SCOTTISH
MORTGAGE
INVESTMENT TRUST

Annual Report and Financial Statements

31 March 2026

Managed by

Baillie Gifford™

Scottish Mortgage aims to identify, own and support the world's most exceptional growth companies. We aim to provide long-term funding and support for the companies and entrepreneurs building the future of our economy.

Contents

Investor disclosure document

The UK Alternative Investment Fund Managers Regulations requires certain information to be made available to investors prior to their investment in the Company. The Company's Investor Disclosure Document is available for viewing at **scottishmortgage.com**.

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the Financial Conduct Authority. They are not authorised or regulated by the Financial Conduct Authority.

Scottish Mortgage Investment Trust PLC currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 immediately if you are in the United Kingdom or, if not, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your holding in Scottish Mortgage Investment Trust PLC, please forward this document, together with accompanying documents, but not your personalised Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Financial headlines

Year to 31 March 2026

Total returns

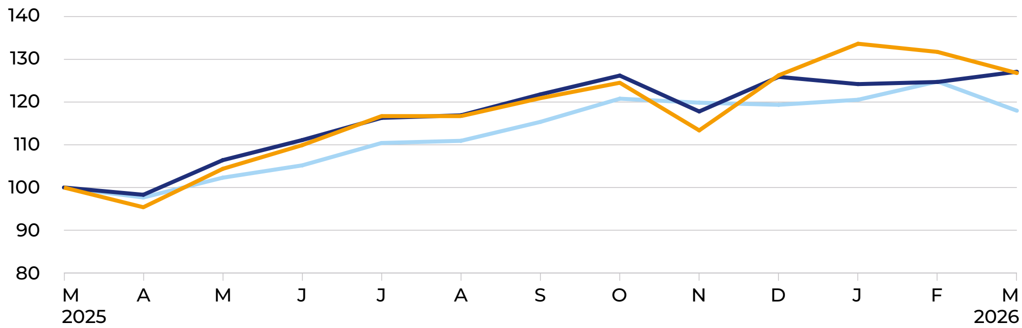
Share Price 26.8%	NAV 27.9% (borrowings at book value)	NAV 27.4% (borrowings at fair value)	FTSE All-World Index* 18.0%

All figures are stated on a total return basis. Total return is an Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125. Comparatives for 2025 can be found on page 21.

Share price, NAV and FTSE All-World Index

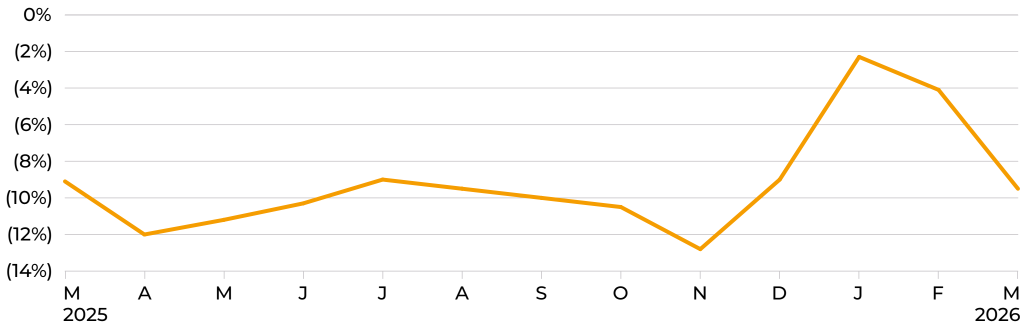
(figures rebased to 100 at 31 March 2025)

- Share price total return†
- NAV total return (after deducting borrowings at fair value)†
- FTSE All-World Index* total return†



Premium/(discount)†

- Premium/(discount) (after deducting borrowings at fair value†) plotted as at month end dates



Longer term performance (%)

	1 year	3 years	5 years	10 years
Share price	26.8	78.1	7.1	379.7
NAV (after deducting borrowings at fair value)	27.4	57.9	12.8	435.2
FTSE All-World Index*	18.0	50.5	68.2	233.9

All figures are stated on a total return basis† for period to 31 March 2026.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 121.

* In sterling terms.

† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Past performance is not a guide to future performance.

An introduction to Scottish Mortgage

Our purpose

Scottish Mortgage aims to identify, own and support the world's most exceptional growth companies.

We aim to provide long-term funding and support for the companies and entrepreneurs building the future of our economy.

Our unconstrained approach enables us to have the broadest opportunity set spanning both public and private companies across the globe.

We see it as our duty to maximise total returns and limit fees so that shareholders keep more of the returns.

Our philosophy

What we do

Finding outliers

- The core of what we do is try to identify those big drivers of change and exploit those opportunities.
- Identifying robust companies with visionary leadership – can we find a company that can scale, run by people we trust?
- Only a small number of companies matter, what we aim to do is find the few that generate those extreme returns.

How we do it

Long-term patient capital

- We believe that the long-time horizon with which we approach investing is the source of much of our distinctiveness and edge versus the market.
- We are resolutely long term through the good times and the bad.
- **Progress is rarely a straight line**; we are comfortable with the notion that extreme returns and smooth performance are mutually exclusive.

> Our mission is to identify forward-thinking companies, often still led by their visionary founders. Companies that are set to change the world. Why? Because we believe these outliers create the most exceptional growth

Who helps us

External insights – academics, scientists and founders

- We want to build relationships with people far cleverer and more interesting than ourselves.
- We can learn so much more about the future by engaging with those whose timeframes and perspectives are aligned with ours.
- By engaging with the 'philosophers of change' i.e. academics and scientists, we get diversity of thought which is largely lacking in financial markets.

When we do it

Public and private companies

- We seek to break down the artificial divide that exists between public and private companies by partnering with great growth companies on all stages of their journey.
- As an investment company, our evergreen structure means we are not time limited and thus have the flexibility to hold companies for as long as we see there is an opportunity for them to make outsized returns.
- Private companies offer a lens into the future – this gives us differentiated insights into how we manage shareholders' capital. Our reputation as a long-term, patient and committed investor gives us access to an inner sanctum of knowledge as to which companies are emerging that have the potential to shape our future.

Why we do it

Being partners not investors will have a genuine impact

- While on paper we may be called investors, our mindset is not that. We see ourselves as partners for the long term to our companies.
- We believe that the most promising ideas will always begin small, with an individual or group of individuals, a massive opportunity, and an audacious idea. We look to align ourselves with companies whose trajectory looks promising and where our support, influence, and shareholders' capital, can accelerate their progress.
- Innovation has the potential to change the world and have genuine impact. We, as providers of capital, can accelerate that change.

Invest in progress

As a shareholder you will be a part of...

Providing capital to the most **INNOVATIVE** growth companies in the world.

Supporting those visionary entrepreneurs who are **IMAGINING** what the future might look like.

Engaging with **INTRIGUING** minds in academic, scientific and entrepreneurial communities.

Participating in true, long-term **IMPACT** through engaging with companies who are transforming industries which will benefit societies and our environment.

Our structure

Scottish Mortgage is an investment trust – how does this structure benefit our shareholders?

Company status

Just like other public companies, Scottish Mortgage can and does borrow money to make additional investments. This financial gearing can amplify investment returns.

