%.

Fund facts

Managers	Scott Lothian / James Squires* / Felix Amoako-Kwarteng / Nicoleta Dumitru
Fund launch date	20 May 2022
Fund Size	£548.42m
IA Sector	Targeted Absolute Return
*Partner	
Source:	Baillie Gifford & Co.

Top ten holdings

Holdings	% Total Assets
UK T Bill 22/12/2025	6.1
Blackrock GBP LEAF Fund	5.2
UK T Bill 01/12/2025	3.0
Aegon ABS Opportunity Fund Acc	2.5
UK T Bill 08/12/2025	2.5
Galene Fund	2.0
Citi/BG Value Equity ETN	1.7
Sequoia Economic Infrastructure Income Fund	1.7
HSBC Global Asset Backed High Yield Bond Fund	1.7
RWE	1.6

Macroeconomic environment

Following the initial wave of tariff-driven volatility earlier in the year, the most recent period has given way to a more resilient and relatively subdued backdrop. Growth has held up better than many anticipated, supported by two powerful forces: a surge in AI-related investment driving corporate capital expenditure, and a Federal Reserve in the US willing to deliver 'precautionary' rate cuts even as inflation remains elevated.

After months of speculation, the long-trailed US tariff policy was finalised in late July with a universal 10% baseline and sharper penalties for less cooperative trading partners. The ink was barely dry, however, before the measures faced legal challenge. An appeals court has ruled them unlawful, and the case now heads to the Supreme Court by year-end. While the Administration is expected to reframe the policy on firmer legal grounds, there is also a chance that some of the 2025 tariffs will be refunded in early 2026, potentially providing an unexpected boost to growth.

Central banks are now grappling with a world where disinflation is slowing but growth has yet to crack. The Fed has resumed rate cuts after a pause, judging that softer unemployment data warrants caution, even if much of the weakness reflects changes in labour supply rather than demand. A clear risk is that easier policy rekindles demand just as inflation pressures begin to become embedded.

Elsewhere, the policy path is diverging. The UK remains constrained by persistent services inflation and limited scope to ease, while Japan is further along the path to normalisation, supported by rising wages and firmer service-sector prices. Across most emerging markets, the bias remains to cut, aided by a softer dollar and contained inflation.

Despite these crosscurrents, global activity has held up better than expected. In the US, AI investment continues to underpin growth and support equity markets. China's picture is more uneven: equities have rallied, but household confidence and property remain weak, leaving inflation near zero and the central bank leaning on currency management.

Overlaying it all is a backdrop of unresolved geopolitical tensions and tougher fiscal arithmetic. Wars in Ukraine and Gaza persist, talks with Iran have stalled, and deficits are under scrutiny as central banks unwind balance sheets. We continue to see a "stagflation-lite" path—slower growth and persistent inflation—as the most likely outcome, though a reflationary boom, echoing the late 1990s, remains a credible upside risk favouring equities and commodities.

Performance

It was a strong quarter for the portfolio, with solid absolute and risk-adjusted returns, particularly for a strategy that explicitly targets lower realised volatility. This near-term strength extends a broader period of improving performance and underlines the portfolio's resilience amid continued noise from tariffs, monetary policy shifts, and geopolitical tensions. The common thread among the strongest contributors in the portfolio was patience.

The standout performance came from our rare earth miners within the Commodities allocation. MP Materials—the only major operational rare earth mining and refinement facility in the US—more than doubled after receiving strategic support from the US Department of Defence under the One Big Beautiful Bill Act, emblematic of the broader push to secure domestic supply chains and reduce reliance on China. Lynas Corporation, Australia's leading rare earth producer, also benefited as prices turned higher. Both positions validated our long-standing thesis that these companies would gain as geopolitical priorities shifted in their favour.

Within Emerging Market equities, China was a key driver. After months of investor scepticism, stronger earnings, improved liquidity, and clearer policy support helped restore confidence. Our exposure—through CSI 500 index outperformance notes (delivering index returns plus 8%) and the BG Worldwide China A Shares Growth Fund—was established last year in anticipation of a more constructive policy stance at unusually low valuations. The recovery this quarter confirmed that view. Combined with gains from both growth and value allocations, equities were a good source of returns.

Income-generating credit assets also performed well as spreads tightened. Insurance-linked securities (ILS) and structured finance—two "alternative credit" asset classes—generated steady income and modest capital gains. Within ILS, spreads narrowed further as a quiet hurricane season and record primary issuance met strong investor demand.

Emerging Market debt added positively across hard and local currency exposures. Hard currency bonds benefited from attractive coupons, selective additions during the April tariff sell-off (notably Angola, Benin, and Kyrgyzstan), and continued improvement in higher-yielding sovereigns such as Sri Lanka and Zambia. Local currency positions in Brazil, Mexico, Hungary, Peru and Colombia were supported by renewed monetary easing and a moderately weaker dollar.

Detractors included longer-duration UK assets and protective positions within Special Opportunities. Core Infrastructure and Property were minor drags as UK real yields rose and gilt curves steepened on fiscal concerns, which we view as increasingly disconnected from fundamentals. Credit Default Swap positions also declined as spreads tightened, though we continue to see them as valuable portfolio protection.

Portfolio Changes

Adjustments to the portfolio's allocation over the quarter were consistent with the themes outlined above. We leaned further into areas where earnings resilience and structural growth drivers remain strong, trimmed positions where sharp rallies left valuations stretched, and added protection in light of persistent inflation and fiscal risks.

