

Baillie GiffordTM

Baillie Gifford Bond Funds ICVC

Annual Report and Financial Statements

for the year ended 30 September 2025



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*Collectively these comprise the Authorised Corporate Director's Report as required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

About the Company

Baillie Gifford Bond Funds ICVC (Investment Company with Variable Capital) ('the Company') is an umbrella UK Open-Ended Investment Company ('OEIC') under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001. An OEIC is a collective investment vehicle in which your funds are pooled with those of other investors and spread across a portfolio of investments, thus reducing risk.

At 30 September 2025, the Company offered three sub-funds and the range may be varied in the future. Each sub-fund is valued on a daily basis. The sub-funds are subject to different charging structures and subscription limits. All shares are single priced. Details of the sub-funds and the share classes are contained in the Prospectus, along with details of the switching facility available between sub-funds. The Prospectus was last revised on 30 April 2025 and the Instrument of Incorporation was last revised on the 22 April 2024. Copies of the Prospectus or Instrument of Incorporation can be obtained from Baillie Gifford & Co Limited, the Authorised Corporate Director ('ACD') by contacting Client Relations.

The Company is registered in Great Britain, registered number IC000402, and the address of its Head Office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. The operation of the Company is governed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') (the 'Regulations'), its Instrument of Incorporation and its Prospectus.

The Company's shareholders are not liable for its debts beyond the amount subscribed. Each sub-fund is classed as a UK UCITS retail scheme under COLL.

Any comments expressed in this report should not be taken as a recommendation or advice.

Assessment of value for the Sub-Funds

Under COLL 6.6.20R (1), Baillie Gifford & Co Limited, the ACD of the Company, must conduct an assessment at least annually for each UK authorised sub-fund it manages, of whether the payments out of the sub-funds set out in the prospectus are justified in the context of the overall value delivered to shareholders. This assessment of value must, as a minimum, consider seven criteria, namely: quality of service, performance, authorised fund manager costs, economies of scale, comparable market

rates, comparable services and classes of shares. The ACD will issue the statement of value in a separate composite report, performing the assessment across their full range of UK authorised sub-funds. The ACD has chosen a reference date of 31 March and will publish a composite report by 31 July each year. The latest report as at 31 March 2025 is available on the website at www.bailliegifford.com.

Sub-fund Cross-holdings Table

At 30 September 2025 none of the shares in the sub-funds were held by any other sub-funds of the Company.

About the Company cont.

Authorised Corporate Director

Baillie Gifford & Co Limited
(Authorised & regulated by the Financial Conduct Authority, Financial Services Register No. 119179)
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Telephone: 0800 917 2113
Fax: 0131 275 3955

Directors of the ACD

Executive

M J C Wylie (Chairman)

E Delaney

C M Fraser

L B S Haddow

D S McGowan

C M Murphy

Independent Non-Executive

K B M Bolsover

D R Buckley

C R S Turpin

Investment Adviser

Baillie Gifford & Co
(Authorised & regulated by the Financial Conduct Authority, Financial Services Register No. 142597)
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Depositary

NatWest Trustee and Depositary Services Limited
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No. 794152)
Trustee & Depositary Services
House A, Floor 0
175 Glasgow Road
Gogarburn
Edinburgh EH12 1HQ

Registrar

Baillie Gifford & Co Limited
(Authorised & regulated by the Financial Conduct Authority, Financial Services Register No. 119179)
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Baillie Gifford & Co Limited, the Authorised Corporate Director of the OEIC, is wholly owned by Baillie Gifford & Co. We only provide information about our products and do not provide investment advice.

Statement of Authorised Corporate Director's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') requires the Authorised Corporate Director to prepare financial statements for each interim and annual accounting period which give a true and fair view of the financial position of the Company and of its revenue and expenditure and of its net gains and losses on the property of the Company for the year. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of UK Authorised Funds issued in 2014;
- follow generally accepted accounting principles and applicable accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland";
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
- take reasonable steps for the prevention and detection of fraud and irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and the Regulations.

The Annual Report and Financial Statements were approved by the Authorised Corporate Director and signed on its behalf by:

*M J C Wylie, Chairman
C M Fraser, Director
Baillie Gifford & Co Limited
28 November 2025*

Statement of Depositary's Responsibilities and Report of the Depositary to the Shareholders of Baillie Gifford Bond Funds ICVC ('The Company') for the Year Ended 30 September 2025

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of the shares of the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations and;
- the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the

information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

*National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh
1 October 2025*

Independent Auditors' Report to the Shareholders of Baillie Gifford Bond Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Baillie Gifford Bond Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each sub-fund as at 30 September 2025 and of the net revenue/result and the net capital gains/losses/result on the scheme property of the Company and each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook ("the sourcebook") and the Instrument of Incorporation.

Baillie Gifford Bond Funds ICVC is an Open-Ended Investment Company ('OEIC') with four sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheets as at 30 September 2025; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Accounting policies; the Risk Disclosures and the Notes to the Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note (1) Basis of Accounting in the Accounting Policies which describes the Authorised Corporate Director's reasons why the financial statements of Baillie Gifford Emerging Markets Bond Fund (the "terminating sub-fund"), a sub-fund of Baillie Gifford Bond Funds ICVC, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability or the ability of the continuing sub-funds to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and "each of its sub-funds' ability" to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or an individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed by the engagement team included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
28 November 2025

Accounting Policies

(1) *Basis of accounting*

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Principles, the Instrument of Incorporation, the Statement of Recommended Practice ('SORP') Financial Statements of UK Authorised Funds issued in May 2014 and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). Unless otherwise stated accounting policies within these financial statements are consistent with prior year policies.

The financial statements have been prepared on a going concern basis, with the exception of Baillie Gifford Emerging Markets Bond Fund. Baillie Gifford Emerging Markets Bond Fund is no longer considered to be a going concern because the sub-fund closed on 22 April 2024 with termination proceeds paid to shareholders on 25 April 2024. Consequently the sub-fund is not a going concern and the financial statements have been prepared on a basis other than going concern. There is no impact on the financial statements or disclosure notes of Baillie Gifford Emerging Markets Bond Fund, on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to the sub-fund's residual value. Investments have been reclassified from fixed assets to current assets. The ACD will pay the costs associated with terminating the Fund.

FRS 102 requires the Company to disclose, for the financial instruments held, the level within the fair value hierarchy that the fair value measurement of those instruments should be categorised. The fair value hierarchy is as follows:

- Level 1: The unadjusted quoted price in an active market for an identical instrument.
- Level 2: Valuation techniques using observable inputs other than quoted prices included within Level 1.
- Level 3: Valuation techniques using unobservable inputs.

(2) *Recognition of income*

Debt Securities: Income on debt securities is recognised on an effective interest basis by reference to the purchase price.

Swap Agreements: Income payable or receivable on swap agreements is accrued on a daily basis.

Deposits and Other Income: Interest on deposits is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Other income is accounted for on either an accruals or a receipts basis depending on the circumstances of each particular case.

(3) *Treatment of expenses*

Expenses are recognised on an accruals basis.

For the purpose of calculating the distribution, all expenses are allocated to capital.

For all of the sub-funds, VAT is written off to the extent that it is not considered to be recoverable.

(4) *Allocation of revenue and expenses to share classes*

Revenue is allocated when earned in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund. Expenses incurred solely in respect of a share class are allocated directly to that class. Expenses incurred in respect of, or attributable to, the relevant sub-fund as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of the relevant sub-fund.

(5) *Distribution policies*

Baillie Gifford Strategic Bond Fund distributes monthly and pays interest distributions. All the other sub-funds distribute quarterly and pay interest distributions. All sub-funds pay distributions out of income.

(6) *Taxation*

Corporation tax is charged at 20% of the revenue liable to corporation tax less allowable expenses and, where applicable, interest distributions made. All sub-funds satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions are therefore made as interest distributions.

Accounting Policies cont.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted. Deferred tax assets are not discounted.

(7) *Basis of valuation of investments*

The investments of the sub-funds have been valued at the closing bid prices on 30 September 2025, or the Investment Adviser's valuation where indicated. Investments are valued using the fair value hierarchy, referenced in accounting policy 1.

(8) *Foreign exchange*

All foreign securities and currencies held at the year end have been translated into sterling at the rate of exchange ruling at 30 September 2025. Transactions during the year have been translated at the exchange rate ruling on the transaction date.

(9) *Financial Derivative Instruments*

Currency Contracts: Spot and forward currency contracts are marked to market daily and the change in value, if any, is recorded by the sub-fund as an unrealised gain or loss. Realised gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are recorded upon delivery or receipt of the currency or, if a spot or forward currency contract is offset by entering into another spot or forward currency contract with the same broker, upon settlement of the net gain or loss.

Futures Contracts: Futures contracts are marked to market daily and an appropriate gain or loss for the change in value ('variation margin') is recorded by the sub-fund as realised.

Swap Agreements: Swaps are marked to market daily based upon quotations from market makers and the change in value, if any, is recorded by the sub-fund as an unrealised gain or loss. A liquidation payment received or made at the termination of all or part of the swap is used to calculate the realised gain or loss. Costs relating to the clearing of swaps are included as part of realised gains or losses.

(10) *Contingent Assets and Contingent Liabilities*

Where circumstances arise that may result in a material transfer of economic benefit, subject to future occurrences not wholly in the sub-fund's control, a sub-fund will not recognise an asset or liability in the financial statements. Instead, a contingent asset or contingent liability will be disclosed in the notes to the financial statements.

Risk Disclosures

General Risk Management Process

The Company's overall risk management process is the responsibility of the ACD. Risks which are specific to the sub-funds are managed by the ACD in accordance with the Risk Management Policy, with oversight by the Depositary. The ACD has established a risk management framework, including a permanent risk management function, to monitor the risks in relation to the sub-funds. Where appropriate, the risk management function builds on the existing parts of the risk management framework of the Investment Adviser to make use of expertise and advice, and avoid unnecessary duplication.

The risk profile of each of the sub-funds is considered by the ACD to determine the nature and extent of risk management procedures and assess the appropriateness of disclosures made to investors. The ACD then considers the material risks facing the sub-funds via the receipt of quarterly reports from the risk management function.

Sub-Fund Risk Profile

The risk profile of a sub-fund is determined using a number of factors including market risk (comprising foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and operational risk. As described above, the ACD operates a risk management framework to oversee the risks that the sub-funds are exposed to and assess the sensitivity of a sub-fund's portfolio to these risks. The approach to managing these risks is set out below with oversight and monitoring provided by the ACD's risk management function.

Market risk

Market risk is the potential for changes in the market value of underlying investments in a sub-fund. This comprises foreign currency risk, interest rate risk and other price risk.

Asset allocation is determined by the Investment Adviser who ensures that the distribution of the sub-funds' assets is appropriate in terms of the investment objectives. Divergence from the target asset allocation is strictly controlled and the portfolio closely monitored in terms of risk.

A sub-fund may use derivatives for the purposes of hedging (which includes efficient portfolio management) and also for the purposes of meeting its investment objectives. The strategies used may include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies. In addition, derivatives are used for the purposes of efficient portfolio management. The Investment Adviser makes use of these strategies as and when it considers it appropriate to do so. Derivative investments (which may be exchange-traded and/or off-exchange) are undertaken on a covered basis and the types of asset which underlie the derivative contract are appropriate in the context of each sub-fund's investment objective and policy. The Investment Adviser's use of derivatives is constrained to a level that ensures the risk and exposure is within prescribed limits. The Investment Adviser anticipates that such use of derivatives will not have any adverse effect on the overall risk profile of any sub-fund.

The market risk of each sub-fund's financial asset and liability positions is monitored by the Investment Adviser using Value at Risk (VaR) analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. Disclosure on the VaR is contained in the Notes to the Financial Statements of each sub-fund.

Foreign currency risk

The Investment Adviser has identified three principal areas where foreign currency risk could impact the sub-funds, being where movements in exchange rates affect the value of investments, short-term timing differences and the revenue received.

A proportion of the net assets of all the sub-funds are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements. The balance sheet currency exposure is disclosed in the Notes to the Financial Statements of each sub-fund, where appropriate.

The sub-funds may be subject to short-term exposure to exchange rate movements, for instance where the date of an investment purchase and the date when the settlement occurs are different. To reduce this risk the Investment Adviser will normally execute a foreign currency contract on the transaction date wherever practicable.

Risk Disclosures cont.

The sub-funds may receive revenue in currencies other than sterling and hence movements in exchange rates can affect the sterling value of this revenue. To minimise this risk arrangements are in place to convert all revenue receipts to sterling on, or shortly after, the date of receipt.

Interest rate risk

The sub-funds are subject to interest rate risk because bond yields are linked to underlying bank rates or equivalents. Disclosure on the interest rate risk profile is contained in the Notes to the Financial Statements of each sub-fund.

Other price risk

Market price risk arises mainly from uncertainty about future prices of the financial instruments held. It represents the potential loss the sub-funds might suffer through holding market positions in the face of price movements.

Investment markets can go down as well as up and market conditions can change rapidly. This means the value of an investor's holding may go down as well as up, and an investor may not recover the amounts invested especially if investments are not held for the long term. A market price decrease applied to the assets of the sub-fund would result in a decrease on the net asset value of the sub-fund and vice versa.

Counterparty credit risk

The Investment Adviser monitors both the creditworthiness of counterparties and the extent to which the counterparty risk is diversified. The organisations with whom derivative transactions are arranged are either top rated institutions themselves or subsidiaries of such institutions. The aim is to strike a balance between spreading counterparty risk amongst a number of institutions and keeping costs low by achieving economies of scale.

Stock settlement is normally on a delivery versus payment (DVP) basis where the payment for stock is due at the time of delivery. Where stock settlement is not on a DVP basis, additional procedures are in place and approvals required to manage the settlement risks that may arise.

Liquidity risk

Liquidity risk is the potential that there are insufficient realisable assets to cater for investor redemptions. Liquidity is managed by the Investment Advisor by taking into account the investment strategy, liquidity profile, and redemption policy of each sub-fund. The level of liquidity maintained by each sub-fund is appropriate to its underlying obligations based on an assessment of the relative liquidity of the sub-fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated, and their sensitivity to other market risks or factors.

Operational risk

Failure of Baillie Gifford's accounting systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Baillie Gifford & Co have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The ACD reviews Baillie Gifford & Co's report on internal controls and the reports by other key third party providers.

Fair values

The financial assets and liabilities of the sub-funds are included in the valuation at market value or at the Investment Adviser's valuation (as indicated in the portfolio statement of the sub-funds). These values have been determined by reference to prices available from the markets on which the instruments are traded.

Remuneration Report

Baillie Gifford & Co ('Baillie Gifford') maintains a Remuneration Policy (the 'Policy') which applies to group companies, including Baillie Gifford & Co Limited (the 'Company'), which is the group's sole UK UCITS management company for the range of UK UCITS operated within the group. The Policy is subject to review on at least an annual basis by the Management Committee of Baillie Gifford and the Board of the Company. Details of the policy are set out in the Remuneration Disclosure, updated in June 2025, and are summarised below.

Application of the UCITS Remuneration Code

The Company is required to identify individuals whose professional activities have a material impact on the risk profiles of the UK UCITS it manages (known as 'Material Risk Takers'), and the UCITS Remuneration Code requirements and disclosures apply to those individuals. The list of Material Risk Takers compiled by the Company principally covers governance and control functions.

The Company delegates portfolio management and certain administration roles to other entities, namely its parent Baillie Gifford and another affiliate Baillie Gifford Overseas Limited. These delegates are not required to comply with the UCITS Remuneration Code as they are subject to regulatory requirements on remuneration that are considered equally as effective as those applicable under the UCITS Remuneration Code.

General Principles of the Policy

The Company endeavours to reward staff fairly and appropriately for their contribution towards the success of the business and the level of service and performance delivered to its clients. The Policy is designed to be consistent with and promote sound and effective risk management and should not encourage risk-taking which is inconsistent with the risk profiles of the UK UCITS the Company manages. It is designed to be in line with the Company's strategy, objectives, values and the long-term interests of investors in the UK UCITS funds it manages. The Policy has been designed to avoid conflicts of interest and is subject to independent internal review by the compliance and risk functions. In order to achieve this, the remuneration of staff is reviewed annually, taking into account individual performance and market practice for the role being undertaken.

Governance of Remuneration

Baillie Gifford's Remuneration Policy is overseen by the group's Remuneration Committee. The Remuneration Committee in turn reports to the management body of Baillie Gifford, the Management Committee. The Board of the Company also oversees adherence to the UCITS Remuneration Code.

Approach to Remuneration

The key elements of staff remuneration are:

Fixed pay: salary and pension contributions. The aim is to offer compensation which is well positioned relative to the industry, supported by a positive working environment and strong culture.

The Annual Performance Award: an annual variable compensation award determined by performance measures that are important to the firm and its clients, with measures generally shared across the firm, weighted according to the role each member performs.

A Long-Term Profit Award: an annual variable compensation award distributing a proportion of the firm's profitability to all staff, reinforcing the collegiate culture and the sense of collective responsibility and purpose. Awards will rise and fall alongside the financial performance of the firm.

These elements are balanced to achieve an appropriate ratio between fixed and variable pay. The different levels within both performance-linked and profit awards offer the opportunity for people to progress over time, in line with changes to their role, responsibilities and contribution to the firm.

Additionally, the firm's deferral arrangements enhance this common sense of purpose and longer-term view by re-investing between 10% and 50% of any award into funds that broadly represent the overall investment approach of the firm.

Full details of these arrangements can be found in the Remuneration Disclosure at www.bailliegifford.com.

Remuneration Report cont.

Remuneration Attributable to the Company

	Headcount	Total Remuneration ¹ £'000
Baillie Gifford & Co Limited		
Fixed remuneration	54	1,610
Variable remuneration	54	260
Baillie Gifford & Co Limited Remuneration Code Staff²		
Total remuneration	29	1,750

This remuneration disclosure has been provided at the level of Baillie Gifford & Co Limited as authorised fund manager of UK UCITS, as at 31 March 2025. Remuneration information at an individual AIF or UK UCITS level is not readily available.

¹The total remuneration is the proportion of overall remuneration for Baillie Gifford staff as it relates to the time spent on UK UCITS related activity for Baillie Gifford & Co Limited.

²All Material Risk Takers are senior managers or staff engaged in control functions of Baillie Gifford & Co Limited and therefore a breakdown of remuneration between senior management and other risk takers is not applicable.

Baillie Gifford™

Baillie Gifford Emerging Markets Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2025*



Investment Report

Following the closure of the Fund on 22 April 2024, the ACD is no longer actively seeking subscriptions for the Fund.

The Fund holds Ukrainian cash impacted by the ongoing conflict in Ukraine. Due to the uncertainty regarding recoverability of these assets they were fair valued at nil in the calculation of Termination Proceeds, and continue to be valued at nil. Should any value be realised for these assets in the future, a further payment will be made.

Portfolio Statement as at 30 September 2025

Stock description	Holding	Market value £'000	% of total net assets
Fixed Income - 0.00% (0.00%)		-	0.00
Portfolio of investments		-	0.00
Net other liabilities - 0.00% (0.00%)		-	0.00
Net assets		-	0.00

Please note: figures are based on market values rather than economic exposure.
Figures in brackets in the investment category headings refer to 30 September 2024.