Our shareholders have rights, and we seek their approval, via votes, if we want to make significant changes.

A board of directors looks after the interests of our shareholders. They meet several times a year and are responsible for various governance matters, such as overseeing performance.

Scottish Mortgage has paid a modest but growing dividend for several decades. Our structure means we can utilise reserves and smooth income payments over time.

Permanent capital

The closed-ended structure provides a pool of permanent capital. Unlike open-ended funds, the portfolio remains intact and is not impacted by shareholder demand.

We have the freedom to invest for the long term and hold assets that can be harder to buy and sell – such as private companies.

Our extended time horizons are matched by our companies. This alignment underpins the prospect of enduring relationships.

Accessibility

Listed on the London Stock Exchange, Scottish Mortgage provides intra-day liquid access, and our shares are openly tradeable for investors from around the world.

There are no performance fees or minimum investment restrictions.

Shareholders could benefit from simplified tax reporting when compared with other structures that hold private companies.

Democratising access to private companies

We offer shareholders liquid access to private companies – a distinct offering in today's market.

We own companies uninterrupted on their journey from private to public – shareholders benefit from long-term compounded returns.

Access to private companies is dependent upon relationships and reputation – our shareholders benefit from the access we enjoy but without paying fees normally associated with private equity funds.

Underpinning everything is a genuine commitment to low costs. We believe our duty to shareholders is to limit fees. Put simply, lower charges directly translate into shareholders keeping more of the returns generated from their investment.

Our scale and commitment to low costs enables us to offer genuine value for money.

Although there are benefits to the investment trust structure, there are also risks involved.

Strategic report

This strategic report, which includes pages 04 to 56 and incorporates the statement from the Chair, has been prepared in accordance with the Companies Act 2006.

Statement from the Chair

Introduction

This year has been characterised by a complex and shifting backdrop for investors. Markets continued to contend with uncertainty around interest rates, inflation, geopolitics and trade policy. More recently, war in the Middle East, sharp moves in oil prices and a significant sell-off in parts of the software market have served as a reminder that the path of progress is seldom straightforward.

At the same time, however, the market has increasingly recognised the scale of opportunity presented by artificial intelligence ('AI'), the infrastructure needed to support it, and the companies capable of using it to reshape their industries. We are therefore witnessing what may prove to be a once-in-a-generation shift in technology, with value being reallocated across the global economy. Periods of such profound change are often accompanied by volatility, but they have historically created significant opportunities for long-term investors.

Against this backdrop, I am pleased to report a strong year for Scottish Mortgage, both in absolute and relative terms. While encouraging, it is important to reiterate that our investment approach is long term in nature, and performance should not be judged over a single year. The companies in which we invest are often at the forefront of technological and structural change, and returns are therefore unlikely to be linear. Our strategy is built on the belief that a relatively small number of exceptional companies can drive a disproportionate share of long-term returns. Identifying and holding these outliers requires patience and a willingness to tolerate volatility, which is an inherent feature of investing in companies at the forefront of change. Scottish Mortgage's ability to access both public and private markets remains a distinctive feature of this approach.

We therefore believe shareholders are best served when their own investment in Scottish Mortgage is similarly long term and aligned with the long-term nature of the Company's investment approach.

Performance

Total return* (%) Year to 31 March 2026	1 year	3 years	5 years	10 years
Share price	26.8	78.1	7.1	379.7
NAV	27.4	57.9	12.8	435.2
FTSE All-World Index	18.0	50.5	68.2	233.9
Global Sector Average – Share price	16.8	53.1	31.1	288.2
Global Sector Average – NAV	16.9	48.1	66.0	222.1

Source: AIC/LSEG/Baillie Gifford.

* Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Past performance is not a guide to future performance. See disclaimer on page 121.

Over the year to 31 March 2026, the Company's net asset value ('NAV') total return was 27.4% and its share price total return was 26.8%. Over the same period, the FTSE All-World Index returned 18.0%.

A notable contributor to performance was SpaceX, where continued strong operational execution has led to a significant upward revaluation, increasing its position as the Company's largest holding by some margin. This highlights both the importance of access to leading private companies and the extent to which a small number of exceptional investments can drive long-term returns. A separate briefing note on SpaceX, including subsequent public information following its IPO filing, is available on the Company's website: **scottishmortgage.com**.

While performance over the year is encouraging, it follows a more challenging period for growth investing, which continues to influence the Company's five-year record. Shareholder experience will therefore vary depending on the period considered.

Over the longer term, however, performance remains strong. The ten-year NAV total return of 435.2% compares favourably with 233.9% from the FTSE All-World Index, reflecting the benefits of a patient, long-term approach.

As in previous years, we emphasise that one year is too short a timeframe over which to assess performance. Our focus remains firmly on long-term outcomes, and the Board continues to believe that the portfolio is well positioned to deliver attractive returns over time.

Change in Investment Policy

Following the year end, shareholders approved a targeted change to the Company's investment policy at a General Meeting held on 10 April. This provides the Managers with limited additional flexibility to invest in private companies when the portfolio is above the 30% limit, through an additional capacity of up to £250 million, subject to annual shareholder approval.

This is a modest but important evolution. It ensures that the Company is not forced to forgo attractive new or follow-on investment opportunities in exceptional private businesses, while maintaining robust guardrails and oversight.

Value for Money

We remain determined that shareholders should keep as much as possible of the returns generated by their investment. Low costs are central to the Scottish Mortgage proposition.

The Company's ongoing charges remain very low at approximately 0.33%, and there are no performance fees. This is particularly important given the breadth of access Scottish Mortgage offers. Few vehicles provide shareholders with exposure to both listed and private growth companies in a single, liquid portfolio. Fewer still do so at such a low cost.

Private market exposure is often associated with high fees and limited access. Scottish Mortgage provides access to many exceptional private companies through the investment trust structure, many of which are now large, established businesses rather than early-stage ventures, with daily liquidity in the Company's shares and a fee structure that remains highly competitive.

Financial Position

The Company's financial position remains robust. During the year, a number of refinancing actions were undertaken, maintaining a diversified and flexible debt structure. The overall cost of debt remains low at approximately 3.6%.

Gearing has naturally reduced slightly over the year, moving from around 13% to approximately 11%, reflecting the growth in the portfolio rather than a reduction in absolute borrowings. The Board continues to view gearing as a long-term tool to enhance returns, used judiciously and with appropriate discipline.

Earnings and Dividend

Revenue earnings have returned to broadly similar levels to 2024, as 2025 was impacted by the write-off of accrued interest income on the Northvolt Convertible Note. As has consistently been the case, the portfolio is primarily focused on capital growth rather than income generation, with many of our largest holdings reinvesting cashflows rather than distributing income.

Nevertheless, the Company continues to maintain its long track record of dividend growth and remains an AIC 'Dividend Hero', having increased its dividend for 43 consecutive years. The total dividend for the year will increase by 4.3% to 4.57 pence per share, with a final dividend of 2.97 pence payable on 10 July 2026.

Discount Management

The Board remains focused on managing the Company's share price discount and premium to NAV. Over the year, the discount moved modestly from approximately 9.0% at March 2025 to around 9.5% at March 2026, despite continued buyback activity at scale.