In High Yield Credit, we reduced exposure to developed market issuers through July and August as spreads tightened and upside potential diminished. Proceeds were reallocated to Property, where we see greater mispricing relative to fundamentals. We added to UK and European REITs trading at 25–30% discounts to NAV—valuations more consistent with a deep recession than with the stable cash flows being reported. Although these positions detracted as long-end gilt yields rose, we continue to see value supported by resilient rental growth and solid asset quality.

In Infrastructure, we completed the sale of Ørsted, having reduced exposure earlier in the year. While we remain positive on offshore wind over the long term, the near-term balance of risks—stemming from a potentially dilutive rights issue and political pressure on a large U.S. project—has turned less favourable.

We marginally increased our Listed Equity allocation via the bespoke, internally managed Equity Solution. AI-driven capital expenditure remains a powerful tailwind, with profit margins holding up despite heavy investment by hyperscalers such as Amazon, Microsoft, and Google. Labour rationalisation, early AI productivity gains, and policy incentives like accelerated R&D depreciation continue to support margins and cash generation. While valuations remain elevated, we believe they understate the durability of longer-term earnings growth. Within this allocation, we also initiated a small position in Tetragon Financial Group, a listed alternative asset manager trading at a significant discount to NAV.

Within Commodities, we adjusted our rare earths exposure, trimming MP Materials after strong gains and reallocating to Lynas Corporation to maintain conviction in the theme. Rare earths remain structurally supported by the global drive to secure strategic materials amid a fractious U.S.–China relationship.

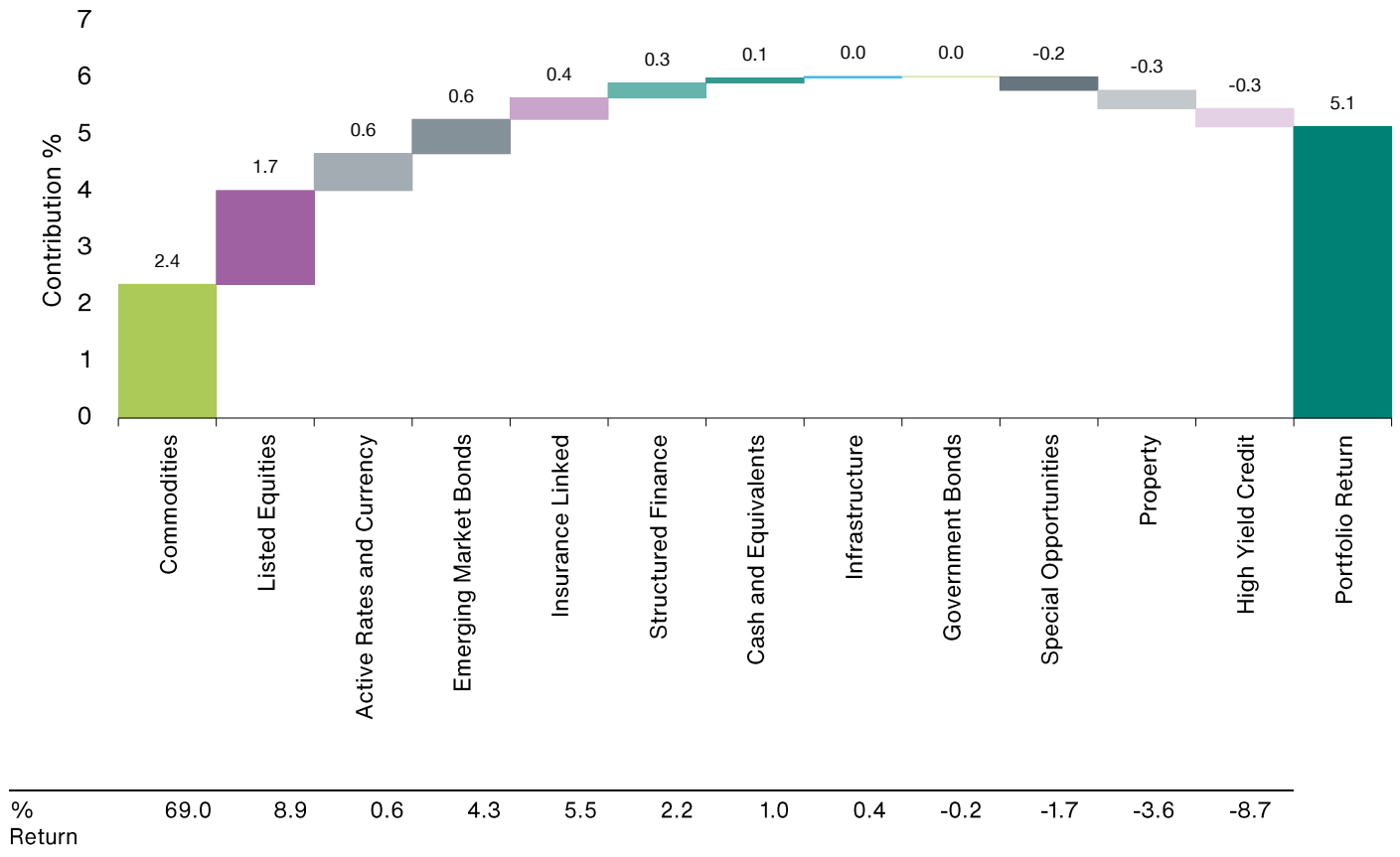
We also reduced Insurance Linked Securities (ILS), taking profits after spreads tightened further during a quiet hurricane season, with valuations running ahead of fundamentals. This was a tactical move reflecting relative value rather than a change in our broader view.

Overall, portfolio activity modestly increased predicted risk, so we added resilience by raising cash levels and expanding our U.S. CDX High Yield CDS protection. CDS continue to offer the most efficient balance of cost and coverage in a sticky-inflation environment.