Financial Statements

Statement of Total Return for the year ended 30 September 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital result/(losses)	1	-	-		(5,312)
Revenue	3	-	-	9,870	
Expenses	4	-	-	(105)	
Net result before taxation		-	-	9,765	
Taxation	5	-	-	(53)	
Net result after taxation			-		9,712
Total return before distributions			-		4,400
Distributions	6		-		(9,778)
Change in net assets attributable to shareholders from investment activities			-		(5,378)

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		365,906
Amounts receivable on issue of shares	-	-	1,534	
Amounts payable on cancellation of shares	-	-	(368,731)	
		-		(367,197)
Dilution adjustment		-		937
Change in net assets attributable to shareholders from investment activities		-		(5,378)
Retained distributions on accumulation shares		-		5,732
Closing net assets attributable to shareholders		-		-

Financial Statements cont.

Balance Sheet as at 30 September 2025

	Notes	2025 £'000	2024 £'000
Assets:			
Fixed assets:			
Investments	13	-	-
Current assets:			
Debtors	8	10	110
Cash and bank balances	9	-	548
Total assets		10	658
Liabilities:			
Creditors:			
Other creditors	10	(10)	(658)
Total liabilities		(10)	(658)
Net assets attributable to shareholders		-	-

Notes to the Financial Statements

1 Net capital gains/(losses)

	2025	2024
	£'000	£'000
Non-derivative securities	-	(3,675)
Derivative contracts	-	(744)
Forward currency contracts	-	(522)
Currency gains/(losses)	-	(359)
Transaction costs	-	(12)
Net capital gains/(losses)	-	(5,312)

2 Purchases, sales and transaction costs

	2025	2024
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	-	38,152
Commissions	-	-
Total transaction costs on bond purchases	-	-
Purchases including transaction costs	-	38,152

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	%	%
Transaction costs as a percentage of principal amount		
Commission on bond purchases	0.00	0.00
Taxes on bond purchases	0.00	0.00

	2025	2024
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	-	366,390
Commissions	-	-
Taxes	-	(4)
Sales net of transaction costs	-	366,386

¹There were no transaction costs on the purchase or sale of bonds.

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2025	2024
	%	%
Transaction costs as a percentage of principal amount		
Commission on bond sales	0.00	0.00
Taxes on bond sales	0.00	0.00
	2025	2024
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	-	2
	2025	2024
	£'000	% of average NAV
	% of average NAV	£'000
Portfolio transaction costs		
Commissions	-	0.00
Taxes	-	0.00
Total direct transaction costs	-	0.00
	2025	2024
	%	%
Average portfolio dealing spread	n/a	n/a

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

Notes to the Financial Statements cont.

3 Revenue

	2025	2024
	£'000	£'000
Interest on debt securities	-	9,967
Bank interest	-	216
Swaps interest	-	(313)
Total revenue	-	9,870

4 Expenses

	2025	2024
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	-	15
Expenses rebate	(5)	(13)
	(5)	2
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	-	5
Bank charges	-	96
	-	101
Other expenses:		
Audit fee	5	11
Professional fees	-	(9)
Total expenses	-	105

5 Taxation

	2025	2024
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Overseas tax	-	53
Total taxation	-	53

The Fund is subject to corporation tax at 20% (2024: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2025	2024
	£'000	£'000
Net revenue before taxation	-	9,765
Net expense before taxation multiplied by the standard rate of corporation tax of 20% (2024: 20%)	-	1,953
Interest distributions	11	(1,953)
Overseas offsetable withholding tax	-	(11)
Overseas tax on coupons	-	53
Management expenses charged to capital	-	22
Tax on undistributed income carried forward	(11)	(11)
Total taxation	-	53

6 Distributions

	2025	2024
	£'000	£'000
Interim to 31 December	-	3,816
Interim to 31 March	-	2,220
	-	6,036
Amounts deducted on cancellation of shares	-	3,757
Amounts added on issue of shares	-	(15)
Total distributions	-	9,778

The distributions take account of revenue transactions on the issue and cancellation of shares.

7 Reconciliation of net revenue to net distributions for the year

	2025	2024
	£'000	£'000
Net revenue after taxation for the year	-	9,712
Add reallocation to capital as part of termination proceeds paid	(54)	-
Add expenses allocated to capital	-	105
Add distributable revenue brought forward	54	15
Less distributable revenue carried forward	-	(54)
Net distributions for the year	-	9,778

Notes to the Financial Statements cont.

8 Debtors

	2025	2024
	£'000	£'000
Overseas tax recoverable	5	110
Amounts due from ACD	5	-
Total debtors	10	110

9 Cash and bank balances

	2025	2024
	£'000	£'000
Sterling bank accounts	-	548
Total cash and bank balances	-	548

10 Other creditors

	2025	2024
	£'000	£'000
Payable for cancellation of shares	-	548
Due to the ACD or associates	5	97
Other accrued expenses	5	13
Total other creditors	10	658

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of annual management charge are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

	2025	2024
	%	%
ACD and associates of the ACD	0.00	0.00

Notes to the Financial Statements cont.

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.24	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.25
A Income Shares	-	-	-	-	-
B Accumulation Shares	-	-	-	-	-
B Income Shares	-	-	-	-	-
C Accumulation Shares	-	-	-	-	-

13 Basis of valuation

	2025		2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	-	-	-	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	-	-	-	-

14 Credit ratings

	2025		2024	
Rating Block	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	-	-	-	-
Total	-	-	-	-
Other	-	-	-	-
Net Assets	-	-	-	-

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2025			2024		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
UK sterling	-	-	-	548	-	548
Ukrainian hryvnia	-	-	-	-	-	-

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2025				2024			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
UK sterling	-	-	-	-	548	-	-	548

Currency	2025				2024			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
UK sterling	-	-	-	-	-	-	-	-

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2025	2024
	%	%
Fund VaR:	n/a	n/a
Index VaR:	n/a	n/a

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and benchmark constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Baillie Gifford™

Baillie Gifford High Yield Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2025*



Baillie Gifford High Yield Bond Fund

Investment Objective

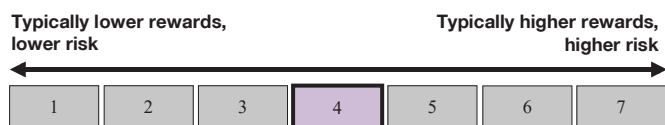
The Fund aims to produce a combination of income and capital growth.

Investment Policy

The Fund will invest at least 80% in sub-investment grade bonds. The Fund may also invest in other bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

The indicator does not take into account the following relevant material risks:

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if the underlying asset does not perform as the manager expects.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

The manager can charge some, or all, expenses to the Fund's capital, reducing its value. This amount can vary from year to year.

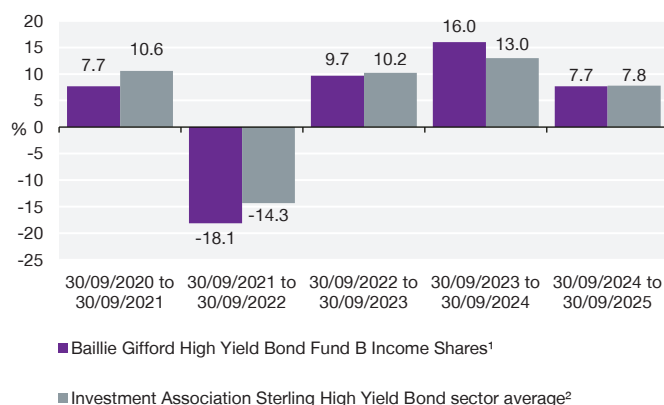
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.35%. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

Past Performance

The investment objective of the Fund is to produce a combination of income and capital growth. For the year to 30 September 2025, income totalling 8.69 pence per share was declared for B Income Shares and the total return was 7.7%¹ compared to the comparator benchmark (Investment Association Sterling High Yield sector average) of 7.8%². The capital return in the period was 0.13%³ and the Fund paid a quarterly stream of income. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, income totalling 23.31 pence per share was declared for B Income Shares and the annualised total return was 11.1%¹ compared to the comparator benchmark of 10.3%². The annualised capital return was 3.73%³.

Market environment

Market dynamics were dominated by the US policy agenda over the last 12 months. The first days of April saw a sell-off across asset classes, reflecting President Trump's unexpectedly broad and deep 'Liberation Day' tariff announcement and the risks it posed to global growth. Markets went on to steady and recover following the announcement of a "90-day pause" and as the administration started to negotiate trade deals.

This period of extreme volatility gave way to a more resilient and relatively subdued backdrop. From a fixed income perspective, the big picture developments were all about the market's assessment of the Federal Reserve (Fed) delivering a soft landing and the relative health of corporates following big shifts in the international tariff regime. The most recent quarter saw inflation moderate and labour data soften enough for the Fed to cut interest rates for the first time in 2025. The market priced in a gradual easing, and company results were solid, leading to stable returns across most asset classes.

While market conditions are currently largely benign, there are significant risks to contend with. Valuations in corporate bond markets are relatively tight, increasing the

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and The Investment Association, total return. Please see Disclaimer on page 139. ³Source: Baillie Gifford & Co Limited, 10am dealing prices, excluding income. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

potential for volatility in the event of bad news. Risks include higher-than-expected inflation in the US, escalating geopolitical instability, and greater government bond volatility resulting from poorly managed fiscal deficits in a number of Western economies.

Performance

Over 12 months, the Fund's relative performance was just behind the comparator benchmark's average return. Positively, bond selection added value across the vast majority of sectors, as did the Fund's overweight to B rated bonds, which performed strongly within the asset class. This was offset by poor performance from bonds held within the transport, retail and media sectors. For example, within the transport sector, the Fund's position in US railroad Brightline East (Brightline) detracted from relative performance. Brightline's revenue ramp-up has disappointed, and the bonds have also seen weakness following poor sponsor support for the business. Ultimately, we sold out of this position during the period.

Over three years, the Fund has delivered solid outperformance, primarily driven by strong bond selection. The outstanding performer was European company, CPI Property, which recovered strongly after a swift increase in interest rates in 2022 put significant pressure on its business model. Other strong performers include US-headquartered cable and network equipment manufacturer, Belden. Purchased in late 2022 at a significant discount to par value, these long-dated bonds have outperformed peers as this well-rated issuer continued to post strong operational results in 2023 and 2024.

Notable Transactions

High yield credit spreads are increasingly tight relative to history. We have also seen evidence of distress at the speculative end of the market. In this context, from a portfolio positioning perspective, our objective is to balance caution and optimism, recognising the supportive backdrop but also the potential, given tight credit

spreads, for price volatility. Our increasingly cautious view towards the end of the period has led us to adjust the balance of risk in the Fund, favouring more robust credits.

For instance, as the new issue market (where companies come to raise new capital) reopened following the chaos caused by 'Liberation Day', a plethora of companies issued new bonds that offered an attractive yield premium compared to peers. We took advantage of this, adding positions that met our resilience criteria, such as European gaming companies Cirsa and Lottomatica. Both are highly cash generative and have no exposure to tariff risk.

Another example of the type of bonds we want to own in the current environment includes those issued by Boots, the UK's leading health and beauty retailer. Boots has impressive scale and a loyal customer base. We are drawn to its entrenched market position, robust performance through economic shocks, and management's proven capacity for operational improvement. Offering a highly attractive return profile, this represents a robust income opportunity for the Fund over the long term.

Baillie Gifford & Co, 22 October 2025

Principal Bond Holdings as at 30 September 2025

Investment	Percentage of total Fund
Asmodee Group 5.75% 2029	2.04
Future PLC 6.75% 2030	2.00
Virgin Media RFN 4.875% 2028	1.82
Skechers 5.25% 2032	1.64
Grifols 7.5% 2030	1.62
Shift4 Payments 5.5% 2033	1.52
IHO Verwaltungs PIK 8.75% 2028	1.48
UK T Bill 20/10/2025	1.47
Softbank 5.875% 2031	1.45
Iceland Foods 10.875% 2027	1.45

Material Portfolio Changes for the year ended 30 September 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Future PLC 6.75% 2030	6,510	Barclays 7.125% 2025 Perp AT1	5,398
Asmodee Group 5.75% 2029	5,805	Aggreko 6.125% 2026 (144A)	5,295
Skechers 5.25% 2032	5,596	NCR Atleos 9.5% 2029 (144A)	5,162
KBC Group 6% 2030 Perp	5,572	Gannett Hdgs 6% 2026 (144A)	5,154
Domestic & General 8.125% 2029	5,374	Teva Pharma 7.375% 2029	4,655
Perrigo 5.375% 2032	5,046	Calumet Specialty Products 8.125% 2027 (144A)	4,020
Grifols 7.5% 2030	5,008	Brightline East 11% 2030 (144A)	3,948
Evri 8.125% 2031	4,814	Optics Bidco 7.875% 2028	3,583
Shift4 Payments 5.5% 2033	4,649	Italmatch Chemicals 10% 2028	3,569
Softbank 5.875% 2031	3,896	International Workplace Group 6.5% 2030	3,557

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

Portfolio Statement as at 30 September 2025

Stock description	Holding	Market value £'000	% of total net assets
Asset Backed - 1.82% (0.00%)			
Marston's FRN 2035 (B)	2,884,000	2,494	0.87
Mitchells & Butlers 6.469% 2030 (C1)	2,702,000	2,707	0.95
Automotive - 4.40% (3.52%)			
Benteler Intl 7.25% 2031	2,200,000	2,054	0.72
Dana 8.5% 2031	1,900,000	1,787	0.63
IHO Verwaltungs PIK 8.75% 2028	4,622,869	4,226	1.48
Volkswagen 7.875% 2032 Perp	2,700,000	2,719	0.96
ZF Europe Finance 3% 2029	2,200,000	1,750	0.61
Banking - 3.73% (4.24%)			
Barclays 8.375% 2031 Perp AT1	1,400,000	1,474	0.52
Barclays 8.875% 2028 Perp AT1	2,352,000	2,476	0.87
Caixabank 7.5% 2030 Perp AT1	2,800,000	2,720	0.95
KBC Group 6% 2030 Perp	4,400,000	3,949	1.39
Basic Industry - 7.05% (12.00%)			
Ht Troplast Ag 9.375% 2028	4,305,000	3,924	1.38
Kier Group 9% 2029	3,400,000	3,587	1.26
Mercer Intl 12.875% 2028 (144A)	2,335,000	1,582	0.55
Miller Homes E+4.25% 2030 FRN	1,100,000	974	0.34
Modulaire 6.5% 2031	3,300,000	2,693	0.95
Rain Carbon 12.25% 2029 (144A)	2,302,000	1,831	0.64
Reno De Medici Spa FRN 2029	2,660,000	1,797	0.63
Solenis 9.625% 2028	1,872,000	1,714	0.60
WeSoda 9.375% 2031	2,800,000	1,995	0.70
Capital Goods - 2.65% (4.10%)			
IMA E+3.75% FRN 2029	3,175,000	2,797	0.98
Innomotics 6.25% 2031	2,770,000	2,507	0.88
OI European Group 6.25% 2028	2,500,000	2,252	0.79
Consumer Goods - 2.48% (1.31%)			
Boparan Finance 9.375% 2029	2,573,000	2,682	0.94

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Herbalife 12.25% 2029 (144A)	2,215,000	1,785	0.63
Roquette Freres 5.494% 2030 Perp	2,900,000	2,587	0.91
Energy - 2.62% (5.01%)			
Tidewater 9.125% 2030 (144A)	2,500,000	1,994	0.70
Venture Global 7.5% 2033 (144A)	2,250,000	1,847	0.65
Venture Global Delta LNG 8.125% 2028 (144A)	4,700,000	3,613	1.27
Financial Services - 11.47% (5.82%)			
Arrow Global Finance 9.625% 2029	3,243,000	3,161	1.11
Arrow Global Finance E+550 2029 FRN	900,000	757	0.27
Burford Capital 9.25% 2031 (144A)	3,700,000	2,920	1.03
CPI Card Group 10% 2029 (144A)	2,028,000	1,580	0.55
doValue 7% 2030	4,054,000	3,756	1.32
Encore Capital Group 9.25% 2029 (144A)	3,318,000	2,597	0.91
International Personal Finance 10.75% 2029	2,333,000	2,208	0.77
Investec 10.5% 2029 Perp AT1	2,414,000	2,694	0.95
RFNA LP 7.875% 2030 (144A)	2,861,000	2,165	0.76
Shift4 Payments 5.5% 2033	4,770,000	4,335	1.52
Shift4 Payments 6.75% 2032 (144A)	220,000	169	0.06
Softbank 5.875% 2031	4,500,000	4,138	1.45
Worldline 0.875% 2027	1,500,000	1,103	0.39
Worldline SA 5.5% 2030	1,600,000	1,082	0.38
Health Care - 10.42% (8.63%)			
Advanz 9.125% 2031	2,150,000	2,184	0.77
Bausch Healthcare 10% 2032 (144A)	3,080,000	2,345	0.82
Biogroup 5% 2029	2,699,000	2,063	0.72
Centrient Holding 6.75% 2030	1,673,000	1,416	0.50
Cheplapharm 5.5% 2028 (144A)	733,000	530	0.19
Cheplapharm 7.125% 2031	2,200,000	1,965	0.69
Cheplapharm 7.5% 2030	2,229,000	2,012	0.71
Global Medical Response 7.375% 2032 (144A)	350,000	268	0.09
Grifols 7.5% 2030	5,028,000	4,624	1.62
Neopharmed 7.125% 2030	2,600,000	2,368	0.83

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Organon & Co. 5.125% 2031 (144A)	2,148,000	1,397	0.49
Perrigo 5.375% 2032	4,321,000	3,898	1.37
Stada 5.375% 2030	1,800,000	1,597	0.56
Sunrise Medical 6.5% 2031	3,379,000	3,005	1.06
Insurance - 0.97% (0.00%)			
Domestic & General 8.125% 2029	2,661,000	2,754	0.97
Leisure - 6.88% (4.93%)			
Cirsa Finance 10.375% 2027	4,930,000	3,993	1.40
Cirsa PIK 8.625% 2030	4,200,000	3,805	1.34
Full House Resorts 8.25% 2028 (144A)	2,900,000	1,999	0.70
Intralot 6.75% 2031	695,000	611	0.21
Lottomatica Gp 4.875% 2031	2,650,000	2,383	0.84
Merlin Entertainments 7.375% 2030	2,493,000	1,960	0.69
Motel One 7.75% 2031	3,100,000	2,919	1.02
Travelodge 10.25% 2028	1,900,000	1,924	0.68
Media - 7.32% (9.82%)			
Asmodee E+375 2029 FRN	1,900,000	1,570	0.55
Asmodee Group 5.75% 2029	11,910,000	5,821	2.04
Cimpress 7.375% 2032 (144A)	3,681,000	2,731	0.96
Deluxe Corp 8.125% 2029 (144A)	3,439,000	2,669	0.94
DirecTV 10% 2031 (144A)	1,184,000	878	0.31
DirecTV 8.875% 2030 (144A)	2,000,000	1,474	0.52
Future PLC 6.75% 2030	5,700,000	5,698	2.00
Real Estate - 1.30% (2.60%)			
CPI Property 7% 2029	1,341,000	1,254	0.44
CPI Property 7.5% 2031 Perp	2,889,000	2,440	0.86
Retail - 7.93% (7.25%)			
B&M European Value Retail 8.125% 2030	2,470,000	2,610	0.92
BestSecret E+3.75% FRN 2029	2,400,000	2,107	0.74
Boots 7.375% 2032	2,800,000	2,852	1.00

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
CBR Fashion 6.375% 2030	3,303,000	2,991	1.05
Iceland Foods 10.875% 2027	3,900,000	4,127	1.45
Skechers 5.25% 2032	5,220,000	4,670	1.64
Wagamama 8.5% 2030	3,450,000	3,233	1.13
Services - 11.59% (6.51%)			
Currenta Group 5.5% 2030	4,246,000	3,798	1.33
Manuchar E+500 2032 FRN	2,645,000	2,279	0.80
Multiversity 7.125% 2031	2,300,000	2,163	0.76
Multiversity E+4.25% 2031 FRN	3,600,000	3,165	1.11
Nielsen 9.29% 2029 (144A)	3,318,000	2,417	0.85
OEG Finance 7.25% 2029	3,761,000	3,431	1.20
Rekeep 9% 2029	3,110,000	2,666	0.94
SIG 9.75% 2029	2,400,000	2,037	0.72
The House of HR 9% 2029	1,978,000	1,703	0.60
Urbaser 10.5% 2032 PIK	730,000	660	0.23
Urbaser 5.5% 2032	4,350,000	3,863	1.36
Urbaser PIK 12% 2032 (144A)	1,400,000	1,077	0.38
Veritext 8.5% 2030 (144A)	4,953,000	3,744	1.31
Sovereign - 2.90% (5.02%)			
UK T Bill 20/10/2025	4,200,000	4,191	1.47
UK T Bill 22/12/2025	4,100,000	4,063	1.43
Technology & Electronics - 2.07% (2.40%)			
Infopro Digital 5.5% 2031	2,300,000	2,038	0.72
TeamSystem 5% 2031	4,350,000	3,850	1.35
Telecommunications - 8.18% (11.49%)			
Altice France Hdg 5.875% 2027	5,025,000	3,958	1.39
Altice International 5.75% 2029 (144A)	1,774,000	992	0.35
Cable One 1.125% 2028 CON	4,888,000	3,099	1.09
Eutelsat 9.75% 2029	1,275,000	1,201	0.42
ION Platform Finance SARL 6.5% 2030	1,300,000	1,135	0.40
United Gp 6.75% 2031	3,388,000	3,026	1.06

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Virgin Media RFN 4.875% 2028	5,334,000	5,195	1.82
VodafoneZiggo Gp 5% 2032 (144A)	3,331,000	2,239	0.79
Zegona Finance Plc 8.625% 2029 (144A)	3,102,000	2,453	0.86
Transportation - 2.47% (2.47%)			
Evri 8.125% 2031	3,339,000	3,560	1.25
Mobico 4.25% 2026 Perp	1,700,000	1,038	0.36
One Sky Flight 8.875% 2029 (144A)	3,118,000	2,435	0.86
Utilities - 0.00% (0.92%)			
Derivatives - -0.94% (1.31%)			
Forward currency contracts (see Table 1)		(2,059)	(0.73)
Credit default swap contracts (see Table 2)		(603)	(0.21)
Portfolio of investments		277,141	97.31
Net other assets - 2.69% (0.65%)		7,648	2.69
Net assets		284,789	100.00

Please note: figures are based on market values rather than economic exposure.