It is worth noting that the discount at the year end was influenced by a sharp increase in the Company's NAV on the final day of the reporting period. Absent this movement, the year-end discount would have been somewhat narrower.

Encouragingly, post year-end, renewed investor interest, has resulted in the Company trading at a modest premium.

In line with the Company's policy, shares have been issued at a premium since the year end. The Board remains committed to continuing buybacks should the shares return to trading at a discount.

ESG

The Board continues to support the Managers' approach to environmental, social and governance considerations, which are integrated into the investment process. We believe that thoughtful engagement with portfolio companies on these issues contributes to long-term value creation.

Shareholder Engagement

Engagement with shareholders remains a priority. Key events during the year included the second Scottish Mortgage Digital Conference and investor forums in Edinburgh and London. The Company has also continued to broaden its engagement internationally, reflecting ongoing efforts to develop the overseas shareholder base.

The 'Invest in Progress' podcast series continues to be an important part of our engagement, providing shareholders with direct insights from the Managers and leaders of portfolio companies. The continued success of the series reflects the value placed on clear and accessible communication.

The Annual General Meeting will be held at 4.30pm on Thursday 2 July 2026 at the National Galleries of Scotland, Princes Street Gardens entrance, Hawthornden Lecture Theatre, The Mound, Edinburgh EH2 2EL, and we encourage shareholders to attend.

Board Composition

I am delighted to welcome Heather Manners to the Board during the year. Heather brings valuable experience across investment management, investment trusts and financial services, which will further strengthen the Board's collective expertise.

As previously announced, Professor Patrick Maxwell will retire from the Board following many years of dedicated service. On behalf of the Board, I would like to thank Patrick for his significant contribution, particularly his insight and perspective in areas such as healthcare and scientific innovation. Sharon Flood will succeed Patrick as Senior Independent Director.

During the year, the Board established a Remuneration Committee, chaired by Sharon Flood. In addition to Directors' fees, the Committee is expected to consider certain aspects of Board effectiveness and development. The Board has also made use of working groups to support oversight of important areas of activity as the needs of the Company develop.

Outlook

Looking ahead, the environment remains uncertain. Geopolitical tensions, evolving economic policy and structural shifts in markets will continue to influence sentiment. In a more fragmented world, supply chains, capital flows and regulatory environments are all in flux, creating both risks and opportunities for global investors.

At the same time, we believe we are in the early stages of a profound technological transition. Artificial intelligence is not simply another incremental innovation; it has the potential to reshape industries, alter competitive dynamics and change where value accrues across the economy. As with previous paradigm shifts, the ultimate winners are unlikely to be obvious in advance and may emerge from different geographies, sectors and stages of development.

In this context, the Board continues to support the Managers' long-term, globally unconstrained approach. This includes maintaining exposure to selected Chinese companies where compelling opportunities exist, notwithstanding a more challenging domestic economic backdrop and heightened competitive dynamics. It also includes continued participation in private companies, where many of the most important innovations are taking place.

Periods of rapid change are rarely comfortable. However, they are often the most rewarding for investors able to remain patient and focused on long-term outcomes. The Board remains confident that Scottish Mortgage's approach, of seeking out exceptional companies and supporting them over extended periods, positions the Company well to capture these opportunities and to continue delivering attractive long-term returns for shareholders.

Christopher Samuel
Chair

26 May 2026

Manager Review – Tom Slater

It is difficult to recall a twelve-month period in which more of the assumptions underpinning the post-war international order were deliberately dismantled. The pattern was visible from the first day of the new administration: the withdrawal from the WHO and the deconstruction of USAID signalled that America's retreat from the international system was not a negotiating posture but a programme. The tariffs that followed in April, imposing sweeping duties on almost every country the United States trades with, extended that logic into commerce. The longest government shutdown in US history, a military intervention in Venezuela, and the US-Israel strikes on Iran in February 2026, which closed the Strait of Hormuz and disrupted a fifth of global oil trade, confirmed that the pattern was accelerating rather than moderating. These are serious developments, and several of our holdings bore the cost of them directly.

The acceleration of artificial intelligence into a global infrastructure buildout is, in our judgment, the most important structural change in the global economy since the emergence of the internet, and we are still in its early stages.

But we think the development that will matter most when this period is viewed in retrospect is not the fracturing of the old order. It is the construction of the new one. Beneath the geopolitical turbulence, a transformation of a fundamentally different kind is underway. The acceleration of artificial intelligence into a global infrastructure buildout is, in our judgment, the most important structural change in the global economy since the emergence of the internet, and we are still in its early stages. The major cloud platforms such as Microsoft, Amazon and Google have more than tripled their collective spending since 2023, with the largest now committing well in excess of $100 billion annually. China's DeepSeek demonstrated that the most advanced AI was not a US monopoly, triggering a competitive response that accelerated spending further. When the tariff regime has been renegotiated and the Strait of Hormuz has reopened, the rewiring of the global economy around artificial intelligence will still be accelerating.

The tension between these two forces, the dismantling of old arrangements and the construction of new capability, defined the portfolio's year. The businesses at the infrastructure layer of the AI transition compounded through the geopolitical turbulence, largely unaffected by it. Those more exposed to cross-border commerce, consumer confidence, or the competitive pressures of a Chinese economy running on weak demand fared very differently. They paid the price for a world that shifted faster than their valuations had assumed. The gap between these two categories of business widened significantly over the year.

SpaceX

SpaceX was by far the largest single contributor to returns this year. At the year end, it represented over 19% of the Company's assets, a degree of concentration which is highly unusual for us. It would be remiss not to acknowledge the potential for volatility that comes with a position of this size.

SpaceX sits at the intersection of launch, global connectivity and AI infrastructure. Through its launch dominance and Starlink network, it is building assets that are increasingly difficult for others to replicate.

SpaceX should no longer be thought of as an aerospace contractor but as a dual monopoly: the world's dominant launch provider and a global connectivity utility with the potential for software-like margins. Though the launch vehicles generate the media attention, the valuation has been driven primarily by its satellite communications subsidiary, Starlink, which is building the kind of predictable, highly profitable revenue that the best software businesses aspire to. The difference is that its assets are in orbit and extraordinarily difficult to replicate. The acquisition of xAI brings a further dimension that the market is only beginning to price.

