

Baillie Gifford™

Baillie Gifford Investment Funds II ICVC

Interim Report and Financial Statements (Unaudited)

for the six months ended 31 December 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 Investment Funds II 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 31 December 2025 the Company offered five sub-funds, and the range may be varied in the future. Each sub-fund is valued on a daily basis and is 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 and the Instrument of Incorporation were last revised on 2 February 2026. 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 England and Wales, registered number IC001040, and the address of its Head Office is 3 St. Helen's Place, London EC3A 6AB. 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.

Baillie Gifford Sterling Aggregate Bond Fund

The ACD is no longer actively seeking subscriptions for Baillie Gifford Sterling Aggregate Bond Fund which closed on 27 February 2026.

Baillie Gifford UK Equity Core Fund

With effect from 2 February 2026 the name of Baillie Gifford UK Equity Core Fund was changed to Baillie Gifford UK Equity Core Growth Fund.

Baillie Gifford Monthly Income Fund

With effect from 2 February 2026 the P Share Class annual management charge will reduce by 0.05% from 0.35% to 0.30%.

Amendment to the Investment Objectives of Baillie Gifford Japanese Income Growth Fund, Baillie Gifford Sustainable Growth Fund and Baillie Gifford UK Equity Core Fund

Following a review of each fund, Baillie Gifford & Co Limited, the Authorised Corporate Director of the funds (the "ACD"), has taken the decision to remove the Target Returns from the investment objectives of the funds on 2 February 2026.

Baillie Gifford Sustainable Growth Fund

The ACD plans to merge Baillie Gifford Sustainable Growth Fund into Baillie Gifford Global Alpha Paris-Aligned Fund. This will be subject to the passing of a resolution at a meeting of shareholders in Baillie Gifford Sustainable Growth Fund. If the resolutions is passed, it is the ACD's intention to terminate the Fund following the merger.

Sub-fund Cross-holdings

At 31 December 2025 none of the shares in the sub-funds were held by any other sub-funds of the Company.

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 has chosen a reference date of 31 March and will publish the conclusion of the assessment of value, noting remedial action taken (if any), for its range of UK authorised sub-funds by 31 July each year. The latest report as at 31 March 2025 is available on the website at www.bailliegifford.com.

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 (resigned 26 February 2026)
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)
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Depositary

NatWest Trustee and Depositary Services Limited
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Trustee & Depositary Services
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EH12 1HQ

Registrar

Baillie Gifford & Co Limited
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Calton Square
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Edinburgh
EH1 3AN

Independent Auditor

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 period. 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 (amended 2017);
- 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 Interim Report and Financial Statements were approved by the Authorised Corporate Director and signed on its behalf by:

M J C Wylie, Chairman
D S McGowan, Director
Baillie Gifford & Co Limited
27 February 2026

Baillie Gifford™

Baillie Gifford Health Innovation Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Investment Report

The ACD is no longer actively seeking subscriptions for the Fund which closed on 13 November 2024.

The Fund holds an Abiomed CVR that was received as part of the Johnson & Johnson takeover in 2022. The CVR has milestone targets which, if met, will result in future payments to the Fund. The final milestone ends at 31 December 2029. Should any material monies be received an additional payment would be made to shareholders who received the original Termination Proceeds when the Fund was closed.

Portfolio Statement as at 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
United States - 0.00% (0.00%)			
Abiomed CVR Line ¹	6,015	-	0.00
Portfolio of investments		-	0.00
Net other liabilities - 0.00% (0.00%)		-	0.00
Net assets		-	0.00

¹The Abiomed CVR Line is non-tradable, which means it cannot be sold. It is currently fair valued at nil.

Figures in brackets refer to 30 June 2025.

The Fund closed on 13 November 2024 and is no longer available for subscription.

Fund Information

Fund and Share Information ¹	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	-	-	30,304	75,568
Synthetic Risk and Reward Indicator²	n/a	n/a	6	6
Net asset value per share (pence)				
B Accumulation	n/a	n/a	58.03	66.78
B Income	n/a	n/a	58.03	66.78
C Accumulation	n/a	n/a	59.07	67.64
C Income	n/a	n/a	59.01	67.57
Number of shares in issue				
B Accumulation	n/a	n/a	39,230,035	66,997,869
B Income	n/a	n/a	12,992,772	15,385,894
C Accumulation	n/a	n/a	1,000	1,000
C Income	n/a	n/a	1,000	1,000
Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	n/a	0.00	0.00	0.00
B Income	n/a	0.00	0.00	0.00
C Accumulation	n/a	0.00	0.03	0.03
C Income	n/a	0.00	0.03	0.03
Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	n/a	59.37	69.71	81.50
B Income	n/a	59.37	69.71	81.50
C Accumulation	n/a	60.52	70.63	82.20
C Income	n/a	60.43	70.56	82.10
Lowest (financial period)				
B Accumulation	n/a	55.47	51.60	65.46
B Income	n/a	55.47	51.60	65.46
C Accumulation	n/a	56.49	52.35	66.29
C Income	n/a	56.41	52.30	66.26

Fund Information cont.

Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures³				
B Accumulation	n/a	0.49	0.57	0.53
B Income	n/a	0.46	0.58	0.53
C Accumulation	n/a	0.08	0.07	0.03
C Income	n/a	0.08	0.07	0.03

¹The final valuation point of the Fund was 13 November 2024, and all the shares in issue were redeemed on that date. The Fund was subsequently closed on that date and is no longer available for subscription.

²The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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.

³The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		-		365
Revenue	-		16	
Expenses	-		(55)	
Net expense before taxation	-		(39)	
Taxation	-		(1)	
Net expense after taxation		-		(40)
Total return before distributions		-		325
Distributions		-		43
Change in net assets attributable to shareholders from investment activities		-		368

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		30,304
Amounts receivable on issue of shares	-		270	
Amounts payable on cancellation of shares	-		(30,954)	
		-		(30,684)
Dilution adjustment		-		12
Change in net assets attributable to shareholders from investment activities		-		368
Closing net assets attributable to shareholders		-		-

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025 £'000	30 June 2025 £'000
Assets:		
Fixed assets:		
Investments	-	-
Current assets:		
Debtors	1	1
Cash and bank balances	6	15
Total assets	7	16
Liabilities:		
Creditors:		
Bank overdrafts	(1)	(1)
Other creditors	(6)	(15)
Total liabilities	(7)	(16)
Net assets attributable to shareholders	-	-

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements with the exception of the below:

Baillie Gifford Health Innovation Fund is no longer considered to be a going concern as the ACD intends to terminate the sub-fund. There is no impact on the financial statements of the sub-fund, on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to their residual values.

Baillie Gifford™

Baillie Gifford Japanese Income Growth Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Baillie Gifford Japanese Income Growth Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the TOPIX, as stated in sterling, by at least 1% per annum over rolling five-year periods through a combination of income and capital growth whilst maintaining a yield higher than the TOPIX.

Investment Policy

The Fund will invest at least 90% in shares of Japanese companies of any size and in any sector. Japanese companies are companies which are listed, incorporated, domiciled or conduct a significant portion of their business in Japan. 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 company shares.

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

The Fund is actively managed meaning the Investment Manager selects investments of their own choosing with the aim of achieving the Fund's objectives. This is done without seeking to replicate any index in either of performance or portfolio composition. This investment style, selecting companies with perceived greater long-term growth potential ahead of any short-term

returns, in combination with the relative concentration of the Fund, may lead to prolonged periods of underperformance in certain market conditions, both in relation to the Fund's benchmark and in absolute terms.

Over shorter time periods the Fund's share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

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.

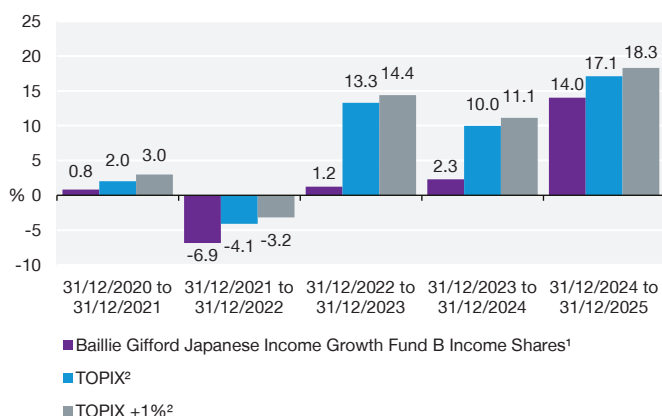
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 30 June 2025 100% of expenses were allocated to capital. This will reduce the capital value of the Fund. This number may vary from year to year. The figure for the current financial period has not yet been determined.

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 0.60%. 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 TOPIX (the ‘Index’) by at least 1% per annum (the ‘target return’) over rolling five-year periods through a combination of income and capital growth whilst maintaining a portfolio yield higher than the TOPIX. For the six months to 31 December 2025 the return on B Income Shares was 7.3%¹ compared to the return on the Index of 13.5%² and the target return of 14.0%². The yield on the portfolio was 2.6%³ compared to the yield on the Index of 2.4%³. We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund’s objectives. Over that period, the annualised return on B Income Shares was 2.1%¹ compared to the Index of 7.4%² and the target return of 8.5%².

Market environment

Japanese equities ended 2025 strongly after a robust second half, supported by sustained AI enthusiasm and further inflation normalisation. The Nikkei closed above 50,000 after its largest annual rise and the TOPIX gained 25.5%² to finish above 3,000 for the first time, marking a third consecutive year of double-digit returns. AI remained the defining theme - epitomised by SoftBank’s rerating and further investment in OpenAI - alongside a well-telegraphed second Bank of Japan rate hike that reinforced the view Japan is moving beyond its “lost years”. Corporate behaviour continues to improve: record profitability is feeding through into rising buybacks and dividends (on track to exceed ¥20trn this fiscal year), while fiscal stimulus has supported foreign investor sentiment.

We continue to see the more durable opportunity in a sustainable price–wage cycle and bottom-up catalysts across corporate Japan, including automation, healthcare provision and cross-platform IP monetisation.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and TOPIX, total return in sterling terms. The target return out-performance is compounded daily therefore the Index return plus the outperformance will not equal the target return. Please see Disclaimer on page 103. ³Source: Style Analytics and Tokyo Stock Exchange, forecast dividend yield, reweighted to 100% to exclude stocks without yield data. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Performance

Over the six-month period the Fund underperformed the benchmark, with the largest detractors sharing a common thread of near-term earnings and execution uncertainty rather than a deterioration in long-term fundamentals.

DMG Mori, a leading global machine-tool manufacturer, weakened after a softer quarterly release and a reduction in full-year guidance as management flagged continued delivery disruptions; we remain optimistic over the long term because its technology leadership in ultra-precision 5-axis systems is directly leveraged to durable multi-year demand for automation in aerospace and advanced manufacturing, while a clear strategic focus on margin restoration and disciplined capital returns should compound value through the cycle. Sysmex, a global leader in haematology and diagnostic equipment, declined alongside softer earnings and ongoing China headwinds, but our conviction remains long term: healthcare diagnostics is a structurally growing market, China appears to be stabilising after a prolonged period of disruption, and the company's expansion in underpenetrated markets such as India - alongside operational initiatives in the US - supports a multi-year runway for revenue growth and margin normalisation. Nintendo also detracted on concerns that tighter memory and chip supply could pressure Switch 2 economics in the near term; we stay positive over the long term given Nintendo's unique portfolio of evergreen franchises, which we believe can increasingly be monetised on a recurring, cross-platform basis, reducing reliance on hardware cycles and widening the opportunity to evolve into a broader, multi-media IP-led compounding business.

Contributors were led by holdings exposed to structural change and balance-sheet optionality, where improving fundamentals continued to be recognised. SoftBank performed strongly as investors reappraised its AI positioning: Arm Holdings is moving up the value chain with newer designs driving stronger royalty dynamics, while OpenAI exposure and the redeployment of telecom cashflows into AI infrastructure strengthen the long-term compounding case. Sumitomo Metal Mining benefited from firmer precious and non-ferrous

prices, highlighting the quality and durability of Hishikari - one of the world's highest-grade gold mines. SBI Holdings also rallied on robust results and private equity valuation gains; longer term, we see increasing earnings resilience as it evolves from an online broker into a more diversified financial group, with Shinsei Bank deepening the deposit base and expanding strategic optionality.

Notable transactions

During the six-month period we initiated four new positions, adding exposure to durable structural growth and shareholder-aligned business models, these include Chugai Pharmaceuticals Japan's leading platform biopharma (a high-margin antibody and cell-penetrating peptide engine with global reach through its Roche partnership), Kansai Paint (a diversified coatings leader with meaningful India optionality via Nerolac and disciplined capital allocation supported by buybacks), and Keyence (the market leader in machine vision and factory automation, well positioned as automation adoption broadens). We also participated in the IPO of SBI Shinsei Bank, where we see scope to outgrow domestic peers through its digital-first strategy and the advantages of the wider SBI ecosystem.

These were funded from the complete sale of Sawai along with reductions in Mixi, Nippon Electric Glass, Softbank Group and Kubota.

Baillie Gifford & Co, 13 January 2026

Principal Holdings as at 31 December 2025

Investment	Percentage of total Fund
SoftBank Group	5.14
SBI Holdings	4.53
Sumitomo Mitsui Trust	4.11
GMO Internet	4.00
Tokio Marine Holdings Inc	3.12
MS&AD Insurance	3.08
FANUC	3.06
Park24 Co Ltd	2.42
Sumitomo Metal Mining Co Ltd	2.36
Bridgestone	2.28

Material Portfolio Changes for the six months ended 31 December 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
SBI Shinsei Bank Ltd	4,524	SoftBank Group	7,530
Keyence	3,757	SBI Holdings	5,798
Chugai Pharmaceutical	3,056	GMO Internet	2,106
Kansai Paint Co Ltd	1,545	Nintendo	1,931
SMC	931	Tokio Marine Holdings Inc	1,765
Unicharm	609	MS&AD Insurance	1,666
Misumi	459	Sumitomo Mitsui Trust	1,627
		Nippon Electric Glass	1,581
		Bridgestone	1,373
		Calbee Inc	1,274

Portfolio Statement as at 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
Commerce - 8.96% (8.42%)			
Itochu Corp	597,500	5,597	1.93
Misumi	248,200	2,881	0.99
Mitsui	127,600	2,810	0.97
MonotaRO Co	403,900	4,790	1.65
Seria Co Ltd	373,200	6,160	2.12
Sugi Holdings	216,000	3,776	1.30
Finance & Insurance - 17.77% (17.33%)			
Japan Exchange Group	235,300	1,870	0.64
Kyoto Financial Group Inc	79,400	1,291	0.45
MS&AD Insurance	511,300	8,932	3.08
SBI Holdings	821,700	13,154	4.53
SBI Shinsei Bank Ltd	646,400	5,335	1.84
Sumitomo Mitsui Trust	526,000	11,918	4.11
Tokio Marine Holdings Inc	328,200	9,055	3.12
Industrials - 0.84% (0.79%)			
Sho-Bond Holdings Ltd	387,200	2,432	0.84
Manufacturing - 43.09% (42.63%)			
Bridgestone	396,800	6,614	2.28
Calbee Inc	356,200	5,052	1.74
Chugai Pharmaceutical	90,400	3,534	1.22
Denso	278,300	2,849	0.98
DMG Mori	441,800	5,524	1.90
Eisai	145,000	3,205	1.10
FANUC	307,800	8,882	3.06
Kansai Paint Co Ltd	124,700	1,464	0.50
Kao	168,000	4,989	1.72
Keyence	12,700	3,414	1.18
Kubota	577,400	6,070	2.09
Kyocera	346,300	3,608	1.24
Milbon	189,100	2,184	0.75
Murata	389,100	5,991	2.06

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Nakanishi	271,200	2,548	0.88
Nidec	147,800	1,495	0.52
Nintendo	130,700	6,568	2.26
Nippon Electric Glass	48,300	1,410	0.49
Nippon Paint	749,500	3,724	1.28
Olympus	401,900	3,783	1.30
OSG Corp	293,400	3,181	1.10
Pigeon	444,000	3,394	1.17
Pola Orbis Holdings Inc	852,900	5,267	1.82
Sato Holdings	346,100	3,941	1.36
Shiseido	260,400	2,814	0.97
SMC	12,200	3,151	1.09
Sumitomo Metal Mining Co Ltd	226,700	6,836	2.36
System Corp	357,600	2,616	0.90
Unicharm	1,050,100	4,458	1.54
Wacom Co Ltd	1,683,000	6,458	2.23
Real Estate - 5.73% (5.31%)			
Industrial & Infrastructure Fund	7,545	5,518	1.90
Park24 Co Ltd	709,500	7,033	2.42
Tokyo Tatemono	242,200	4,074	1.41
Services - 8.58% (10.46%)			
CyberAgent Inc	475,000	3,015	1.04
Infomart Corp	1,747,000	3,513	1.21
Kakaku.com	277,900	3,047	1.05
M3	383,300	3,843	1.32
Mixi Inc	209,100	2,705	0.93
Nihon M&A	784,700	2,683	0.93
Rakuten	1,277,700	6,085	2.10
Transport And Communications - 14.35% (15.29%)			
Broadleaf	788,200	2,763	0.95
Colopl Inc	802,700	1,633	0.56
GMO Internet	624,300	11,602	4.00

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
GMO Payment Gateway	65,300	3,021	1.04
Gree	648,900	1,231	0.43
LY Corp	1,025,400	2,029	0.70
SoftBank Corp KK	2,819,600	2,873	0.99
SoftBank Group	714,000	14,901	5.14
Tokyo Metro Co Ltd	208,400	1,576	0.54
Portfolio of investments		288,170	99.32
Net other assets - 0.68% ((0.23%))		1,967	0.68
Net assets		290,137	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.