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2024.

Portfolio Statement as at 30 September 2025 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
HSBC	23/10/25	GBP	144,584,579	EUR	166,959,000	(1,333)	(0.47)
NatWest	23/10/25	GBP	58,300,311	USD	79,298,450	(595)	(0.21)
State Street	23/10/25	GBP	14,214,335	EUR	16,414,000	(131)	(0.05)
Unrealised gains/(losses) on open forward currency contracts						(2,059)	(0.73)

Table 2: Credit default swap contracts

Credit Default Swap	Maturity	Currency	Direction	Notional	Premium	Market Value £'000	% of total net assets
CDS Buy iTraxx Europe Crossover Series 43 Version 1 EUR 20/06/2030	20/06/30	EUR	Buy protection	6,500,000	5%	(603)	(0.21)
Credit default swap contracts						(603)	(0.21)

Comparative Tables

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	109.58	102.05	99.17
Return before operating charges*	8.51	16.18	10.20
Operating charges	(1.14)	(1.11)	(1.06)
Return after operating charges*	7.37	15.07	9.14
Distributions on income shares	(8.13)	(7.54)	(6.26)
Closing net asset value per share	108.82	109.58	102.05
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	6.73%	14.77%	9.22%
Other Information:			
Closing net asset value (£'000)	6,216	10,703	11,644
Closing number of shares	5,711,762	9,767,268	11,410,489
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	112.3	112.7	108.7
Lowest share price (pence)	106.3	100.4	98.91

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	285.60	246.71	224.30
Return before operating charges*	22.78	39.87	23.30
Operating charges	(1.13)	(0.98)	(0.89)
Return after operating charges*	21.65	38.89	22.41
Distributions	(21.79)	(18.70)	(14.45)
Retained distributions on accumulation shares	21.79	18.70	14.45
Closing net asset value per share	307.25	285.60	246.71
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.58%	15.76%	9.99%
Other Information:			
Closing net asset value (£'000)	172,815	190,225	243,312
Closing number of shares	56,246,446	66,604,576	98,621,206
Operating charges	0.38%	0.37%	0.37%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	309.7	286.3	250.3
Lowest share price (pence)	285.2	242.9	223.8

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	116.87	108.12	104.38
Return before operating charges*	9.09	17.19	10.75
Operating charges	(0.45)	(0.42)	(0.41)
Return after operating charges*	8.64	16.77	10.34
Distributions on income shares	(8.69)	(8.02)	(6.60)
Closing net asset value per share	116.82	116.87	108.12
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	7.39%	15.51%	9.91%
Other Information:			
Closing net asset value (£'000)	103,858	102,094	163,128
Closing number of shares	88,902,981	87,356,500	150,877,956
Operating charges	0.38%	0.37%	0.37%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	120.1	120.2	114.7
Lowest share price (pence)	113.8	106.5	104.2

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	441.27	379.85	344.13
Return before operating charges*	35.24	61.50	35.79
Operating charges	(0.14)	(0.08)	(0.07)
Return after operating charges*	35.10	61.42	35.72
Distributions	(33.76)	(28.90)	(22.21)
Retained distributions on accumulation shares	33.76	28.90	22.21
Closing net asset value per share	476.37	441.27	379.85
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	7.95%	16.17%	10.38%
Other Information:			
Closing net asset value (£'000)	1,899	8,265	37,647
Closing number of shares	398,643	1,873,086	9,911,034
Operating charges	0.03%	0.02%	0.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	480.1	442.3	385.4
Lowest share price (pence)	440.8	374.1	343.4

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	124.50	114.76	110.41
Return before operating charges*	9.71	18.29	11.37
Operating charges	(0.04)	(0.02)	(0.01)
Return after operating charges*	9.67	18.27	11.36
Distributions on income shares	(9.27)	(8.53)	(7.01)
Closing net asset value per share	124.90	124.50	114.76
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	7.77%	15.92%	10.29%
Other Information:			
Closing net asset value (£'000)	1	1	1
Closing number of shares	500	500	500
Operating charges	0.03%	0.02%	0.01%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	128.4	128.0	121.5
Lowest share price (pence)	121.4	113.0	110.2

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. Commission is also payable to the counterparty on the trading of future contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 30 September 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		2,834		31,416
Revenue	3	23,713		27,856	
Expenses	4	(1,178)		(1,435)	
Net revenue before taxation		22,535		26,421	
Taxation	5	-		-	
Net revenue after taxation			22,535		26,421
Total return before distributions			25,369		57,837
Distributions	6		(23,712)		(27,867)
Change in net assets attributable to shareholders from investment activities			1,657		29,970

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		311,288		455,732
Amounts receivable on issue of shares	113,638		57,131	
Amounts payable on cancellation of shares	(157,335)		(247,942)	
		(43,697)		(190,811)
Dilution adjustment		575		900
Change in net assets attributable to shareholders from investment activities		1,657		29,970
Retained distributions on accumulation shares		14,966		15,497
Closing net assets attributable to shareholders		284,789		311,288

Financial Statements cont.

Balance Sheet as at 30 September 2025

	Notes	2025 £'000	2024 £'000
Assets:			
Fixed assets:			
Investments	13	279,804	309,821
Current assets:			
Debtors	8	10,926	10,037
Cash and bank balances	9	3,239	6,337
Total assets		293,969	326,195
Liabilities:			
Investment liabilities	13	(2,662)	(543)
Creditors:			
Bank overdrafts	9	(485)	(898)
Distributions payable		(2,224)	(2,916)
Other creditors	10	(3,809)	(10,550)
Total liabilities		(9,180)	(14,907)
Net assets attributable to shareholders		284,789	311,288

Notes to the Financial Statements

1 Net capital gains/(losses)

	2025	2024
	£'000	£'000
Non-derivative securities	8,638	8,570
Derivative contracts	(194)	143
Forward currency contracts	(5,675)	22,683
Currency gains/(losses)	69	24
Transaction costs	(4)	(4)
Net capital gains/(losses)	2,834	31,416

2 Purchases, sales and transaction costs

	2025	2024
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	331,314	378,921
Purchases including transaction costs	331,314	378,921

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	366,019	521,008
Sales net of transaction costs	366,019	521,008

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	1	-

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2025		2024	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	1	0.00	-	0.00
Taxes	-	0.00	-	0.00
Total direct transaction costs	1	0.00	-	0.00
			2025	2024
			%	%
Average portfolio dealing spread			0.53	0.37

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

	2025	2024
	£'000	£'000
Interest on debt securities	24,102	27,668
Bank interest	107	240
Swaps interest	(496)	(52)
Total revenue	23,713	27,856

Notes to the Financial Statements cont.

4 Expenses

	2025	2024
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,071	1,372
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	23	28
Bank charges	13	15
Bank overdraft interest	1	-
	37	43
Other expenses:		
Audit fee	14	12
Third party costs of processing dealing instructions from investors	56	8
	70	20
Total expenses	1,178	1,435

5 Taxation

	2025	2024
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Total taxation	-	-

The Fund is subject to corporation tax at 20% (2024: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

Notes to the Financial Statements cont.

5 Taxation (continued)

The tax charge is explained as follows:

	2025	2024
	£'000	£'000
Net revenue before taxation	22,535	26,421
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2024: 20%)	4,507	5,284
Effects of:		
Interest distributions	(4,740)	(5,569)
Management expenses charged to capital	235	287
Tax on undistributed income carried forward	(2)	(2)
Total taxation	-	-

6 Distributions

	2025	2024
	£'000	£'000
Interim to 31 December	5,107	4,952
Interim to 31 March	5,126	5,111
Interim to 30 June	7,061	7,675
Final to 30 September	5,676	7,901
	22,970	25,639
Amounts deducted on cancellation of shares	1,721	3,058
Amounts added on issue of shares	(979)	(830)
Total distributions	23,712	27,867

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

	2025	2024
	£'000	£'000
Net revenue after taxation for the year	22,535	26,421
Add expenses allocated to capital	1,178	1,435
Add distributable revenue brought forward	10	21
Less distributable revenue carried forward	(11)	(10)
Net distributions for the year	23,712	27,867

Notes to the Financial Statements cont.

8 Debtors

	2025	2024
	£'000	£'000
Receivable for issue of shares	84	105
Sales awaiting settlement	2,358	3,510
Accrued income	5,322	5,794
VAT recoverable	3	2
Collateral held by counterparties	3,110	585
Other debtors	49	41
Total debtors	10,926	10,037

9 Cash and bank balances

	2025	2024
	£'000	£'000
Sterling bank accounts	1,611	6,206
Foreign currency bank accounts	1,628	131
	3,239	6,337
Sterling bank accounts overdrawn	(485)	(898)
Total cash and bank balances	2,754	5,439

10 Other creditors

	2025	2024
	£'000	£'000
Payable for cancellation of shares	868	795
Purchases awaiting settlement	2,824	5,389
Due to the ACD or associates	92	98
Due to the Depositary or associates	11	9
Collateral held on behalf of counterparty	-	4,245
Other accrued expenses	14	14
Total other creditors	3,809	10,550

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of annual management charge are disclosed in note 4 with amounts due at the year end given in note 10.

Notes to the Financial Statements cont.

11 Related party transactions (continued)

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

	2025	2024
	%	%
ACD and associates of the ACD	0.00	2.19

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.24	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.25
A Income Shares	9,767,268	712,432	(4,767,938)	-	5,711,762
B Accumulation Shares	66,604,576	6,389,985	(16,750,015)	1,900	56,246,446
B Income Shares	87,356,500	9,509,016	(7,957,121)	(5,414)	88,902,981
C Accumulation Shares	1,873,086	18,591,264	(20,065,707)	-	398,643
C Income Shares	500	-	-	-	500

13 Basis of valuation

	2025		2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	8,254	-	15,643	-
Level 2: Observable market data	271,550	(2,662)	294,178	(543)
Level 3: Unobservable data	-	-	-	-
Total	279,804	(2,662)	309,821	(543)

14 Credit ratings

	2025		2024	
Rating Block	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	10,973	3.85	21,839	7.02
High Yield	268,831	94.40	283,365	91.03
Total	279,804	98.25	305,204	98.05
Other	4,985	1.75	6,084	1.95
Net Assets	284,789	100.00	311,288	100.00

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2025			2024		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	-	(2,591)	(2,591)	131	(1,524)	(1,393)
UK sterling	4,236	281,805	286,040	1,648	312,755	314,403
US dollar	1,628	(2,072)	(444)	-	(1,953)	(1,953)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2025				2024			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	15,447	142,829	-	158,276	19,042	118,498	-	137,540
UK sterling	7,216	62,211	217,099	286,526	6,791	58,211	254,545	319,547
US dollar	1,628	56,823	-	58,451	-	115,492	-	115,492

Currency	2025				2024			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	603	160,263	160,866	-	6,451	132,482	138,933
UK sterling	485	-	-	485	5,143	-	-	5,143
US dollar	-	-	58,895	58,895	-	-	117,445	117,445

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	2025						2024					
	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000
HSBC	-	-	-	-	-	-	-	2,019	-	-	(1,760)	259
Merrill Lynch	-	-	-	-	-	-	-	25	-	-	-	25
NatWest	-	-	-	-	-	-	-	2,574	-	-	(2,485)	89

Collateral pledged on derivatives was:

	2025 £'000	2024 £'000
Cash collateral pledged on derivatives		
Goldman Sachs	580	585
HSBC	1,430	-
NatWest	950	-
State Street Bank	150	-

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. The VaR approach used for this fund is the absolute approach. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2025 %	2024 %
Highest VaR:	3.88	4.40
Lowest VaR:	2.33	3.18
Average VaR:	3.38	3.86

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level. The VaR figure is calculated on a daily basis, and the figures above represent the highest, lowest and average VaR values calculated in the year.

Notes to the Financial Statements cont.

17 Value at risk (VaR) (continued)

The APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

18 Contingent Assets and Liabilities

As part of an Ardagh Group Draft Restructuring Plan announced on 28 July 2025 the Fund has committed to purchasing \$5,310,000 of Ardagh Group bonds at a price of \$109.5 on a "when, as and if-issued" basis provided the bonds are issued in accordance with the terms of recapitalisation detailed in the Draft Restructuring Plan by 31 December 2025. The bonds will pay a coupon rate of 9.5% and mature on 1 December 2030. At the exchange rate on the Balance Sheet date the commitment is £4,318,997. Since the commitment is contingent on the bonds being issued by 31 December 2025 no liability has been recognised in the Balance Sheet nor has the Fund recognised an asset for the potential future receipt of the bonds.

Distribution Tables

Interim distribution for the period ended 31 December 2024

Group 1 : shares purchased prior to 1 October 2024

Group 2 : shares purchased 1 October 2024 to 31 December 2024

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.25)	Distribution (paid/accumulated 28.02.24)
	31.12.24 pence per share	31.12.24 pence per share	31.12.24 pence per share	31.12.23 pence per share
A Income				
Group 1	1.87000	-	1.87000	1.26000
Group 2	0.67640	1.19360	1.87000	1.26000
B Accumulation				
Group 1	4.88000	-	4.88000	3.07000
Group 2	1.92842	2.95158	4.88000	3.07000
B Income				
Group 1	2.00000	-	2.00000	1.35000
Group 2	0.74967	1.25033	2.00000	1.35000
C Accumulation				
Group 1	7.55000	-	7.55000	4.70000
Group 2	2.85197	4.69803	7.55000	4.70000
C Income				
Group 1	2.13000	-	2.13000	1.42000
Group 2	2.13000	-	2.13000	1.42000

Distribution Tables cont.

Interim distributions for the period ended 31 March 2025

Group 1 : shares purchased prior to 1 January 2025

Group 2 : shares purchased 1 January 2025 to 31 March 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.25)	Distribution (paid/accumulated 31.05.24)
	31.03.25 pence per share	31.03.25 pence per share	31.03.25 pence per share	31.03.24 pence per share
A Income				
Group 1	1.97000	-	1.97000	1.27000
Group 2	0.25001	1.71999	1.97000	1.27000
B Accumulation				
Group 1	5.21000	-	5.21000	3.11000
Group 2	2.12864	3.08136	5.21000	3.11000
B Income				
Group 1	2.10000	-	2.10000	1.35000
Group 2	0.39471	1.70529	2.10000	1.35000
C Accumulation				
Group 1	8.08000	-	8.08000	4.80000
Group 2	1.76988	6.31012	8.08000	4.80000
C Income				
Group 1	2.21000	-	2.21000	1.44000
Group 2	2.21000	-	2.21000	1.44000

Distribution Tables cont.

Interim distribution for the period ended 30 June 2025

Group 1 : share purchased prior to 1 April 2025

Group 2 : share purchased 1 April 2025 to 30 June 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.25)	Distribution (paid/accumulated 31.08.24)
	30.06.25 pence per share	30.06.25 pence per share	30.06.25 pence per share	30.06.24 pence per share
A Income				
Group 1	2.09000	-	2.09000	2.16000
Group 2	0.26695	1.82305	2.09000	2.16000
B Accumulation				
Group 1	5.63000	-	5.63000	5.35000
Group 2	2.60062	3.02938	5.63000	5.35000
B Income				
Group 1	2.23000	-	2.23000	2.30000
Group 2	0.75309	1.47691	2.23000	2.30000
C Accumulation				
Group 1	8.72000	-	8.72000	8.26000
Group 2	5.31560	3.40440	8.72000	8.26000
C Income				
Group 1	2.39000	-	2.39000	2.45000
Group 2	2.39000	-	2.39000	2.45000

Distribution Tables cont.

Final distribution for the period ended 30 September 2025

Group 1 : shares purchased prior to 1 July 2025

Group 2 : shares purchased 1 July 2025 to 30 September 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.25)	Distribution (paid/accumulated 30.11.24)
	30.09.25 pence per share	30.09.25 pence per share	30.09.25 pence per share	30.09.24 pence per share
A Income				
Group 1	2.20000	-	2.20000	2.85000
Group 2	1.01414	1.18586	2.20000	2.85000
B Accumulation				
Group 1	6.07000	-	6.07000	7.17000
Group 2	2.95692	3.11308	6.07000	7.17000
B Income				
Group 1	2.36000	-	2.36000	3.02000
Group 2	1.06543	1.29457	2.36000	3.02000
C Accumulation				
Group 1	9.41000	-	9.41000	11.14000
Group 2	3.82446	5.58554	9.41000	11.14000
C Income				
Group 1	2.54000	-	2.54000	3.22000
Group 2	2.54000	-	2.54000	3.22000

Baillie Gifford™

Baillie Gifford Investment Grade Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2025*



Baillie Gifford Investment Grade Bond Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt Index by 0.75% per annum over rolling three-year periods.

Investment Policy

The Fund will invest at least 80% in investment grade bonds issued by corporate issuers, public bodies and supranationals. The Fund may also invest in other bonds including sub-investment grade bonds and government bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed and is not constrained by the index.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

The indicator does not take into account the following relevant material risks:

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if the underlying asset does not perform as the manager expects.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

The manager can charge some, or all, expenses to the Fund's capital, reducing its value. This amount can vary from year to year.