Looking ahead, our base case economic view remains one of “stagflation-lite,” though we are open to a reflationary boom driven by AI investment and commodity demand. Our focus continues to be steady, risk-adjusted returns across a range of scenarios amid ongoing policy uncertainty and uneven global growth.

Asset class contributions to performance

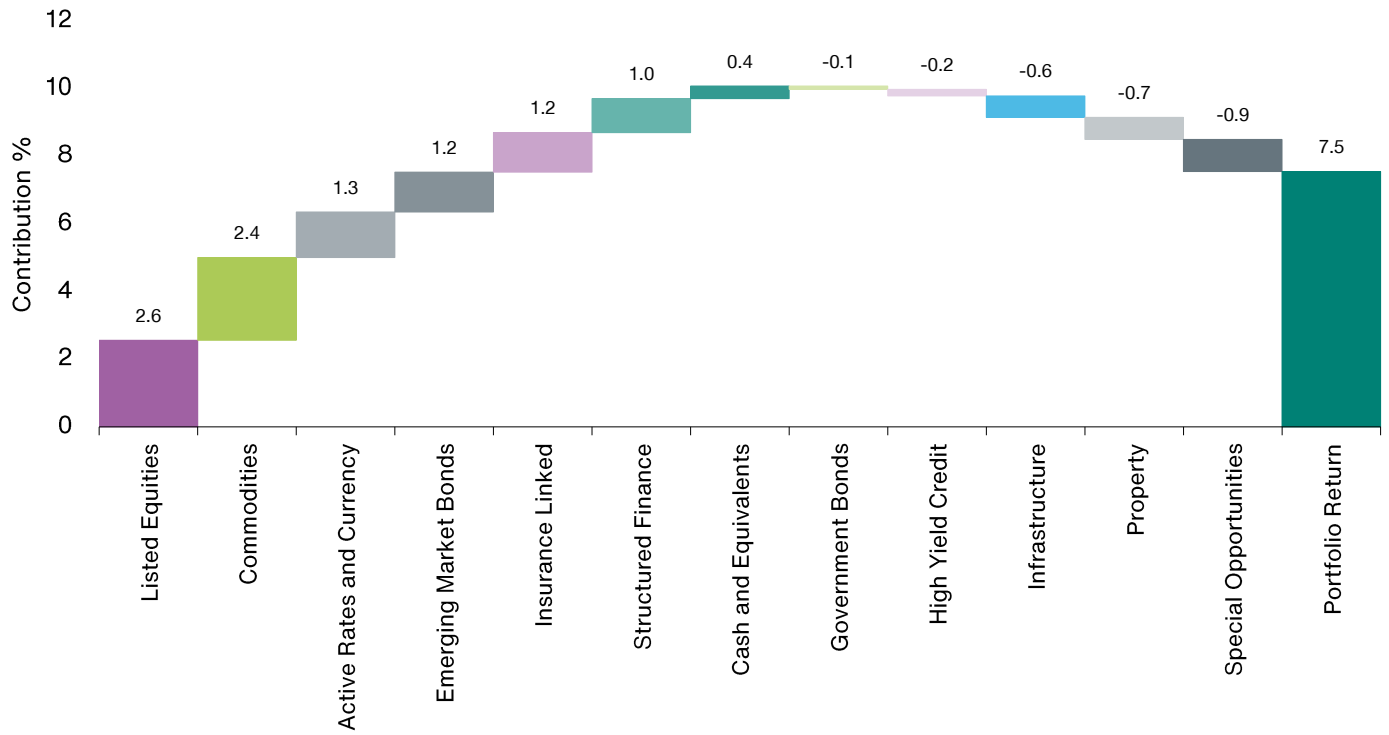
Quarter to 30 September 2025



Source: Revolution, gross of fees in sterling. Totals may not sum due to rounding

The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

One year to 30 September 2025



% Return	15.6	89.4	1.3	9.1	13.3	9.5	4.2	2.2	-5.4	-3.4	-6.1	-1.7
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Source: Revolution, gross of fees in sterling. Totals may not sum due to rounding

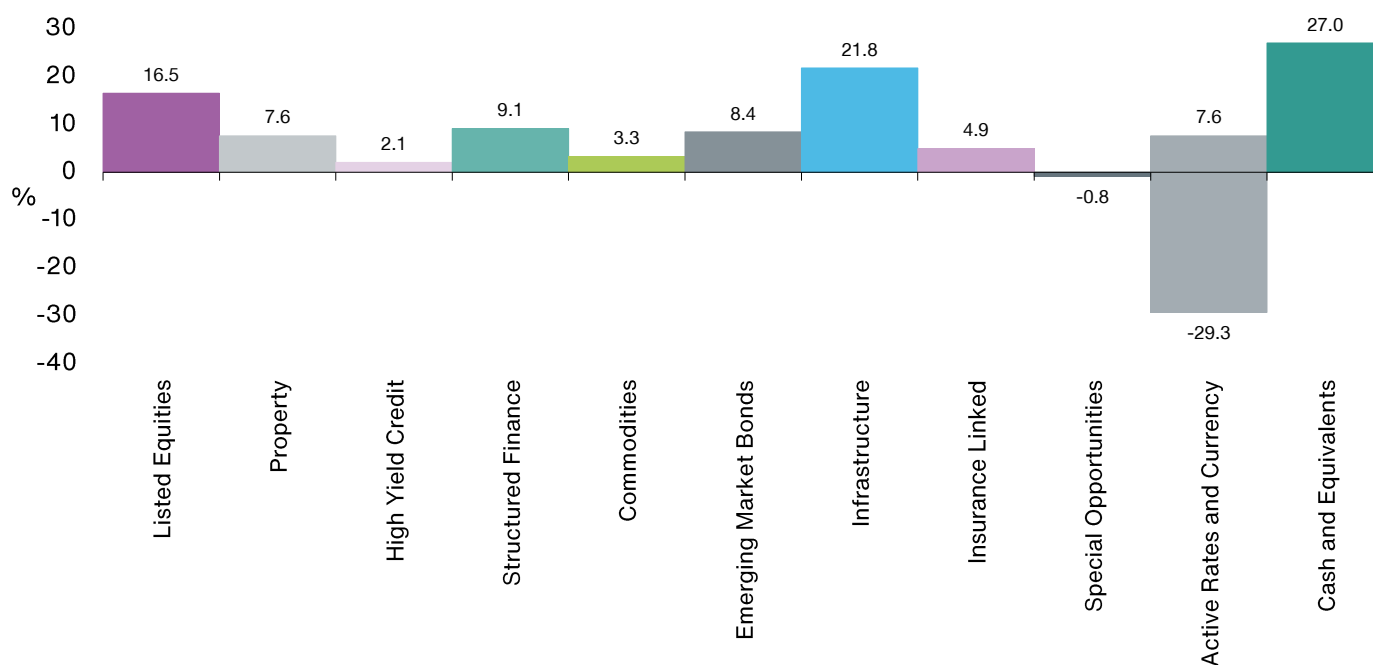
The performance attribution analysis gives an illustration of the contribution to Portfolio Return from each asset class. This differs to the calculation of the Fund return.