Figures in brackets refer to 30 June 2025.

Fund Information

Fund and Share Information	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	290,137	296,943	451,227	726,118
Synthetic Risk and Reward Indicator¹	5	6	6	6
Net asset value per share (pence)				
B Accumulation	181.99	169.60	163.92	152.69
B Income	147.53	138.32	136.77	130.12
C Accumulation	158.02	146.82	141.04	130.60
W4 Accumulation	185.02	172.28	166.17	154.52
W4 Income	150.05	140.55	138.73	131.73
Number of shares in issue				
B Accumulation	23,572,304	26,331,834	37,490,363	166,567,828
B Income	18,763,069	21,277,562	29,085,858	56,586,874
C Accumulation	1,000	1,000	1,000	1,000
W4 Accumulation	1,595,936	1,720,009	68,232,889	97,992,037
W4 Income	144,354,381	156,450,619	170,554,307	187,301,823
Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	0.90	3.78	3.42	3.74
B Income	0.90	3.14	2.89	3.26
C Accumulation	0.90	3.27	2.92	3.19
W4 Accumulation	0.90	4.10	3.44	3.79
W4 Income	0.90	3.20	2.92	3.30

Fund Information cont.

Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	187.7	170.2	171.0	163.3
B Income	153.1	141.2	144.8	141.7
C Accumulation	162.8	147.1	146.9	139.4
W4 Accumulation	190.8	172.8	173.3	165.2
W4 Income	155.6	143.3	146.8	143.4
Lowest (financial period)				
B Accumulation	166.0	145.1	143.5	143.8
B Income	135.4	120.2	122.3	125.6
C Accumulation	143.7	125.4	123.0	122.5
W4 Accumulation	168.6	147.3	145.3	145.4
W4 Income	137.6	122.2	123.9	127.0
Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures²				
B Accumulation	0.64	0.63	0.62	0.62
B Income	0.64	0.63	0.62	0.62
C Accumulation	0.03	0.04	0.03	0.02
W4 Accumulation	0.46	0.46	0.45	0.44
W4 Income	0.46	0.46	0.45	0.44

You should be aware that past performance is not a guide to future performance.

¹The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

²The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. 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.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		19,355		(2,674)
Revenue	3,308		3,617	
Expenses	(759)		(861)	
Net revenue before taxation	2,549		2,756	
Taxation	(331)		(361)	
Net revenue after taxation		2,218		2,395
Total return before distributions		21,573		(279)
Distributions		(1,790)		(2,054)
Change in net assets attributable to shareholders from investment activities		19,783		(2,333)

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		296,943		451,227
Amounts receivable on issue of shares	1,373		11,663	
Amounts payable on cancellation of shares	(28,206)		(149,011)	
		(26,833)		(137,348)
Dilution adjustment		17		237
Change in net assets attributable to shareholders from investment activities		19,783		(2,333)
Retained distributions on accumulation shares		227		287
Closing net assets attributable to shareholders		290,137		312,070

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025	30 June 2025
	£'000	£'000
Assets:		
Fixed assets:		
Investments	288,170	297,628
Current assets:		
Debtors	1,093	2,509
Cash and bank balances	4,249	5,257
Total assets	293,512	305,394
Liabilities:		
Creditors:		
Bank overdrafts	(1,674)	(2,570)
Distributions payable	(1,468)	(4,075)
Other creditors	(233)	(1,806)
Total liabilities	(3,375)	(8,451)
Net assets attributable to shareholders	290,137	296,943

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements.

Baillie Gifford™

Baillie Gifford Monthly Income Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Baillie Gifford Monthly Income Fund

Investment Objective

The Fund aims to produce monthly income, whilst seeking to maintain the value of that income and of capital in line with inflation (UK CPI) over five-year periods.

Investment Policy

The Fund will gain exposure to a wide range of asset classes in any country or sector, subject to exclusion's identified by the Investment Adviser's sustainable investment process. At any one time, the Fund may be invested in any one or more of the following: shares, bonds, money market instruments, derivatives, deposits, and cash. This exposure may be achieved directly or indirectly through collective investment schemes. The Fund may also invest indirectly in property, infrastructure, commodities and loans. The purpose of the sustainable investment process, which is applied to all assets except cash and cash-like instruments, derivatives and currency forwards, is to ensure that the Fund invests in a way which is, in the Investment Adviser's opinion, compatible with a sustainable economy. A sustainable economy is defined by the Investment Adviser as an economy which achieves a balance between delivering an economically attractive return for investors (by aligning to the Fund's financial objective) while addressing developing global sustainable environmental and social needs, which will cover a broad range of sustainability topics. Quantitative and qualitative assessments are applied to all assets. More information is included in the Prospectus. The Fund applies a revenue-based screen that excludes companies operating to a significant degree in certain sectors, details of which are disclosed in the Prospectus. The Fund will comply with the Investment Adviser's policy on assessing breaches of the United Nations Global Compact as outlined in its Stewardship Principles and Guidelines document. 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 exposed to foreign currencies and 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 a range of assets.

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

The Fund aims to maintain capital value in line with inflation. Neither this nor positive returns are guaranteed.

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.

The Fund's investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

The limitations of third party data, which may be backward looking or estimated, may impact on the Fund's ability to achieve any non-financial considerations.

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.

Baillie Gifford Monthly Income Fund cont.

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.

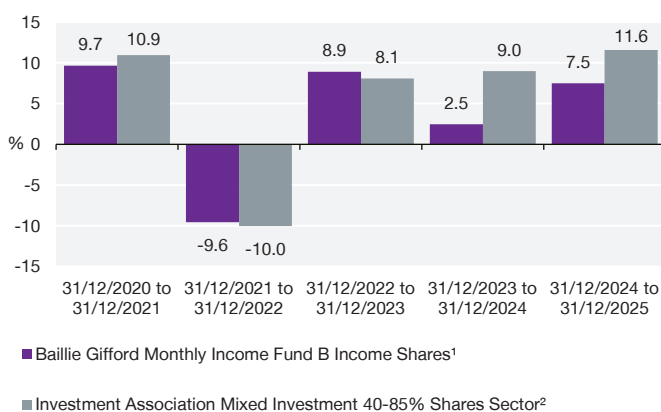
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

Fees Allocated to Capital

For distribution purposes the ACD has the facility to allocate some or all expenses to capital. For the year to 30 June 2025 100% of expenses were allocated to capital. This will reduce the capital value of the Fund. This number may vary from year to year. The figure for the current financial period has not yet been determined.

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 0.45%. With effect from 1 April 2025, the annual management charge for Class B Shares was reduced from 0.50% to 0.45%. 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, while seeking to maintain the value of that income and of capital in line with inflation (UK Consumer Price Index (CPI)) over five-year periods. For the six months to 31 December 2025 the total return on B Income Shares was 2.7%¹ compared to the Investment Association Mixed Investment 40-85% Shares sector (the 'comparator') of 8.8%². The capital return was 0.8%³ compared to the rise in CPI of 0.9%⁴. B Income Shares paid a monthly stream of income totalling 2.01 pence per share.

We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised total return on B Income Shares was 3.6%¹ compared to the return on the comparator of 5.6%². The annualised capital return was -0.5%³ compared to the annualised CPI return of 5.1%⁴, and B Income Shares paid income totalling 21.2 pence per share. The monthly

income stream paid during the previous 12 months was 4.67 pence per share, which represents annualised growth of 4.5% compared with the same period five years ago.

Firstly, on income performance - the beginning of the Covid-19 pandemic drove a broad-based reduction and suspension of dividends that carried into the following year and beyond. Globally dividends were back around pre-Covid levels by late-2021, but the UK market's headline totals have been a slower grind and remain below 2019. Since 2020, the Fund has experienced five calendar years of positive income growth, although inflation also rose sharply over that period.

Secondly, the Fund's long-term capital performance was affected by an especially weak year of returns in 2022. Inflation increased globally, and UK inflation reached its highest level in four decades, with CPI peaking at 11% year-on-year in autumn 2022. As inflation accelerated, interest rates were raised rapidly around the world, leading to falls across most asset prices. Thus, the declining capital values and a spike in inflation meant the capital's real value fell significantly over the course of a single year. Since then, we have seen a period of recovery, as inflation has gradually come under control and most asset prices have risen.

¹Source: FE, 10am dealing prices, income reinvested. ²Source: Revolution and The Investment Association. ³Source: Baillie Gifford & Co Limited, 10am dealing prices, excluding income, after charges. ⁴Source: Revolution and the Office for National Statistics. You should be aware that past performance is not a guide to future performance. Please see Disclaimer on page 103.

Investment Report cont.

We remain confident that our approach will preserve investors' capital over the long term, while continuing to deliver a dependable and rising income stream.

Market environment

Over the six-month period, the economic backdrop was marked by a continued fall in inflation, but with underlying price pressures persistent enough to keep central banks cautious.

Early in the period, UK inflation remained above target, and the Bank of England indicated that any easing (cutting of interest rates) would likely be gradual. In the US, the Federal Reserve resumed easing while also emphasising a measured pace. This was consistent with our 'stagflation-lite' base case: economic growth close to trend, inflation easing, and interest rates moving. Against that backdrop, longer-dated government bond yields rose into early September before easing, leaving yield curves modestly steeper than in mid-summer and creating a supportive, if not exuberant, setting for risk assets.

Gold moved to fresh highs, reflecting an ongoing desire for insurance amid fiscal and geopolitical noise, while equities traded near record levels.

Toward the end of 2025, markets had to absorb a familiar mix of economics and politics: further progress on inflation supported additional monetary easing, while uncertainty around US trade policy and the scale of fiscal ambition contributed to intermittent volatility. UK equities were relatively steady and the FTSE 100 reached record levels late in the year; European shares also finished the period near highs, helped by strength in sectors such as banks and defence. Globally, although market participation broadened in places, leadership remained heavily concentrated in a small group of large US companies (mega-caps) most exposed to the generative AI investment cycle.

In fixed income, government bonds were supported as interest rates continued to drift lower, which in turn supported other asset classes. Credit markets remained resilient with spreads (the extra yield above government bonds) tight. Emerging market sovereign debt performed

well, helped by income carry (earning the bond's yield over time) and demand for yield, while local currency debt benefited from a softer US dollar.

Real assets remained sensitive to expectations for interest rates, but longer-term themes supported areas of strength, most notably in North American utilities, where electricity demand is being boosted by data-centre buildout.

Performance

During this six-month period, all the asset classes the Fund invests in delivered positive returns, but the Fund's capital returns remained weak. Solid performance from several sources of income was offset by the headwind from a concentrated equity market and more mixed performance in areas that are sensitive to interest rates, such as Property and Infrastructure.

Infrastructure and emerging market debt delivered the strongest returns over the period. Property struggled mainly because of our heavy bias towards the UK and Europe. This ran counter to fundamentals, which have seen healthy rental growth supporting capital values and sustained income growth, yet valuations remained close to post-Global Financial Crisis lows.

Equities have been the most important long-run contributor to the Fund's returns since launch. While earnings and dividend growth across the underlying companies have remained reassuring, share prices have not rewarded these companies in the shorter term.

Equities still delivered a positive return in absolute terms over the period, but were our largest relative detractor, lagging a very strong and unusually narrow global index dominated by a handful of AI-linked US mega-caps. This pattern has repeated at times over the past 18 months and has become a material headwind to medium-term performance, especially for capital returns. Our equity exposure is deliberately diversified and focused on income, centred on durable cash generation and dependable dividends. This has been out of favour when market leadership is so concentrated, although it has tended to hold up better during periods of volatility.

Investment Report cont.

We do not believe such a divergence can persist indefinitely. Several potential catalysts could help restore momentum, including a normalisation of AI-related spending, renewed appreciation for steady compounders, and falling interest rates that favour dividend growers. While closely tracking a top-heavy index may flatter short-term numbers, it would take the portfolio away from its remit; we prefer to keep it robust and balanced for a wide range of future outcomes.

That is one reason the Fund is built around multiple return engines: by maintaining meaningful exposure to bonds, property and infrastructure alongside equities, we aim to improve the durability and growth potential of the Fund's forecast income stream.

For the 2025 calendar year, the Fund delivered a 7.5%¹ total return. Strong in absolute terms given what the Fund is designed to achieve, but disappointing against the backdrop of exceptionally strong equity markets.

The more important point, in our view, is that the income objective continued to be delivered: income growth was over 5% for the year, comfortably ahead of inflation². While capital returns can be affected by periods of narrow market leadership, we believe the Fund's diversified mix of income sources remains well placed to support resilient, inflation-beating income growth over time.

Notable transactions

The Fund continues to have around one-third invested in equities, bonds and real assets, alongside a small cash allocation.

Changes to the asset mix over the six-month period were incremental rather than dramatic, but the direction was modestly more constructive as the outlook improved and cash became less attractive.

During the third quarter, we added selectively to equities and high-yield credit (lower-rated bonds that offer higher yields), funded from cash, while maintaining

our emphasis on businesses with strong cash generation, pricing power and the ability to sustain and grow dividends.

Toward the end of 2025, we broadened the opportunity set by introducing a small complementary allocation to growth equities, funded through a combination of lower cash and a modest adjustment within equities, while keeping the Fund's income objective firmly central. The aim was not to change the character of the Fund, but to broaden the portfolio's opportunity set: keeping core exposure to durable long-term compounding businesses, while also including businesses that benefit from opportunities catalysed by AI. This also gives potential access to earlier-stage compounders that could become future dividend leaders.

Within fixed income, we reduced investment-grade exposure in favour of selected emerging market (local currency) debt, adding to countries where we judged real yields (yields after inflation) and fundamentals to be more attractive.

Baillie Gifford & Co, 2 February 2026

¹Source: FE, 10am dealing prices, income reinvested ²CPI rose 3.3% in the 12 months to December 2025. Source: Revolution and the Office for National Statistics. You should be aware that past performance is not a guide to future performance.