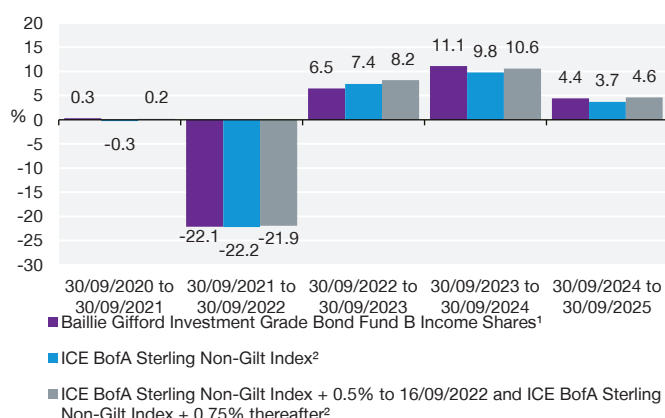
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.25%. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

Past Performance

The investment objective of the Fund is to outperform (after deduction of costs) the ICE BofA Sterling Non-Gilt Index (the 'Index') by 0.75% per annum (the 'target return') over rolling three-year periods. For the year to 30 September 2025, the return on B Income Shares was 4.4%¹ compared to the Index of 3.7%² and the target return of 4.6%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, the annualised return on B Income Shares was 7.3%¹ compared to the return on the Index of 6.9%² and the target return of 7.8%².

Market environment

Market dynamics were dominated by the US policy agenda over the last 12 months. The first days of April saw a sell-off across asset classes, reflecting President Trump's unexpectedly broad and deep 'Liberation Day' tariff announcement and the risks it posed to global

growth. Markets went on to steady and recover following the announcement of a "90-day pause" and as the administration started to negotiate trade deals.

This period of extreme volatility gave way to a more resilient and relatively subdued backdrop. From a fixed income perspective, the big picture developments were all about the market's assessment of the Federal Reserve (Fed) delivering a soft landing and the relative health of corporates following big shifts in the international tariff regime. The most recent quarter saw inflation moderate and labour data soften enough for the Fed to cut interest rates for the first time in 2025. The market priced in a gradual easing, and company results were solid, leading to stable returns across most asset classes.

While market conditions are currently largely benign, there are significant risks to contend with. Valuations in corporate bond markets are relatively tight, increasing the potential for volatility in the event of bad news. Risks include higher-than-expected inflation in the US, escalating geopolitical instability, and greater government bond volatility resulting from poorly managed fiscal deficits in a number of Western economies.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and ICE, total return. The target return outperformance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 139. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Performance

Performance over the last 12 months has been strong, with bond selection the key return driver. While a broad range of positions added relative value, a significant contribution came from the Fund's large position in bonds issued by Annington Funding (Annington) following the announcement that it would sell the Married Quarters Estate back to the UK Ministry of Defence in December 2024. As a result, Annington announced a tender offer to buy back many of its bonds, leading to a significant rally in prices. Other good performers included flexible office space provider International Workplace Group, whose operational performance has exceeded market expectations, and European company, CPI Property, which has benefited from falling bond yields.

Over three years, the Fund has outperformed the index net of fees but has not met its target. We underestimated the speed and scale of interest rate rises as inflation soared following the pandemic, and this detracted from performance due to exposure to sensitive sectors such as real estate although as noted above, in some cases, these bonds have since recovered strongly.

Notable Transactions

Reflecting the continued resilience of corporate bond issuers as a whole, credit spreads remain tight relative to history (there is an inverse relationship between credit spreads and corporate bond prices). In this context, from a portfolio positioning perspective, our objective is to balance caution and optimism, recognising the supportive backdrop but also the potential, given tight credit spreads, for price volatility.

An increasingly cautious stance led us to adjust the balance of the Fund's risk profile over the last 12 months, reducing exposure to credits we view as less robust. As such, the Fund is reasonably defensively positioned overall, holding dry powder in the form of very high quality securities and maintaining an overweight to bonds at the front end of the yield curve (those that are due to mature relatively soon), whose prices should be less volatile in a selloff. Importantly, the

strategy continues to outyield the index, driven by a significant overweight to BBB-rated bonds and our enthusiasm for the total return potential of the asset class, given the attractive yields on offer.

We continue to identify new bonds with the potential to add value from the bottom up. Volatility during the most recent quarter presented opportunities to top up positions in favoured names at attractive valuations. For example, Public Property Invest, a social infrastructure Real Estate company in the Nordics, which we believe has long-term potential. Buoyant new issuance, where companies seek to raise new capital in the investment grade market, also provided opportunities. For example, we purchased a new issue from German residential landlord TAG Immobilien. This is a highly resilient and conservatively managed business that came to market at a discount to peers.

Baillie Gifford & Co, 21 October 2025

Principal Bond Holdings as at 30 September 2025

Investment	Percentage of total Fund
Blackstone Private Credit 4.875% 2026	2.12
NatWest 3.632% 2034	2.00
DNB Bank 4% 2026/27	2.00
CCO Holdings 5.125% 2027 (144A)	1.94
Public Property Invest 4.625% 2030	1.88
AT&T 7% 2040	1.58
Assura Financing 1.625% 2033	1.51
Heathrow Airport 6% 2032	1.48
Bunzl Finance 5.25% 2031	1.47
Intesa Sanpaolo 6.5% 2028/29	1.46

Material Portfolio Changes for the year ended 30 September 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK Treasury 4.75% 07/12/2030	37,350	UK Treasury 4.75% 07/12/2030	27,112
UK Treasury 4.25% 07/06/2032	24,741	UK Treasury 4.25% 07/06/2032	25,437
NatWest 3.632% 2034	20,635	Legal & General 5.375% 2025/45 T2	18,396
CCO Holdings 5.125% 2027 (144A)	20,533	Annington Funding 2.924% 2051	16,575
Public Property Invest 4.625% 2030	18,311	Virgin Money UK 5.125% 2030	16,544
Virgin Money UK 5.125% 2030	16,529	Burberry 1.125% 2025	15,100
Assura Financing 1.625% 2033	15,670	Pershing Square 4.25% 2030	14,912
Heathrow Airport 6% 2032	15,192	Nationwide 5.875% 2024 Perp AT1	14,600
Bunzl Finance 5.25% 2031	15,172	CTP N.V. 4.25% 2035	14,339
Pershing Square 4.25% 2030	14,520	Kyndrl Holdings 6.35% 2034	13,987

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

Portfolio Statement as at 30 September 2025

Stock description	Holding	Market value £'000	% of total net assets
Agency - 1.74% (2.16%)			
Canada Pension Plan 1.25% 2027	5,000,000	4,705	0.45
Canada Pension Plan 1.625% 2071	18,950,000	6,646	0.64
SNCF Reseau 5.25% 2035	3,300,000	3,295	0.31
Temasek 5.125% 2040	3,650,000	3,551	0.34
Asset Backed - 9.66% (8.20%)			
Anglian Water 5.75% 2043	6,500,000	5,853	0.56
Anglian Water 6% 2039	2,500,000	2,412	0.23
Anglian Water 6.25% 2044	4,600,000	4,365	0.42
Center Parcs 5.876% 2027	9,581,000	9,752	0.93
Center Parcs 5.94% 2030	5,400,000	5,569	0.53
Center Parcs 6.136% 2031	2,100,000	2,162	0.21
Gatwick Funding 5.5% 2040	6,300,000	5,870	0.56
Heathrow Airport 6% 2032	15,200,000	15,397	1.48
Lunar Funding 1 5.75% 2033	4,600,000	4,622	0.44
Mitchells & Butlers FRN (AB) 2033	21,530,000	15,194	1.46
Welsh Water 1.625% 2026	4,900,000	4,826	0.46
Welsh Water 2.375% 2034	8,900,000	6,545	0.63
Welsh Water 5.75% 2044	8,361,000	7,800	0.75
Yorkshire Water 2.75% 2041	3,600,000	2,280	0.22
Yorkshire Water 5.5% 2035	2,674,000	2,530	0.24
Yorkshire Water 6.375% 2034	2,500,000	2,547	0.24
Yorkshire Water 6.601% 2031	3,000,000	3,129	0.30
Automotive - 2.41% (0.95%)			
Ford Motor Co 5.625% 2028	15,000,000	15,060	1.44
Volkswagen 3.25% 2027	10,300,000	10,076	0.97
Banking - 17.12% (16.16%)			
Banco Santander 5.5% 2029	11,500,000	11,794	1.13
Barclays 3.75% 2025/30 T2	2,660,000	2,655	0.25
Barclays 7.09% 2028/29	4,385,000	4,672	0.45
Barclays 8.407% 2027/32 T2	7,000,000	7,461	0.71
Caixabank 6.875% 2028/33 T2	10,300,000	10,761	1.03

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
DNB Bank 4% 2026/27	20,900,000	20,834	2.00
HSBC Bank 5.844% 2031 Perp	3,072,000	3,208	0.31
Intesa Sanpaolo 6.5% 2028/29	14,700,000	15,283	1.46
Intesa Sanpaolo 6.625% 2033	9,600,000	10,322	0.99
KBC 1.25% 2027	4,300,000	4,173	0.40
Nationwide 7.875% Perp AT1	5,000,000	5,179	0.50
Nationwide BS 10.25% Perp CCDS	55,500	7,183	0.69
Nationwide Building Society 6.125% 2028	8,100,000	8,436	0.81
NatWest 3.632% 2034	23,925,000	20,838	2.00
NatWest 5.642% 2034	11,700,000	11,780	1.13
Piraeus Financial Holdings 5.375% 2030/35	5,500,000	5,064	0.48
Santander UK 7.098% 2026/27	12,400,000	12,730	1.22
Yorkshire Building Society 3.375% 2027/28	4,450,000	4,327	0.41
Yorkshire Building Society 6.375% 2027/28	11,600,000	11,987	1.15
Basic Industry - 1.24% (1.03%)			
James Hardie 6.125% 2032 (144A)	17,000,000	12,934	1.24
Capital Goods - 1.83% (1.17%)			
Axon Enterprise 6.125% 2030 (144A)	6,800,000	5,190	0.50
Weir Group 5.35% 2030 (144A)	5,500,000	4,203	0.40
Weir Group 6.875% 2028	9,300,000	9,670	0.93
Commercial Mortgage Backed - 4.49% (4.04%)			
Longstone 4.896% 2031	6,870,000	6,582	0.63
Telereal (B-3) 5.634% 2031	2,950,000	2,932	0.28
Telereal (B7) FRN 2031	5,050,000	3,671	0.35
Telereal 1.3657% 2031 (A6)	2,650,000	991	0.10
Telereal 1.9632% 2031 (B2) ¹	10,425,000	10,338	0.99
Telereal 3.5625% 2031 (A3)	11,000,000	10,093	0.97
Tesco Property Finance 1 7.6227% 2039	5,000,000	4,069	0.39
Tesco Property Finance 4 5.801% 2040	9,350,000	8,148	0.78

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Consumer Goods - 1.25% (0.71%)			
BEL SA 4.375% 2029	14,500,000	13,036	1.25
Financial Services - 10.75% (6.94%)			
Blackstone Private Credit 4.875% 2026	22,200,000	22,168	2.12
Blue Owl Credit Income 4.25% 2031	7,950,000	6,941	0.67
Burford Capital 6.25% 2028 (144A)	6,022,000	4,481	0.43
Burford Capital 9.25% 2031 (144A)	6,800,000	5,367	0.52
Close Brothers 7.75% 2028	4,751,000	5,008	0.48
Investec 1.875% 2027/28	8,500,000	8,075	0.77
Investec 10.5% 2029 Perp AT1	2,600,000	2,902	0.28
Investor 5.5% 2037	3,700,000	3,730	0.36
Investor AB 4% 2038	5,900,000	5,308	0.51
Motability 3.625% 2036	5,300,000	4,436	0.43
Motability 5.625% 2035	8,500,000	8,495	0.81
Motability 6.25% 2045	7,150,000	7,033	0.67
Schroders 6.346% 2029/34 T2	13,200,000	13,576	1.30
Softbank 6.375% 2033	6,100,000	5,661	0.54
Worldline SA 5.5% 2030	13,300,000	8,997	0.86
Government Guaranteed - 3.49% (4.13%)			
KFW 4.25% 2030	7,000,000	7,005	0.67
KFW 5% 2036	4,450,000	4,497	0.43
KFW 6% 2028	7,900,000	8,335	0.80
LCR Finance 4.5% 2028	8,000,000	8,077	0.77
Network Rail 4.75% 2035	8,700,000	8,552	0.82
Health Care - 0.00% (1.66%)			
Insurance - 4.04% (6.64%)			
Abrdn 5.25% 2026 Perp AT1	3,800,000	3,753	0.36
Admiral Group 8.5% 2034 T2	8,900,000	10,187	0.98
New York Life Insurance 4.875% 2031	10,185,000	10,303	0.99
Pension Insurance 4.625% 2031 T2	10,850,000	10,298	0.99

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Pension Insurance Corp 8% 2033 T2	1,252,000	1,382	0.13
Phoenix Group 7.75% 2033/53 T2	5,750,000	6,203	0.59
Media - 3.57% (1.68%)			
CCO Holdings 5.125% 2027 (144A)	27,500,000	20,282	1.94
Pearson Funding 5.375% 2034	6,500,000	6,351	0.61
Pinewood Gp 3.625% 2027	11,000,000	10,669	1.02
Quasi Government Bonds - 0.00% (0.47%)			
Real Estate - 13.00% (7.69%)			
Assura Financing 1.625% 2033	21,000,000	15,760	1.51
Berkeley Group 2.5% 2031	10,900,000	9,241	0.88
CPI Property 1.5% 2031	20,974,000	15,162	1.45
Deutsche Euroshop 4.5% 2030	14,800,000	13,021	1.25
Great Portland Estates 5.375% 2031	3,705,000	3,710	0.36
International Workplace Group 6.5% 2030	13,600,000	12,966	1.24
Public Property Invest 4.625% 2030	21,942,000	19,664	1.88
Realty Income 1.875% 2027	2,786,000	2,693	0.26
Realty Income 5% 2029	3,900,000	3,928	0.38
Sirius Real Estate 4% 2032	12,200,000	10,612	1.02
Sovereign Housing 4.768% 2043	5,000,000	4,247	0.41
Supermarket Income REIT 5.125% 2031	7,500,000	7,457	0.71
TAG Immobilien 3.625% 2032	5,000,000	4,329	0.41
TAG Immobilien 4.25% 2030	14,300,000	12,921	1.24
Retail - 1.85% (2.71%)			
B&M European Value Retail 8.125% 2030	4,800,000	5,072	0.48
Inchcape 6.5% 2028	13,800,000	14,261	1.37
Services - 1.47% (1.90%)			
Bunzl Finance 5.25% 2031	15,200,000	15,374	1.47
Sovereign - 6.05% (6.45%)			
UK T Bill 08/12/2025	13,000,000	12,901	1.24

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
UK Treasury 1.5% 22/07/2047	9,500,000	4,756	0.45
UK Treasury 4.25% 07/12/2046	7,100,000	6,052	0.58
UK Treasury 4.25% 07/12/2049	9,800,000	8,216	0.79
UK Treasury 4.375% 31/07/2054	9,900,000	8,287	0.79
UK Treasury 4.75% 07/12/2030	10,000,000	10,305	0.99
UK Treasury 4.75% 22/10/2043	13,600,000	12,654	1.21
Supranational - 1.98% (4.99%)			
EIB 4.5% 2044	7,100,000	6,356	0.61
EIB 4.625% 2054	3,600,000	3,143	0.30
EIB 6% 2028	6,000,000	6,330	0.61
IBRD 5.75% 2032	4,500,000	4,830	0.46
Technology & Electronics - 0.00% (2.42%)			
Telecommunications - 2.74% (4.04%)			
AT&T 4.25% 2043	4,400,000	3,414	0.33
AT&T 4.875% 2044	4,300,000	3,576	0.34
AT&T 7% 2040	15,400,000	16,488	1.58
Virgin Media RFN 4.875% 2028	5,300,000	5,162	0.49
Transportation - 0.00% (0.91%)			
Utilities - 7.86% (9.40%)			
Centrica 6.5% 2055	3,700,000	3,788	0.36
Centrica 7% 2033	2,846,000	3,122	0.30
E.ON 5.875% 2037	3,000,000	2,986	0.29
E.ON 6.75% 2039	3,700,000	3,932	0.38
EDF 5.5% 2041	3,100,000	2,769	0.26
EDF 5.625% 2053	11,900,000	9,957	0.95
EDF 6% 2114	9,900,000	8,512	0.82
Iberdrola SA 5.25% 2036	7,000,000	6,787	0.65
National Gas Transmission 1.375% 2031	12,000,000	10,006	0.96
National Grid ED plc 3.5% 2026	8,000,000	7,919	0.76
National Grid ED S Wales 5.35% 2039	5,020,000	4,712	0.45

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
South West Water 6.375% 2041	6,700,000	6,676	0.64
Yorkshire Power 7.25% 2028	10,300,000	10,901	1.04
Derivatives - -0.55% (0.07%)			
Forward currency contracts (see Table 1)		(1,861)	(0.18)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		211	0.02
Credit default swap contracts (see Table 4)		(4,043)	(0.39)
Portfolio of investments		1,002,064	95.99
Net other assets - 4.01% (3.48%)		41,814	4.01
Net assets		1,043,878	100.00

¹This bond has been valued using a single broker quote and therefore is categorised as level 3 in note 13.

Please note: figures are based on market values rather than economic exposure.

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2024.

Portfolio Statement as at 30 September 2025 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
Citigroup	20/11/25	GBP	4,273,428	USD	5,800,000	(34)	0.00
Deutsche Bank	20/11/25	GBP	105,537,981	EUR	121,740,000	(1,011)	(0.10)
Goldman Sachs	20/11/25	GBP	618,910	USD	840,000	(5)	0.00
JP Morgan Chase	20/11/25	GBP	10,316,264	EUR	11,900,000	(99)	(0.01)
JP Morgan Chase	20/11/25	GBP	18,287,324	USD	24,820,000	(147)	(0.02)
JP Morgan Chase	11/12/25	GBP	7,305,968	USD	9,900,000	(47)	(0.01)
Merrill Lynch	20/11/25	GBP	4,126,068	USD	5,600,000	(33)	0.00
Merrill Lynch	11/12/25	GBP	6,117,826	USD	8,290,000	(40)	0.00
Royal Bank of Canada	20/11/25	GBP	35,248,680	EUR	40,660,000	(338)	(0.03)
State Street	20/11/25	GBP	1,473,752	EUR	1,700,000	(14)	0.00
State Street	20/11/25	GBP	7,183,780	USD	9,750,000	(58)	(0.01)
State Street	11/12/25	GBP	5,313,431	USD	7,200,000	(35)	0.00
Unrealised gains/(losses) on open forward currency contracts						(1,861)	(0.18)

Table 2: Unrealised gains/(losses) on futures contracts

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro-Bobl Future December 2025	10/12/25	(734)	-	0.00
Euro-Bund Future December 2025	10/12/25	(230)	-	0.00
Long Gilt Future 10 Year December 2025	31/12/25	916	-	0.00
US 5 Year Note December 2025	06/01/26	(170)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Table 3: Unrealised gains/(losses) on open interest rate swap contracts:

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total net assets
Lloyds Bank	GBP	21/03/27	70,500,000	SONIA Interest Rate Benchmark	4.1353	324	0.03
Lloyds Bank	GBP	19/09/27	122,600,000	SONIA Interest Rate Benchmark	3.7175	(113)	(0.01)
Unrealised gains/(losses) on open interest rate swap contracts						211	0.02

Portfolio Statement as at 30 September 2025 cont.