Asset allocation at 01 October 2025*

	(%)
Listed Equities	20.0
Property	9.3
High Yield Credit	3.0
Structured Finance	12.5
Commodities	4.3
Emerging Market Bonds	12.8
Infrastructure	26.8
Insurance Linked	7.5
Special Opportunities	-1.3
Active Rates and Currency	0.1
Cash and Equivalents	5.1
Total	100.0

*We believe the data set on 01 October is more representative of the Fund due to distorted cash flows.

A negative cash position may sometimes occur due to obligations awaiting settlement. Futures positions are included at their net exposure weight, and cash includes collateral held to back all long futures positions. Therefore, total portfolio exposure may not sum to 100%.

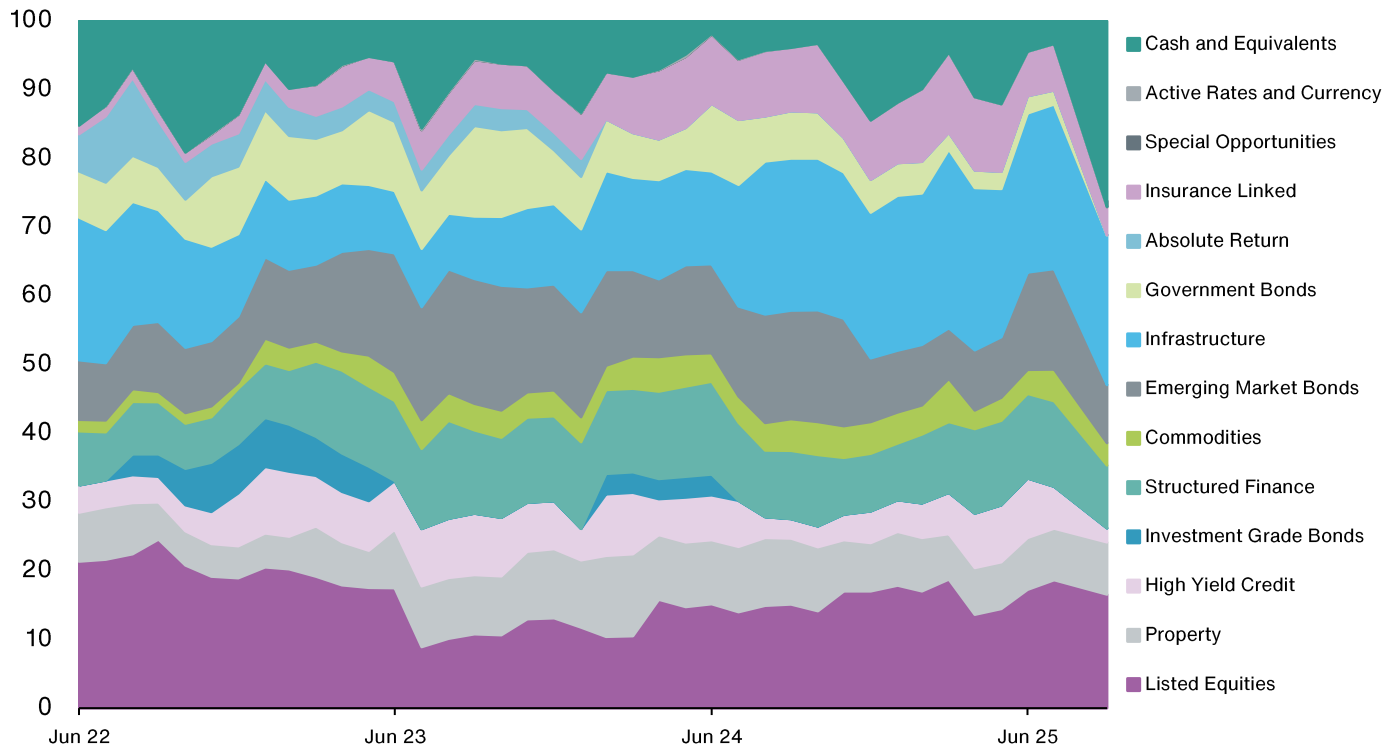
Asset class exposures at quarter end

Source: Baillie Gifford & Co

Total may not sum due to rounding

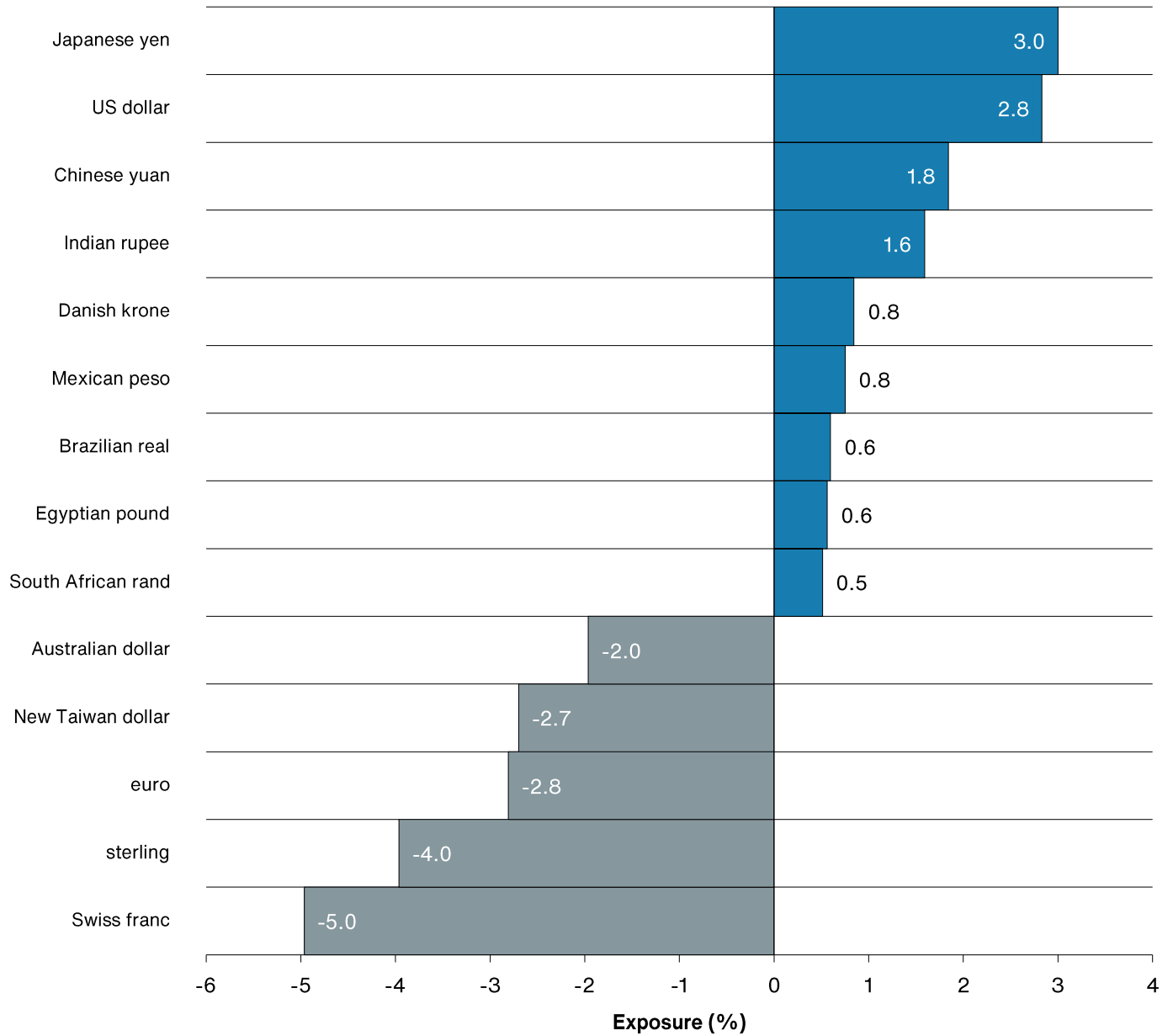
Any difference between the weight of an asset class (as shown in the Asset Allocation at Quarter End table above) and its exposure relates to future positions, as do any negative exposures. The weight shown against Active Rates and Currency reflects the net unrealised profit or loss of open positions in the Fund. In other asset classes, any negative exposures relate to futures positions.

Changes in asset allocation since launch of the Fund† (%)



† 19 May 2022

Net currency exposures at quarter end



Source: Baillie Gifford & Co. Only includes relative currency positions greater than +/- 0.5%.

The chart shows material currency positions in the Fund relative to the sterling denominated index.

The bars represent net long and short currency positions held in the portfolio including:

- Exposures gained through unhedged investments in non-sterling assets, and;
- Active Currency: currency exposures which may be return-seeking or portfolio hedges.