Principal Holdings as at 31 December 2025

Investment	Percentage of total Fund
UK Treasury 4.5% 07/06/2028	1.90
TSMC	1.76
Primary Health Properties REIT	1.75
Italgas S.p.A	1.57
Microsoft	1.32
Greencoat Renewables	1.29
Apple	1.27
UK T Bill 09/02/2026	1.23
Terna	1.13
Greencoat UK Wind	1.07

Material Portfolio Changes for the six months ended 31 December 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK Treasury 4.5% 07/06/2028	3,560	UK Treasury 4.5% 07/03/2035	3,502
Primary Health Properties REIT	3,116	Assura Group	3,116
EBRD 6.375% 2036	927	Abu Dhabi 3.125% 30/09/2049 (USD)	1,013
Romania 6.625% 16/05/2036 (USD)	845	India 7.54% 23/05/2036	743
Alphabet Inc Class A	790	Deutsche Boerse	708
Malaysia 3.844% 15/04/2033	789	Dominican Republic 13.625% 03/02/2033	663
MSCI	657	Ivory Coast 5.25% 2030 (EUR)	605
Brazil 10% 01/01/2035	618	Thailand 1.25% IL 12/03/2028	569
Future PLC 6.75% 2030	602	Ardagh Packaging 9.5% 2030 (144A)	493
Poland 5% 25/10/2035	600	Romania 5.875% 11/07/2032 (EUR)	488

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 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
Cash Equivalents - 1.73% (2.59%)			
UK T Bill 02/03/2026	950,000	944	0.50
UK T Bill 09/02/2026	2,300,000	2,291	1.23
Developed Government Bonds - 1.90% (1.98%)			
UK Treasury 4.5% 07/06/2028	3,500,000	3,560	1.90
Emerging Market Bonds Hard Currency - 8.37% (8.15%)			
Angola 8.25% 09/05/2028 (USD)	200,000	149	0.08
Argentina 5% 09/01/2038 (USD)	1,390,000	801	0.43
Bahamas 8.25% 24/06/2036 (USD)	1,000,000	829	0.44
Barbados 8% 26/06/2035 (USD)	1,200,000	938	0.50
Benin 8.375% 23/01/2041 (USD)	800,000	625	0.33
Chile 4.34% 07/03/2042 (USD)	1,300,000	859	0.46
Colombia 3.125% 15/04/2031 (USD)	500,000	322	0.17
Colombia 5.625% 26/02/2044 (USD)	800,000	481	0.26
Ecuador 3.5% 31/07/35 (USD)	825,000	541	0.29
Egypt 8.5% 31/01/2047 (USD)	600,000	438	0.23
Guatemala 6.125% 01/06/2050 (USD)	800,000	582	0.31
Honduras 8.625% 27/11/2034 (USD)	400,000	335	0.18
Hungary 3.125% 21/09/2051 (USD)	1,000,000	459	0.25
Hungary 7.625% 29/03/2041 (USD)	220,000	192	0.10
Ivory Coast 4.875% 30/01/2032 (EUR)	500,000	424	0.23
Ivory Coast 6.875% 17/10/2040 (EUR)	400,000	341	0.18
Kyrgyzstan 7.75% 03/06/2030 (USD)	700,000	536	0.29
Mexico 5.75% 12/10/2110 (USD)	100,000	62	0.03
Mexico 6.75% 27/09/2034 (USD)	990,000	797	0.43
Mongolia 4.45% 07/07/2031 (USD)	600,000	409	0.22
Montenegro 7.25% 12/03/2031 (USD)	400,000	317	0.17
Nigeria 8.375% 24/03/2029 (USD)	200,000	158	0.08
Oman 6.5% 08/03/2047 (USD)	600,000	479	0.26
Paraguay 5.4% 30/03/2050 (USD)	630,000	438	0.23
Paraguay 6.1% 11/08/2044 (USD)	400,000	308	0.16
Romania 6.625% 16/05/2036 (USD)	630,000	488	0.26
Senegal 4.75% 13/03/2028 (EUR)	200,000	121	0.06

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Sri Lanka 3.35% 15/03/2033 (USD)	572,233	366	0.20
Sri Lanka 3.6% 15/02/2038 (USD)	400,000	271	0.15
Sweihan 3.625% 2049 (USD)	400,000	234	0.13
Tajikistan 7.125% 14/09/2027 (USD)	600,000	298	0.16
Turkey 5.75% 11/05/2047 (USD)	200,000	122	0.07
Turkey 6.875% 17/03/2036 (USD)	980,000	750	0.40
Ukraine 1.75% 01/02/2034 (USD)	910,000	413	0.22
Uzbekistan 3.9% 19/10/2031 (USD)	800,000	549	0.29
Zambia 5.75% 30/06/2033 (USD)	420,000	217	0.12
Emerging Market Bonds Local Currency - 10.86% (8.94%)			
Brazil 10% 01/01/2027	4,143	544	0.29
Brazil 10% 01/01/2029	3,293	412	0.22
Brazil 10% 01/01/2035	8,449	933	0.50
Brazil CPI Linked 6% 15/08/2030	557	323	0.17
Chile 5.8% 01/10/2029	340,000,000	292	0.16
Chile 6% 01/01/2043	75,000,000	65	0.03
Colombia 13.25% 09/02/2033	2,416,400,000	477	0.25
Colombia 3% IL 25/03/2033	2,598,000	162	0.09
Colombia 6.25% 09/07/2036	3,259,500,000	410	0.22
Colombia 7% 26/03/2031	2,150,300,000	329	0.18
Colombia 7% 30/06/2032	1,355,600,000	199	0.11
Czech Republic 2% 13/10/2033	1,230,000	37	0.02
EBRD 6.375% 2036	112,000,000	903	0.48
Egypt T Bill 15/09/2026	24,750,000	327	0.17
Hungary 4.75% 24/11/2032	343,380,000	703	0.38
India 7.18% 14/08/2033	42,940,000	366	0.19
India 7.54% 23/05/2036	101,060,000	880	0.47
Indonesia 7.125% 15/06/2042	2,687,000,000	127	0.07
Indonesia 7.5% 15/08/2032	525,000,000	25	0.01
Indonesia 8.25% 15/05/2036	17,955,000,000	920	0.49
Indonesia 9% 15/03/2029	14,671,000,000	722	0.39
Malaysia 3.844% 15/04/2033	4,341,000	816	0.44
Malaysia 4.232% 30/06/2031	3,184,000	610	0.33
Mexico 7.5% 03/06/2027	63,400	262	0.14

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Mexico 7.75% 13/11/2042	269,800	954	0.51
Mexico 7.75% 23/11/2034	106,700	409	0.22
Mexico 7.75% 29/05/2031	79,300	316	0.17
Mexico 8.5% 18/11/2038	136,600	529	0.28
Nigeria Omo Bill 23/06/2026	437,000,000	206	0.11
Paraguay 8.5% 04/03/2035	3,100,000,000	333	0.18
Peru 6.15% 12/08/2032	5,623	1,341	0.72
Peru 7.6% 12/08/2039 (144A)	1,220	294	0.16
Poland 5% 25/10/2035	3,014,000	615	0.33
Poland 6% 25/10/2033	3,964,000	876	0.47
Romania 3.65% 24/09/2031	1,815,000	268	0.14
Romania 6.75% 25/04/2035	2,380,000	407	0.22
South Africa 1.875% IL 31/03/2029	5,110,800	328	0.17
South Africa 6.25% 31/03/2036	19,880,500	757	0.40
South Africa 6.5% 28/02/2041	3,050,000	108	0.06
South Africa 8.75% 31/01/2044	21,993,000	944	0.50
Uruguay 3.875% IL 02/07/2040	27,567,000	783	0.42
Global Equities - 33.70% (30.96%)			
Accenture 'A'	6,801	1,357	0.73
Admiral Group	31,824	1,011	0.54
Adyen N.V.	175	210	0.11
AJ Gallagher & Co	2,565	494	0.26
Albemarle	7,537	792	0.42
Alnylam Pharmaceuticals	1,224	362	0.19
Alphabet Inc Class A	3,517	818	0.44
Alrosa ¹	240,540	-	0.00
Amadeus IT Group SA	22,792	1,251	0.67
Amazon.com	1,383	237	0.13
Analog Devices	9,598	1,935	1.03
ANTA Sports Products	86,200	663	0.35
Apple	11,746	2,374	1.27
AppLovin	983	492	0.26
ASML	579	465	0.25
Atlas Copco A	117,503	1,579	0.84

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
AVI	131,463	622	0.33
B3 S.A.	580,270	1,093	0.58
Carsales.com	58,080	884	0.47
CATL 'A'	5,900	231	0.12
Cisco Systems	18,336	1,050	0.56
Cloudflare Inc	1,401	205	0.11
CME Group Inc	8,253	1,676	0.90
Coloplast AS	10,242	654	0.35
Coupang	18,871	331	0.18
Datadog	1,924	195	0.10
Deutsche Boerse	6,846	1,337	0.72
Dexcom Inc	4,414	218	0.12
Duolingo Inc	909	119	0.06
Edenred	40,611	667	0.36
Epiroc B	74,619	1,125	0.60
Eurofins	7,933	432	0.23
Experian	31,590	1,062	0.57
Fastenal	37,701	1,125	0.60
Home Depot	2,806	718	0.38
Hong Kong Exchanges & Clearing	19,000	739	0.40
Illumina	6,171	601	0.32
Intuit	2,315	1,140	0.61
Jack Henry & Associates	9,887	1,341	0.72
Kuehne & Nagel	1,280	206	0.11
L'Oreal	3,662	1,172	0.63
Martin Marietta Materials	471	218	0.12
Mastercard	525	223	0.12
Mediatek	10,000	338	0.18
Medtronic	9,546	682	0.37
MercadoLibre	291	436	0.23
Meta Platforms Inc	411	202	0.11
Microsoft	6,860	2,466	1.32
Midea Group 'A'	124,500	1,035	0.55
Mobile Telesystems Ojsc ¹	84,348	-	0.00
MSCI	1,394	595	0.32

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Nestle	12,426	918	0.49
NetEase HK Line	45,500	933	0.50
Netflix Inc	2,460	171	0.09
New York Times Co	5,239	270	0.14
Novo Nordisk	26,452	1,007	0.54
Nu Holdings Ltd.	39,272	489	0.26
Partners Group	1,509	1,391	0.74
Paychex	5,608	468	0.25
PepsiCo	12,526	1,336	0.71
Procter & Gamble	16,898	1,800	0.96
Prosus N.V.	4,416	204	0.11
Prudential	22,186	254	0.14
Roche	4,844	1,492	0.80
SAP	2,209	404	0.22
Schneider Electric SE	7,030	1,442	0.77
Sea Ltd ADR	3,681	349	0.19
Shopify 'A'	3,738	447	0.24
Spotify Technology SA	439	189	0.10
Starbucks Corp	10,155	636	0.34
T. Rowe Price	8,226	626	0.34
Texas Instruments	5,779	745	0.40
TSMC	90,000	3,290	1.76
United Overseas Bank	46,900	951	0.51
USS Co	142,900	1,164	0.62
Valmet Oyj	24,052	596	0.32
Watsco Inc	5,280	1,324	0.71
Wolters Kluwer N.V.	7,965	614	0.33
Zoetis Inc	3,536	331	0.18
High Yield Credit - 8.49% (8.65%)			
B&M European Value Retail 8.125% 2030	485,000	505	0.27
Banijay Gp 8.125% 2029 (144A)	200,000	154	0.08
Barclays 8.375% 2031 Perp AT1	510,000	547	0.29
Boots 7.375% 2032	444,000	459	0.25
Boparan Finance 9.375% 2029	361,000	346	0.19

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Burford Capital 9.25% 2031 (144A)	527,000	403	0.22
Cable One 1.125% 2028 CON	690,000	418	0.22
Cheplapharm 7.5% 2030	297,000	269	0.14
Cimpress 7.375% 2032 (144A)	469,000	356	0.19
Cushman & Wakefield 6.75% 2028 (144A)	460,000	344	0.18
David Lloyd 7% 2031	330,000	333	0.18
Deluxe Corp 8% 2029 (144A)	210,000	159	0.09
Deluxe Corp 8.125% 2029 (144A)	313,000	245	0.13
DirecTV 10% 2031 (144A)	604,000	459	0.25
Domestic & General 8.125% 2029	370,000	389	0.21
Encore 8.5% 2030 (144A)	530,000	423	0.23
Evri 8.125% 2031	485,000	515	0.28
Future PLC 6.75% 2030	478,000	475	0.25
Iceland Foods 10.875% 2027	385,000	407	0.22
Iliad 8.5% 2031 (144A)	500,000	400	0.21
Ion Platform Finance 6.5% 2030	375,000	317	0.17
Italmatch Chemicals 10% 2028	390,000	354	0.19
Kier Group 9% 2029	453,000	476	0.25
Liberty Costa Rica 10.875% 2031 (Reg S)	435,000	340	0.18
Marks and Spencer 7.125% 2037 (144A)	418,000	342	0.18
Marston's FRN 2035 (B)	250,000	230	0.12
Mitchells & Butlers 6.469% 2030 (C1)	461,000	464	0.25
NCR Atleos 9.5% 2029 (144A)	545,000	440	0.24
Neopharmed 7.125% 2030	358,000	325	0.17
Nielsen 9.29% 2029 (144A)	436,000	325	0.17
Open Text 6.9% 2027 (144A)	250,000	193	0.10
Organon & Co. 5.125% 2031 (144A)	306,000	188	0.10
PeopleCert 5.5% 2031	400,000	351	0.19
Perrigo Finance Unlimited 6.125% 2032	600,000	435	0.23
Pinewood Gp 3.625% 2027	355,000	346	0.19
Santander 9.625% 2029 Perp AT1	600,000	494	0.26
Shift4 Payments 6.75% 2032 (144A)	482,000	370	0.20
Softbank 7.25% 2032	600,000	451	0.24
Veritext 8.5% 2030 (144A)	662,000	514	0.28
Virgin Media 7.75% 2032 (144A)	402,000	312	0.17

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Wagamama 8.5% 2030	420,000	384	0.21
WeSoda 9.375% 2031	410,000	306	0.16
Worldline 0.875% 2027	200,000	158	0.08
Worldline SA 5.5% 2030	200,000	152	0.08
Infrastructure - 19.89% (20.48%)			
3i Infrastructure	381,367	1,426	0.76
Aguas Andinas	4,583,142	1,398	0.75
Brookfield Renewable	40,317	1,150	0.62
CenterPoint Energy Inc	58,164	1,658	0.89
Consolidated Edison	19,093	1,410	0.75
Edison International	18,900	843	0.45
Exelon Corporation	58,275	1,889	1.01
Foresight Environmental Infrastructure Ltd	1,716,671	1,130	0.60
Fortis	37,146	1,436	0.77
Getlink S.E.	109,600	1,502	0.80
Greencoat Renewables	4,059,318	2,417	1.29
Greencoat UK Wind	2,037,456	1,997	1.07
HKT Trust and HKT	947,000	1,041	0.56
Italgas S.p.A	352,726	2,929	1.57
NextEra Energy	31,967	1,908	1.02
Redeia Corporacion SA	61,375	813	0.43
Renewables Infrastructure Group	1,298,652	893	0.48
Severn Trent	65,711	1,833	0.98
Southern	21,972	1,425	0.76
Terna	267,829	2,117	1.13
TINC Comm. VA	176,488	1,624	0.87
Transurban Group	144,805	1,017	0.54
United Utilities	157,911	1,885	1.01
WEC Energy Group	18,708	1,467	0.78
Investment Grade Bonds - 3.29% (5.16%)			
Admiral Group 8.5% 2034 T2	270,000	313	0.17
Barclays 3.811% 2041-42 T2	330,000	197	0.10
Caixabank 6.875% 2028/33 T2	300,000	315	0.17

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Center Parcs 5.876% 2027	355,000	362	0.19
Charter Comms 6.65% 2034	350,000	275	0.15
Ford 9.625% 2030	360,000	310	0.17
Inchcape 6.5% 2028	148,000	154	0.08
International Workplace Group 6.5% 2030	138,000	131	0.07
Investec 10.5% 2029 Perp AT1	400,000	447	0.24
Investec 9.125% 2033	275,000	296	0.16
James Hardie 6.125% 2032 (144A)	363,000	277	0.15
Lineage OP 5.25% 2030 (144A)	180,000	135	0.07
Longstone 4.896% 2031	320,000	314	0.17
Nationwide 7.875% Perp AT1	200,000	211	0.11
NatWest 5.642% 2034	304,000	311	0.17
Pension Insurance Corp 8% 2033 T2	252,000	282	0.15
Pershing Square Holdings 3.25% 2030	250,000	172	0.09
Phoenix Group 7.75% 2033/53 T2	130,000	143	0.08
Schroders 6.346% 2029/34 T2	220,000	229	0.12
Southern Water 6.125% 2033	100,000	99	0.05
Tesco Property Finance 4 5.801% 2040	335,000	295	0.16
TP ICAP Gp 7.875% 2030	200,000	218	0.12
Weir Group 5.35% 2030 (144A)	200,000	153	0.08
Weir Group 6.875% 2028	140,000	146	0.08
Wise 5.1% 2030	184,000	184	0.10
Yorkshire Water 6.625% 2040	176,000	178	0.09
Property - 10.71% (11.83%)			
American Tower Corp REIT	7,329	957	0.51
Crown Castle International REIT	6,273	414	0.22
Ctp N.V.	128,155	1,981	1.06
Digital Realty Trust REIT	6,474	745	0.40
Equinix	2,071	1,179	0.63
Equity Residential REIT	17,275	810	0.43
Grainger PLC	389,794	710	0.38
Healthpeak Properties Inc REIT	51,493	615	0.33
Lineage Inc	10,579	275	0.15
LondonMetric Property	621,070	1,176	0.63

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Montea NV	18,590	1,180	0.63
Primary Health Properties REIT	3,349,064	3,277	1.75
Prologis Inc REIT	5,345	507	0.27
Segro Plc	149,822	1,079	0.58
Shaftesbury Capital REIT	357,788	518	0.28
Sun Communities Inc REIT	5,764	531	0.28
Target Healthcare REIT Plc	869,602	848	0.45
Tritax Big Box REIT	724,365	1,102	0.59
Unite Group	169,839	949	0.51
Warehouses De Pauw	60,875	1,173	0.63
Derivatives - 0.23% (0.62%)			
Forward currency contracts (see Table 1)		742	0.40
Credit default swap contracts (see Table 2)		(308)	(0.17)
Portfolio of investments		185,463	99.17
Other Assets - 0.83% (0.64%)		1,560	0.83
Net assets		187,023	100.00

¹This stock was valued at nil at the period end amid the ongoing conflict in Ukraine. It has been valued at the Investment Adviser's valuation.