Table 4: Credit default swap contracts

Credit Default Swap	Maturity	Currency	Direction	Notional	Premium	Market Value £'000	% of total net assets
CDS Buy iTraxx Europe Crossover Series 43 Version 1 EUR 20/06/2030	20/06/30	EUR	Buy protection	31,800,000	5%	(2,949)	(0.28)
CDS Buy iTraxx Europe Crossover Series 43 Version 1 EUR 20/06/2030	20/06/30	EUR	Buy protection	11,800,000	5%	(1,094)	(0.11)
Credit default swap contracts						(4,043)	(0.39)

Comparative Tables

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	79.59	75.97	74.50
Return before operating charges*	3.54	8.66	5.53
Operating charges	(0.81)	(0.82)	(0.80)
Return after operating charges*	2.73	7.84	4.73
Distributions on income shares	(4.02)	(4.22)	(3.26)
Closing net asset value per share	78.30	79.59	75.97
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	3.43%	10.32%	6.35%
Other Information:			
Closing net asset value (£'000)	303	439	477
Closing number of shares	387,153	551,990	627,284
Operating charges	1.02%	1.03%	1.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	80.31	82.09	82.35
Lowest share price (pence)	77.44	74.88	72.17

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	221.34	198.95	185.71
Return before operating charges*	10.09	22.96	13.77
Operating charges	(0.61)	(0.57)	(0.53)
Return after operating charges*	9.48	22.39	13.24
Distributions	(11.43)	(11.26)	(8.27)
Retained distributions on accumulation shares	11.43	11.26	8.27
Closing net asset value per share	230.82	221.34	198.95
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	4.28%	11.25%	7.13%
Other Information:			
Closing net asset value (£'000)	4,325	4,451	5,187
Closing number of shares	1,873,534	2,010,716	2,607,186
Operating charges	0.27%	0.27%	0.27%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	231.9	224.2	207.2
Lowest share price (pence)	217.8	196.2	179.9

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	85.89	81.35	79.19
Return before operating charges*	3.83	9.29	5.88
Operating charges	(0.23)	(0.23)	(0.23)
Return after operating charges*	3.60	9.06	5.65
Distributions on income shares	(4.36)	(4.52)	(3.49)
Closing net asset value per share	85.13	85.89	81.35
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	4.19%	11.14%	7.13%
Other Information:			
Closing net asset value (£'000)	29,453	29,568	29,333
Closing number of shares	34,596,777	34,423,401	36,058,934
Operating charges	0.27%	0.27%	0.27%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	87.14	88.54	87.76
Lowest share price (pence)	83.75	80.22	76.73

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	226.09	202.71	188.74
Return before operating charges*	10.33	23.42	14.01
Operating charges	(0.05)	(0.04)	(0.04)
Return after operating charges*	10.28	23.38	13.97
Distributions	(11.70)	(11.48)	(8.42)
Retained distributions on accumulation shares	11.70	11.48	8.42
Closing net asset value per share	236.37	226.09	202.71
*After direct transaction costs of:	0.00	0.00	0.00
Performance:			
Return after charges	4.55%	11.53%	7.40%
Other Information:			
Closing net asset value (£'000)	1,009,797	933,046	837,954
Closing number of shares	427,213,994	412,680,616	413,372,757
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	237.4	228.9	210.8
Lowest share price (pence)	222.5	199.9	182.9

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	89.68	84.72	82.26
Return before operating charges*	4.02	9.69	6.09
Operating charges	(0.02)	(0.01)	(0.01)
Return after operating charges*	4.00	9.68	6.08
Distributions on income shares	(4.56)	(4.72)	(3.62)
Closing net asset value per share	89.12	89.68	84.72
 *After direct transaction costs of:	 0.00	 0.00	 0.00
Performance:			
Return after charges	4.46%	11.43%	7.39%
Other Information:			
Closing net asset value (£'000)	0	0	0
Closing number of shares	100	100	100
Operating charges	0.02%	0.01%	0.01%
Direct transaction costs ¹	0.00%	0.00%	0.00%
Prices:			
Highest share price (pence)	91.18	92.49	91.22
Lowest share price (pence)	87.51	83.56	79.71

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. Commission is also payable to the counterparty on the trading of future contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 30 September 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		(5,698)		51,522
Revenue	3	51,329		49,828	
Expenses	4	(240)		(238)	
Net revenue before taxation		51,089		49,590	
Taxation	5	-		-	
Net revenue after taxation			51,089		49,590
Total return before distributions			45,391		101,112
Distributions	6		(51,350)		(49,808)
Change in net assets attributable to shareholders from investment activities			(5,959)		51,304

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		967,504		872,951
Amounts receivable on issue of shares	71,632		32,719	
Amounts payable on cancellation of shares	(39,778)		(37,812)	
		31,854		(5,093)
Dilution adjustment		221		135
Change in net assets attributable to shareholders from investment activities		(5,959)		51,304
Retained distributions on accumulation shares		50,258		48,207
Closing net assets attributable to shareholders		1,043,878		967,504

Financial Statements cont.

Balance Sheet as at 30 September 2025

	Notes	2025 £'000	2024 £'000
Assets:			
Fixed assets:			
Investments	13	1,008,081	936,506
Current assets:			
Debtors	8	28,858	43,212
Cash and bank balances	9	23,377	28,191
Total assets		1,060,316	1,007,909
Liabilities:			
Investment liabilities	13	(6,017)	(2,627)
Creditors:			
Bank overdrafts	9	(9,740)	(4,026)
Distributions payable		(433)	(538)
Other creditors	10	(248)	(33,214)
Total liabilities		(16,438)	(40,405)
Net assets attributable to shareholders		1,043,878	967,504

Notes to the Financial Statements

1 Net capital gains/(losses)

	2025	2024
	£'000	£'000
Non-derivative securities	6,178	42,716
Derivative contracts	(6,945)	2,519
Forward currency contracts	(4,691)	6,165
Currency gains/(losses)	(230)	127
Transaction costs	(10)	(5)
Net capital gains/(losses)	(5,698)	51,522

2 Purchases, sales and transaction costs

	2025	2024
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	696,862	801,067
Purchases including transaction costs	696,862	801,067

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	633,219	757,106
Sales net of transaction costs	633,219	757,106

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	32	23

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2025		2024	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	32	0.00	23	0.00
Taxes	-	0.00	-	0.00
Total direct transaction costs	32	0.00	23	0.00
			2025	2024
			%	%
Average portfolio dealing spread			0.33	0.29

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

	2025	2024
	£'000	£'000
Interest on debt securities	53,774	49,830
Bank interest	423	350
Swaps interest	(2,868)	(352)
Total revenue	51,329	49,828

Notes to the Financial Statements cont.

4 Expenses

	2025	2024
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	89	95
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	78	74
Bank charges	47	53
	125	127
Other expenses:		
Audit fee	15	14
Third party costs of processing dealing instructions from investors	11	2
	26	16
Total expenses	240	238

5 Taxation

	2025	2024
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Total taxation	-	-

The Fund is subject to corporation tax at 20% (2024: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2025	2024
	£'000	£'000
Net revenue before taxation	51,089	49,590
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2024: 20%)	10,218	9,918
Effects of:		
Interest distributions	(10,264)	(9,959)
Management expenses charged to capital	48	47
Tax on undistributed income carried forward	(2)	(6)
Total taxation	-	-

Notes to the Financial Statements cont.

6 Distributions

	2025	2024
	£'000	£'000
Interim to 31 December	11,129	9,060
Interim to 31 March	12,633	9,276
Interim to 30 June	13,090	14,398
Final to 30 September	14,935	17,082
	51,787	49,816
Amounts deducted on cancellation of shares	137	354
Amounts added on issue of shares	(574)	(362)
Total distributions	51,350	49,808

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

	2025	2024
	£'000	£'000
Net revenue after taxation for the year	51,089	49,590
Add expenses allocated to capital	240	238
Add distributable revenue brought forward	31	11
Less distributable revenue carried forward	(10)	(31)
Net distributions for the year	51,350	49,808

8 Debtors

	2025	2024
	£'000	£'000
Receivable for issue of shares	18	17
Sales awaiting settlement	-	20,254
Accrued income	19,530	14,419
VAT recoverable	1	1
Collateral held by counterparties	6,035	2,500
Amounts due from clearing brokers	-	91
Amounts due from clearing house	3,260	5,898
Other debtors	14	32
Total debtors	28,858	43,212

Notes to the Financial Statements cont.

9 Cash and bank balances

	2025	2024
	£'000	£'000
Sterling amounts held at clearing houses and brokers	2,314	2,559
Foreign amounts held at clearing houses and brokers	1,431	1,578
Sterling bank accounts	19,632	24,054
	23,377	28,191
Sterling amounts held at clearing houses and brokers overdrawn	-	(175)
Sterling bank accounts overdrawn	(9,740)	(3,851)
	(9,740)	(4,026)
Total cash and bank balances	13,637	24,165

10 Other creditors

	2025	2024
	£'000	£'000
Payable for cancellation of shares	20	42
Purchases awaiting settlement	32	30,094
Due to the ACD or associates	8	8
Due to the Depositary or associates	17	11
Collateral held on behalf of counterparty	-	3,045
Amounts due to clearing broker	158	-
Other accrued expenses	13	14
Total other creditors	248	33,214

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of annual management charge are disclosed in note 4 with amounts due at the year end given in note 10.

Notes to the Financial Statements cont.

11 Related party transactions (continued)

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

	2025	2024
	%	%
ACD and associates of the ACD	0.00	0.00

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.24	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.25
A Income Shares	551,990	17,489	(182,326)	-	387,153
B Accumulation Shares	2,010,716	265,841	(403,023)	-	1,873,534
B Income Shares	34,423,401	4,367,689	(4,194,313)	-	34,596,777
C Accumulation Shares	412,680,616	30,008,826	(15,475,448)	-	427,213,994
C Income Shares	100	-	-	-	100

13 Basis of valuation

	2025		2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	63,171	-	62,442	-
Level 2: Observable market data	934,572	(6,017)	864,744	(2,627)
Level 3: Unobservable data ¹	10,338	-	9,320	-
Total	1,008,081	(6,017)	936,506	(2,627)

¹For further information on the assets included in Level 3, as at 30 September 2025, please refer to the Portfolio Statement.

14 Credit ratings

	2025		2024	
Rating Block	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	871,032	83.44	835,344	86.34
High Yield	136,725	13.10	97,834	10.11
Total	1,007,757	96.54	933,178	96.45
Other	36,121	3.46	34,326	3.55
Net Assets	1,043,878	100.00	967,504	100.00

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2025			2024		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	1,276	(3,562)	(2,285)	1,084	(2,151)	(1,067)
UK sterling	21,343	1,006,793	1,028,137	28,031	936,812	964,843
US dollar	155	(1,168)	(1,013)	494	(782)	(288)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2025				2024			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	1,276	154,520	-	155,796	1,084	111,000	-	112,084
UK sterling	50,107	975,206	205,803	1,231,117	53,666	1,001,371	110,077	1,165,114
US dollar	155	52,457	-	52,612	494	23,129	-	23,623

Currency	2025				2024			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	4,043	154,039	158,082	-	29,801	83,351	113,152
UK sterling	202,980	-	-	202,980	200,271	-	-	200,271
US dollar	-	-	53,626	53,626	-	-	23,911	23,911

Totals may not sum due to rounding.

Notes to the Financial Statements cont.

16 Derivative Exposure

Counterparty	2025						2024					
	Credit	Forward	Inflation	Interest	Cash	Total	Credit	Forward	Inflation	Interest	Cash	Total
	default swaps £'000	currency contracts £'000	rate swaps £'000	rate swaps £'000	collateral held £'000	exposure £'000	default swaps £'000	currency contracts £'000	rate swaps £'000	rate swaps £'000	collateral held £'000	exposure £'000
Deutsche Bank	-	-	-	-	-	-	-	1,103	-	-	(845)	258
JP Morgan Chase	-	-	-	-	-	-	-	941	-	-	(1,410)	(469)
Lloyds Bank	-	-	-	324	-	324	-	-	-	512	-	512
Royal Bank of Canada	-	-	-	-	-	-	-	772	-	-	(790)	(18)
Collateral pledged on derivatives was:												
											2025	2024
											£'000	£'000
Cash collateral pledged on derivatives												
CitiGroup											2,905	2,500
Deutsche Bank											965	-
JP Morgan Chase											440	-
Merrill Lynch											1,210	-
Royal Bank of Canada											340	-
State Street Bank											175	-

In addition, the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. The VaR approach for this fund is the relative approach. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System

FIS Advanced Portfolio Technologies (APT)

VaR methodology:

variance covariance approach (with delta-adjustment)

Confidence level:

99%

Holding period:

1 month

Decay factor for exponential smoothing of historical market data:

nil

Historical observation period:

180 weeks

Notes to the Financial Statements cont.

17 Value at risk (VaR) (continued)

	2025	2024
	%	%
Fund VaR:	4.65	4.89
Index VaR:	4.34	4.52

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level.

In combination with a snapshot of the portfolio and benchmark constituents at a given point in time, the APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio and comparative index constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Tables

Interim distribution for the period ended 31 December 2024

Group 1 : shares purchased prior to 1 October 2024

Group 2 : shares purchased 1 October 2024 to 31 December 2024

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.02.25)	Distribution (paid/accumulated 28.02.24)
	31.12.24 pence per share	31.12.24 pence per share	31.12.24 pence per share	31.12.23 pence per share
A Income				
Group 1	0.88000	-	0.88000	0.80000
Group 2	0.21736	0.66264	0.88000	0.80000
B Accumulation				
Group 1	2.45000	-	2.45000	2.07000
Group 2	1.71736	0.73264	2.45000	2.07000
B Income				
Group 1	0.95000	-	0.95000	0.84000
Group 2	0.48532	0.46468	0.95000	0.84000
C Accumulation				
Group 1	2.51000	-	2.51000	2.10000
Group 2	0.70030	1.80970	2.51000	2.10000
C Income				
Group 1	0.99000	-	0.99000	0.87000
Group 2	0.99000	-	0.99000	0.87000

Distribution Tables cont.

Interim distributions for the period ended 31 March 2025

Group 1 : shares purchased prior to 1 January 2025

Group 2 : shares purchased 1 January 2025 to 31 March 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.05.25)	Distribution (paid/accumulated 31.05.24)
	31.03.25 pence per share	31.03.25 pence per share	31.03.25 pence per share	31.03.24 pence per share
A Income				
Group 1	0.99000	-	0.99000	0.77000
Group 2	0.24161	0.74839	0.99000	0.77000
B Accumulation				
Group 1	2.79000	-	2.79000	2.06000
Group 2	1.47073	1.31927	2.79000	2.06000
B Income				
Group 1	1.08000	-	1.08000	0.84000
Group 2	0.37112	0.70888	1.08000	0.84000
C Accumulation				
Group 1	2.85000	-	2.85000	2.10000
Group 2	2.85000	-	2.85000	2.10000
C Income				
Group 1	1.11000	-	1.11000	0.85000
Group 2	1.11000	-	1.11000	0.85000

Distribution Tables cont.

Interim distribution for the period ended 30 June 2025

Group 1 : share purchased prior to 1 April 2025

Group 2 : share purchased 1 April 2025 to 30 June 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 31.08.25)	Distribution (paid/accumulated 31.08.24)
	30.06.25 pence per share	30.06.25 pence per share	30.06.25 pence per share	30.06.24 pence per share
A Income				
Group 1	1.01000	-	1.01000	1.20000
Group 2	0.21839	0.79161	1.01000	1.20000
B Accumulation				
Group 1	2.89000	-	2.89000	3.23000
Group 2	1.09281	1.79719	2.89000	3.23000
B Income				
Group 1	1.09000	-	1.09000	1.30000
Group 2	0.37539	0.71461	1.09000	1.30000
C Accumulation				
Group 1	2.96000	-	2.96000	3.29000
Group 2	2.96000	-	2.96000	3.29000
C Income				
Group 1	1.16000	-	1.16000	1.35000
Group 2	1.16000	-	1.16000	1.35000

Distribution Tables cont.

Final distribution for the period ended 30 September 2025

Group 1 : shares purchased prior to 1 July 2025

Group 2 : shares purchased 1 July 2025 to 30 September 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.11.25)	Distribution (paid/accumulated 30.11.24)
	30.09.25 pence per share	30.09.25 pence per share	30.09.25 pence per share	30.09.24 pence per share
A Income				
Group 1	1.14000	-	1.14000	1.45000
Group 2	0.27192	0.86808	1.14000	1.45000
B Accumulation				
Group 1	3.30000	-	3.30000	3.90000
Group 2	1.19604	2.10396	3.30000	3.90000
B Income				
Group 1	1.24000	-	1.24000	1.54000
Group 2	0.53982	0.70018	1.24000	1.54000
C Accumulation				
Group 1	3.38000	-	3.38000	3.99000
Group 2	3.38000	-	3.38000	3.99000
C Income				
Group 1	1.30000	-	1.30000	1.65000
Group 2	1.30000	-	1.30000	1.65000

Baillie Gifford™

Baillie Gifford Strategic Bond Fund

a sub-fund of Baillie Gifford Bond Funds ICVC

*Annual Report and Financial Statements
for the year ended 30 September 2025*



Baillie Gifford Strategic Bond Fund

Investment Objective

The Fund aims to produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions.

Investment Policy

The Fund will invest at least 80% in a diversified portfolio of (1) investment grade and (2) sub-investment grade bonds, issued by corporate issuers, public bodies and supranationals, and (3) developed market government bonds. The Fund may also invest in other bonds. The bonds in which the Fund invests will be denominated in sterling or denominated in other currencies and hedged back to sterling. Currency forwards and derivatives, which are types of financial contracts, are used for both investment purposes and in the management of risk. The Fund will be actively managed through bond selection and strategic asset allocation.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



Market conditions can change rapidly and a fund in any rank can lose you your investment. The Fund is classified as above as it invests in corporate bonds.

The indicator does not take into account the following relevant material risks:

Bonds are affected by interest rates and inflation trends which may affect the value of the Fund. They could lose value if the issuer's financial health deteriorates.

Derivatives can magnify losses if the underlying asset does not perform as the manager expects.

In adverse market conditions it may be difficult to sell investments held by the Fund in a timely manner and their value may fall significantly. This could affect how much money you receive and even delay the selling of your shares if dealing in the Fund is suspended.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

The manager can charge some, or all, expenses to the Fund's capital, reducing its value. This amount can vary from year to year.

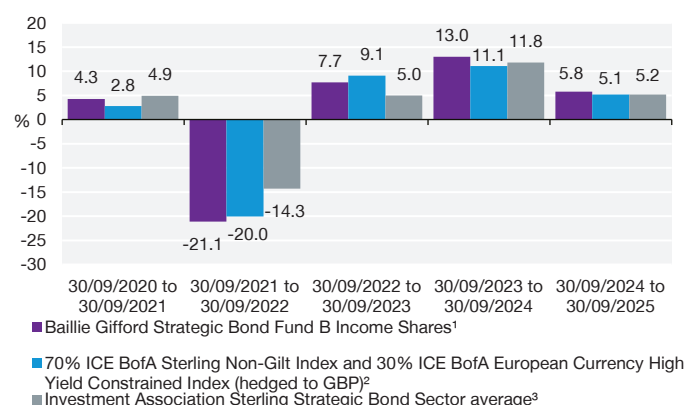
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has allocated all expenses to capital. This will reduce the capital value of the Fund.