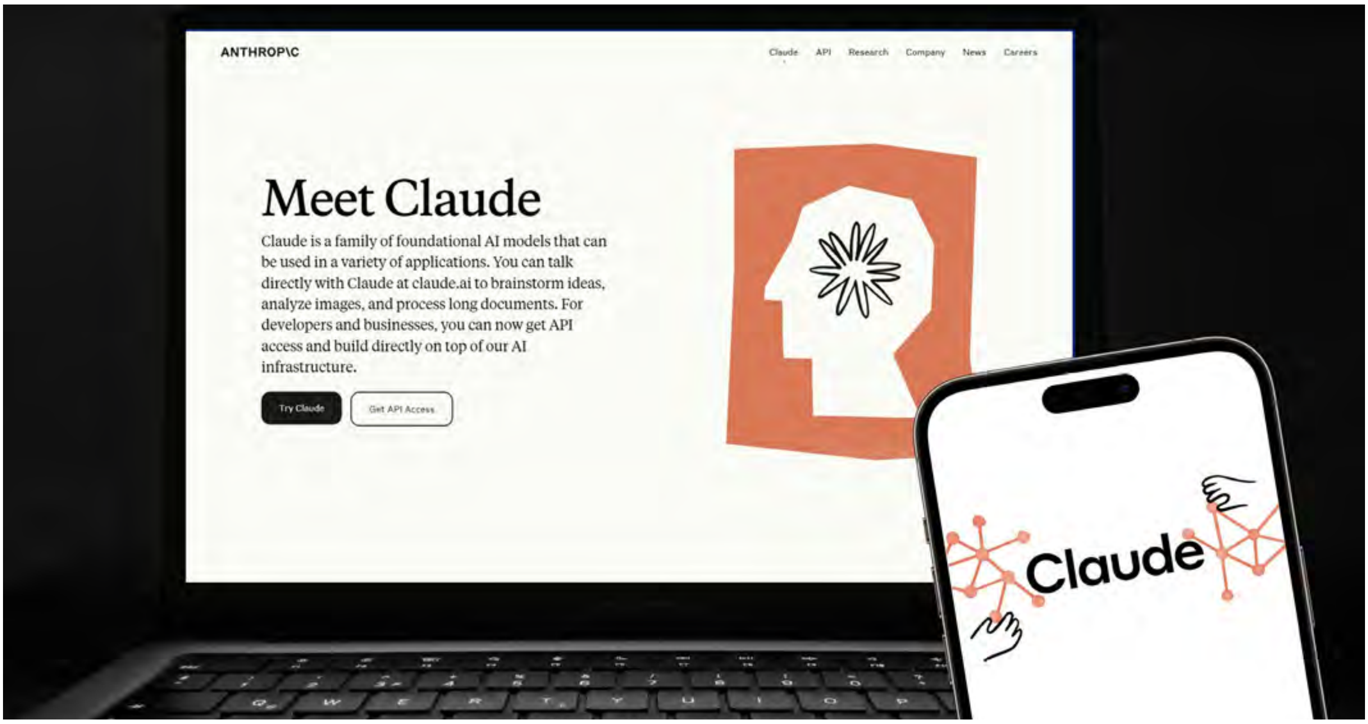
Starlink added over 4.6 million new active customers in 2025, reaching nine million in total and expanding into thirty-five additional countries. The acquisition of EchoStar's wireless spectrum accelerated the push into direct-to-phone connectivity, a development that eliminates the need for dedicated user terminals by allowing standard smartphones to connect directly to Starlink satellites. A Pentagon contract for the Golden Dome missile defence programme underlined the growing dependence of the US government on SpaceX's infrastructure for national security.

In a year when every government in the world was rethinking its communications dependencies, and when the closure of the Strait of Hormuz demonstrated how quickly critical infrastructure can be disrupted, SpaceX's competitive position strengthened rather than weakened.

What makes the future potential of the company so striking is the convergence of SpaceX's capabilities with the defining constraint of the AI era. The demand for electricity to power AI is growing exponentially. The supply, constrained by permitting, grid capacity and the sheer difficulty of building power infrastructure at the pace the technology requires, is not keeping up. Solar panels in orbit are up to ten times more effective than those on the ground, operating outside the atmosphere and unconstrained by the day-night cycle. If Starship achieves the rapid, full reusability it is designed for, and the trajectory of progress suggests it will, the economics of placing compute infrastructure in orbit shift from speculative to compelling. SpaceX is not just building a connectivity business. It is positioning itself at the intersection of launch, energy, and AI in a way that no other company on earth can replicate. That is why it is our largest holding.

SpaceX is a private company, but in April 2026 it filed the documentation with regulators to go public, targeting a mid-June listing on the stock market. As is standard ahead of a public listing, existing holders including the Trust will be subject to a lock-up period during which shares cannot be sold. This listing is the most visible instance of a broader development. The Trust holds several of the world's most valuable private companies, and a number of them, including SpaceX, Anthropic, Databricks, ByteDance and Stripe, are now realistic candidates for public listings in the coming years.

We raise this not to speculate on timing but to point out that the assumption that private holdings are early-stage and speculative does not fit the reality of what we own. These are businesses operating at enormous scale, generating substantial revenues, and in several cases profits that would place them comfortably among the largest listed companies in the world. The closed-end trust structure means we are not forced to sell at the point of listing. We can hold through the transition and beyond. A listing changes the venue in which a company's shares are traded. The opportunity and our reasons for owning it remain the same.



Anthropic is helping define the next stage of artificial intelligence: the shift from conversational tools to capable agents that can reason, plan and act over many steps.
Credit: CanYalicn - stock.adobe.com

The AI Buildout

When every major cloud platform is spending more on infrastructure than most countries spend on defence, the businesses enabling that buildout operate in an environment that is fundamentally different from the rest of the economy. The growth rate of that spending will eventually moderate as physical constraints in power, land and manufacturing capacity impose themselves. But the absolute level of investment required is unlikely to diminish for years.

The portfolio is positioned at the critical nodes of this buildout. Chipmaker TSMC saw record revenues as high-performance computing rose to 58% of its business and announced $165 billion of cumulative investment across six manufacturing facilities in Arizona. ASML, the sole manufacturer of the lithography machines without which leading-edge chips cannot be produced, sits in an even more deeply protected position: every dollar of the world's AI ambitions flows through its order book. We trimmed ASML through the year as the position grew, recycling some of the capital into NVIDIA, which offered a more attractive valuation relative to its growth trajectory and is continuing to benefit from insatiable demand for the computing power needed to build and run AI systems.

The impact of AI extended well beyond the infrastructure providers. Meta embedded AI into its content recommendation and advertising systems, driving measurable engagement gains at Facebook and Instagram. Amazon is deploying it across logistics, retail and cloud operations. Both positions were trimmed through the year but remain significant holdings. Shopify has embraced AI tooling to allow merchants to do more with fewer people. Its CEO's internal memo requiring teams to demonstrate why AI cannot fulfil a task before requesting headcount captures a cultural shift we are seeing across many of our holdings.

There is an uncomfortable corollary to this. The same AI capabilities that are making businesses like Shopify more productive are compressing the valuations of much of the traditional software industry. When AI agents can write, test and deploy code at a fraction of the cost of a human engineering team, the per-seat pricing models on which many software businesses are built come under fundamental pressure. Software company valuations contracted sharply through the year.

We initiated new positions in AppLovin, whose AI-driven advertising platform is scaling rapidly, and in MongoDB, the database infrastructure business that underpins an increasing share of AI-native application development. Spotify and Roblox both contributed meaningfully, each benefiting from AI-enhanced personalisation in ways that reinforce rather than threaten their competitive positions.

In the private portfolio, we took a new position in Anthropic, which is at the heart of the transition from narrow AI tools to genuinely capable systems, and we regard it as one of the most important AI companies in the world. MiniMax, a Chinese AI foundation model company that we bought at its IPO, is a direct validation that world-class AI capability is being built well beyond the major US technology companies.