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

All investments are listed on recognised stock exchanges or are fixed interest securities and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

Figures in brackets in the investment category headings refer to 30 June 2025.

Portfolio Statement as at 31 December 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	12/02/26	THB	19,100,000	GBP	450,322	2	0.00
Citigroup	19/03/26	GBP	307,068	COP	1,595,000,000	1	0.00
Deutsche Bank	15/01/26	GBP	2,576,498	EUR	2,940,000	8	0.01
Deutsche Bank	12/02/26	PLN	695,000	GBP	143,966	-	0.00
Goldman Sachs	12/02/26	GBP	800,389	USD	1,053,000	17	0.01
HSBC	15/01/26	GBP	25,612,790	EUR	29,226,340	76	0.04
JP Morgan Chase	19/02/26	KRW	977,000,000	GBP	510,010	(6)	0.00
Merrill Lynch	15/01/26	GBP	300,270	USD	400,000	3	0.00
NatWest	15/01/26	GBP	62,704,808	USD	83,531,000	601	0.32
Royal Bank of Canada	15/01/26	GBP	879,431	EUR	1,007,500	(1)	0.00
Royal Bank of Canada	15/01/26	USD	825,200	GBP	616,954	(3)	0.00
State Street	15/01/26	GBP	227,853	EUR	260,000	1	0.00
State Street	15/01/26	GBP	4,736,772	USD	6,310,000	45	0.02
State Street	15/01/26	USD	363,000	GBP	271,394	(2)	0.00
Unrealised gains/(losses) on open forward currency contracts						742	0.40

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 44 Version 1 EUR 20/12/2030	20/12/30	EUR	Buy protection	3,200,000	5%	(308)	(0.17)
Credit default swap contracts						(308)	(0.17)

Portfolio Statement as at 31 December 2025 cont.

Breakdown of portfolio of investments

	31 December 2025		30 June 2025	
	Market value £'000	Percentage of total Fund	Market value £'000	Percentage of total Fund
Bonds	64,776	34.64	62,726	35.48
Derivatives	434	0.23	1,089	0.62
Equities	120,253	64.30	111,868	63.26
Portfolio of investments	185,463	99.17	175,682	99.36

Investments are categorised based on underlying asset class.

Fund Information

Fund and Share Information	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	187,023	176,815	156,910	148,824
Synthetic Risk and Reward Indicator¹	4	5	5	5
Net asset value per share (pence)				
B Accumulation	143.00	139.60	131.79	124.59
B Income	107.30	106.73	105.19	103.74
C Accumulation	147.16	143.42	134.85	126.98
C Income	111.31	110.47	108.31	106.29
H Accumulation	145.38	141.81	133.53	125.90
H Income	108.70	107.99	106.08	104.33
J Accumulation	145.34	141.84	133.74	126.28
J Income	107.80	107.17	105.46	103.85
P Accumulation	143.96	140.49	132.47	125.18
P Income	108.21	107.58	105.87	104.26
Number of shares in issue				
B Accumulation	20,988,785	19,062,144	10,933,148	7,800,881
B Income	115,907,706	112,795,584	116,636,781	100,433,690
C Accumulation	895	895	895	15,768,067
C Income	656,426	613,321	659,447	705,318
H Accumulation	1,000	1,000	1,000	1,000
H Income	26,476,873	24,345,442	15,808,088	11,882,362
J Accumulation	1,012,392	1,059,399	1,056,302	953,698
J Income	1,531,946	1,249,030	864,185	521,377
P Accumulation	1,000	1,000	1,000	1,000
P Income	1,000	1,000	1,000	1,000

Fund Information cont.

Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	2.65	5.87	5.39	4.73
B Income	2.01	4.60	4.40	4.03
C Accumulation	2.64	5.87	5.38	4.69
C Income	2.02	4.63	4.42	4.02
H Accumulation	2.64	5.87	5.36	4.69
H Income	2.00	4.57	4.37	3.97
J Accumulation	2.66	5.92	5.43	4.76
J Income	2.00	4.58	4.38	4.01
P Accumulation	2.64	5.86	5.27	4.72
P Income	2.01	4.60	4.40	4.02
Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	144.9	140.0	134.5	127.4
B Income	109.8	110.0	108.6	110.1
C Accumulation	149.0	143.8	137.6	129.4
C Income	113.8	113.4	111.7	112.3
H Accumulation	147.2	142.3	136.3	128.4
H Income	111.1	111.0	109.4	110.3
J Accumulation	147.2	142.3	136.5	129.0
J Income	110.3	110.3	108.8	110.1
P Accumulation	145.8	140.9	135.3	127.9
P Income	110.7	110.7	109.2	110.5
Lowest (financial period)				
B Accumulation	139.7	128.0	118.3	111.4
B Income	106.2	99.38	97.62	95.74
C Accumulation	143.6	131.4	120.7	113.3
C Income	110.0	102.7	100.2	97.74
H Accumulation	142.0	130.0	119.6	112.3
H Income	107.5	100.5	98.22	95.94
J Accumulation	142.0	130.0	119.9	112.9
J Income	106.7	99.76	97.78	95.74
P Accumulation	140.6	128.8	118.9	111.9
P Income	107.1	100.1	98.15	96.12

Fund Information cont.

Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures²				
B Accumulation	0.50 ³	0.58	0.56	0.63 ⁴
B Income	0.50 ³	0.57	0.56	0.63 ⁴
C Accumulation	0.05	0.07	0.06	0.13 ⁴
C Income	0.05	0.06	0.06	0.13 ⁴
H Accumulation	0.29	0.25 ⁵	0.22 ⁶	0.30 ⁴
H Income	0.29	0.26 ⁵	0.22 ⁶	0.30 ⁴
J Accumulation	0.40	0.42	0.41	0.48 ⁴
J Income	0.40	0.42	0.42	0.48 ⁴
P Accumulation	0.40	0.42	0.40	0.48 ⁴
P Income	0.40	0.42	0.41	0.48 ⁴

You should be aware that past performance is not a guide to future performance.

¹The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

²The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. 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.

³With effect from 1 July 2025, the annual management charge for Class B Shares was reduced from 0.50% to 0.45%.

⁴In July 2020, the Investment Association issued Guidance on Disclosure of Fund Charges and Costs effective from 30 June 2022 which updated the Ongoing Charges disclosure requirements to include indirect costs associated with funds' holdings of closed-ended investment funds. This resulted in an increase of 0.07% in the Ongoing Charges figures disclosed as at 30 June 2023. In November 2023, following the FCA's statement regarding communications related to PRIIPs and UCITS, the Investment Association amended its Guidance on Disclosure of Fund Charges and Costs, removing the requirement to include indirect costs associated with holding closed-ended investment funds from Ongoing Charges figures. Consequently, these costs are no longer included in the Ongoing Charges figures.

⁵As at 30 June 2025 the ACD considered 0.30% to be a more indicative rate for the ongoing charges figure for Class H Shares.

⁶As at 30 June 2024 the ACD considered 0.30% to be a more indicative rate for the ongoing charges figure for Class H Shares.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,288		(586)
Revenue	4,006		3,709	
Expenses	(427)		(421)	
Net revenue before taxation	3,579		3,288	
Taxation	(527)		(485)	
Net revenue after taxation		3,052		2,803
Total return before distributions		4,340		2,217
Distributions		(3,411)		(2,995)
Change in net assets attributable to shareholders from investment activities		929		(778)

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		176,815		156,910
Amounts receivable on issue of shares	16,342		21,902	
Amounts payable on cancellation of shares	(7,663)		(22,396)	
		8,679		(494)
Dilution adjustment		37		73
Change in net assets attributable to shareholders from investment activities		929		(778)
Retained distributions on accumulation shares		563		352
Closing net assets attributable to shareholders		187,023		156,063

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025 £'000	30 June 2025 £'000
Assets:		
Fixed assets:		
Investments	185,783	175,952
Current assets:		
Debtors	2,225	2,501
Cash and bank balances	1,944	2,754
Total assets	189,952	181,207
Liabilities:		
Investment liabilities	(320)	(270)
Creditors:		
Bank overdrafts	(795)	(999)
Distributions payable	(506)	(883)
Other creditors	(1,308)	(2,240)
Total liabilities	(2,929)	(4,392)
Net assets attributable to shareholders	187,023	176,815

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements.

Baillie Gifford™

Baillie Gifford Sterling Aggregate Bond Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Baillie Gifford Sterling Aggregate Bond Fund

Investment Objective

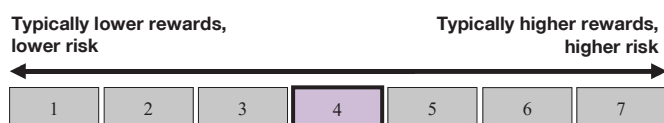
The Fund aims to outperform (after deduction of costs) an index comprising 50% of the FTSE Actuaries UK Conventional Gilts All Stocks Index and 50% of the ICE BofA Sterling Non-Gilt Index by 0.65% per annum over rolling three-year periods.

Investment Policy

The Fund will invest at least 80% in a diversified portfolio of (1) UK government bonds and (2) investment grade bonds issued by corporate issuers, public bodies and supranationals. The Fund may also invest in other developed and emerging market government bonds and sub-investment grade bonds. 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 government and 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.

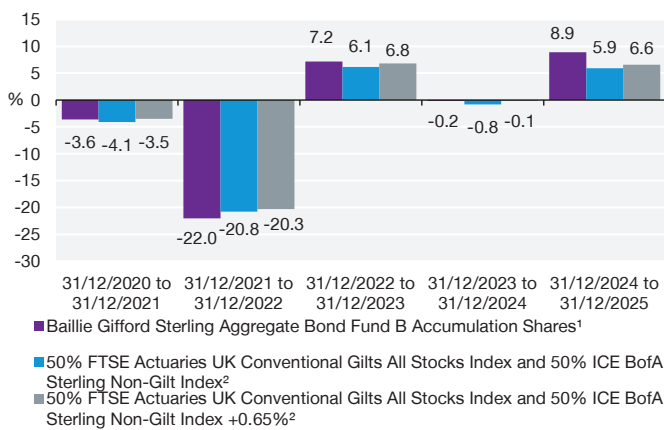
For a more detailed explanation of the risks, please see the "Risk Warnings" section of the prospectus.

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 Accumulation 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 outperform (after deduction of costs) an index comprising 50% of the FTSE Actuaries UK Conventional Gilts All Stocks Index and 50% of the ICE BofA Sterling Non-Gilt Index (the 'Index') by at least 0.65% per annum (the 'target return') over rolling three-year periods. For the six months to 31 December 2025 the return on B Accumulation Shares was 4.0%¹ compared to the Index of 2.9%² and the target return of 3.2%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, a period in line with the Fund's objectives. Over that period, the annualised return on B Accumulation Shares was 5.2%¹ compared to the Index of 3.7%² and the target return of 4.4%².

Market environment

The main concern in bond markets during the second half of the year was whether slower economic growth would be accompanied by inflation that stayed higher than

hoped, thus limiting the ability of central banks to reduce interest rates. In addition, investors were nervous ahead of the UK budget announcement in November, and during what was the longest-ever shutdown of the US government. However, inflation in both the UK and the US appeared to settle at acceptable levels. This allowed the Bank of England and the US Federal Reserve to continue to cut rates.

Inflation in Europe was close to the European Central Bank's (ECB's) medium-term target for most of 2025, and the ECB kept interest rates unchanged at 2% in December, pointing to the resilience of the Eurozone economy. Unusually, the US 10-year Treasury bond performed much better than the equivalent German government bond (bund). This was driven by the announcement of a significant fiscal stimulus in Europe to allow for greater spending on defence and infrastructure, as well as an increasingly dovish (more willing to cut rates) US Federal Reserve.

Despite a brief 'wobble' in October, caused by markets quickly rethinking near-term interest-rate expectations after higher-than-expected US inflation data, corporate bond valuations held up well. Overall, 2025 was a year of resilient economic growth, falling

¹Source: FE, 10am dealing prices, income accumulated. ²Source: Revolution and FTSE 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 103. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

interest rates, broadly healthy company fundamentals, and supportive supply-and-demand conditions for corporate credit. That said, the short episode in October served as a reminder that corporate bonds valuations are reasonably high at present. Markets are pricing in the continuation of a supportive backdrop and any sign that this is not the case is likely to bring price volatility.

Performance

Returns were positive over the period through a combination of coupon income (the regular interest paid by bonds) and because of a modest fall in government bond yields (which equates to a rise in bond prices). The Fund's return was ahead of the Index, with both the government bond and corporate bond portfolios performing well.

The biggest contributor to performance was the Fund's allocation to emerging market government bonds. We are very flexible and selective, only investing when and where conviction is high. Last year, for example, the Fund benefited from its position in South African bonds which rose in value. The Fund also benefited from holding higher-yielding currencies such as the Brazilian real and Hungarian forint.

The Fund's position in UK government bonds, which adds value if long-term interest rates rise relative to short-term rates, was also helpful. In other developed markets, we expected low-yielding Japanese government bonds to lag as the economy finally moves beyond low inflation and interest rates rise. The Fund's underweight position (holding less than the market) added value.

The Fund has beaten its target return over the past three years. This has largely been driven by selective positions in higher-yielding corporate bonds and emerging market government bonds where our fundamental analysis has identified resilient characteristics. Notable highlights include investments in property companies such Ministry of Defence landlord Annington in the UK and flexible workspace provider International Workspace Group.

Notable Transactions

The Fund continues to be split equally between government and corporate bonds. Credit conditions look supportive, but valuations are close to long-term highs, which limits the case for the Fund holding more in corporate debt. We see better value in selected emerging market government bonds, particularly in Latin America, where inflation is contained and fiscal discipline has improved in several countries. The Fund holds Peruvian and Colombian bonds. We sold Australian and New Zealand bonds during the period, as we believe there is a risk that yields rise in those countries.

Within corporate bonds the Fund is relatively defensively positioned, maintaining positions in higher-quality bonds that could provide funding for future opportunities. We continue to find stock-specific opportunities to add value, for example we bought a holding in Blue Owl Credit Income during the period. This business lends to private companies in the US, and we believe its strong management team and track record offers a resilient source of return.

Baillie Gifford & Co, 30 January 2026

Closure of Fund

The ACD provided notice to shareholders on 23 January 2026 informing them that termination of the Fund would commence on 27 February 2026. The Fund was consequently closed on 27 February 2026 and the ACD is no longer actively seeking subscriptions for the Fund.

Principal Bond Holdings as at 31 December 2025

Investment	Percentage of total Fund
UK Treasury 4.75% 07/12/2038	12.99
UK Treasury 4.75% 07/12/2030	5.99
UK Treasury 0.125% IL 22/03/2051	5.75
UK T Bill 02/03/2026	4.01
UK Treasury 4% 22/10/2031	2.73
UK Treasury 4.375% 07/03/2028	2.42
Bund 2.4% 19/10/2028	2.40
Intesa Sanpaolo 6.5% 2028/29	2.00
UK T Bill 16/03/2026	1.55
Peru 7.6% 12/08/2039 (144A)	1.52

Material Portfolio Changes for the six months ended 31 December 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
UK T Bill 02/03/2026	1,666	UK T Bill 08/12/2025	1,452
UK T Bill 08/12/2025	1,446	UK T Bill 03/11/2025	1,042
UK Treasury 4.375% 07/03/2028	1,420	Indonesia 6.625% 15/02/2034	809
UK Treasury 4% 22/10/2031	1,226	Australia 4.75% 21/06/2054	794
UK T Bill 03/11/2025	1,040	New Zealand 4.5% 15/05/2035	784
UK T Bill 16/03/2026	644	Virgin Money UK 5.125% 2030	642
UK Treasury 1.625% 22/10/2054	589	UK T Bill 22/12/2025	580
UK T Bill 22/12/2025	575	UK T Bill 04/08/2025	570
Assura Financing 1.625% 2033	453	Dominican Republic 11.25% 15/09/2035	566
Barclays 7.09% 2028/29	426	UK Treasury 4.75% 07/12/2038	510

The largest purchases and sales of bonds have been shown.