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Income Shares. Performance figures reflect the annual management charge of 0.50%. Performance figures for the other share classes in issue can be obtained by contacting Client Relations. You should be aware that past performance is not a guide to future performance.

Past Performance

The investment objective of the Fund is to produce monthly income. Opportunities for capital growth are also sought, subject to prevailing market conditions. For the year to 30 September 2025, income totalling 4.23 pence per share was declared for B Income Shares and the total return was 5.8%¹ compared to the composite index⁴ (comparator benchmark) of 5.1%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that three years is a more sensible timeframe over which to judge performance. Over that period, the Fund declared a monthly stream of income totalling 11.41 pence per share for B Income Shares and the annualised total return was 8.8%¹ compared to the comparator benchmark of 7.3%².

Market environment

Market dynamics were dominated by the US policy agenda over the last 12 months. The first days of April saw a sell-off across asset classes, reflecting President

Trump's unexpectedly broad and deep 'Liberation Day' tariff announcement and the risks it posed to global growth. Markets went on to steady and recover following the announcement of a "90-day pause" and as the administration started to negotiate trade deals.

This period of extreme volatility gave way to a more resilient and relatively subdued backdrop. From a fixed income perspective, the big picture developments were all about the market's assessment of the Federal Reserve (Fed) delivering a soft landing and the relative health of corporates following big shifts in the international tariff regime. The most recent quarter saw inflation moderate and labour data soften enough for the Fed to cut interest rates for the first time in 2025. The market priced in a gradual easing, and company results were solid, leading to stable returns across most asset classes.

While market conditions are currently largely benign, there are significant risks to contend with. Valuations in corporate bond markets are relatively tight, increasing the potential for volatility in the event of bad news. Risks include higher-than-expected inflation in the US, escalating geopolitical instability, and greater

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and ICE, total return. ³Source: Revolution and The Investment Association, total return. Please see Disclaimer on page 139. ⁴The composite index is comprised of 70% ICE BofA Sterling Non-Gilt Index and 30% ICE BofA European Currency High Yield Constrained Index (hedged to GBP). You should be aware that past performance is not a guide to future performance.

Investment Report cont.

government bond volatility resulting from poorly managed fiscal deficits in a number of Western economies.

Performance

Performance over the last 12 months has been strong with bond selection the key return driver. While a broad range of positions added relative value, a significant contribution came from the Fund's large position in bonds issued by Annington Funding (Annington) following the announcement that it would sell the Married Quarters Estate back to the UK Ministry of Defence in December 2024. As a result, Annington announced a tender offer to buy back many of its bonds, leading to a significant rally in prices. Asset allocation also contributed as the Fund's overweight allocation to BBB rated investment grade bonds and B rated high yield bonds added value. These relatively higher risk segments of corporate credit markets outperformed in the context of a broadly supportive backdrop.

Over the last three years, Fund returns have been ahead of the comparator index with bond selection across a broad range of sectors and contributions from active management of portfolio credit risk, adding value for clients. In addition to strong returns from Annington, the Fund's allocations within the European property sector (a recovery story) and off-benchmark subordinated insurance bonds were key contributors to relative outperformance.

Notable Transactions

Reflecting the continued resilience of corporate bond issuers as a whole, credit spreads remain relatively tight compared to history. However, we have seen evidence of distress at the speculative end of the market. In this context, from a portfolio positioning perspective, our objective is to balance caution and optimism, recognising the supportive backdrop but also the potential, given tight credit spreads, for price volatility. Our increasingly cautious view towards the end of the period has led us to adjust the balance of the Fund's credit risk, gradually reducing risk as valuations have risen. Importantly, the

strategy continues to outyield the index, driven by a significant overweight to BBB rated bonds and our enthusiasm for the total return potential of the asset class, given the attractive yields on offer.

We are also optimistic about the portfolio's potential to add value from the bottom up. We continue to diligently reassess the strength of the portfolio's companies and believe that each holding offers resilience at an attractive price. We also continue to identify new bonds with high potential. Our objective is to lend to companies that can adapt to change and to steer away from declining and disrupted businesses. A good example of what we are looking for is new addition Axon Enterprise, previously known as Taser International. Axon has a close-to-monopoly position in its historic business, a dominant position in bodycams and an expanding software business that provides an increasing recurring revenue base. We see a path to investment grade credit ratings for Axon and good value in its bonds.

Baillie Gifford & Co, 20 October 2025

Principal Bond Holdings as at 30 September 2025

Investment	Percentage of total Fund
DNB Bank 4% 2026/27	2.50
Telereal (C1) FRN 2031	2.48
UK Treasury 4.25% 07/12/2046	2.23
Rothesay Life 8% 2025	2.15
Realty Income 5.125% 2034	2.09
KFW 5.75% 2032	2.00
Yorkshire Water 6.375% 2034	1.99
Blackstone Private Credit 4.875% 2026	1.89
Zurich Financial Services 5.125% 2032/52 T2	1.88
International Workplace Group 6.5% 2030	1.80

Material Portfolio Changes for the year ended 30 September 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK Treasury 4.25% 07/12/2046	6,354	Bharti Airtel 5.65% 2025 Perp	9,405
Banco Santander 5.625% 2031	5,497	Banco Santander 1.5% 2026	8,860
Supermarket Income REIT 5.125% 2031	5,016	Barclays 7.125% 2025 Perp AT1	8,686
Assura Financing 1.625% 2033	4,415	Helvetia 2.75% 2031/41 T2	7,674
Bunzl Finance 5.25% 2031	4,394	Annington Funding 2.308% 2032	7,532
Intesa Sanpaolo 6.625% 2033	4,180	Motability 4% 2030	6,733
Blue Owl Credit Income 4.25% 2031	4,149	J.P. Morgan 1.895% 2033	5,579
Evri 8.125% 2031	4,007	CPI Property 1.5% 2031	5,411
Marston's FRN 2035 (B)	3,821	Townsquare Media 6.875% 2026 (144A)	5,217
Domestic & General 8.125% 2029	3,817	Infopro Digital 8% 2028	5,020

The largest purchases and sales have been shown, with the exception of UK Treasury Bills, which are used for cash management purposes, and derivatives.

Portfolio Statement as at 30 September 2025

Stock description	Holding	Market value £'000	% of total net assets
Agency - 3.63% (2.92%)			
Canada Pension Plan 1.25% 2027	6,360,000	5,985	1.80
Temasek 0.5% 2031	4,080,000	3,094	0.93
Temasek 3.5% 2033	3,350,000	3,010	0.90
Asset Backed - 8.18% (4.02%)			
Anglian Water 6.25% 2044	3,300,000	3,131	0.94
Heathrow Airport 6.45% 2031/33	2,700,000	2,875	0.86
Marston's FRN 2035 (B)	4,200,000	3,633	1.09
Mitchells & Butlers 6.469% 2030 (C1)	2,022,000	2,026	0.61
Mitchells & Butlers FRN (AB) 2033	6,400,000	4,517	1.35
Welsh Water 2.375% 2034	6,058,000	4,455	1.34
Yorkshire Water 6.375% 2034	6,500,000	6,622	1.99
Automotive - 0.81% (0.00%)			
Ford Motor Credit 3.815% 2027	3,700,000	2,682	0.81
Banking - 12.37% (12.69%)			
Banco Santander 5.625% 2031	5,500,000	5,622	1.69
Barclays 1.7% 2025/26	4,760,000	4,748	1.43
Barclays 8.375% 2031 Perp AT1	2,600,000	2,737	0.82
Barclays 9.25% 2029 Perp AT1	2,500,000	2,704	0.81
Caixabank 6.875% 2028/33 T2	3,600,000	3,761	1.13
DNB Bank 4% 2026/27	8,340,000	8,314	2.50
Intesa Sanpaolo 6.625% 2033	3,870,000	4,161	1.25
J.P. Morgan 1.895% 2033	2,355,000	1,976	0.59
Nationwide 7.875% Perp AT1	2,550,000	2,641	0.79
Nationwide Building Society 6.125% 2028	2,120,000	2,208	0.66
NatWest Gp 3.619% 2029	2,370,000	2,312	0.70
Basic Industry - 0.51% (2.18%)			
James Hardie 6.125% 2032 (144A)	2,223,000	1,691	0.51
Capital Goods - 1.85% (2.22%)			
Axon Enterprise 6.125% 2030 (144A)	1,700,000	1,297	0.39

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Axon Enterprise 6.25% 2033 (144A)	1,600,000	1,223	0.37
Weir Group 5.35% 2030 (144A)	3,160,000	2,415	0.72
Weir Group 6.875% 2028	1,194,000	1,242	0.37
Commercial Mortgage Backed - 4.63% (4.00%)			
Delamare 5.5457% 2029	8,020,000	3,172	0.95
Longstone 4.896% 2031	2,355,000	2,256	0.68
Telereal (B-4) 6.1645% 2031	2,450,000	1,751	0.52
Telereal (C1) FRN 2031	8,820,000	8,251	2.48
Consumer Goods - 0.00% (0.00%)			
Virgolino De Oliveira 11.75% 2022 ¹	2,485,000	14	0.00
Financial Services - 15.61% (12.57%)			
Blackstone Private Credit 4.875% 2026	6,300,000	6,291	1.89
Blue Owl Credit Income 4.25% 2031	4,800,000	4,191	1.26
Burford Capital 9.25% 2031 (144A)	5,040,000	3,978	1.19
Close Brothers 7.75% 2028	2,634,000	2,777	0.83
International Personal Finance 10.75% 2029	3,220,000	3,047	0.92
Investec 10.5% 2029 Perp AT1	2,300,000	2,567	0.77
Investec 2.625% 2026/32 T2	4,280,000	4,158	1.25
Jefferies Finance 6.625% 2031 (144A)	1,100,000	822	0.25
Jefferies Finance Group 5% 2028 (144A)	2,732,000	1,961	0.59
Motability 6.25% 2045	2,250,000	2,213	0.66
Pershing Square 3.25% 2031 (RegS)	2,130,000	1,427	0.43
Pershing Square Holdings 3.25% 2030	8,492,000	5,807	1.74
Schroders 6.346% 2029/34 T2	2,500,000	2,571	0.77
Shift4 Payments 5.5% 2033	3,000,000	2,726	0.82
Softbank 5.875% 2031	2,700,000	2,482	0.75
TP ICAP Gp 2.625% 2028	694,000	643	0.19
TP ICAP Gp 7.875% 2030	2,681,000	2,909	0.87
Worldline SA 5.5% 2030	2,100,000	1,421	0.43
Government Guaranteed - 2.24% (1.95%)			
KFW 5% 2036	770,000	778	0.24

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
KFW 5.75% 2032	6,200,000	6,668	2.00
Health Care - 1.84% (2.31%)			
Sunrise Medical 6.5% 2031	4,303,000	3,826	1.15
Teva Pharma Ind 7.875% 2031	2,215,000	2,317	0.69
Insurance - 11.45% (11.68%)			
Abrdn 5.25% 2026 Perp AT1	4,030,000	3,979	1.20
Admiral Group 8.5% 2034 T2	3,540,000	4,052	1.22
Domestic & General 8.125% 2029	3,800,000	3,933	1.18
Legal & General 5.625% 2031 Perp RT1	5,240,000	4,992	1.50
Pension Insurance 5.625% 2030	1,820,000	1,830	0.55
Pension Insurance Corp 8% 2033 T2	5,350,000	5,907	1.77
Rothsay Life 8% 2025	7,160,000	7,176	2.15
Zurich Financial Services 5.125% 2032/52 T2	6,370,000	6,256	1.88
Leisure - 0.73% (1.83%)			
Cirsa Finance 10.375% 2027	3,008,000	2,436	0.73
Media - 3.50% (2.57%)			
Asmodee Group 5.75% 2029	1,000,000	489	0.15
DirecTV 10% 2031 (144A)	3,500,000	2,596	0.78
Future PLC 6.75% 2030	3,400,000	3,399	1.02
Pinewood 6% 2030	3,400,000	3,419	1.03
Pinewood Gp 3.625% 2027	1,800,000	1,746	0.52
Real Estate - 9.77% (11.93%)			
Assura Financing 1.625% 2033	5,900,000	4,428	1.33
Berkeley Group 2.5% 2031	6,380,000	5,409	1.62
CPI Property 1.5% 2031	5,280,000	3,817	1.14
Public Property Invest 4.625% 2030	4,000,000	3,585	1.08
Realty Income 5.125% 2034	7,200,000	6,951	2.09
Supermarket Income REIT 5.125% 2031	5,050,000	5,021	1.51

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
TAG Immobilien 4.25% 2030	3,700,000	3,343	1.00
Retail - 4.22% (6.77%)			
B&M European Value Retail 8.125% 2030	4,125,000	4,358	1.31
BestSecret E+3.75% FRN 2029	3,871,000	3,398	1.02
Wagamama 8.5% 2030	3,600,000	3,373	1.01
WH Smith 1.625% 2026 Convertible	3,000,000	2,913	0.88
Services - 4.03% (2.66%)			
Bunzl Finance 5.25% 2031	2,450,000	2,478	0.75
International Workplace Group 6.5% 2030	6,300,000	6,006	1.80
University of Oxford 2.544% 2117	9,240,000	4,202	1.26
Urbaser 5.5% 2032	840,000	746	0.22
Sovereign - 2.23% (1.62%)			
UK Treasury 4.25% 07/12/2046	8,700,000	7,416	2.23
Supranational - 1.97% (1.86%)			
EIB 4.625% 2054	6,300,000	5,501	1.65
IBRD 5.75% 2032	975,000	1,046	0.32
Technology & Electronics - 0.00% (2.11%)			
Telecommunications - 2.26% (5.02%)			
AT&T INCO 5.5 2027	2,250,000	2,277	0.68
CK Hutchison Telecom 2.625% 2034	4,400,000	3,316	1.00
Sitios Latinoamerica 5.375% 2032	2,600,000	1,934	0.58
Transportation - 0.99% (1.45%)			
Evri 8.125% 2031	3,083,000	3,287	0.99
Utilities - 2.84% (1.95%)			
EDF 6% 2114	3,700,000	3,181	0.96
EDF 7.375% 2035 Perp	2,800,000	2,856	0.86

Portfolio Statement as at 30 September 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
National Grid ED E Midlands 5.75% 2040	3,400,000	3,414	1.02
Derivatives - -0.40% (0.39%)			
Forward currency contracts (see Table 1)		(805)	(0.24)
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		83	0.02
Credit default swap contracts (see Table 4)		(593)	(0.18)
Portfolio of investments		317,257	95.26
Net other assets - 4.74% (3.30%)		15,774	4.74
Net assets		333,031	100.00

¹This bond was in default at the year end, therefore the bond has been valued at the Investment Adviser's valuation.

Please note: figures are based on market values rather than economic exposure.

Unless otherwise stated the above holdings are in fixed interest securities.

Figures in brackets in the investment category headings refer to 30 September 2024.

Portfolio Statement as at 30 September 2025 cont.

Table 1: Unrealised gains/(losses) on open forward currency contracts

Counterparty	Settlement	Buy	Buy Amount	Sell	Sell Amount	Unrealised gains/(losses) £'000	% of total net assets
HSBC	20/11/25	GBP	56,805,932	EUR	65,501,000	(522)	(0.16)
NatWest	20/11/25	GBP	27,617,079	USD	37,565,000	(283)	(0.08)
Unrealised gains/(losses) on open forward currency contracts						(805)	(0.24)

Table 2: Unrealised gains/(losses) on futures contracts

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro-Bund Future December 2025	10/12/25	(109)	-	0.00
Euro-Schatz Future December 2025	10/12/25	313	-	0.00
Long Gilt Future 10 Year December 2025	31/12/25	51	-	0.00
US 5 Year Note December 2025	06/01/26	(302)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Table 3: Unrealised gains/(losses) on open interest rate swap contracts:

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total net assets
Barclays	GBP	23/05/27	40,000,000	SONIA Interest Rate Benchmark	3.8418%	31	0.01
HSBC	GBP	26/07/29	24,000,000	SONIA Interest Rate Benchmark	3.8553%	52	0.01
Unrealised gains/(losses) on open interest rate swap contracts						83	0.02

Table 4: Credit default swap contracts

Credit Default Swap	Maturity	Currency	Direction	Notional	Premium	Market Value £'000	% of total net assets
CDS Buy iTraxx Europe Crossover Series 43 Version 1 EUR 20/06/2030	20/06/30	EUR	Buy protection	6,400,000	5%	(593)	(0.18)
Credit default swap contracts						(593)	(0.18)

Comparative Tables

Comparative Table: A Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	217.93	194.03	180.11
Return before operating charges*	13.67	26.03	15.88
Operating charges	(2.30)	(2.13)	(1.96)
Return after operating charges*	11.37	23.90	13.92
Distributions	(12.27)	(10.89)	(8.55)
Retained distributions on accumulation shares	12.27	10.89	8.55
Closing net asset value per share	229.30	217.93	194.03
*After direct transaction costs of:	0.00	0.02	0.02
Performance:			
Return after charges	5.22%	12.32%	7.73%
Other Information:			
Closing net asset value (£'000)	2,736	3,445	4,565
Closing number of shares	1,193,276	1,580,623	2,353,091
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	230.4	218.9	200.5
Lowest share price (pence)	216.7	192.2	176.9

Comparative Tables cont.

Comparative Table: A Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	70.72	66.32	64.36
Return before operating charges*	4.34	8.76	5.66
Operating charges	(0.73)	(0.72)	(0.69)
Return after operating charges*	3.61	8.04	4.97
Distributions on income shares	(3.89)	(3.64)	(3.01)
Closing net asset value per share	70.44	70.72	66.32
 *After direct transaction costs of:	 0.00	 0.01	 0.01
Performance:			
Return after charges	5.10%	12.12%	7.72%
Other Information:			
Closing net asset value (£'000)	938	1,137	1,315
Closing number of shares	1,331,718	1,607,785	1,983,161
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	71.57	71.69	70.91
Lowest share price (pence)	69.66	65.69	63.20

Comparative Tables cont.

Comparative Table: B Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	241.52	213.96	197.62
Return before operating charges*	15.19	28.77	17.44
Operating charges	(1.31)	(1.21)	(1.10)
Return after operating charges*	13.88	27.56	16.34
Distributions	(13.64)	(12.04)	(9.40)
Retained distributions on accumulation shares	13.64	12.04	9.40
Closing net asset value per share	255.40	241.52	213.96
*After direct transaction costs of:	0.00	0.02	0.02
Performance:			
Return after charges	5.75%	12.88%	8.27%
Other Information:			
Closing net asset value (£'000)	153,407	192,221	352,570
Closing number of shares	60,065,963	79,586,733	164,784,048
Operating charges	0.53%	0.53%	0.52%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	256.6	242.5	220.3
Lowest share price (pence)	240.3	212.0	194.1

Comparative Tables cont.

Comparative Table: B Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	76.73	71.59	69.12
Return before operating charges*	4.71	9.49	6.08
Operating charges	(0.41)	(0.40)	(0.38)
Return after operating charges*	4.30	9.09	5.70
Distributions on income shares	(4.23)	(3.95)	(3.23)
Closing net asset value per share	76.80	76.73	71.59
 *After direct transaction costs of:	 0.00	 0.01	 0.01
Performance:			
Return after charges	5.60%	12.70%	8.25%
Other Information:			
Closing net asset value (£'000)	173,621	198,450	238,278
Closing number of shares	226,058,301	258,650,298	332,818,510
Operating charges	0.53%	0.53%	0.52%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	77.81	77.75	76.22
Lowest share price (pence)	75.76	70.93	67.89

Comparative Tables cont.