Asset name	Fund (%)	Exposure (%)	Asset name	Fund (%)	Exposure (%)
Listed Equities			Primary Health Properties REIT	0.5	0.5
Citi/BG Value Equity ETN	1.7	1.7	Lineage Inc	0.4	0.4
UBS Custom CSI 500 +8.65% ETN (c)	1.4	1.4	Segro Plc	0.4	0.4
Barclays Modified CSI 500 +8.5% ETN (c)	1.0	1.0	Grainger PLC	0.4	0.4
Baillie Gifford Responsible Global Equity C Accum	1.0	1.0	Shaftesbury Capital REIT	0.3	0.3
Ashoka India Equity Investment Trust	0.9	0.9	Montea NV	0.3	0.3
AppLovin	0.6	0.6	Equity Residential REIT	0.3	0.3
Shopify 'A'	0.5	0.5	Sun Communities Inc REIT	0.3	0.3
Schneider Electric SE	0.5	0.5	Prologis Inc REIT	0.3	0.3
ASML	0.5	0.5	Tritax Big Box REIT	0.3	0.3
MercadoLibre	0.5	0.5	Crown Castle International REIT	0.2	0.2
Spotify Technology SA	0.5	0.5	LondonMetric Property	0.2	0.2
Sea Ltd ADR	0.5	0.5	Target Healthcare Reit Plc	0.2	0.2
Amazon.com	0.5	0.5	Big Yellow Group	0.0	0.0
Mastercard	0.4	0.4	Total Property	7.6	7.6
Alnylam Pharmaceuticals	0.4	0.4	High Yield Credit		
Cloudflare Inc	0.4	0.4	Sequoia Economic Infrastructure Income Fund	1.7	1.7
TSMC	0.3	0.3	Brightline East 11% 2030 (144A)	0.4	0.4
Nu Holdings Ltd.	0.3	0.3	Total High Yield Credit	2.1	2.1
Vietnam Enterprise	0.3	0.3	Structured Finance		
Illumina	0.3	0.3	Aegon ABS Opportunity Fund Acc	2.5	2.5
PDD Holdings Inc	0.3	0.3	Galene Fund	2.0	2.0
Prudential	0.3	0.3	HSBC Global Asset Backed High Yield Bond Fund	1.7	1.7
Novo Nordisk	0.3	0.3	Accunia European CLO Fund EUR	0.7	0.7
Intuit	0.3	0.3	CADOG 12X E	0.5	0.5
Vinacapital Vietnam Opportunities	0.3	0.3	BNPAM 2021-1X E	0.5	0.5
New York Times Co	0.3	0.3	CONTE 6X ER	0.4	0.4
Atlas Copco B	0.3	0.3	TwentyFour Income Fund	0.4	0.4
Coupang	0.3	0.3	SNDPE 3X E	0.3	0.3
Adyen NV	0.2	0.2	Eagle Point Income	0.2	0.2
Netflix Inc	0.2	0.2	Total Structured Finance	9.1	9.1
L'Oreal	0.2	0.2	Commodities		
Experian	0.2	0.2	Lynas Corporation	1.4	1.4
The Trade Desk	0.2	0.2	MP Materials	1.2	1.2
Epiroc B	0.2	0.2	SparkChange Physical Carbon ETC	0.7	0.7
Texas Instruments	0.2	0.2	Total Commodities	3.3	3.3
Dexcom Inc	0.2	0.2	Emerging Market Bonds		
Meituan	0.2	0.2	Brazil 10% 01/01/2035	0.4	0.4
Total Listed Equities	16.5	16.5	South Africa 6.5% 28/02/41	0.3	0.3
Property			Mexico 7.75% 23/11/2034	0.3	0.3
Equinix	1.1	1.1	Egypt T Bill 16/12/2025	0.3	0.3
Ctp N.V.	0.7	0.7	Barbados 8% 26/06/2035 (USD)	0.3	0.3
American Tower Corp REIT	0.6	0.6			
Warehouses De Pauw	0.5	0.5			
Unite Group	0.5	0.5			