Portfolio Statement as at 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
Fixed Income - 97.65% (96.82%)			
Sovereign Bonds - 50.22% (50.42%)			
Overseas Government Bonds - 9.97% (17.57%)			
Bund 2.4% 19/10/2028	1,138,937	1,000	2.40
Colombia 7% 26/03/2031	4,049,500,000	620	1.49
Colombia 7% 30/06/2032	2,411,100,000	353	0.85
Peru 5.4% 12/08/2034	1,613	355	0.85
Peru 7.6% 12/08/2039 (144A)	2,617	631	1.52
South Africa 9% 31/01/2040	13,949,080	627	1.51
Spain 3.25% 30/04/2034	638,000	562	1.35
Quasi Government Bonds - 2.78% (4.96%)			
Canada Pension Plan 1.25% 2027	250,000	238	0.57
Canada Pension Plan 1.625% 2071	300,000	111	0.27
KFW 5% 2036	200,000	206	0.49
Network Rail 4.75% 2035	300,000	301	0.72
SNCF Reseau 5.25% 2035	100,000	102	0.25
Temasek 5.125% 2040	200,000	200	0.48
UK Government Bond - 37.47% (27.89%)			
UK T Bill 02/03/2026	1,680,000	1,669	4.01
UK T Bill 16/03/2026	650,000	645	1.55
UK Treasury 0.125% IL 22/03/2051	2,815,632	2,390	5.75
UK Treasury 0.625% 22/10/2050	680,000	251	0.60
UK Treasury 1.625% 22/10/2054	1,270,000	596	1.43
UK Treasury 4% 22/10/2031	1,140,344	1,135	2.73
UK Treasury 4.375% 07/03/2028	995,000	1,008	2.42
UK Treasury 4.75% 07/12/2030	2,400,000	2,492	5.99
UK Treasury 4.75% 07/12/2038	5,411,508	5,402	12.99

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Corporate Bonds - 47.43% (46.40%)			
Asset Backed - 6.43% (4.82%)			
Anglian Water 5.75% 2043	100,000	91	0.22
Anglian Water 6.25% 2044	200,000	192	0.46
Center Parcs 5.876% 2027	200,000	204	0.49
Center Parcs 5.94% 2030	500,000	520	1.25
Center Parcs 6.136% 2031	100,000	105	0.25
Gatwick Funding 5.5% 2040	100,000	96	0.23
Heathrow Airport 6% 2032	300,000	309	0.74
Lunar Funding 1 5.75% 2033	100,000	102	0.25
Mitchells & Butlers FRN (AB) 2033	500,000	350	0.84
Southern Water 5.75% 2030	100,000	100	0.24
Southern Water Services 7% 2040	160,000	160	0.38
Welsh Water 2.375% 2034	200,000	152	0.37
Welsh Water 5.75% 2044	200,000	190	0.46
Yorkshire Water 6.601% 2031	100,000	105	0.25
Automotive - 0.48% (0.48%)			
Ford Motor Co 5.625% 2028	200,000	202	0.48
Banking - 11.68% (12.39%)			
Banco Santander 5.5% 2029	200,000	207	0.50
Barclays 7.09% 2028/29	500,000	532	1.28
Barclays 8.407% 2027/32 T2	200,000	213	0.51
Caixabank 6.875% 2028/33 T2	300,000	315	0.76
DNB Bank 4% 2026/27	400,000	400	0.96
HSBC Bank 5.844% 2031 Perp	100,000	105	0.25
Intesa Sanpaolo 6.5% 2028/29	800,000	834	2.00
Intesa Sanpaolo 6.625% 2033	200,000	218	0.52
KBC 1.25% 2027	100,000	98	0.24
Nationwide 7.875% Perp AT1	200,000	211	0.51
Nationwide BS 10.25% Perp CCDS	750	98	0.24
Nationwide Building Society 6.125% 2028	200,000	209	0.50

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
NatWest 3.632% 2034	475,000	413	0.99
NatWest 5.642% 2034	400,000	409	0.98
Piraeus Financial Holdings 5.375% 2030/35	100,000	91	0.22
Santander UK 7.098% 2026/27	300,000	307	0.74
Yorkshire Building Society 3.375% 2027/28	100,000	98	0.23
Yorkshire Building Society 6.375% 2027/28	100,000	103	0.25
Basic Industry - 0.14% (0.14%)			
James Hardie 6.125% 2032 (144A)	76,000	58	0.14
Capital Goods - 0.87% (0.86%)			
Weir Group 5.35% 2030 (144A)	200,000	153	0.37
Weir Group 6.875% 2028	200,000	208	0.50
Commercial Mortgage Backed - 2.90% (2.95%)			
Telereal 1.3657% 2031 (A6)	200,000	69	0.17
Telereal 1.9632% 2031 (B2) ¹	200,000	199	0.48
Telereal 3.5625% 2031 (A3)	300,000	280	0.67
Telereal 5.634% 2031 (B3)	100,000	101	0.24
Telereal FRN 2031 (B7)	300,000	217	0.52
Tesco Property Finance 1 7.6227% 2039	200,000	163	0.39
Tesco Property Finance 4 5.801% 2040	200,000	176	0.43
Consumer Goods - 0.00% (1.26%)			
Financial Services - 5.49% (4.80%)			
Blackstone Private Credit 4.875% 2026	400,000	400	0.96
Blue Owl Credit Income 4.25% 2031	150,000	127	0.31
Burford Capital 6.25% 2028 (144A)	200,000	148	0.36
Burford Capital 9.25% 2031 (144A)	200,000	153	0.37
Close Brothers 7.75% 2028	100,000	105	0.25
Investec 1.875% 2027/28	200,000	192	0.46
Investec 10.5% 2029 Perp AT1	200,000	224	0.54
Investor 5.5% 2037	100,000	103	0.25
Investor AB 4% 2038	100,000	88	0.21

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Motability 5.625% 2035	200,000	205	0.49
Motability 6.25% 2045	100,000	102	0.24
Schroders 6.346% 2029/34 T2	200,000	208	0.50
Worldline SA 5.5% 2030	300,000	228	0.55
Insurance - 2.28% (2.71%)			
Abrdn 5.25% 2026 Perp AT1	200,000	199	0.48
Admiral Group 8.5% 2034 T2	200,000	232	0.56
New York Life Insurance 4.875% 2031	200,000	204	0.49
Pension Insurance 4.625% 2031 T2	100,000	96	0.23
Phoenix Group 7.75% 2033/53 T2	200,000	219	0.52
Media - 1.90% (1.12%)			
CCO Holdings 5.125% 2027 (144A)	400,000	297	0.71
Pearson Funding 5.375% 2034	300,000	297	0.72
Pinewood Gp 3.625% 2027	200,000	195	0.47
Real Estate - 7.87% (5.64%)			
Assura Financing 1.625% 2033	600,000	464	1.12
Berkeley Group 2.5% 2031	400,000	345	0.83
CPI Property 1.5% 2031	300,000	213	0.51
Deutsche Euroshop 4.5% 2030	300,000	263	0.63
Great Portland Estates 5.375% 2031	100,000	101	0.24
International Workplace Group 6.5% 2030	250,000	238	0.57
Public Property Invest 4.625% 2030	400,000	359	0.86
Realty Income 1.875% 2027	100,000	98	0.24
Realty Income 5% 2029	100,000	102	0.24
Sirius Real Estate 4% 2032	200,000	174	0.42
Sovereign Housing 4.768% 2043	100,000	87	0.21
Supermarket Income REIT 5.125% 2031	300,000	302	0.73
TAG Immobilien 3.625% 2032	100,000	86	0.21
TAG Immobilien 4.25% 2030	300,000	269	0.65
Warehouses De Pauw 3.125% 2031	200,000	172	0.41

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Retail - 0.75% (0.75%)			
Inchcape 6.5% 2028	300,000	311	0.75
Services - 0.73% (1.63%)			
Bunzl Finance 5.25% 2031	300,000	306	0.73
Technology & Electronics - 0.00% (0.45%)			
Telecommunications - 1.59% (1.86%)			
AT&T 4.25% 2043	200,000	159	0.38
AT&T 4.875% 2044	200,000	172	0.42
AT&T 7% 2040	300,000	329	0.79
Utilities - 4.32% (4.54%)			
Centrica 6.5% 2055	100,000	103	0.25
E.ON 5.875% 2037	100,000	101	0.24
E.ON 6.75% 2039	200,000	217	0.52
EDF 5.5% 2041	100,000	92	0.22
EDF 6% 2114	300,000	265	0.64
Iberdrola SA 5.25% 2036	100,000	100	0.24
National Grid ED plc 3.5% 2026	300,000	299	0.72
National Grid ED S Wales 5.35% 2039	100,000	96	0.23
South West Water 6.375% 2041	200,000	205	0.49
Yorkshire Power 7.25% 2028	300,000	318	0.77

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Derivatives - 0.17% (0.54%)			
Forward currency contracts (see Table 1)		45	0.11
Futures contracts (see Table 2)		-	0.00
Interest rate swap contracts (see Table 3)		101	0.24
Credit default swap contracts (see Table 4)		(77)	(0.18)
Portfolio of investments		40,694	97.82
Net other assets - 2.18% (2.64%)		909	2.18
Net assets		41,603	100.00

¹This stock has been valued using a single broker quote.

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 June 2025.

Portfolio Statement as at 31 December 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	15/01/26	UYU	36,300,000	GBP	693,841	(2)	0.00
Citigroup	22/01/26	GBP	21,856	EUR	25,000	-	0.00
Citigroup	22/01/26	GBP	7,443	USD	10,000	-	0.00
Citigroup	29/01/26	GBP	782,423	COP	4,020,000,000	3	0.01
Citigroup	19/02/26	GBP	667,276	USD	876,000	16	0.04
Citigroup	12/03/26	GBP	835,139	EUR	950,000	3	0.01
Deutsche Bank	15/01/26	GBP	4,530,905	EUR	5,170,000	13	0.03
HSBC	15/01/26	GBP	852,219	COP	4,335,000,000	6	0.01
HSBC	15/01/26	UYU	30,200,000	GBP	577,245	(2)	0.00
JP Morgan Chase	15/01/26	ZAR	4,500,000	GBP	198,421	3	0.01
JP Morgan Chase	19/02/26	KRW	2,010,000,000	GBP	1,049,252	(11)	(0.03)
Merrill Lynch	15/01/26	GBP	994,958	PEN	4,440,000	14	0.03
Merrill Lynch	12/03/26	BRL	3,070,000	GBP	413,357	(4)	(0.01)
Royal Bank of Canada	15/01/26	GBP	407,930	CAD	750,000	1	0.00
Royal Bank of Canada	15/01/26	MXN	9,900,000	GBP	406,980	2	0.01
Royal Bank of Canada	12/03/26	GBP	421,740	CAD	773,000	1	0.00
UBS	15/01/26	GBP	238,759	COP	1,214,500,000	2	0.00
Unrealised gains/(losses) on open forward currency contracts						45	0.11

Portfolio Statement as at 31 December 2025 cont.

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

Futures	Maturity	Notional	Unrealised gains/(losses) £'000	% of total net assets
Euro-Bobl Future March 2026	10/03/26	(6)	-	0.00
Euro-Bund Future March 2026	10/03/26	(7)	-	0.00
Euro-Oat Future March 2026	10/03/26	(7)	-	0.00
Long Gilt Future 10 Year March 2026	31/03/26	20	-	0.00
US 10 Year Note Future March 2026	31/03/26	4	-	0.00
US 2 Year Note Future March 2026	03/04/26	(18)	-	0.00
US 5 Year Note Future March 2026	03/04/26	6	-	0.00
US Ultra 10 Year Note Future March 2026	31/03/26	3	-	0.00
US Ultra Long (CBT) March 2026	31/03/26	(11)	-	0.00
Unrealised gains/(losses) on futures contracts			-	0.00

Portfolio Statement as at 31 December 2025 cont.

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

Counterparty	Ccy	Termination	Notional	Fund pays	Fund receives	Unrealised gains/(losses) £'000	% of total net assets
Barclays	USD	19/09/28	3,960,000	3.1852%	SOFR Secured Overnight Financing Rate	11	0.03
Barclays	USD	08/04/31	2,900,000	SOFR Secured Overnight Financing Rate	3.2467%	(25)	(0.06)
Citigroup	EUR	22/11/29	3,600,000	2.0907%	ESTR Volume Weighted Trimmed Mean Rate	18	0.04
HSBC	EUR	11/09/55	230,000	2.7747%	ESTR Volume Weighted Trimmed Mean Rate	13	0.03
HSBC	GBP	01/05/28	2,430,000	SONIA Interest Rate Benchmark	3.5493%	2	0.00
HSBC	GBP	17/09/28	2,992,000	SONIA Interest Rate Benchmark	3.7118%	15	0.04
HSBC	GBP	09/09/55	260,000	4.6172%	SONIA Interest Rate Benchmark	(7)	(0.02)
HSBC	USD	08/04/31	2,170,000	3.2467%	SOFR Secured Overnight Financing Rate	19	0.04
JP Morgan Chase	HUF	25/08/28	1,770,000,000	Budapest Interbank Offered Rates 6 Month Index	6.057%	13	0.03
Lloyds Bank	EUR	22/11/29	1,600,000	ESTR Volume Weighted Trimmed Mean Rate	2.0907%	(8)	(0.02)
NatWest	GBP	01/05/28	900,000	3.5493%	SONIA Interest Rate Benchmark	(1)	0.00
NatWest	GBP	14/02/29	3,800,000	SONIA Interest Rate Benchmark	3.9367%	44	0.11
NatWest	GBP	25/11/50	634,200	SONIA Interest Rate Benchmark	4.4936%	4	0.01
UBS	GBP	06/08/29	2,280,000	SONIA Interest Rate Benchmark	3.6128%	3	0.01
Unrealised gains/(losses) on open interest rate swap contracts						101	0.24

Portfolio Statement as at 31 December 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	200,000	5%	(19)	(0.04)
CDS Buy iTraxx Europe Crossover Series 43 Version 1 EUR 20/06/2030	20/06/30	EUR	Buy protection	600,000	5%	(58)	(0.14)
CDS Buy Ardagh Packaging Finance Public Limited Company Senior EUR 20/12/2030	20/06/30	EUR	Buy protection	2,668	5%	-	0.00
CDS Buy Ardagh Packaging Finance Public Limited Company Senior EUR 20/12/2030	20/06/30	EUR	Buy protection	8,004	5%	-	0.00
Credit default swap contracts						(77)	(0.18)

Fund Information

Fund and Share Information	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	41,603	41,298	149,029	155,706
Synthetic Risk and Reward Indicator¹	4	4	4	4
Net asset value per share (pence)				
B Accumulation	118.50	113.77	107.88	100.10
B Income	95.47	93.65	93.31	90.59
C Accumulation	122.60	117.50	111.02	102.66
Number of shares in issue				
B Accumulation	14,154,294	15,382,782	23,703,751	22,234,695
B Income	500	500	500	500
C Accumulation	20,252,150	20,252,150	111,202,529	129,983,302
Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	2.48	5.49	4.81	3.71
B Income	2.05	4.67	4.30	3.47
C Accumulation	2.56	5.66	4.94	3.81
Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	118.7	114.1	109.9	116.0
B Income	96.71	97.19	98.71	109.0
C Accumulation	122.8	117.8	112.9	118.6
Lowest (financial period)				
B Accumulation	113.0	107.6	98.76	93.12
B Income	92.97	91.20	89.36	87.47
C Accumulation	116.7	110.8	101.3	95.25

Fund Information cont.

Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures²				
B Accumulation	0.40 ³	0.40 ⁵	0.38	0.38
B Income	0.40 ³	0.40 ⁵	0.38	0.38
C Accumulation	0.05 ⁴	0.04 ⁶	0.03	0.03

You should be aware that past performance is not a guide to future performance.