The Fracturing of Global Commerce

If the AI buildout represents the world constructing something new, the second defining feature of the year was something old being dismantled. The tariff regime described in the introduction, even after subsequent reductions and a changing legal basis for its imposition, represents a structural challenge to the free trade order on which much of the global economy was built.

TSMC is a critical node in the AI supply chain. As demand for computing power accelerates, its advanced manufacturing capacity remains central to the growth of high-performance chips.
Credit: © The Washington Post/Getty Images

Several of our holdings felt this acutely. PDD's international platform Temu, which had been built almost entirely on cheap Chinese cross-border shipping, was among the most directly affected businesses in the portfolio, and we reduced our position. Temu has responded by rapidly expanding local sourcing in its key markets. Adyen, the Dutch payments infrastructure business, saw its share price fall as volumes from the Asian e-commerce platforms most exposed to the tariff regime slowed sharply. We exited Wayfair entirely, concluding that the headwinds facing US consumer discretionary spending had shifted the risk-reward beyond what we were willing to hold. When the trade architecture changes, everything built on top of it must adapt.

Sea Limited faced a different but related challenge. Temu and TikTok Shop were subsidising aggressively to win share in Sea's home markets across Southeast Asia, forcing heavy competitive investment that weighed on profits and the share price. Our additions early in the year were poorly timed.

The luxury industry was caught in the same structural disruption. The growth model that powered the sector for two decades rested on expanding Chinese wealth, aspirational cross-border travel, and frictionless premium goods trade. Hermès underperformed significantly as Asia-Pacific demand fell short of expectations. We added to the position, viewing the weakness as an opportunity to increase exposure to what remains one of the highest-quality businesses in the world.

Ferrari's Capital Markets Day triggered its worst day as a listed company after management chose to prioritise long-term brand protection over the growth trajectory the market had priced in. We regard that as the right decision for the business, even if it was not what short-term investors wanted to hear. In both cases, the underlying business quality is exceptional. What changed was the set of assumptions on which the world had been operating.

We do not view these disruptions as temporary. The imbalances in the global economy, in trade, in debt, in political cohesion, have been building for years. What this administration has done is bring the adjustment forward.

The Cost of Slower Growth

The most difficult area of the portfolio this year was China, and the real issue was not tariffs. It was what happens when well-capitalised companies fight for market share in an economy where domestic consumption is barely growing.

Meituan's decline is the starkest illustration. Its fall was driven not by tariffs or sanctions but by a ferocious price war as Alibaba and JD.com attacked its core food delivery business with aggressive consumer subsidies. The three companies incurred collective costs of over $14 billion in two quarters. Meituan swung from substantial operating profit to a full-year loss. This was a war triggered by the decision of competitors to fight for share in an economy where growth had become scarce, a domestic reckoning with roots in the property correction and a consumer that has become more cautious.

What happened to Meituan is not an isolated case. It is a manifestation of something deeper in the Chinese economy that the Chinese themselves call neijuan, or involution, a competitive dynamic in which everyone runs harder for diminishing returns. The system of local government subsidies, cheap state-bank financing and tax incentives that reward production volume creates world-class companies but simultaneously destroys margins across entire industries.

Solar manufacturers are losing billions despite record shipments. BYD's average selling price per vehicle has fallen steadily even as the technology in each car has improved. Companies that survive this environment emerge with cost structures and engineering capabilities that are extraordinarily difficult to compete with anywhere else in the world, which is precisely why we continue to invest in the best of them. But the process of selection is brutal.

New holding CATL was a conspicuous exception, and one of the year's largest new positions. Its technology and manufacturing lead in electric vehicle batteries proved resilient. The energy transition that underpins demand for its products proceeds regardless of the domestic cycle, and it has built a competitive moat over years of sustained investment. We also took a new position in RedNote, the social media platform that has emerged as China's leading lifestyle and consumer discovery app. Its engagement levels are remarkable and its advertising model is still in its early stages.

ByteDance, our third largest holding, sits in a category of its own. It is perhaps the only non-US company to have achieved dominant consumer reach across cultural and linguistic boundaries at global scale, through TikTok internationally and Douyin domestically. The January 2026 deal that divested TikTok's US operations into a majority-American joint venture resolved the most acute binary risk. Investor focus on TikTok's US regulatory status has consistently undervalued the broader business. Douyin is the leading short-video and e-commerce platform in the world's second largest consumer economy. ByteDance's advertising technology is among the most sophisticated we have seen. The company generates profits at a scale that would place it among the largest technology businesses in the world if it were publicly listed, yet it trades in the private market at a meaningful discount to comparable US platforms. The gap between the quality of the business and the price at which the market is willing to own a Chinese technology asset of this sensitivity is wide. We do not believe the right response to geopolitical complexity is to invest only in places where the outlook feels comfortable.

Beyond AI

AI was the dominant narrative of the year, but it was not the only one. The portfolio's exposure to the other themes we have been following for many years such as the digitalisation of finance, the evolution of transport, and healthcare innovation, continued to progress.

MercadoLibre, one of our largest holdings, delivered another year of strong operational progress as MercadoPago embedded itself as the dominant payments

Nubank is reshaping financial services across Latin America. Its low-cost digital model creates the possibility of giving millions of customers something closer to a private banker in their pocket.
Credit: alison - stock.adobe.com

platform across Latin America and the core e-commerce business continued to take share. The company is reinvesting heavily in both commerce and fintech, a phase that compresses near-term margins but is building the infrastructure on which its long-term dominance depends.

What began as disruption is becoming the financial system itself. Stripe is moving well beyond payments into autonomous AI-driven commerce and digital currency infrastructure, two areas that look increasingly like the next layer of financial plumbing. Nu Holdings and Revolut are crossing a different threshold. Nu, to which we added, continued its profitable scaling across Brazil, Mexico and Colombia, and in January received conditional approval from US regulators to establish a national bank. Revolut received its full UK banking licence in March. Both are now regulated banks, not fintechs aspiring to become one.

The evolution of transport, through autonomy, electrification and new physical networks, continued to advance. Drone delivery company Zipline moved from pilot to commercial scale during the year. Its Dallas-Fort Worth rollout, which began with a Walmart launch in Mesquite in April 2025, expanded to roughly twenty sites by the year end, with Chipotle, Panera, Wendy's and more than a dozen other retail and restaurant partners live on the platform. Global deliveries passed two million, and the company announced expansions to Houston and Phoenix. Aurora Innovation launched commercial driverless freight on the Dallas-Houston corridor and surpassed 100,000 autonomous miles without a safety incident. Joby Aviation progressed further through FAA certification. None of these businesses is generating the revenues their eventual opportunity warrants, and the market's patience with long-duration ambition visibly shortened during the year.

In healthcare, Moderna was a positive contributor following a difficult few years. Its next-generation COVID vaccine launched successfully, its combination flu and COVID vaccine moved closer to approval in Europe, and its seasonal flu vaccine progressed toward a US regulatory decision. Positive long-term data from the personalised cancer vaccine programme with Merck reinforced the case that mRNA technology is moving well beyond its pandemic-era applications. Sentiment toward mRNA vaccines, having been deeply unfashionable for two years, recovered materially. Tempus AI continued to apply its genomic data platform to cancer care, and Insulet's automated insulin pump remains one of the most compelling medical device businesses we own. The broader opportunity in mRNA medicines, genomic data and AI-enabled drug discovery is as exciting as it has ever been.