Comparative Table: C Accumulation Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	284.66	250.92	230.58
Return before operating charges*	17.95	33.82	20.36
Operating charges	(0.09)	(0.08)	(0.02)
Return after operating charges*	17.86	33.74	20.34
Distributions	(16.12)	(14.15)	(11.16)
Retained distributions on accumulation shares	16.12	14.15	11.16
Closing net asset value per share	302.52	284.66	250.92
*After direct transaction costs of:	0.00	0.03	0.02
Performance:			
Return after charges	6.27%	13.45%	8.82%
Other Information:			
Closing net asset value (£'000)	1,705	3	3
Closing number of shares	563,439	1,000	1,000
Operating charges	0.03%	0.03%	0.01%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	303.9	285.8	257.5
Lowest share price (pence)	283.3	248.7	226.5

Comparative Tables cont.

Comparative Table: C Income Shares

	Financial Year Ended 30 September 2025 (pence per share)	Financial Year Ended 30 September 2024 (pence per share)	Financial Year Ended 30 September 2023 (pence per share)
Change in net assets per share:			
Opening net asset value per share	82.64	76.72	73.71
Return before operating charges*	5.09	10.18	6.49
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	5.07	10.16	6.47
Distributions on income shares	(4.57)	(4.24)	(3.46)
Closing net asset value per share	83.14	82.64	76.72
 *After direct transaction costs of:	 0.00	 0.01	 0.01
Performance:			
Return after charges	6.14%	13.24%	8.78%
Other Information:			
Closing net asset value (£'000)	624	620	576
Closing number of shares	750,278	750,278	750,278
Operating charges	0.03%	0.03%	0.02%
Direct transaction costs ¹	0.00%	0.01%	0.01%
Prices:			
Highest share price (pence)	84.10	83.74	81.42
Lowest share price (pence)	81.82	76.03	72.41

¹The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. Commission is also payable to the counterparty on the trading of future contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

For further details on the costs associated with investing in the Fund please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Financial Statements

Statement of Total Return for the year ended 30 September 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		2,105		36,478
Revenue	3	19,550		24,426	
Expenses	4	(1,896)		(2,477)	
Net revenue before taxation		17,654		21,949	
Taxation	5	-		-	
Net revenue after taxation			17,654		21,949
Total return before distributions			19,759		58,427
Distributions	6		(19,557)		(24,436)
Change in net assets attributable to shareholders from investment activities			202		33,991

Statement of Change in Net Assets Attributable to Shareholders for the year ended 30 September 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		395,876		597,307
Amounts receivable on issue of shares	16,236		1,644	
Amounts payable on cancellation of shares	(88,779)		(249,900)	
		(72,543)		(248,256)
Dilution adjustment		197		839
Change in net assets attributable to shareholders from investment activities		202		33,991
Retained distributions on accumulation shares		9,299		11,995
Closing net assets attributable to shareholders		333,031		395,876

Financial Statements cont.

Balance Sheet as at 30 September 2025

	Notes	2025 £'000	2024 £'000
Assets:			
Fixed assets:			
Investments	13	318,655	384,219
Current assets:			
Debtors	8	9,557	9,665
Cash and bank balances	9	13,086	14,252
Total assets		341,298	408,136
Liabilities:			
Investment liabilities	13	(1,397)	(1,400)
Creditors:			
Bank overdrafts	9	(5,130)	(4,240)
Distributions payable		(912)	(1,827)
Other creditors	10	(828)	(4,793)
Total liabilities		(8,267)	(12,260)
Net assets attributable to shareholders		333,031	395,876

Notes to the Financial Statements

1 Net capital gains/(losses)

	2025	2024
	£'000	£'000
Non-derivative securities	5,797	25,504
Derivative contracts	(697)	(195)
Forward currency contracts	(3,009)	11,100
Currency gains/(losses)	17	74
Transaction costs	(3)	(5)
Net capital gains/(losses)	2,105	36,478

2 Purchases, sales and transaction costs

	2025	2024
	£'000	£'000
Purchases and transaction costs		
Gross purchases of bonds excluding transaction costs ¹	135,769	279,886
Purchases including transaction costs	135,769	279,886

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Sales and transaction costs		
Gross sales of bonds excluding transaction costs ¹	205,268	506,283
Sales net of transaction costs	205,268	506,283

¹There were no transaction costs on the purchase or sale of bonds.

	2025	2024
	£'000	£'000
Transaction cost on derivative contracts		
Commission on trading futures contracts	13	30

Notes to the Financial Statements cont.

2 Purchases, sales and transaction costs (continued)

	2025		2024	
	£'000	% of average NAV	£'000	% of average NAV
Portfolio transaction costs				
Commissions	13	0.00	30	0.01
Taxes	-	0.00	-	0.00
Total direct transaction costs	13	0.00	30	0.01
			2025	2024
			%	%
Average portfolio dealing spread			0.46	0.41

Funds incur transaction costs such as broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the underlying investments in order to achieve the investment objective. In the case of bonds, typically no transaction costs are incurred however transaction taxes may be incurred in some jurisdictions. Commission is also payable to the counterparty on the trading of futures contracts.

A dilution adjustment is made whenever dealings in the shares of the Fund result in shares being issued or cancelled by the Company. The adjustment will take account of any spread between the buying and selling prices of the Fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments. Please note that the direct transaction cost disclosures above do not include the dilution adjustment charges. For further details on dilution adjustment charges please see the General Information section.

Dealing spread is the difference in the buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment. The Fund may have holdings in single priced funds. The notional spread on these holdings is not included in the average dealing spread calculated for this Fund.

3 Revenue

	2025	2024
	£'000	£'000
Interest on debt securities	20,443	24,525
Bank interest	245	270
Swaps interest	(1,138)	(369)
Total revenue	19,550	24,426

Notes to the Financial Statements cont.

4 Expenses

	2025	2024
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,795	2,382
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	27	35
Bank charges	16	36
Bank overdraft interest	1	4
	44	75
Other expenses:		
Audit fee	14	13
Third party costs of processing dealing instructions from investors	43	7
	57	20
Total expenses	1,896	2,477

5 Taxation

	2025	2024
	£'000	£'000
Analysis of charge in the year		
Corporation tax	-	-
Total taxation	-	-

The Fund is subject to corporation tax at 20% (2024: 20%), however, the Fund is a bond fund making interest distributions and the interest distributions made by the Fund are allowable in arriving at the amount of revenue liable to tax. As a result, this has reduced the corporation tax liability of the Fund to nil.

The tax charge is explained as follows:

	2025	2024
	£'000	£'000
Net revenue before taxation	17,654	21,949
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2024: 20%)	3,531	4,390
Effects of:		
Interest distributions	(3,909)	(4,882)
Management expenses charged to capital	379	495
Tax on undistributed income carried forward	(1)	(3)
Total taxation	-	-

Notes to the Financial Statements cont.

6 Distributions

	2025	2024
	£'000	£'000
Interim to 31 October	1,252	1,688
Interim to 30 November	2,073	1,617
Interim to 31 December	1,550	1,572
Interim to 31 January	1,912	1,711
Interim to 28 February	1,381	1,655
Interim to 31 March	1,629	1,601
Interim to 30 April	1,685	1,931
Interim to 31 May	1,610	1,869
Interim to 30 June	1,538	1,827
Interim to 31 July	1,476	2,048
Interim to 31 August	1,513	1,995
Final to 30 September	1,734	3,601
	19,353	23,115
Amounts deducted on cancellation of shares	255	1,336
Amounts added on issue of shares	(51)	(15)
Total distributions	19,557	24,436

The distributions take account of revenue transactions on the issue and cancellation of shares. Details of the distributions per share are set out in the Distribution Tables.

7 Reconciliation of net revenue to net distributions for the year

	2025	2024
	£'000	£'000
Net revenue after taxation for the year	17,654	21,949
Add expenses allocated to capital	1,896	2,473
Add distributable revenue brought forward	13	27
Less distributable revenue carried forward	(6)	(13)
Net distributions for the year	19,557	24,436

Notes to the Financial Statements cont.

8 Debtors

	2025	2024
	£'000	£'000
Receivable for issue of shares	31	54
Sales awaiting settlement	626	1
Accrued income	5,760	6,310
VAT recoverable	1	2
Collateral held by counterparties	1,665	1,395
Amounts due from clearing house	1,468	1,889
Other debtors	6	14
Total debtors	9,557	9,665

9 Cash and bank balances

	2025	2024
	£'000	£'000
Sterling amounts held at clearing houses and brokers	195	958
Foreign amounts held at clearing houses and brokers	389	1,057
Sterling bank accounts	12,502	12,007
Foreign currency bank accounts	-	230
	13,086	14,252
Sterling amounts held at clearing houses and brokers overdrawn	-	(23)
Sterling bank accounts overdrawn	(5,130)	(4,217)
	(5,130)	(4,240)
Total cash and bank balances	7,956	10,012

10 Other creditors

	2025	2024
	£'000	£'000
Payable for cancellation of shares	606	1,183
Purchases awaiting settlement	17	862
Due to the ACD or associates	147	172
Due to the Depositary or associates	12	12
Collateral held on behalf of counterparty	-	2,275
Amounts due to clearing broker	30	275
Other accrued expenses	16	14
Total other creditors	828	4,793

Notes to the Financial Statements cont.

11 Related party transactions

Baillie Gifford & Co Limited, as ACD, is regarded as a related party by virtue of the services provided to the Company. Baillie Gifford & Co Limited acts as principal in respect of all transactions of shares in the Company, except where stocks are transferred on the issue or cancellation of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts receivable and payable on the issue and cancellation of shares have been disclosed in notes 8 and 10 respectively.

Amounts paid to Baillie Gifford & Co Limited in respect of annual management charge are disclosed in note 4 with amounts due at the year end given in note 10.

Shares held by the ACD and associates of the ACD

The shares held by the ACD and associates of the ACD as a percentage of the Fund's NAV were:

	2025	2024
	%	%
ACD and associates of the ACD	0.00	0.00

12 Reconciliation of shares in issue

	Shares in issue as at 30.09.24	Shares issued	Shares cancelled	Shares converted	Shares in issue as at 30.09.25
A Accumulation Shares	1,580,623	20,867	(408,214)	-	1,193,276
A Income Shares	1,607,785	33,499	(309,566)	-	1,331,718
B Accumulation Shares	79,586,733	3,480,616	(22,940,416)	(60,970)	60,065,963
B Income Shares	258,650,298	7,576,074	(40,365,819)	197,748	226,058,301
C Accumulation Shares	1,000	562,439	-	-	563,439
C Income Shares	750,278	8,998	(8,998)	-	750,278

13 Basis of valuation

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1: Quoted prices	7,416	-	6,428	-
Level 2: Observable market data	311,239	(1,397)	377,791	(1,400)
Level 3: Unobservable data ¹	-	-	-	-
Total	318,655	(1,397)	384,219	(1,400)

¹For further information on the assets included in Level 3, as at 30 September 2025, please refer to the Portfolio Statement.

Notes to the Financial Statements cont.

14 Credit ratings

Rating Block	2025		2024	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Investment Grade	228,673	68.66	255,382	64.51
High Yield	89,899	26.99	125,883	31.80
Total	318,572	95.65	381,265	96.31
Other	14,459	4.35	14,611	3.69
Net Assets	333,031	100.00	395,876	100.00

15 Derivatives and other financial instruments

Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	Net currency assets/(liabilities)			Net currency assets/(liabilities)		
	2025			2024		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	114	(1,036)	(922)	620	(1,121)	(501)
UK sterling	10,669	318,346	329,016	9,460	386,353	395,813
US dollar	275	(53)	222	667	(2,413)	(1,746)

Short term debtors and creditors have not been disclosed.

Totals may not sum due to rounding

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund was:

Currency	2025				2024			
	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Euro	3,512	58,999	-	62,511	11,260	96,349	-	107,609
UK sterling	32,230	281,519	84,423	398,172	28,831	257,693	146,706	433,230
US dollar	275	27,846	-	28,122	667	50,218	-	50,885

Notes to the Financial Statements cont.

15 Derivatives and other financial instruments (continued)

Currency	2025				2024			
	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	6,105	57,328	63,433	-	16,627	91,483	108,110
UK sterling	69,156	-	-	69,156	37,418	-	-	37,418
US dollar	-	-	27,900	27,900	-	-	52,632	52,632

Totals may not sum due to rounding.

16 Derivative Exposure

The exposure to derivative counterparties was:

Counterparty	2025						2024					
	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000	Credit default swaps £'000	Forward currency contracts £'000	Inflation rate swaps £'000	Interest rate swaps £'000	Cash collateral held £'000	Total exposure £'000
Barclays	-	-	-	31	-	31	-	-	-	-	-	-
HSBC	-	-	-	52	-	52	-	1,446	-	235	(1,240)	441
Lloyds Bank	-	-	-	-	-	-	-	-	-	128	-	128
NatWest	-	-	-	-	-	-	-	1,145	-	-	(1,035)	110

Collateral pledged on derivatives was:

	2025 £'000	2024 £'000
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Cash collateral pledged on derivatives

Goldman Sachs	645	1,395
HSBC	500	-
NatWest	520	-

In addition, the Fund trades futures contracts through UBS. Fair value movements are offset by movements in the variation margin account which reduces the derivative counterparty exposure to nil.

Notes to the Financial Statements cont.

17 Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Adviser using VaR analysis. The VaR approach for this fund is the absolute approach. VaR analysis attempts to reflect the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

Model assumptions:

System	FIS Advanced Portfolio Technologies (APT)
VaR methodology:	variance covariance approach (with delta-adjustment)
Confidence level:	99%
Holding period:	1 month
Decay factor for exponential smoothing of historical market data:	nil
Historical observation period:	180 weeks

	2025	2024
	%	%
Highest VaR:	4.10	4.99
Lowest VaR:	3.67	3.68
Average VaR:	3.87	4.26

The VaR noted above indicates the VaR of the Fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99% confidence level. The VaR figure is calculated on a daily basis, and figures above represent the highest, lowest and average VaR values calculated in the year.

The APT risk model uses 180 weeks of historic data to formulate a prediction of risk over a desired time period. In the case of VaR numbers, the risk model produces a 1-month prediction of 99% VaR. The decay factor for exponential smoothing of the historic market data refers to how the risk model uses more recent data in its historic data window compared to older data. Using a positive decay factor would mean that the risk model is placing more importance on more recent data than on older data in formulating its prediction of risk – this would result in the risk model being more short-term in nature, and increasingly geared to short-term recent events. The decay factor used in the APT risk model for calculating VaR numbers is nil. This means that each of the 180 weeks of historic data used by the risk model are treated with equal importance in the model's calculation of predicted risk. This means that the risk model's prediction of risk will be influenced by the average variances and covariances of portfolio constituents over the past 3½ years.

Objectives and limitations of the VaR methodology

The APT model uses statistical factor techniques to measure the effects of these risk variables on the value of the Fund. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumption placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

Distribution Tables

Interim distribution for the period ended 31 October 2024

Group 1 : shares purchased prior to 1 October 2024

Group 2 : shares purchased 1 October 2024 to 31 October 2024

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.11.24)	Distribution (paid/accumulated 29.11.23)
	31.10.24 pence per share	31.10.24 pence per share	31.10.24 pence per share	31.10.23 pence per share
A Accumulation				
Group 1	0.71000	-	0.71000	0.65000
Group 2	-	0.71000	0.71000	0.65000
A Income				
Group 1	0.23000	-	0.23000	0.20000
Group 2	-	0.23000	0.23000	0.20000
B Accumulation				
Group 1	0.78000	-	0.78000	0.69000
Group 2	0.29842	0.48158	0.78000	0.69000
B Income				
Group 1	0.25000	-	0.25000	0.21000
Group 2	0.09063	0.15937	0.25000	0.21000
C Accumulation				
Group 1	0.92000	-	0.92000	0.72000
Group 2	0.92000	-	0.92000	0.72000
C Income				
Group 1	0.26000	-	0.26000	0.24000
Group 2	0.26000	-	0.26000	0.24000

Distribution Tables cont.

Interim Distribution for the period ended 30 November 2024

Group 1 : shares purchased prior to 1 November 2024

Group 2 : shares purchased 1 November 2024 to 30 November 2024

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.12.24)	Distribution (paid/accumulated 30.12.23)
	30.11.24 pence per share	30.11.24 pence per share	30.11.24 pence per share	30.11.23 pence per share
A Accumulation				
Group 1	1.18000	-	1.18000	0.65000
Group 2	0.48858	0.69142	1.18000	0.65000
A Income				
Group 1	0.39000	-	0.39000	0.20000
Group 2	0.07089	0.31911	0.39000	0.20000
B Accumulation				
Group 1	1.32000	-	1.32000	0.69000
Group 2	0.30110	1.01890	1.32000	0.69000
B Income				
Group 1	0.42000	-	0.42000	0.21000
Group 2	0.15328	0.26672	0.42000	0.21000
C Accumulation				
Group 1	1.56000	-	1.56000	0.72000
Group 2	1.56000	-	1.56000	0.72000
C Income				
Group 1	0.46000	-	0.46000	0.24000
Group 2	0.46000	-	0.46000	0.24000

Distribution Tables cont.

Interim distribution for the period ended 31 December 2024

Group 1 : shares purchased prior to 1 December 2024

Group 2 : shares purchased 1 December 2024 to 31 December 2024

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.01.25)	Distribution (paid/accumulated 28.01.24)
	31.12.24 pence per share	31.12.24 pence per share	31.12.24 pence per share	31.12.23 pence per share
A Accumulation				
Group 1	0.92000	-	0.92000	0.65000
Group 2	0.17644	0.74356	0.92000	0.65000
A Income				
Group 1	0.30000	-	0.30000	0.20000
Group 2	0.08497	0.21503	0.30000	0.20000
B Accumulation				
Group 1	1.02000	-	1.02000	0.69000
Group 2	0.43449	0.58551	1.02000	0.69000
B Income				
Group 1	0.32000	-	0.32000	0.21000
Group 2	0.10278	0.21722	0.32000	0.21000
C Accumulation				
Group 1	1.20000	-	1.20000	0.72000
Group 2	1.20000	-	1.20000	0.72000
C Income				
Group 1	0.35000	-	0.35000	0.24000
Group 2	0.35000	-	0.35000	0.24000

Distribution Tables cont.

Interim Distribution for the period ended 31 January 2025

Group 1 : shares purchased prior to 1 January 2025

Group 2 : shares purchased 1 January 2025 to 31 January 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 27.02.25)	Distribution (paid/accumulated 25.02.24)
	31.01.25 pence per share	31.01.25 pence per share	31.01.25 pence per share	31.01.24 pence per share
A Accumulation				
Group 1	1.17000	-	1.17000	0.66000
Group 2	0.30595	0.86405	1.17000	0.66000
A Income				
Group 1	0.37000	-	0.37000	0.25000
Group 2	0.17326	0.19674	0.37000	0.25000
B Accumulation				
Group 1	1.30000	-	1.30000	0.77000
Group 2	0.31113	0.98887	1.30000	0.77000
B Income				
Group 1	0.41000	-	0.41000	0.29000
Group 2	0.15602	0.25398	0.41000	0.29000
C Accumulation				
Group 1	1.54000	-	1.54000	1.03000
Group 2	1.54000	-	1.54000	1.03000
C Income				
Group 1	0.44000	-	0.44000	0.28000
Group 2	0.44000	-	0.44000	0.28000

Distribution Tables cont.