¹The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

²The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. 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.

³As at 31 December 2025 the ACD considered 0.42% to be a more indicative rate for the ongoing charges figure for Class B Shares.

⁴As at 31 December 2025 the ACD considered 0.07% to be a more indicative rate for the ongoing charges figure for Class C Shares.

⁵As at 30 June 2025 the ACD considered 0.42% to be a more indicative rate for the ongoing charges figure for Class B Shares.

⁶As at 30 June 2025 the ACD considered 0.07% to be a more indicative rate for the ongoing charges figure for Class C Shares.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		773		(2,033)
Revenue	930		3,754	
Expenses	(43)		(62)	
Net revenue before taxation	887		3,692	
Taxation	(1)		(10)	
Net revenue after taxation		886		3,682
Total return before distributions		1,659		1,649
Distributions		(873)		(3,137)
Change in net assets attributable to shareholders from investment activities		786		(1,488)

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		41,298		149,029
Amounts receivable on issue of shares	2,708		617	
Amounts payable on cancellation of shares	(4,051)		(9,929)	
		(1,343)		(9,312)
Dilution adjustment		11		14
Change in net assets attributable to shareholders from investment activities		786		(1,488)
Retained distributions on accumulation shares		851		3,075
Closing net assets attributable to shareholders		41,603		141,318

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025 £'000	30 June 2025 £'000
Assets:		
Fixed assets:		
Investments	40,831	41,423
Current assets:		
Debtors	546	832
Cash and bank balances	511	1,771
Total assets	41,888	44,026
Liabilities:		
Investment liabilities	(137)	(1,215)
Creditors:		
Bank overdrafts	(38)	(1,019)
Other creditors	(110)	(494)
Total liabilities	(285)	(2,728)
Net assets attributable to shareholders	41,603	41,298

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements with the exception of the below:

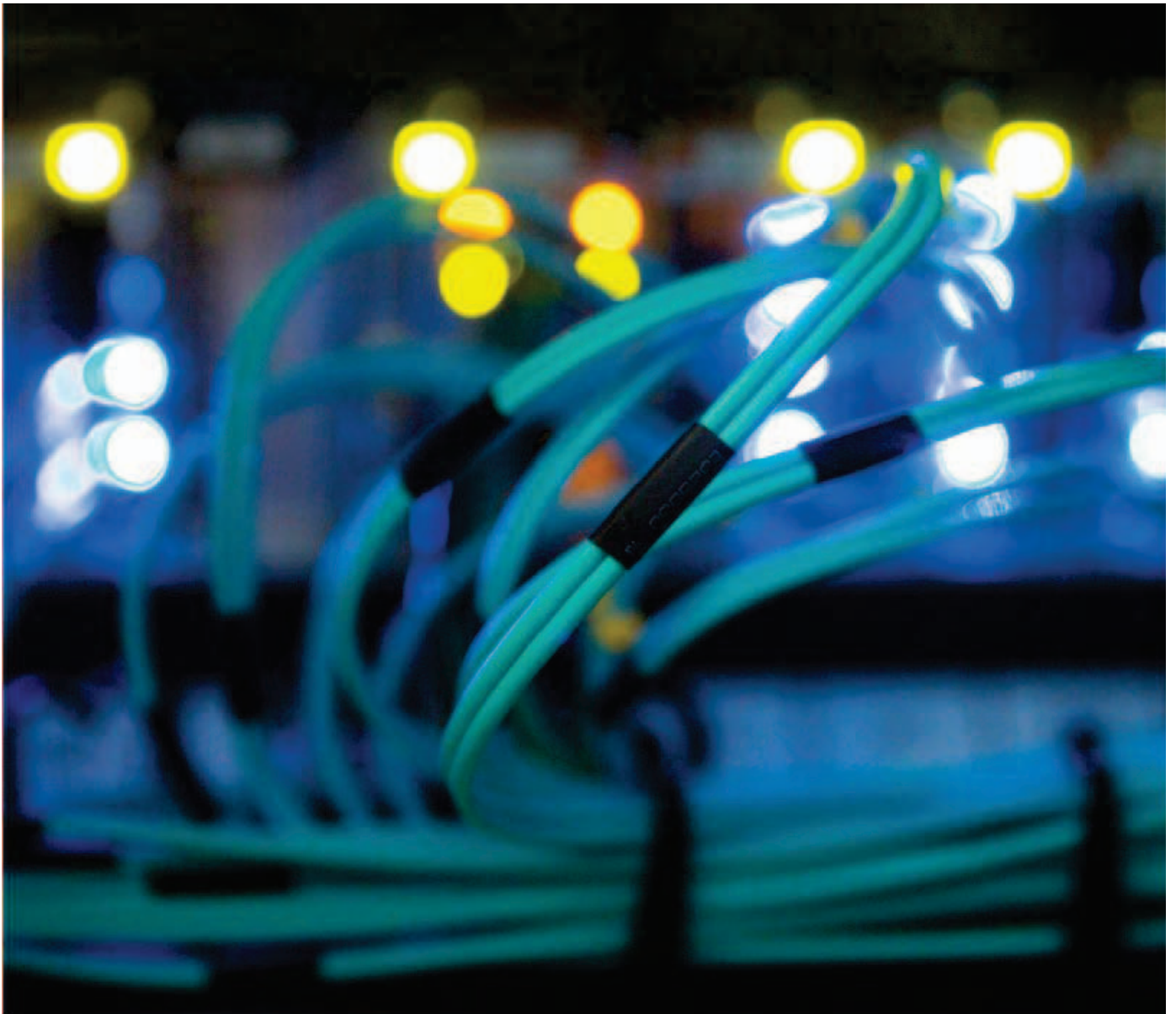
Baillie Gifford Sterling Aggregate Bond Fund is no longer considered to be a going concern as the ACD intends to terminate the sub-fund. There is no impact on the financial statements of the sub-fund, on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to their residual values.

Baillie Gifford™

Baillie Gifford Sustainable Growth Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Baillie Gifford Sustainable Growth Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods by investing (at least 70%) in companies covering a broad range of sustainability topics but whose products or services are creating value for society by addressing significant global challenges. In order to be considered as addressing a 'significant global challenge', a company's products or services must be aligned with one or more of the following headline themes: 1) People (the welfare of people), sub-themes may include: enhancing access to healthcare, extending healthy life expectancy; deepening financial inclusion; and delivering essential infrastructure (clean water and sanitation, developing reliable and sustainable infrastructure to support economic development and human wellbeing); 2) Planet (the condition of the planet), sub-themes may include: doing more with less; preserving natural capital; and mitigating and adapting to climate change; and 3) Prosperity (broadening prosperity across society), sub-themes may include: lowering barriers to entrepreneurship; supply chains with integrity; and providing fair and decent work. These headline themes and sub-themes align with the United Nations Sustainable Development Goals ("UN SDGs") which serve as a universal blueprint for achieving peace and prosperity for society and the environment. To ensure a company's products or services are meeting the sustainability objective, the Investment Adviser will assess either the revenue or profits derived from the company's products or services.

Investment Policy

The Fund will invest at least 70% in shares of companies anywhere in the world and of any size and in any sector which, provided the Investment Adviser considers such companies are addressing significant global challenges. To meet the sustainability objective, at least 70% of the Fund's assets meet the 'Standard of Sustainability'. A company must demonstrate that a minimum of 30% of either its revenues or profits are derived from products or services that are aligned with a significant global challenge. Revenue-based screens are applied that exclude companies with a defined level of activity in certain sectors, details of which are disclosed in the

Prospectus. The Fund will comply with the Investment Adviser's policy on assessing breaches of the United Nations Global Compact as outlined in its ESG Principles and Guidelines document. The Investment Adviser applies its proprietary Alignment Assessment to (a) exclude companies which are causing harm or whose activities conflict with the sustainability objective, (b) inform investment selection for the Fund and (c) identify potential areas for ongoing monitoring and engagement. The Fund's portfolio will be managed to align its holding with the goal of net zero greenhouse gas emission by 2050 or sooner. 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 company shares.

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

The Fund is actively managed meaning the Investment Manager selects investments of their own choosing with the aim of achieving the Fund's objectives. This is done without seeking to replicate any index in either of performance or portfolio composition. This investment style, selecting companies with perceived greater long-term growth potential ahead of any short-term returns, in combination with the relative concentration of the Fund, may lead to prolonged periods of underperformance in certain market conditions, both in relation to the Fund's benchmark and in absolute terms.

Baillie Gifford Sustainable Growth Fund cont.

Over shorter time periods the Fund's share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

The Fund's investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

The limitations of third party data, which may be backward looking or estimated, may impact on the Funds ability to achieve any non-financial considerations.

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.

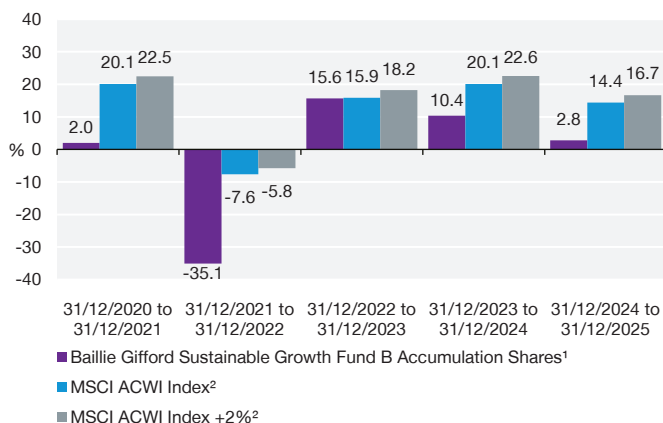
You could lose your investment due to global factors like natural disasters, pandemics, or through developments such as military conflict, or changes in government policies.

Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

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

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation 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 outperform (after deduction of costs) the MSCI ACWI Index (the ‘Index’) by at least 2% per annum (the ‘target return’) over rolling five-year periods by investing (at least 70%) in companies covering a broad range of sustainability topics but whose products or services are creating value for society by addressing significant global challenges. For the six months to 31 December 2025 the return on B Accumulation Shares was 6.0%¹ compared to the Index of 13.5%² and the target return of 14.6%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund’s objectives. Over that period, the annualised return on B Accumulation Shares was -2.8%¹ compared to the Index of 12.1%² and the target return of 14.3%².

Further information and analysis of the Fund’s objective of contributing to a more sustainable world by addressing significant global challenges is detailed in the

Sustainable Growth Sustainability Report which is produced annually and is available on the website www.bailliegifford.com.

Fund Update

On 21 January 2026 the ACD wrote to shareholders to advise that the ACD plans to merge Baillie Gifford Sustainable Growth Fund into the Baillie Gifford Global Alpha Paris-Aligned Fund, subject to regulatory and shareholder approval. For further information please see the shareholder letter. If you have any questions please contact our client relations team by email at enquires@bailliegifford.com.

Market environment

Global equity markets continued to advance over the period, as many companies delivered earnings that met or exceeded expectations and the Federal Reserve’s September rate cut marked a shift towards a less restrictive policy stance. These developments helped

¹Source: FE, 10am dealing prices, income accumulated. ²Source: Revolution and MSCI, total return in sterling terms. 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 103. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

sustain market advances, even as inflation pressures, geopolitical tensions and broader macroeconomic uncertainty persisted.

Beneath the surface, market conditions remained uneven. Returns were increasingly concentrated in a relatively narrow group of large companies, while sentiment proved sensitive to expectations around growth, valuations and the pace of investment, particularly in newer technologies. This contributed to periods of volatility and pronounced dispersion at the stock level, where short-term outcomes were increasingly influenced by concentration and valuation sensitivity.

Performance

Over the six months to December 2025, the Fund delivered a positive absolute return, but lagged the highly concentrated MSCI ACWI index. Relative performance reflected a combination of stock-specific developments and valuation changes, with underlying business progress not always immediately reflected in share prices.

The largest contributors to performance during the period were Alphabet, TSMC and Shopify.

Alphabet was a leading contributor as investors took reassurance from the resilience of its core earnings power. Search revenues continued to grow, with AI-enabled features proving additive by increasing engagement rather than cannibalising usage. YouTube advertising remained robust, while Google Cloud grew at over 30% year-on-year, with margins improving despite heavy investment. Progress with Gemini and proprietary chips reinforced confidence that Alphabet can deploy AI at lower marginal cost than peers, supporting durable cash generation and long-term innovation.

TSMC also contributed positively as expectations for AI-related demand continued to rise. Confidence in its capacity expansion and leadership in advanced packaging, particularly CoWoS, reinforced its position as one of the least substitutable nodes in the global AI supply chain. Despite geopolitical complexity and capital intensity, TSMC's execution and pricing discipline underpin confidence in its ability to compound value over time.

Shopify delivered solid performance as platform momentum remained strong. Revenues and gross merchandise value grew at robust double-digit rates, supported by international expansion and increasing adoption among larger merchants. Payments penetration rose further, while growing evidence that AI-driven tools are improving merchant economics, not just adding features, supported confidence in Shopify's long-term opportunity to lower barriers to entrepreneurship.

Among the top detractors during the period were MercadoLibre, The Trade Desk and Intuit.

MercadoLibre detracted despite continued strong underlying growth. Gross merchandise value and payments volumes expanded rapidly, but near-term margins were pressured by foreign-exchange volatility in Argentina, higher logistics costs in Brazil and increased customer acquisition spending. While these factors weighed on sentiment, the company's competitive position and ecosystem strength remained intact.

The Trade Desk underperformed after moderating near-term revenue expectations, with governance uncertainty following the CFO's resignation adding to investor caution. However, the company remains central to the structural shift towards data-driven and transparent digital advertising, with its leadership in connected TV and UID2 supporting our long-term view about the company.

Intuit detracted as investor sentiment softened following a moderation in near-term growth expectations. While results met expectations, forward guidance implied a slower growth profile than anticipated, creating a short-term air pocket in the shares. However, revenue growth across Intuit's core platforms has remained strong, with increasing use of AI-enabled capabilities supporting deeper customer engagement and reinforcing the company's long-term opportunity.

Notable transactions

We initiated a position in the digital-learning company Duolingo. Recent share-price weakness provided an attractive entry point, and management's decision to prioritise product development and user experience over

Investment Report cont.

near-term monetisation reinforces our confidence in the long-term quality of the business. We also initiated a holding in Novo Nordisk following a valuation reset that offered a more attractive entry point into a business addressing large and growing unmet needs in diabetes and obesity.

We exited Inspire Medical Systems, where the growth trajectory has continued to fall short of our expectations amid an evolving treatment landscape, as well as Sweetgreen and CTI, where conviction declined following weaker-than-expected operating momentum.