Active Management

SpaceX is a powerful illustration of why this Trust exists. We invested approximately £150 million several years ago in a private company that most funds could not own, held it through periods when private market valuations were deeply unfashionable, and watched it compound into a position worth several billion pounds. That outcome was not available to a passive investor. It was not available to an active manager constrained by the need to stay close to an index, quarterly performance pressure, or a prohibition on private companies. It was available to us because of the specific structural advantages of a closed-end investment trust with a long-term mandate, patient shareholders, a Board that judges the manager over years rather than quarters, and the willingness to look foolish in the interim.

ASML provides the lithography technology without which leading-edge semiconductors cannot be produced. Its position makes it one of the most deeply protected enablers of the AI buildout.
Credit: © NurPhoto/Getty Images

The asymmetry embedded in that kind of outcome is what drives long-term portfolio returns. Academic research has shown consistently that the majority of wealth creation in equity markets comes from a very small number of companies. Most stocks underperform cash over their lifetimes. The entire excess return of the equity market is generated by the outliers. The implication is that if your portfolio does not own the outliers, or sells them too early, you will almost certainly underperform. Our approach is designed around this reality. We concentrate the portfolio in businesses we believe have the potential to be exceptional, we hold them for years rather than quarters, and we accept the volatility that comes with that conviction. Meituan's price war, the compression of software multiples, the repricing of Chinese assets are what it costs to be positioned for asymmetric outcomes. We would rather bear them than own a portfolio designed to avoid them.

The index, by contrast, is designed to do the opposite. It buys more of what has already risen and sells what has fallen. A passive allocation to a global equity index today is a 63% bet on the United States, a 33% bet on the technology sector, and a position in which over 35% of your capital sits in ten companies. That is not a diversified default. It is a concentrated portfolio with a very specific set of assumptions embedded in it.

At the same time, individual stocks have become more volatile, and the volatility is increasingly disconnected from anything happening in the underlying businesses. Fundamental investors now account for less than 15% of US equity trading volume. The rest is driven by participants whose time horizons are measured in days or weeks, and whose borrowed money amplifies every move. When they sell simultaneously, as happened in March, share prices can move 20% or 30% in a matter of days for reasons that have nothing to do with the companies in question. For a fund like Scottish Mortgage, which holds concentrated positions for years and can invest in private as well as public markets, this volatility is the opportunity, not the risk. The gap between what businesses are worth over a decade and what a market dominated by short-term participants prices them at on any given day is where we have always worked. It is widening.

We recognise that this makes the experience of owning Scottish Mortgage less comfortable than it would be if we managed the portfolio closer to a benchmark. The volatility is real and we do not dismiss it. But the alternative, a portfolio constructed to minimise short-term deviation from an index, would mean owning less of what we believe in and more of what we do not, precisely when judgement is becoming more important.

Looking Forward

We own seven of the world's ten most valuable private companies. We own businesses at the epicentre of the AI buildout, in the infrastructure of global commerce, and at the frontier of industries from electric vehicles to satellite communications to autonomous logistics. The opportunity ahead of these businesses is, in most cases, greater than what lies behind them.

The forces that defined this year, the AI buildout, the retreat from multilateralism, the competitive reckoning in China, are interlocking, not independent. Navigating a world shaped by them requires patient ownership of exceptional businesses and the willingness to hold them through periods of discomfort. That is what Scottish Mortgage has always done. The world is changing faster than it has in decades. We would rather be invested in the companies driving that change than sheltering from it.

Tom Slater

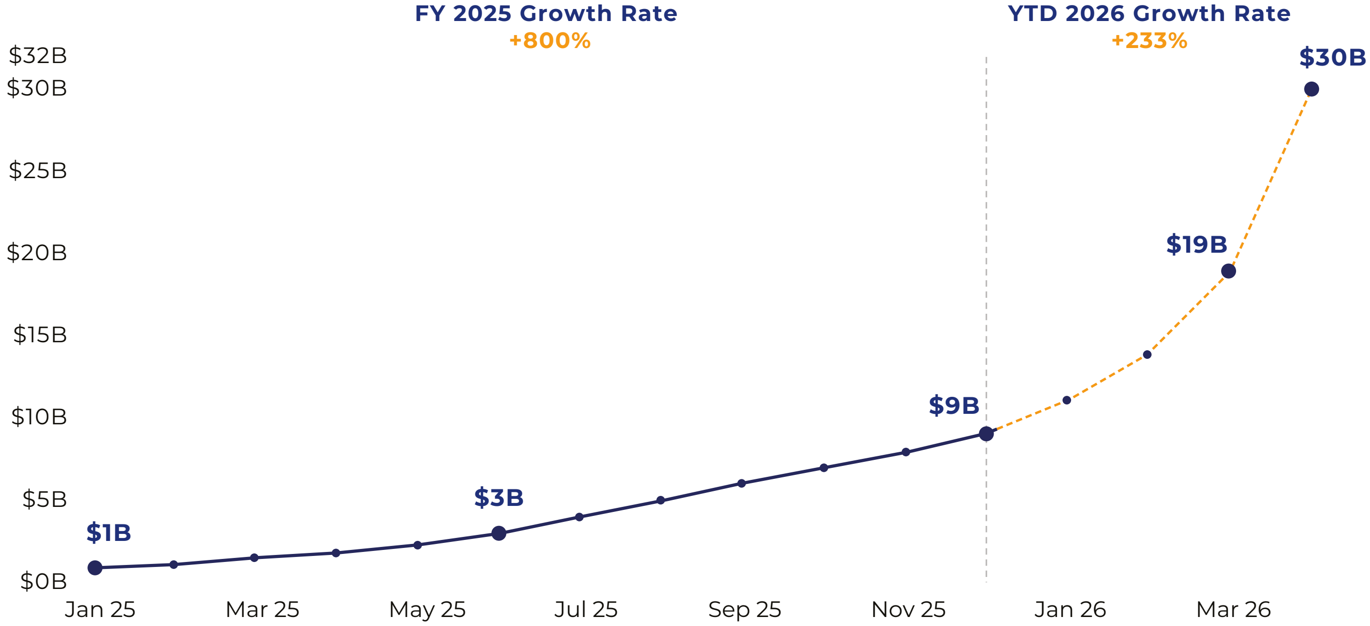
Manager Review – Lawrence Burns

Agentic Dawn

In January 2025, the artificial intelligence company Anthropic had an annualised revenue run rate of $1 billion. Fifteen months later, it had surpassed $30 billion. No company in recorded history has grown organic revenue at this scale and pace.

Anthropic, one of Scottish Mortgage's private holdings, has helped usher in the third era of generative artificial intelligence. The first was the conversational era, which began with the launch of OpenAI's ChatGPT in late 2022, when models became reliably capable of following natural-language instructions and holding back-and-forth exchanges with their users.

Anthropic Revenue Run Rate since Jan 2025



The second was the reasoning era, which began with OpenAI's o1 in September 2024, when models learned to pause, think through problems step by step and produce considered, rather than instinctive, answers. This made them better at solving complex problems, particularly in mathematics, science and coding.