List of holdings

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Asset name	Fund (%)	Exposure (%)	Asset name	Fund (%)	Exposure (%)
Abu Dhabi 3.125% 30/09/2049 (USD)	0.3	0.3	Hungary 7.625% 29/03/2041 (USD)	0.1	0.1
Bahamas 8.25% 24/06/2036 (USD)	0.3	0.3	Mexico 6.75% 27/09/2034 (USD)	0.1	0.1
Chile 4.34% 07/03/2042 (USD)	0.3	0.3	Nigeria 8.375% 24/03/2029 (USD)	0.1	0.1
Kyrgyzstan 7.75% 03/06/2030 (USD)	0.3	0.3	Angola 8.25% 09/05/2028 (USD)	0.1	0.1
Poland 6% 25/10/2033	0.2	0.2	Romania 3.65% 24/09/2031	0.1	0.1
Indonesia 8.375% 15/04/2039	0.2	0.2	Nigeria Omo Bill 09/12/2025	0.1	0.1
Malaysia 3.906% 15/07/2026	0.2	0.2	Hungary 4.75% 24/11/2032	0.1	0.1
Turkiye 5.95% 15/01/2031 (USD)	0.2	0.2	Colombia 5.625% 26/02/2044 (USD)	0.0	0.0
Uzbekistan 3.9% 19/10/2031 (USD)	0.2	0.2	Chile 5% 01/03/2035	0.0	0.0
Romania 6.625% 16/05/2036 (USD)	0.2	0.2	Turkiye 6.875% 17/03/2036 (USD)	0.0	0.0
Hungary 4.5% 23/03/2028	0.2	0.2	Thailand 3.775% 25/06/2032	0.0	0.0
Colombia 6.25% 09/07/2036	0.2	0.2	Nigeria 7.625% 28/11/2047 (USD)	0.0	0.0
Ivory Coast 5.25% 2030 (EUR)	0.2	0.2	Mexico 5.75% 12/10/2110 (USD)	0.0	0.0
Mexico 6.35% 09/02/2035 (USD)	0.2	0.2	Total Emerging Market Bonds	8.4	8.4
Argentina 5% 09/01/2038 (USD)	0.2	0.2			
Mexico 8.5% 31/05/2029	0.2	0.2	Infrastructure		
Uruguay 8.25% 21/05/2031	0.2	0.2	RWE	1.6	1.6
Guatemala 6.125% 01/06/2050 (USD)	0.2	0.2	United Utilities	1.3	1.3
Sri Lanka 3.35% 15/03/2033 (USD)	0.2	0.2	Terna	1.2	1.2
Paraguay 5.4% 30/03/2050 (USD)	0.1	0.1	Severn Trent	1.1	1.1
India 7.54% 23/05/2036	0.1	0.1	Cellnex Telecom	1.0	1.0
Peru 6.9% 12/08/2037	0.1	0.1	Redeia Corporación SA	0.9	0.9
Hungary 3.125% 21/09/2051 (USD)	0.1	0.1	Prysmian	0.9	0.9
Peru 6.85% 12/08/2035	0.1	0.1	3i Infrastructure	0.9	0.9
Ecuador 5.5% 2035 (USD)	0.1	0.1	NextEra Energy	0.9	0.9
Ukraine 1.75% 01/02/2034 (USD)	0.1	0.1	Eversource Energy	0.9	0.9
Tajikistan 7.125% 14/09/2027 (USD)	0.1	0.1	Brookfield Renewable	0.8	0.8
Oman 6.5% 08/03/2047 (USD)	0.1	0.1	Getlink S.E.	0.8	0.8
Ivory Coast 6.875% 17/10/2040 (EUR)	0.1	0.1	Fortis	0.7	0.7
Turkiye 5.75% 11/05/2047 (USD)	0.1	0.1	Greencoat UK Wind	0.7	0.7
Rwanda 5.5% 09/08/2031 (USD)	0.1	0.1	EDP Renovaveis	0.7	0.7
Colombia 3.125% 15/04/2031 (USD)	0.1	0.1	Exelon Corporation	0.7	0.7
Honduras 8.625% 27/11/2034 (USD)	0.1	0.1	WEC Energy Group	0.7	0.7
Dominican Republic 11.25% 15/09/2035	0.1	0.1	CENTERPOINT ENERGY INC	0.7	0.7
Benin 8.375% 23/01/2041 (USD)	0.1	0.1	Southern	0.7	0.7
Paraguay 6.1% 11/08/2044 (USD)	0.1	0.1	Enel SpA	0.6	0.6
Honduras 5.625% 24/06/2030 (USD)	0.1	0.1	Octopus Renewables Infrastructure	0.6	0.6
Zambia 5.75% 30/06/2033 (USD)	0.1	0.1	E.ON SE	0.6	0.6
Romania 5.875% 11/07/2032 (EUR)	0.1	0.1	Foresight Environmental Infrastructure Ltd	0.6	0.6
Egypt T Bill 15/09/2026	0.1	0.1	Iberdrola SA	0.5	0.5
Czech Republic 0.25% 10/02/2027	0.1	0.1	Nexans	0.4	0.4
Sweihan 3.625% 2049	0.1	0.1	NKT Holding AS	0.4	0.4
			Renewables Infrastructure Group	0.4	0.4
			Hydro One	0.4	0.4
			Total Infrastructure	21.8	21.8
			Insurance Linked		

List of holdings

Asset name	Fund (%)	Exposure (%)
IBRD Jamaica A 2024 (144A)	1.0	1.0
Athena Re	0.8	0.8
Winston Re 2025 A (144A)	0.5	0.5
Gateway Re Ltd 2025-3 A (144A)	0.4	0.4
Gateway Re 2025-1 C2 (144A)	0.3	0.3
Vitality Re XV 2024 B (144A)	0.3	0.3
Black Kite Re Ltd 2025 A (144A)	0.3	0.3
Vitality Re XIV 2023 B (144A)	0.3	0.3
Charles River Re Ltd 2024 A (144A)	0.3	0.3
Everglades Re II Ltd 2025 C (144A)	0.2	0.2
Cape Lookout Re 2025-1 A (144A)	0.2	0.2
Integrity Re 2025-1 D (144A)	0.2	0.2
Armor Re II 2024-2 A	0.1	0.1
Total Insurance Linked	4.9	4.9
Special Opportunities		
CDIB ITRX Crossover GOS	2.7	2.7
CDIB CDX.NA.HY.43 BBI 201	2.6	2.6
CDIB CDX.NA.HY.43 MLA 201	2.5	2.5
CDIB CDX.NA.HY.44 GOS 200	1.3	1.3
CDIB ITRX Crossover GOS	0.4	0.4
CDIB ITRX Crossover GOS	-0.4	-0.4
CDIB CDX.NA.HY.44 GOS 200	-1.4	-1.4
CDIB CDX.NA.HY.43 MLA 201	-2.7	-2.7
CDIB CDX.NA.HY.43 BBI 201	-2.8	-2.8
CDIB ITRX Crossover GOS	-3.0	-3.0
Total Special Opportunities	-0.8	-0.8
Total Active Rates and Currency	0.0	-21.7
Total Cash and Equivalents	27.0	27.0
Total	100.0	78.2

Futures positions are included at their net exposure weight in the portfolio exposure column, and cash includes collateral held to back all long futures positions. Therefore, total portfolio exposure may not sum to 100%.

The weight shown against Total Active Rates and Currency reflects the net unrealised profit or loss of open positions in the Fund. Any difference between the weight of an asset class and its exposure relates to futures positions, as do any negative exposures.