Baillie Gifford & Co, 14 January 2026

Principal Holdings as at 31 December 2025

Investment	Percentage of total Fund
Microsoft	5.93
Alphabet Inc Class A	5.62
TSMC	4.84
Illumina	3.53
MercadoLibre	3.07
Recruit Holdings	3.06
DSV	3.04
Mastercard	2.98
Intuit	2.81
Prudential	2.81

Material Portfolio Changes for the six months ended 31 December 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Novo Nordisk	6,840	Alphabet Inc Class A	12,560
SNIBE Co. Ltd 'A' - Stock Connect	4,774	TSMC	11,055
Microsoft	4,528	Microsoft	7,851
IMCD Group N.V.	3,589	Shopify 'A'	7,590
Intuit	2,384	Experian	5,461
Recruit Holdings	2,303	Centre Testing 'A' - Stock Connect	4,535
Marsh & McLennan	2,152	MercadoLibre	4,390
Kinaxis	1,992	Intuit	3,926
Duolingo Inc	1,901	Mastercard	3,750
Synopsys	1,301	DSV	3,596

Portfolio Statement as at 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
Brazil - 4.43% (4.87%)			
MercadoLibre	8,087	12,111	3.07
Raia Drogasil	1,685,958	5,359	1.36
Canada - 3.94% (3.60%)			
Kinaxis	52,925	4,955	1.25
Shopify 'A'	88,764	10,618	2.69
China - 1.71% (1.71%)			
Meituan	279,300	2,753	0.70
SNIBE Co. Ltd 'A' - Stock Connect	665,700	3,980	1.01
Denmark - 4.57% (2.93%)			
DSV	63,746	11,998	3.04
Novo Nordisk	158,968	6,051	1.53
France - 5.70% (5.77%)			
bioMérieux	70,037	6,739	1.71
L'Oreal	23,519	7,529	1.91
Sartorius Stedim Biotech	21,146	3,853	0.97
Schneider Electric SE	21,395	4,388	1.11
Hong Kong - 1.72% (1.52%)			
AIA Group	888,800	6,783	1.72
India - 1.40% (1.59%)			
HDFC Life Insurance Co Ltd	891,814	5,532	1.40
Japan - 5.22% (5.54%)			
GMO Payment Gateway	77,800	3,599	0.91
Nintendo	97,800	4,915	1.25
Recruit Holdings	287,800	12,077	3.06

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Luxembourg - 1.51% (1.51%)			
Eurofins	109,662	5,975	1.51
Netherlands - 1.38% (1.12%)			
IMCD Group N.V.	80,710	5,431	1.38
Sweden - 4.90% (6.30%)			
Atlas Copco B	354,685	4,268	1.08
Beijer Ref	749,472	9,033	2.29
Epiroc B	120,107	1,810	0.46
Spotify Technology SA	9,801	4,231	1.07
Taiwan - 4.84% (4.55%)			
TSMC	523,000	19,120	4.84
UK - 7.44% (8.16%)			
Experian	127,440	4,285	1.09
Prudential	967,886	11,077	2.81
Spirax Group	87,018	5,930	1.50
Wise Plc	904,738	8,061	2.04
United States - 50.37% (49.88%)			
Advanced Drainage Systems	57,623	6,205	1.57
Alphabet Inc Class A	95,446	22,206	5.62
Cadence Design Systems	19,224	4,466	1.13
Carlisle Companies	15,111	3,592	0.91
Cognex Corp	116,087	3,103	0.79
Duolingo Inc	13,409	1,749	0.44
Edwards Lifesciences Corp	168,281	10,664	2.70
Illumina	142,863	13,921	3.53
Intuit	22,512	11,086	2.81
Lineage Inc	118,233	3,077	0.78
MarketAxess Holdings	25,948	3,496	0.89
Marsh & McLennan	57,842	7,982	2.02

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Mastercard	27,719	11,765	2.98
Microsoft	65,159	23,427	5.93
Moderna Inc	95,996	2,104	0.53
MSA Safety	46,216	5,504	1.39
New York Times Co	175,656	9,066	2.30
Savers Value Village	506,508	3,521	0.89
Starbucks Corp	55,293	3,462	0.88
Synopsys	14,046	4,905	1.24
Tetra Tech, Inc.	285,929	7,128	1.81
Texas Instruments	58,339	7,523	1.91
The Trade Desk	133,641	3,771	0.95
UnitedHealth	26,312	6,460	1.64
Wabtec	49,206	7,805	1.98
Warby Parker Inc	153,690	2,490	0.63
Workday Inc	31,882	5,091	1.29
YETI Holdings	100,131	3,288	0.83
Portfolio of investments		391,318	99.13
Net other assets - 0.87% (0.95%)		3,438	0.87
Net assets		394,756	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.

Figures in brackets refer to 30 June 2025.

Fund Information

Fund and Share Information	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	394,756	493,355	523,258	632,790
Synthetic Risk and Reward Indicator¹	6	6	6	6
Net asset value per share (pence)				
B Accumulation	786.96	748.52	719.62	659.62
B Income	771.50	733.82	708.10	651.34
C Accumulation	797.50	756.63	723.77	660.11
J Accumulation	792.48	753.21	723.03	661.75
J Income	771.69	733.45	707.72	650.96
P Accumulation	786.64	748.04	n/a	n/a
Y Accumulation	798.57	759.41	729.77	668.58
Number of shares in issue				
B Accumulation	24,481,842	32,530,832	35,747,358	40,358,711
B Income	8,967,916	10,176,922	10,249,951	7,160,494
C Accumulation	6,214,539	12,384,271	13,448,420	34,254,189
J Accumulation	199,046	212,994	262,503	316,003
J Income	1,407	1,407	1,663	3,477
P Accumulation	150	150	n/a	n/a
Y Accumulation	10,237,706	10,515,287	12,906,396	13,716,731
Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	n/a	2.75	2.54	1.85
B Income	n/a	2.72	2.50	1.83
C Accumulation	n/a	6.56	5.94	5.05
J Accumulation	n/a	3.90	3.56	2.82
J Income	n/a	3.81	3.51	2.77
P Accumulation	n/a	0.72	n/a	n/a
Y Accumulation	n/a	3.14	2.92	2.21

Fund Information cont.

Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	797.2	820.8	739.0	714.1
B Income	781.5	807.6	729.8	707.1
C Accumulation	807.1	828.0	742.8	711.5
J Accumulation	802.6	825.4	742.4	715.4
J Income	781.5	807.9	730.3	706.8
P Accumulation	796.8	748.3	n/a	n/a
Y Accumulation	808.9	832.6	749.4	723.4
Lowest (financial period)				
B Accumulation	744.7	630.0	590.8	579.5
B Income	730.1	619.9	583.4	573.8
C Accumulation	752.8	636.1	592.2	577.9
J Accumulation	749.4	633.7	593.0	580.7
J Income	729.7	620.3	583.3	573.7
P Accumulation	744.2	725.5	n/a	n/a
Y Accumulation	755.5	639.1	598.9	587.1
Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures²				
B Accumulation	0.53	0.54	0.52	0.53
B Income	0.53	0.54	0.52	0.53
C Accumulation	0.03	0.03	0.02	0.03
J Accumulation	0.38	0.38	0.37	0.37
J Income	0.38	0.39	0.37	0.37
P Accumulation	0.48	0.46	n/a	n/a
Y Accumulation	0.49	0.49	0.47	0.47

You should be aware that past performance is not a guide to future performance.

¹The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

²The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. 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.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		22,515		36,368
Revenue	1,529		2,089	
Expenses	(1,001)		(1,131)	
Net revenue before taxation	528		958	
Taxation	(145)		(218)	
Net revenue after taxation		383		740
Total return before distributions		22,898		37,108
Distributions		(27)		(35)
Change in net assets attributable to shareholders from investment activities		22,871		37,073

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		493,355		523,258
Amounts receivable on issue of shares	8,767		4,584	
Amounts payable on cancellation of shares	(130,395)		(40,831)	
		(121,628)		(36,247)
Dilution adjustment		158		49
Change in net assets attributable to shareholders from investment activities		22,871		37,073
Closing net assets attributable to shareholders		394,756		524,133

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025 £'000	30 June 2025 £'000
Assets:		
Fixed assets:		
Investments	391,318	488,679
Current assets:		
Debtors	444	3,019
Cash and bank balances	3,246	5,646
Total assets	395,008	497,344
Liabilities:		
Creditors:		
Bank overdrafts	-	(1,064)
Distributions payable	-	(277)
Other creditors	(252)	(2,648)
Total liabilities	(252)	(3,989)
Net assets attributable to shareholders	394,756	493,355

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements with the exception of the below:

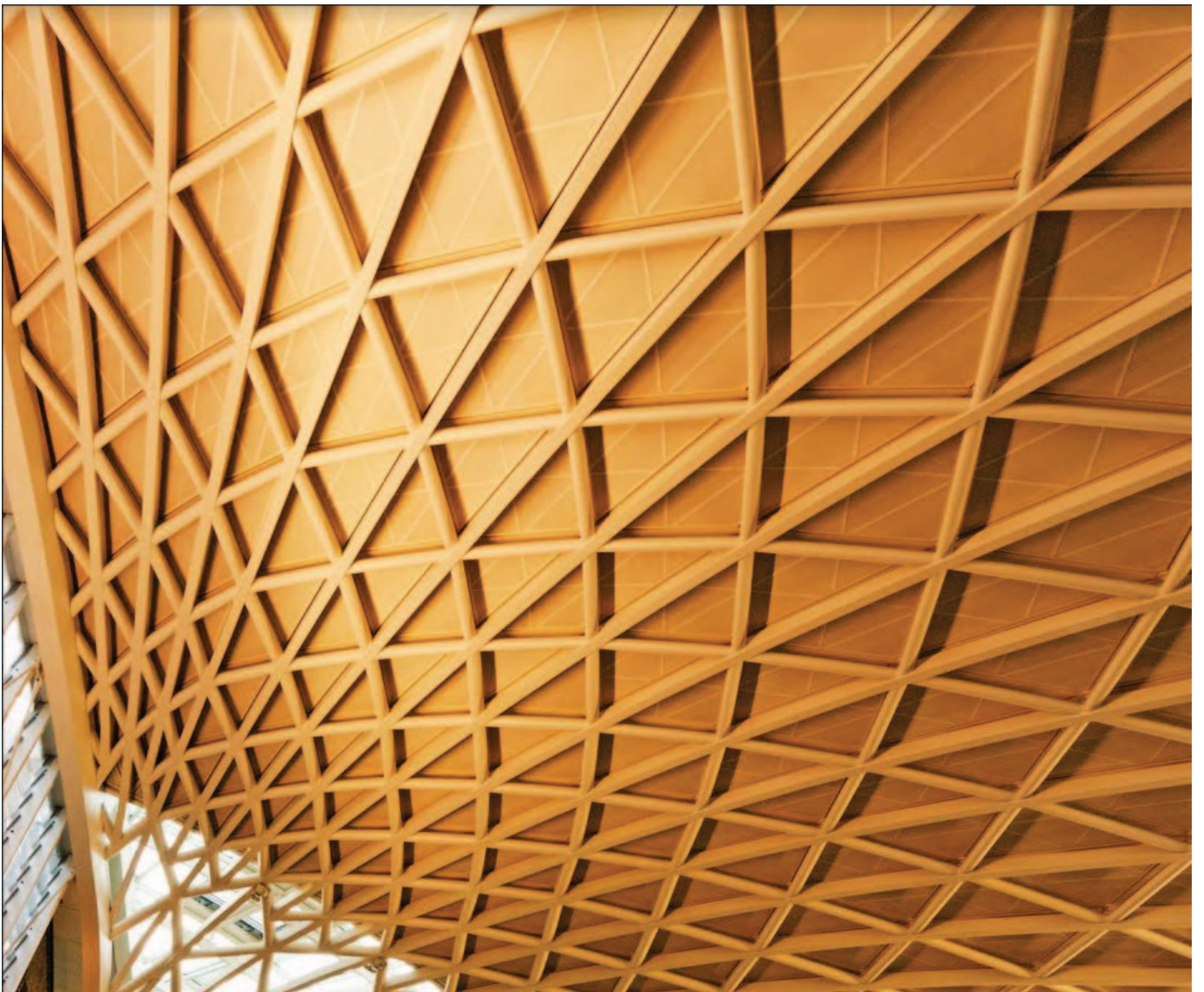
Baillie Gifford Sustainable Growth Fund is no longer considered to be a going concern as the ACD intends to terminate the sub-fund. There is no impact on the financial statements of the sub-fund, on the basis that the assets and liabilities on the balance sheet are valued at fair value, which materially equate to their residual values.

Baillie Gifford™

Baillie Gifford UK Equity Core Fund

a sub-fund of Baillie Gifford Investment Funds II ICVC

*Interim Report & Financial Statements (Unaudited)
for the six months ended 31 December 2025*



Baillie Gifford UK Equity Core Fund

Investment Objective

The Fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 1% per annum over rolling five-year periods.

Investment Policy

The Fund will invest at least 80% directly or indirectly in shares of UK companies of any size and in any sector. The indirect investment will be through collective investment schemes. UK companies are companies which are incorporated, domiciled or conduct a significant portion of their business in the UK. The Fund may also invest in companies which are listed, traded or quoted in the UK. Companies the Fund directly invests in will be selected following a norms-based evaluation. The Fund will comply with the Investment Adviser’s policy on assessing breaches of the United Nations Global Compact as outlined in its Stewardship Principles and Guidelines document. The Fund will be managed to align the Fund’s holdings with the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5C (“net zero”). As part of this process, all portfolio companies are actively assessed and prioritised for engagement for their alignment with net zero on an ongoing basis. 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 company shares.

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

The Fund is actively managed meaning the Investment Manager selects investments of their own choosing with the aim of achieving the Fund’s objectives. This is done without seeking to replicate any index in either of performance or portfolio composition. This investment style, selecting companies with perceived greater long-term growth potential ahead of any short-term returns, in combination with the relative concentration of the Fund, may lead to prolonged periods of underperformance in certain market conditions, both in relation to the Fund’s benchmark and in absolute terms.

Over shorter time periods the Fund’s share price can be volatile and returns can be much higher or lower than our five-year average target. There is no guarantee this objective will be achieved over any time period.

The Fund’s investment policy limits the type of companies it can hold. The Fund may have different returns from funds with no such restrictions.

The limitations of third party data, which may be backward looking or estimated, may impact on the Funds ability to achieve any non-financial considerations.

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.

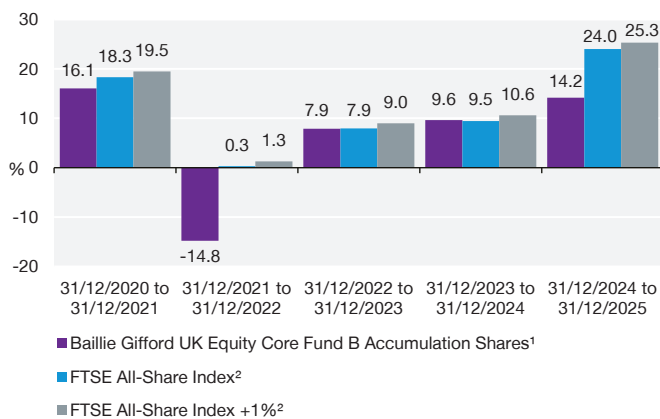
Where possible, charges are taken from income. If insufficient, the rest will be taken from capital, reducing the capital value of the Fund.

Baillie Gifford UK Equity Core Fund cont.

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

Investment Report

Past Performance



The performance figures shown in this graph are for Class B Accumulation Shares. Performance figures reflect the annual management charge of 0.42%. Performance figures for the other share class 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 FTSE All-Share Index (the 'Index') by at least 1% per annum (the 'target return') over rolling five-year periods. For the six months to 31 December 2025, the return on B Accumulation Shares was 7.1%¹ compared to the Index of 13.7%² and the target return of 14.3%². We believe that short-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible timeframe over which to judge performance, a period in line with the Fund's objectives. Over that period, the annualised return on B Accumulation Shares was 6.0%¹ compared to the Index of 11.7%² and the target return of 12.8%². We recognise that the Fund's performance over this period has fallen short of investors' expectations. The portfolio has faced a significant valuation headwind, driven by higher interest rates and a market environment that has favoured near-term certainty over long-term growth. However, the portfolio continues to exhibit above-average growth and quality characteristics, with compelling starting valuations. Historically, this combination has provided a

strong backdrop for long-term value creation, and we believe the portfolio is well-positioned as market conditions become more supportive.

Market environment

Over the six months to 31 December 2025, UK markets rose strongly, building on the good gains earlier in the year. Returns were again led by larger companies that earn a significant part of their revenues overseas, with banks, defence companies and pharmaceutical businesses contributing particularly strongly.

During the period, investor confidence was supported by the Autumn Budget, which reduced uncertainty around government spending plans and showed there was more room in the public finances than expected. In addition, as inflation fell, the Bank of England reduced its interest rate to 3.75%, its lowest level since 2023.

¹Source: FE, 10am dealing prices, income accumulated. ²Source: Revolution and FTSE, 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 103. You should be aware that past performance is not a guide to future performance.

Investment Report cont.

Performance

The Fund delivered a positive return but underperformed the Index. Not holding HSBC (a global bank) held back relative performance, as the bank's share price rose strongly during the period.

Elsewhere, most weaker share price moves were driven more by market mood than by any worsening in the underlying businesses. There was a broadly negative storyline around artificial intelligence (AI), with concerns about disruption weighing on several of our asset-light, high-margin data and online classifieds businesses, such as Auto Trader (a UK online car marketplace) and Rightmove (a UK property listings portal). Some of this concern followed Rightmove's Investor Day, where it announced plans to invest £60m over the next three years to upgrade its technology and develop AI-enabled products.

We recognise that AI is a major technological change that is likely to affect many industries, creating both risks and opportunities in ways that are hard to predict at this stage. However, the data-driven businesses mentioned above begin from a position of significant competitive strength, reflected in their strong financial health, which gives them the ability to keep investing through periods of change. We are reassured that the management teams at these companies are not showing signs of complacency. Auto Trader, for example, has invested significantly in data science over the past five years, has launched many AI-enabled products, and has a strong pipeline of further innovations. As such, we tend to view recent share price weakness as an opportunity. Nonetheless, we plan to continue our discussions with the executive team there, and with all our other holdings, to assess their positioning and their ability to adapt successfully.