By late November 2025, with the release of Anthropic's Claude Opus 4.5, the agentic era had become unmistakable. Models could now be given a goal and work towards it over many steps: planning, using tools, checking their work and producing useful outputs without constant human prompting. Each era has built on the last rather than replaced it. Today's agents are reasoning models that have learned to act, just as reasoning models were conversational models that had learned to think.

The implications of the rise of agents reach across our portfolio into the structure of the software industry, the value of consumer businesses, the rise of a parallel Chinese AI ecosystem, and the physical supply chain that must be built to meet insatiable computational demands.

Software

The impact of agents has been felt first at scale in software. There the work is digital, the value is high, the goals are often clear, and feedback comes quickly.

If an application is not working properly, an agent can be asked to find the problem, write a fix, and test the result before users receive the update.

Adoption has been rapid. Google's chief executive has said that 75% of new code is now written by AI. The founder of one of our portfolio companies recently told us that it is spending more on AI coding tools for its engineers than it is paying them in compensation. Moreover, he claimed the company gets a better return on the tools than on the engineers themselves. At Anthropic itself, AI is now writing between 70 and 90% of all code.

We are heading towards a future in which software is increasingly built, operated and used by agents. This has profound implications. First, it weakens the link between software value and the number of 'seats' – licensed users within an organisation – on which much of the sector's pricing rests. Second, it lowers the barriers to creating software, raising competitive intensity and eroding moats built on accumulated code and complexity. Third, it raises a deeper question about where value will accrue for each company: whether it's to the software applications themselves or to the intelligence layer that understands the task, draws on the relevant data, and directs the work.

The market has reacted quickly. The global software sector has lost roughly $2 trillion in market capitalisation over the past 12 months. Some repricing is likely justified: starting valuations left little room for the questions now being asked about pricing power, competition and value capture. But the repricing has also been indiscriminate. Not all software is equal. In particular, there is a difference between software that is primarily a product for humans to use, and software that provides the infrastructure on which other digital activity depends. The former may be more exposed if agents change how people interact with applications. The latter may benefit as agents generate more demand for the rails beneath them: data queries, security checks, compute workloads, payments and identity.

Our own software holdings are skewed towards this infrastructure layer. Databricks and Snowflake organise the governed company data that agents need if they are to be useful inside enterprises. Cloudflare provides the network and security layer on which agent applications can run, while helping websites identify, control and charge AI agents for access. Adyen and Stripe provide the payment and trust infrastructure that allows agents to transact safely on behalf of customers and merchants. Stripe's founders have been careful not to overstate the speed of change, arguing that agentic commerce is likely to arrive in small chunks rather than one sudden leap; but each chunk of autonomy still requires programmable, permissioned and trusted financial rails.

Far beyond software development

The impact of agents will not remain confined to software development. Most knowledge work, when stripped down to its components, is some combination of reading, writing, reasoning and using software as a tool to get things done. These are precisely the capabilities at which agents are now becoming proficient. Work that has long looked specialised: drafting a legal memo; synthesising a clinical trial; building a financial model; reviewing a patent application, is specialised at the level of expertise but generic at the level of cognitive operation. The consequence is that agents are not a tool for one industry but many.

The same logic applies to consumer businesses. Agents will likely become our shopping, financial and everyday assistants. This creates risk if horizontal AI assistants sit between customers and platforms. But the strongest platforms control assets an agent needs: trust, customer history, payments, credit, logistics, product catalogues and merchant networks. Amazon, MercadoLibre and Sea Limited are thus looking to build their own vertical agents to serve their platforms and enable shopping beyond them as well.

Nubank offers a similar possibility in finance. Long before agents were in vogue, its founder, David Vélez, told us that Nubank's ambition was to give every customer a private banker in their pocket. Agents could make that ambition more practical: helping users manage bills, understand spending, choose when to borrow, build savings and find the cheapest rates on the market.

Agents improve price transparency, tailor options to personal circumstances and reduce the friction to taking action. For Vélez, this is an opportunity. As a low-cost operator, Nubank is well placed to seize it.

Few companies will be left untouched by these developments. For some, agents will create new demand; for others, they will threaten existing profit pools; for many, they will do both at once. This will be a key challenge of growth investing in the years ahead. Scottish Mortgage is well placed to meet it because we invest across both public and private markets. Many of the companies shaping the AI frontier remain private, and our access to them gives us a broader view of how quickly the technology is improving, how it is being adopted, and where value may ultimately accrue.

Beyond the Valley

Meeting that challenge also requires geographic perspective. It is tempting to read the AI story as a Silicon Valley one. On questions of frontier model capability, that reading is broadly right. But it is incomplete. China is not merely a follower in artificial intelligence. It is developing different strengths under different conditions.

The first is physical AI. Simulation will be vital, but embodied intelligence improves fastest when virtual training is connected to real-world deployment. China's manufacturing base matters because it provides the world's largest deployment surface. This is reinforced by the largest installed stock of industrial robots, dense local supply chains, supportive policy, and an electric vehicle industry already combining software, hardware and cost-focused manufacturing. Horizon Robotics, one of our holdings, sits directly in this intersection between AI and the physical world, enabling autonomous cars with the ambition to extend this into broader robotics.

The second is cost-performance. Restricted access to the most advanced chips has pushed Chinese model companies to do more with less. This matters because the agentic era will be far more compute-intensive than the conversational era. If agents are to be widely adopted, the cost of useful intelligence must fall dramatically. MiniMax, one of our holdings, develops open-source models that approach frontier capability at a fraction of the training cost, part of a wider Chinese ecosystem pushing intelligence down the cost curve. Low-cost models do not need to win every benchmark to matter. They can win by making intelligence cheap enough to embed into software agents, consumer apps, enterprise workflows, robots and cars.

Our holding in ByteDance points to a third Chinese strength: productisation. The ByteDance AI bot Doubao shows how quickly generative AI can become a mass consumer habit when attached to a company that understands recommendation, interface design and viral distribution. It leads the Chinese market with more than 226 million monthly active users. The next phase of AI will not be shaped only by those with the largest models. It will also be shaped by those that can make intelligence cheap, useful, physical and habitual.

Physical supply chain

These changes all come with immediate implications for the physical supply chain. Each successive era of generative artificial intelligence has added a new layer of compute demand without removing the last. Model training was the original enabler of the conversational era and continues to scale as frontier labs build ever-larger models. The reasoning era added a second layer. Models no longer simply produced an answer; they spent more computing power working through problems, checking their logic and considering alternatives before responding.

The agentic era has added a third layer of compute demand and it's the fastest-growing. Anthropic's data shows that a single agent consumes four times the computational work of a chat conversation, and a multi-agent system around 15 times. The bigger change, however, is that until now, demand for AI was implicitly capped by human attention. A person could only ask so many questions in a day, and each answer had to wait for the next prompt. Agents have effectively removed that cap. Given a goal, an agent loops through the reasoning process dozens of times, runs autonomously even while humans sleep, and increasingly works with other agents in coordination on the same task.