Interim Distribution for the period ended 28 February 2025

Group 1 : shares purchased prior to 1 February 2025

Group 2 : shares purchased 1 February 2025 to 28 February 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.03.25)	Distribution (paid/accumulated 30.03.24)
	28.02.25 pence per share	28.02.25 pence per share	28.02.25 pence per share	29.02.24 pence per share
A Accumulation				
Group 1	0.87000	-	0.87000	0.66000
Group 2	0.38037	0.48963	0.87000	0.66000
A Income				
Group 1	0.28000	-	0.28000	0.25000
Group 2	0.05948	0.22052	0.28000	0.25000
B Accumulation				
Group 1	0.96000	-	0.96000	0.77000
Group 2	0.31065	0.64935	0.96000	0.77000
B Income				
Group 1	0.30000	-	0.30000	0.29000
Group 2	0.08712	0.21288	0.30000	0.29000
C Accumulation				
Group 1	1.13000	-	1.13000	1.03000
Group 2	1.13000	-	1.13000	1.03000
C Income				
Group 1	0.32000	-	0.32000	0.28000
Group 2	0.05717	0.26283	0.32000	0.28000

Distribution Tables cont.

Interim distributions for the period ended 31 March 2025

Group 1 : shares purchased prior to 1 March 2025

Group 2 : shares purchased 1 March 2025 to 31 March 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.04.25)	Distribution (paid/accumulated 28.04.24)
	31.03.25 pence per share	31.03.25 pence per share	31.03.25 pence per share	31.03.24 pence per share
A Accumulation				
Group 1	1.03000	-	1.03000	0.66000
Group 2	0.30346	0.72654	1.03000	0.66000
A Income				
Group 1	0.32000	-	0.32000	0.25000
Group 2	0.19509	0.12491	0.32000	0.25000
B Accumulation				
Group 1	1.15000	-	1.15000	0.77000
Group 2	0.45724	0.69276	1.15000	0.77000
B Income				
Group 1	0.36000	-	0.36000	0.29000
Group 2	0.10554	0.25446	0.36000	0.29000
C Accumulation				
Group 1	1.35000	-	1.35000	1.03000
Group 2	1.35000	-	1.35000	1.03000
C Income				
Group 1	0.39000	-	0.39000	0.28000
Group 2	-	0.39000	0.39000	0.28000

Distribution Tables cont.

Interim Distribution for the period ended 30 April 2025

Group 1 : shares purchased prior to 1 April 2025

Group 2 : shares purchased 1 April 2025 to 30 April 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.05.25)	Distribution (paid/accumulated 30.05.24)
	30.04.25 pence per share	30.04.25 pence per share	30.04.25 pence per share	30.04.24 pence per share
A Accumulation				
Group 1	1.09000	-	1.09000	0.97000
Group 2	0.69400	0.39600	1.09000	0.97000
A Income				
Group 1	0.35000	-	0.35000	0.32000
Group 2	0.13715	0.21285	0.35000	0.32000
B Accumulation				
Group 1	1.21000	-	1.21000	1.05000
Group 2	0.70644	0.50356	1.21000	1.05000
B Income				
Group 1	0.37000	-	0.37000	0.33000
Group 2	0.15918	0.21082	0.37000	0.33000
C Accumulation				
Group 1	1.43000	-	1.43000	1.19000
Group 2	1.43000	-	1.43000	1.19000
C Income				
Group 1	0.40000	-	0.40000	0.37000
Group 2	0.31660	0.08340	0.40000	0.37000

Distribution Tables cont.

Interim Distribution for the period ended 31 May 2025

Group 1 : shares purchased prior to 1 May 2025

Group 2 : shares purchased 1 May 2025 to 31 May 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 27.06.25)	Distribution (paid/accumulated 29.06.24)
	31.05.25 pence per share	31.05.25 pence per share	31.05.25 pence per share	31.05.24 pence per share
A Accumulation				
Group 1	1.05000	-	1.05000	0.94000
Group 2	0.57657	0.47343	1.05000	0.94000
A Income				
Group 1	0.33000	-	0.33000	0.31000
Group 2	0.14952	0.18048	0.33000	0.31000
B Accumulation				
Group 1	1.17000	-	1.17000	1.03000
Group 2	0.49573	0.67427	1.17000	1.03000
B Income				
Group 1	0.36000	-	0.36000	0.33000
Group 2	0.16230	0.19770	0.36000	0.33000
C Accumulation				
Group 1	1.39000	-	1.39000	1.19000
Group 2	1.39000	-	1.39000	1.19000
C Income				
Group 1	0.39000	-	0.39000	0.36000
Group 2	0.39000	-	0.39000	0.36000

Distribution Tables cont.

Interim distribution for the period ended 30 June 2025

Group 1 : share purchased prior to 1 June 2025

Group 2 : share purchased 1 June 2025 to 30 June 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.07.25)	Distribution (paid/accumulated 28.07.24)
	30.06.25 pence per share	30.06.25 pence per share	30.06.25 pence per share	30.06.24 pence per share
A Accumulation				
Group 1	1.03000	-	1.03000	0.93000
Group 2	0.59271	0.43729	1.03000	0.93000
A Income				
Group 1	0.32000	-	0.32000	0.31000
Group 2	0.09120	0.22880	0.32000	0.31000
B Accumulation				
Group 1	1.14000	-	1.14000	1.03000
Group 2	0.34538	0.79462	1.14000	1.03000
B Income				
Group 1	0.35000	-	0.35000	0.33000
Group 2	0.15806	0.19194	0.35000	0.33000
C Accumulation				
Group 1	1.34000	-	1.34000	1.18000
Group 2	1.34000	-	1.34000	1.18000
C Income				
Group 1	0.38000	-	0.38000	0.36000
Group 2	0.38000	-	0.38000	0.36000

Distribution Tables cont.

Interim Distribution for the period ended 31 July 2025

Group 1 : shares purchased prior to 1 July 2025

Group 2 : shares purchased 1 July 2025 to 31 July 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 28.08.25)	Distribution (paid/accumulated 30.08.24)
	31.07.25 pence per share	31.07.25 pence per share	31.07.25 pence per share	31.07.24 pence per share
A Accumulation				
Group 1	1.00000	-	1.00000	1.07000
Group 2	0.22986	0.77014	1.00000	1.07000
A Income				
Group 1	0.31000	-	0.31000	0.35000
Group 2	0.06661	0.24339	0.31000	0.35000
B Accumulation				
Group 1	1.11000	-	1.11000	1.18000
Group 2	0.46237	0.64763	1.11000	1.18000
B Income				
Group 1	0.34000	-	0.34000	0.38000
Group 2	0.06449	0.27551	0.34000	0.38000
C Accumulation				
Group 1	1.32000	-	1.32000	1.38000
Group 2	-	1.32000	1.32000	1.38000
C Income				
Group 1	0.37000	-	0.37000	0.42000
Group 2	0.37000	-	0.37000	0.42000

Distribution Tables cont.

Interim Distribution for the period ended 31 August 2025

Group 1 : shares purchased prior to 1 August 2025

Group 2 : shares purchased 1 August 2025 to 31 August 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 29.09.25)	Distribution (paid/accumulated 29.09.24)
	31.08.25 pence per share	31.08.25 pence per share	31.08.25 pence per share	31.08.24 pence per share
A Accumulation				
Group 1	1.03000	-	1.03000	1.06000
Group 2	0.51835	0.51165	1.03000	1.06000
A Income				
Group 1	0.32000	-	0.32000	0.35000
Group 2	0.08745	0.23255	0.32000	0.35000
B Accumulation				
Group 1	1.15000	-	1.15000	1.18000
Group 2	0.44762	0.70238	1.15000	1.18000
B Income				
Group 1	0.35000	-	0.35000	0.38000
Group 2	0.13962	0.21038	0.35000	0.38000
C Accumulation				
Group 1	1.37000	-	1.37000	1.38000
Group 2	1.37000	-	1.37000	1.38000
C Income				
Group 1	0.37000	-	0.37000	0.41000
Group 2	0.37000	-	0.37000	0.41000

Distribution Tables cont.

Final distribution for the period ended 30 September 2025

Group 1 : shares purchased prior to 1 September 2025

Group 2 : shares purchased 1 September 2025 to 30 September 2025

	Net Revenue	Equalisation	Distribution (paid/accumulated 30.10.25)	Distribution (paid/accumulated 28.10.24)
	30.09.25 pence per share	30.09.25 pence per share	30.09.25 pence per share	30.09.24 pence per share
A Accumulation				
Group 1	1.19000	-	1.19000	1.99000
Group 2	0.60779	0.58221	1.19000	1.99000
A Income				
Group 1	0.37000	-	0.37000	0.65000
Group 2	0.10818	0.26182	0.37000	0.65000
B Accumulation				
Group 1	1.33000	-	1.33000	2.19000
Group 2	0.24510	1.08490	1.33000	2.19000
B Income				
Group 1	0.40000	-	0.40000	0.70000
Group 2	0.16176	0.23824	0.40000	0.70000
C Accumulation				
Group 1	1.57000	-	1.57000	2.58000
Group 2	1.57000	-	1.57000	2.58000
C Income				
Group 1	0.44000	-	0.44000	0.76000
Group 2	0.44000	-	0.44000	0.76000

General Information

Dilution Adjustment

A sub-fund suffers dilution (reduction) in the value of the Scheme Property attributable to it because the actual costs of buying or selling investments for the sub-fund deviate from the mid-market values generally used in calculating the price of shares in the sub-fund. Such deviation may occur as a result of the costs (which may include dealing charges and taxes) incurred in dealing in such investments and of any spread between the buying and selling prices of such investments. It is not possible to predict accurately whether dilution is likely to occur.

The COLL Rules allow the cost of dilution to be (1) met directly from the Scheme Property attributable to the sub-fund or (2) addressed by the imposition on investors of a dilution levy on the issue by the Company, subscriptions facilitated by the ACD, cancellation by the Company or redemption by the ACD of shares in the sub-fund or (3) dealt with by means of a dilution adjustment, which is the policy which has been adopted by the ACD in relation to the sub-funds of the Company. With a view to mitigating the effects of dilution, the ACD therefore reserves the right, at its sole discretion, to make a dilution adjustment in the calculation of the dealing price, and thereby swing the dealing price, of shares in any sub-fund of the Company if in its opinion the existing shareholders (for net purchases of shares) or remaining shareholders (for net redemptions of shares) might otherwise be adversely affected. By 'purchases' of shares we mean issues by the Company and subscriptions facilitated by the ACD and by 'redemptions' of shares we mean cancellations by the Company and redemptions by the ACD.

The COLL Rules acknowledge that the need to make a dilution adjustment may depend on the volume of purchases of shares or redemptions of shares. Accordingly, the ACD reserves the right at its sole discretion to impose a dilution adjustment in the following circumstances:

- (a) If the sub-fund is experiencing steady decline (net outflow of investment).
- (b) If the sub-fund is experiencing steady growth (net inflow of investment).

- (c) If the sub-fund is experiencing large levels of net purchases or net redemptions relative to its size.
- (d) Where the sub-fund experiences net purchases or net redemptions on any Dealing Day exceeding a particular value or a particular percentage of the value of the sub-fund.
- (e) In any other circumstances where the ACD believes it will be in the interests of shareholders to make a dilution adjustment.

The ACD is currently of the opinion that it is in the best interests of shareholders in the Company to make a dilution adjustment whenever dealings in the shares of any sub-fund result in shares in that sub-fund being issued or cancelled by the Company. The ACD believes that this policy should result in no significant dilution occurring. The adjustment will take account of any spread between the buying and selling prices of the relevant sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's investments results in significant movement in the prices of these investments the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a sub-fund. The ACD has thresholds for the sub-funds for daily net inflows or outflows of cash into or out of the sub-funds. Above these thresholds, which vary by sub-fund and according to market conditions, the ACD will increase the dilution adjustment to reflect the increased dealing costs incurred by the sub-funds as a result of larger inflows and outflows. A consequence of this policy is, however, that smaller transactions made on any day that the relevant threshold is exceeded will also trade at the price incorporating the higher adjustment and this may lead to increased dealing costs. Whether an adjustment may be necessary will depend upon the net movement into or out of a sub-fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

General Information cont.

Dilution Adjustment cont.

On any Dealing Day when the Company neither issues nor cancels shares in a sub-fund the price of shares in that sub-fund will not contain any dilution adjustment.

This policy to swing the dealing price will be subject to regular review and may change. The ACD's decision on whether or not to make a dilution adjustment, and on what level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the relevant sub-fund and decrease the dealing price when there are net outflows. The dealing price of each class of share in a sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of shares of each class identically.

On the occasions when no dilution adjustment is made there may be an adverse impact on the value of the Scheme Property attributable to the relevant sub-fund.

Stamp Duty Reserve Tax (SDRT)

Generally, there will be no charge to SDRT when shareholders surrender or redeem shares. However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge of SDRT may apply.

Taxation Reporting

In order to fulfil its legal obligations, the ACD is required to collect and report certain information about shareholders (and in some circumstances the shareholder's controlling persons), including their identity, tax residency, tax status and financial information relating to their shareholding. Shareholders must provide the ACD with any information required to meet these obligations, and may also be asked to provide self-certifications and tax reference numbers or the equivalent. The ACD reserves the right to refuse an

application for shares or a transfer of shares until it receives a declaration as to the shareholder's tax residency or status in the form prescribed by the ACD.

The ACD is also required to provide to HMRC certain information regarding shareholders, payments made to shareholders and proceeds arising on the disposal of shares, and HMRC may pass such information on to the tax authorities of another jurisdiction.

Share Classes

The net asset value per share and the number of shares in each class are shown in the Comparative Tables sections of the relevant sub-fund. The distributions per share class are shown in the Distribution Tables. In each sub-fund all share classes have the same rights on winding up.

With effect from 1 March 2022, Class A shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held shares in this Class as at 28 February 2022 and who will continue to hold shares in this Class.

Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

The minimum lump sum investment amounts are shown in the table on page 141.

Equalisation

The Company will operate grouping for equalisation. Each class of shares will operate its own equalisation account. Shares subscribed for during a distribution period are called Group 2 shares. Shares subscribed for during any previous distribution period are called Group 1 shares. Group 2 shares contain in their subscription price an amount called equalisation which represents a proportion of the net income of the sub-fund that has accrued up to the date of subscription. The amount of equalisation is averaged across all the shareholders of

General Information cont.

Equalisation cont.

Group 2 shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

An 'income equalisation-like' mechanism will be operated by the ACD for conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those converting their shares and other shareholders in the affected classes.

Fund Charges and Costs

For further details on the costs associated with investing in the sub-funds of the ICVC, please see the Enhanced Disclosure of Fund Costs and Charges document and Baillie Gifford's Funds Costs and Charges Summary, both of which are available on the website www.bailliegifford.com.

Conflicts of Interest

From time to time, there may be situations that give rise to a material interest or conflict of interest. Such interests can arise between the interests of the ACD, the Investment Adviser, other persons associated with them and the interests of the sub-funds and their shareholders. A material interest or a conflict of interest can also arise between the interests of different shareholders. In such circumstances the ACD will put in place effective organisational and administrative arrangements to manage and monitor the material interest or conflict of interest in a way that ensures shareholders are treated fairly, or where it is impractical to manage the conflict, it will be disclosed.

The ACD, the Investment Adviser and other persons associated with them may, from time to time, act as authorised corporate directors, investment managers or advisers to other persons, companies or funds which follow similar investment objectives to the sub-funds. It

is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or a particular sub-fund. Each of the ACD and the Investment Adviser will, however, have regard in such event to, amongst other things, its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment where potential conflicts of interest may arise. The Depositary may, from time to time, act as the depositary or trustee of other companies or funds.

Full details of the ACD's conflicts of interest policy can be inspected at the offices of the ACD at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN during normal business hours.

Third Party Data Provider Disclaimers

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General Information cont.

Third Party Data Provider Disclaimers cont.

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General Information cont.

Minimum Lump Sum Investments and Annual Management Charge

	Class A	Class B	Class C
Minimum lump sum investments:			
Baillie Gifford Emerging Markets Bond Fund ¹	n/a	n/a	n/a
Baillie Gifford High Yield Bond Fund	£1,000	£100,000	£250,000
Baillie Gifford Investment Grade Bond Fund	£1,000	£100,000	£250,000
Baillie Gifford Strategic Bond Fund	£1,000	£100,000	£250,000
Annual management charge:			
Baillie Gifford Emerging Markets Bond Fund ¹	n/a	n/a	n/a
Baillie Gifford High Yield Bond Fund	1.00%	0.35%	Nil
Baillie Gifford Investment Grade Bond Fund	1.00%	0.25%	Nil
Baillie Gifford Strategic Bond Fund	1.00%	0.50%	Nil

¹Baillie Gifford Emerging Markets Bond Fund is no longer available for subscription.

The Group's Funds

Baillie Gifford Bond Funds ICVC

Baillie Gifford Emerging Markets Bond Fund¹
 Baillie Gifford High Yield Bond Fund
 Baillie Gifford Investment Grade Bond Fund
 Baillie Gifford Strategic Bond Fund

Baillie Gifford Investment Funds ICVC

Baillie Gifford Cautious Managed Fund²
 Baillie Gifford Defensive Growth Fund³
 Baillie Gifford Diversified Growth Fund
 Baillie Gifford Long Term Global Growth Investment Fund
 Baillie Gifford Multi Asset Growth Fund⁴
 Baillie Gifford Positive Change Fund

Baillie Gifford Investment Funds II ICVC

Baillie Gifford Health Innovation Fund⁵
 Baillie Gifford Japanese Income Growth Fund
 Baillie Gifford Monthly Income Fund⁶
 Baillie Gifford Sterling Aggregate Bond Fund
 Baillie Gifford Sustainable Growth Fund
 Baillie Gifford UK Equity Core Fund

Baillie Gifford Overseas Growth Funds ICVC

Baillie Gifford American Fund
 Baillie Gifford China Fund
 Baillie Gifford Developed Asia Pacific Fund
 Baillie Gifford Emerging Markets Growth Fund
 Baillie Gifford Emerging Markets Leading Companies Fund
 Baillie Gifford European Fund
 Baillie Gifford Global Discovery Fund
 Baillie Gifford Japanese Fund
 Baillie Gifford Japanese Smaller Companies Fund
 Baillie Gifford Pacific Fund

Baillie Gifford UK & Balanced Funds ICVC

Baillie Gifford Global Alpha Growth Fund
 Baillie Gifford Global Alpha Paris-Aligned Fund
 Baillie Gifford Global Income Growth Fund
 Baillie Gifford International Fund
 Baillie Gifford Managed Fund
 Baillie Gifford Responsible Global Equity Income Fund
 Baillie Gifford UK and Worldwide Equity Fund
 Baillie Gifford UK Equity Alpha Fund

¹Baillie Gifford Emerging Markets Bond Fund is no longer available for subscription.

²Baillie Gifford Cautious Managed Fund launched on 31 July 2025.

³With effect from 2 December 2024 Baillie Gifford Sustainable Multi Asset Fund name was changed to Baillie Gifford Defensive Growth Fund.

⁴Baillie Gifford Multi Asset Growth Fund is no longer available for subscription.

⁵Baillie Gifford Health Innovation Fund is no longer available for subscription.

⁶With effect from 31 January 2025 Baillie Gifford Sustainable Income Fund name was changed to Baillie Gifford Monthly Income Fund.

**For further information about the Funds or
Baillie Gifford's range of OEICS, please:**

Contact us at: Client Relations Team
Baillie Gifford & Co Limited,
Calton Square, 1 Greenside Row,
Edinburgh EH1 3AN

Call our Client Relations Team on 0800 917 2113. Your call may be recorded for training or monitoring purposes.

Visit our website at www.bailliegifford.com, or email us on trusenquiries@bailliegifford.com.

Or fax us on 0131 275 3955.