The largest contributors to performance during the period were Just Group, Standard Chartered and Rio Tinto.

Retirement income provider Just Group received a takeover offer from Canada's Brookfield (a global investment firm). The £2.4bn deal valued Just Group at around 70% above its market value at the time (and about

30% above its highest share price in the past 12 months). It is pleasing to see our confidence in its growth prospects being recognised, and the deal is expected to close in the first half of 2026.

Elsewhere, the Fund's holding in Standard Chartered (an international bank with a large presence in Asia) outperformed as the company reported solid quarterly results. Underlying profits rose by around 9%, supported by strong performance in its Wealth Solutions and Global Banking divisions. The bank continues to benefit from rising wealth in Asia, a long-term structural trend that we expect to persist.

Finally, Rio Tinto (a global mining company) outperformed during the period, supported by a positive Capital Markets Day that reinforced confidence in the company's strategic direction under new CEO Simon Trott. Management set out a clear strategy built around three pillars: improving its existing businesses; delivering projects in a disciplined way; and keeping tight control of capital to support a strong balance sheet and attractive returns. Together, these priorities suggest better delivery and productivity across key assets, which should support higher and more sustainable returns over time.

Notable transactions

We continued to move money towards businesses where we see the strongest long-term growth potential. This included selling our small holding in oil and gas company EnQuest. With more opportunities elsewhere, we chose to reinvest in areas where we have higher confidence in the durability and potential scale of future growth. For example, we bought new holdings in Baltic Classifieds (an online classifieds group) and Big Yellow Group (a self-storage company).

Baillie Gifford & Co, 2 February 2026

Principal Holdings as at 31 December 2025

Investment	Percentage of total Fund
Standard Chartered	5.21
AstraZeneca	5.06
Prudential	4.23
Rio Tinto	4.10
St. James's Place	3.71
Babcock International	3.60
Legal & General	3.37
Unilever	3.17
Marks & Spencer	3.05
Inchcape	2.87

Material Portfolio Changes for the six months ended 31 December 2025

Largest Purchases	Cost £'000	Largest Sales	Proceeds £'000
Spirax Group	3,835	Just Group	8,083
Baltic Classifieds Group Plc	2,316	Weir	2,223
Bellway	1,801	Babcock International	1,795
Hikma Pharmaceuticals	1,597	Halma	801
Breedon Group	1,487	Ashtead	759
AstraZeneca	1,245	Trainline Plc	616
Big Yellow Group	1,192	Enquest	458
Moonpig Group Plc	1,168	Diploma	348
Bodycote	1,166	The Magnum Ice Cream Co	339
Kainos Group	1,146	Bunzl	334

Portfolio Statement as at 31 December 2025

Stock description	Holding	Market value £'000	% of total net assets
Basic Materials - 4.10% (3.05%)			
Rio Tinto	159,826	9,578	4.10
Consumer Discretionary - 16.48% (15.00%)			
4imprint	53,914	2,070	0.89
Bellway	154,032	4,227	1.81
Burberry	259,935	3,298	1.41
Games Workshop Group	24,295	4,589	1.97
Howden Joinery Group	750,938	6,251	2.68
Inchcape	873,488	6,713	2.87
Informa	629,067	5,561	2.38
Moonpig Group Plc	1,030,015	2,086	0.89
Persimmon	222,511	3,022	1.29
Trainline Plc	311,346	686	0.29
Consumer Staples - 9.68% (10.62%)			
Applied Nutrition	463,083	1,165	0.50
Cranswick plc	26,416	1,308	0.56
Diageo	253,840	4,070	1.74
Greggs	74,466	1,247	0.54
Marks & Spencer	2,165,262	7,134	3.05
Ocado	115,636	273	0.12
Unilever	152,482	7,409	3.17
Energy - 0.00% (0.26%)			
Financials - 24.17% (23.41%)			
Close Brothers	165,023	862	0.37
Hiscox	257,317	3,662	1.57
IntegraFin	352,547	1,269	0.54
Intermediate Capital Group	174,201	3,578	1.53
Just Group	618,789	1,337	0.57
Lancashire Holdings	727,135	4,661	2.00
Legal & General	3,011,351	7,884	3.37
Molten Ventures	387,940	1,953	0.84

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Prudential	864,171	9,891	4.23
Sabre Insurance Gp	406,969	529	0.23
St. James's Place	626,027	8,667	3.71
Standard Chartered	667,940	12,163	5.21
Health Care - 8.24% (7.02%)			
AstraZeneca	85,690	11,815	5.06
Genus	92,359	2,397	1.02
Hikma Pharmaceuticals	325,729	5,049	2.16
Industrials - 25.64% (26.08%)			
Ashtead	86,657	4,407	1.89
Babcock International	676,555	8,403	3.60
Bodycote	630,418	4,400	1.88
Breedon Group	1,002,853	3,301	1.41
Bunzl	246,755	5,118	2.19
Diploma	56,090	2,970	1.27
Experian	166,752	5,606	2.40
Halma	73,701	2,605	1.12
Keller	173,118	2,881	1.23
PageGroup	719,250	1,692	0.72
Renishaw	62,043	2,175	0.93
Spirax Group	70,986	4,838	2.07
Volution Group	647,563	4,170	1.79
Weir	161,328	4,591	1.97
Wise Plc	307,609	2,741	1.17
Real Estate - 4.34% (5.15%)			
Big Yellow Group	118,411	1,236	0.53
Helical	790,049	1,485	0.64
Rightmove	746,365	3,877	1.66
Shaftesbury Capital REIT	2,438,049	3,530	1.51
Technology - 6.69% (7.38%)			
Auto Trader	879,392	5,153	2.20

Portfolio Statement as at 31 December 2025 cont.

Stock description	Holding	Market value £'000	% of total net assets
Baltic Classifieds Group Plc	911,699	1,851	0.79
Kainos Group	208,721	2,095	0.90
RELX	216,587	6,539	2.80
Portfolio of investments		232,068	99.34
Net other assets - 0.66% (2.03%)		1,546	0.66
Net assets		233,614	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules, unless otherwise stated.

Figures in brackets refer to 30 June 2025.

Fund Information

Fund and Share Information	31.12.25	30.06.25	30.06.24	30.06.23
Total net asset value of scheme property (£'000)	233,614	207,395	225,830	224,577
Synthetic Risk and Reward Indicator¹	6	6	6	6
Net asset value per share (pence)				
B Accumulation	140.75	131.07	117.08	107.22
C Accumulation	145.54	135.24	120.30	109.71
Number of shares in issue				
B Accumulation	8,791,137	10,061,354	8,431,341	13,235,254
C Accumulation	152,010,098	143,597,513	179,519,983	191,759,557
Annual Income Record	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Income per share (financial period)				
B Accumulation	0.90	3.17	3.20	2.67
C Accumulation	1.00	3.80	3.76	3.18
Yearly Highest and Lowest Prices	Period to 31.12.25 (pence)	Year to 30.06.25 (pence)	Year to 30.06.24 (pence)	Year to 30.06.23 (pence)
Highest (financial period)				
B Accumulation	142.5	132.3	121.0	113.0
C Accumulation	147.2	136.5	124.2	115.5
Lowest (financial period)				
B Accumulation	130.1	109.4	99.10	91.10
C Accumulation	134.3	112.8	101.5	92.93

Fund Information cont.

Ongoing Charges Figures	31.12.25 (%)	30.06.25 (%)	30.06.24 (%)	30.06.23 (%)
Ongoing Charges Figures²				
B Accumulation	0.44	0.45	0.44	0.44
C Accumulation	0.02	0.02	0.02	0.02

You should be aware that past performance is not a guide to future performance.

¹The Synthetic Risk and Reward Indicator demonstrates where the Fund ranks in terms of its potential risk and reward on a scale from 1 (lowest) to 7 (highest). 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. Further information is included in the Risk and Reward Profile section of the Fund's interim report.

²The Ongoing Charges Figure is based on the expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. 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.

Interim Financial Statements (Unaudited)

Statement of Total Return for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		13,120		9,054
Revenue	2,492		2,871	
Expenses	(49)		(42)	
Net revenue before taxation	2,443		2,829	
Taxation	-		-	
Net revenue after taxation		2,443		2,829
Total return before distributions		15,563		11,883
Distributions		(1,431)		(1,844)
Change in net assets attributable to shareholders from investment activities		14,132		10,039

Statement of Change in Net Assets Attributable to Shareholders for the six months ended 31 December 2025

	31 December 2025		31 December 2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		207,395		225,830
Amounts receivable on issue of shares	25,274		5,365	
Amounts payable on cancellation of shares	(14,933)		(14,531)	
		10,341		(9,166)
Dilution adjustment		147		40
Change in net assets attributable to shareholders from investment activities		14,132		10,039
Retained distributions on accumulation shares		1,599		1,798
Closing net assets attributable to shareholders		233,614		228,541

Interim Financial Statements (Unaudited) cont.

Balance Sheet as at 31 December 2025

	31 December 2025 £'000	30 June 2025 £'000
Assets:		
Fixed assets:		
Investments	232,068	203,185
Current assets:		
Debtors	268	581
Cash and bank balances	2,376	3,824
Total assets	234,712	207,590
Liabilities:		
Creditors:		
Bank overdrafts	(805)	-
Other creditors	(293)	(195)
Total liabilities	(1,098)	(195)
Net assets attributable to shareholders	233,614	207,395

Basis for preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those in the annual financial statements for the year ended 30 June 2025 and are described in those annual financial statements.

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 of each sub-fund, the net asset value per share, and the number of shares in each class are shown in the Fund Information sections of the relevant sub-fund. In each sub-fund all share classes have the same rights on winding up.

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.

Class H Shares are only available to persons who have, or whose agent or associate has a separate agreement in place with the ACD or one of its associates.

Class J Shares are only available to persons who have, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.

Class P Shares are available to persons who: (i) are considered by the ACD to be institutional pension platforms and who have a relevant agreement with the ACD or an associate of the ACD; or (ii) are otherwise considered appropriate by the ACD at its sole discretion.

Class W Shares are only available to persons who have, or whose agent has, a separate fee arrangement with the ACD or one of its associates in relation to the relevant Class W Shares.

General Information cont.

Share Classes cont.

Class Y Shares of Baillie Gifford Sustainable Growth Fund are only available to former unitholders of Phoenix Global Growth Fund which merged into Baillie Gifford Sustainable Growth Fund on 5 December 2015 via a scheme of arrangement or such other persons as the ACD may permit as its sole discretion.

The minimum lump sum investment amounts are shown in the table on page 106.

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 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

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients

General Information cont.

Third Party Data Provider Disclaimers cont.

of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

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General Information cont.

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Taskforce on Climate-related Financial Disclosures

Following the adoption of the Taskforce on Climate-related Financial Disclosures’ (‘TCFD’) recommendations into the FCA’s ESG sourcebook, Baillie Gifford & Co Limited is required to publish its ‘TCFD entity report’ by 30 June each year, detailing how in its role as ACD it takes climate-related matters into account in managing investments on behalf of clients and consumers. The regulations also require the ACD to prepare a TCFD product report for each sub-fund on how climate-related matters are taken into account within the sub-fund, including a core set of climate-related metrics. The reports must be made available on the ACD’s website and a clear and prominent signpost to the product report for each authorised sub-fund must be included within each set of annual and interim financial statements. The latest product reports covering the period to 31 December 2024 are available in the website via this link:[Literature/Individual Investors/Baillie Gifford](#)

General Information cont.

Minimum Lump Sum Investment Amounts and Annual Management Charge

	Class B ¹	Class C	Class H	Class J	Class P	Class W	Class Y
Minimum lump sum investments:							
Baillie Gifford Japanese Income Growth Fund	£100,000	£250,000	n/a	n/a	n/a	£1,000	n/a
Baillie Gifford Monthly Income Fund	£100,000	£250,000	£1,000	£1,000	£250,000	n/a	n/a
Baillie Gifford Sterling Aggregate Bond Fund	£100,000	£250,000	n/a	n/a	n/a	n/a	n/a
Baillie Gifford Sustainable Growth Fund	£100,000	£250,000	n/a	£1,000	£250,000	n/a	£1,000
Baillie Gifford UK Equity Core Fund	£100,000	£250,000	n/a	n/a	n/a	n/a	n/a
Annual management charge:							
Baillie Gifford Japanese Income Growth Fund	0.60%	Nil	n/a	n/a	n/a	Note 2	n/a
Baillie Gifford Monthly Income Fund	0.45%	Nil	0.25%	0.30%	0.30%	n/a	n/a
Baillie Gifford Sterling Aggregate Bond Fund	0.35%	Nil	n/a	n/a	n/a	n/a	n/a
Baillie Gifford Sustainable Growth Fund	0.50%	Nil	n/a	0.35%	0.45%	n/a	Note 3
Baillie Gifford UK Equity Core Fund	0.42%	Nil	n/a	n/a	n/a	n/a	n/a

¹The minimum initial investment and minimum holding do not apply to persons who, as at 29 February 2022, had or continue to have a directholding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

²Where the combined net asset value of the relevant Class W Shares (accumulation and income) is equal to or greater than £100 million, the following fee scale will be applied to the whole of the net asset value of the relevant Class W Shares:

- 0.60% on the first £30 million;
- 0.50% on the next £20 million;
- 0.40% on the next £140 million; and
- 0.35% thereafter.

Where the combined net asset value of the relevant Class W Shares (accumulation and income) is less than £100 million a rate of 0.60% shall be applied to the whole of the net asset value of the relevant Class W Shares.

³The following fee scale will be applied to the whole of the net asset value of the Y accumulation Shares: 0.50% on the first £60 million and 0.35% thereafter.

General Information cont.

Active Share

Active Share is a measure of how actively managed a sub-fund is and is calculated by taking 100 minus the % of the sub-fund that overlaps with the comparative index. The Active Share as at the period end and the comparative index, for sub-funds which invest primarily in equities, is shown in the table below. The Active Share has been shown against this index to highlight the active management style against what is deemed to be the most relevant index for each sub-fund.

Sub-fund	Active Share	Comparative Index
Baillie Gifford Japanese Income Growth Fund	84%	TOPIX
Baillie Gifford Sustainable Growth Fund	90%	MSCI ACWI Index
Baillie Gifford UK Equity Core Fund	76%	FTSE All-Share Index

Active Share has not been shown for sub-funds with holdings in bonds as other factors, such as the economic exposure of a holding in a bond, are not taken in to consideration. As a result, Active Share does not give as clear an indication for these sub-funds of the magnitude of the difference between sub-fund and the comparative index.

Portfolio Turnover Ratio

Portfolio Turnover Ratio is a measure of portfolio change or trading activity in a Fund. It is calculated as the minimum of purchases and sales in a month, divided by the average market value of the Fund. The annual turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

Sub-fund	Portfolio Turnover Ratio
Baillie Gifford Japanese Income Growth Fund	6%
Baillie Gifford Sustainable Growth Fund	22%
Baillie Gifford UK Equity Core Fund	8%

Portfolio Turnover Ratio has not been disclosed for Baillie Sterling Aggregate Bond Fund and Baillie Gifford Sustainable Income Fund because the ACD does not consider it an appropriate measure for fixed income funds. In addition, Portfolio Turnover Ratio has not been disclosed for Baillie Gifford Health Innovation Fund as the 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 Diversified Growth Fund

Baillie Gifford Defensive Growth Fund

Baillie Gifford Long Term Global Growth Investment Fund

Baillie Gifford Positive Change Fund

Baillie Gifford Investment Funds II ICVC

Baillie Gifford Health Innovation Fund³

Baillie Gifford Japanese Income Growth Fund

Baillie Gifford Monthly Income Fund⁴

Baillie Gifford Sterling Aggregate Bond Fund⁵

Baillie Gifford Sustainable Growth Fund

Baillie Gifford UK Equity Core Growth Fund⁶

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.

³Baillie Gifford Health Innovation Fund is no longer available for subscription.

⁴With effect from 31 January 2025 Baillie Gifford Sustainable Income Fund name was changed to Baillie Gifford Monthly Income Fund.

⁵Baillie Gifford Sterling Aggregate Bond Fund is no longer available for subscription.

⁶With effect from 02 February 2026 Baillie Gifford UK Equity Core Fund name was changed to Baillie Gifford UK Equity Core Growth Fund.

**For further information about the Funds or
Baillie Gifford's range of funds, 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.