Fund name	Update
Baillie Gifford Defensive Growth Fund	<p>We reduced our allocation to High Yield Credit, noting that spreads had tightened significantly since we increased the allocation earlier in the year, leaving limited upside relative to risk.</p> <p>We reallocated some of the proceeds to Property, where we see greater mispricing relative to fundamentals and thus, scope for greater upside. Our addition was targeted at UK and European REITs trading at discounts to NAV of 25% to 30% and multiples close to bottom-decile levels. These valuations are more consistent with a deep recession than with the stable cash flows being reported.</p> <p>In Infrastructure, we completed the sale of our position in Ørsted, the Danish renewable energy company, having already reduced exposure earlier in the year. While we continue to see long-term structural appeal in offshore wind, the combination of a sizeable, potentially dilutive rights issue and rising political pressure on one of its largest U.S. projects has tilted the medium-term risk-reward to the downside.</p> <p>Earlier in the quarter, we marginally increased our Listed Equity allocation, implemented via the bespoke and internally managed Equity Solution.</p> <p>AI-driven capital expenditure remains a powerful tailwind, and we see profit margins holding up better than expected despite the scale of investment by hyperscalers (such as Amazon, Microsoft and Google). Ongoing labour cost rationalisation, early uses of AI-led productivity enhancements, and supportive policy measures such as accelerated depreciation on R&D are underpinning margins and cash generation. Although valuations remain elevated by historical standards, we believe they somewhat underprice the strength and durability of potential longer-term earnings growth.</p> <p>Within our broader equity allocation, we also initiated a small, direct position in Tetragon Financial Group, a listed alternative asset manager trading at a significant discount to net asset value.</p> <p>We made modest adjustments to our Commodities allocation, specifically the rare earths exposure. This saw us benefit from the price increases of our underlying investments while also maintaining conviction in the theme. We trimmed the MP Materials holding, rotating the proceeds into Lynas Corporation. Rare earths continue to be a structurally supported theme anchored in the drive to secure key materials in a world of a tempestuous US-China relationship.</p> <p>We also reduced our Insurance Linked Securities allocation, taking profits after a strong run. Despite entering the peak hurricane season, when risk premia would typically widen, spreads tightened further amid strong investor demand. This technical environment provided an attractive opportunity to sell across various perils and maturities, locking in gains where valuations had run ahead of fundamentals. The adjustment is tactical, reflecting relative value rather than a change in our broader view of the asset class.</p> <p>Overall, the activity noted above led to a slight increase in predicted risk; hence, we also sought to ensure some added resilience for the portfolio against outcomes beyond our base case. Therefore, cash levels were allowed to rise modestly, providing dry powder to deploy when valuations across our broad investable universe become more attractive.</p> <p>In parallel, we increased our protective Credit Default Swap (CDS) in mid-August, specifically via the existing US CDX High Yield index position. We want the portfolio to remain well-positioned to withstand economic shocks should conditions evolve differently from our base case, and, in that regard, CDS offer the most efficient balance of protection and cost, strengthening resilience in scenarios such as recession or stagflation without materially reducing upside elsewhere. Compared with alternatives like long government bonds or volatility hedges, which are less effective in a sticky-inflation environment, we maintain our view that CDS provide a more effective way to protect the portfolios.</p>

Credit ratings measure the creditworthiness of a bond issuer, such as a company or government. It tells you how likely the issuer is to pay back the money borrowed when they issued the bond. A higher rating means the issuer is considered more reliable and less likely to default on their debt, while a lower rating indicates a higher risk of not getting the invested money back. Baillie Gifford uses a blend of credit ratings from two agencies, Moody's and S&P. Where there is no official rating for a bond issuer, Baillie Gifford will rate these internally. The ratings scale from highest to lowest (AAA, AA, A, BBB, BB, B, CCC, CC and C).

Voting activity

Votes cast in favour		Votes cast against		Votes abstained/withheld	
Companies	12	Companies	1	Companies	None
Resolutions	147	Resolutions	1	Resolutions	None

Company engagement

Engagement type	Company
Environmental	ASML Holding N.V., Alnylam Pharmaceuticals, Inc., Amazon.com, Inc., Cloudflare, Inc., Enel SpA, Meituan, Prysmian S.p.A., The New York Times Company
Social	Amazon.com, Inc., Cloudflare, Inc., Enel SpA, Prysmian S.p.A., Shopify Inc., The New York Times Company
Governance	Alnylam Pharmaceuticals, Inc., Amazon.com, Inc., American Tower Corporation, Cloudflare, Inc., DexCom, Inc., Equity Residential, Fortis Inc., Mastercard Incorporated, Netflix, Inc., NextEra Energy, Inc., Schneider Electric S.E., Shopify Inc., Spotify Technology S.A., Sun Communities, Inc., Texas Instruments Incorporated, The New York Times Company, The Southern Company, WEC Energy Group, Inc.
Strategy	Amazon.com, Inc., Cloudflare, Inc., DexCom, Inc., Meituan, Prysmian S.p.A., Shopify Inc., Spotify Technology S.A., The New York Times Company

For further details on company engagement please contact us. You can also find further information on how we integrate environmental, social and governance (ESG) matters into our investment approach, [here](#).

Share class	Share class inception date	ISIN	SEDOL	Annual management fee (%)	Ongoing charge figure (%)
Class B-Inc	20 May 2022	GB00BMZQ1C59	BMZQ1C5	0.45	0.56
Class B-Acc	20 May 2022	GB00BMZQ1924	BMZQ192	0.45	0.56

The table displays the primary shares classes. Other share classes may be available for those investors who have a separate arrangement. Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

The Ongoing Charges Figure ('OCF') may be lower than previous declarations as a result of a revision to how the indirect fees associated with closed-ended investment companies need to be shown. This does not necessarily mean that fund expenses have gone down rather that we have reverted to how they have been calculated until 30 June 2022 to reflect the revised Investment Association's Guidance on Disclosure of Fund Charges and Costs (July 2020, updated January 2022, revised November 2023). A more detailed Costs and Charges disclosure is available upon request

This document contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

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Additional geographical location information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

As with any investment, the clients' capital is at risk. Past performance is not a guide to future returns.

Throughout the report all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

All information as at 30 September 2025 and source is Baillie Gifford & Co unless otherwise stated.

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