The three eras present compounding S-curves of compute demand, with none yet plateauing and each steeper than the last. The consequence is a sharp and continuing rise in demand for chips. It is this logic that underpins our holdings across the chip supply chain in TSMC and ASML, which are among our largest positions, and NVIDIA, to which we have been adding.

Investing in the supply chain is, in effect, a bet on the growth of AI itself, rather than a bet on which company will capture it. Whichever applications succeed and whichever frontier models prevail, the underlying compute demand runs through the same handful of companies. This is what makes investing in the supply chain such an unusually attractive way to own the growth of AI.

The pattern of revolutions

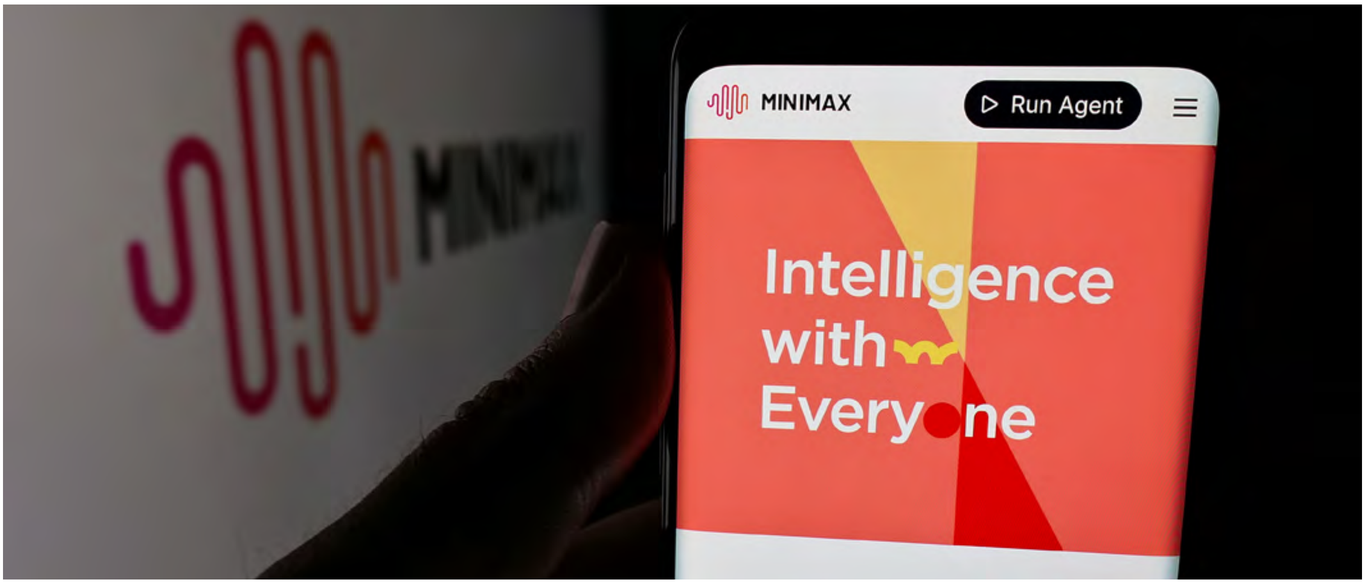
We are well aware that the history of revolutionary technology is also a history of market overshoot. Human and market psychology have a reliable capacity to misprice the path of even the most transformational innovation. The railway companies of the nineteenth century reshaped the modern economy. At their 1880s peak, they comprised roughly 60% of the entire US stock market, before a series of busts wiped out a great deal of capital. The canal buildout of the late eighteenth century and the fibre-optic buildout of the late 1990s followed a similar pattern: real technological progress, real economic impact, and real financial excess. We should expect the AI buildout to echo that history.

Yet the rational response is not to stand aside from a technological revolution. That is not the safe position it may appear to be. If AI disrupts most industries, then avoiding it doesn't remove risk, it merely shifts it. You might still own businesses exposed to disruption, and not own the businesses in line for generational upside.

The harder task is to remain invested without becoming indiscriminate: to distinguish between durable value and temporary exuberance, between enabling infrastructure and fragile applications, and between companies that merely invoke AI and those that can turn it into enduring economic advantage.

The emergence of capable agents has made us more convinced that AI demand can keep expanding. But history argues for humility. There will be waste, disappointment and overbuilding along the way. Our job is not to believe every claim made for AI, but to own the exceptional companies that can benefit as intelligence becomes cheaper, more capable and more widely deployed.

Lawrence Burns



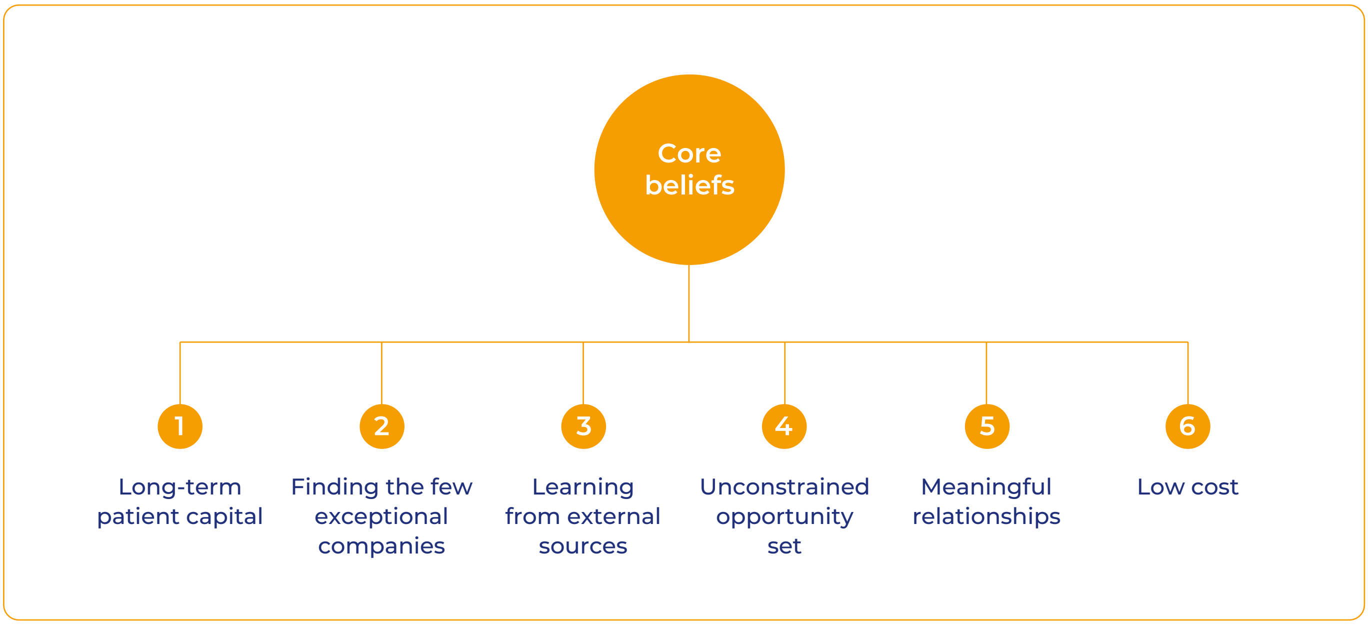
MiniMax reflects the rise of world-class AI capability beyond Silicon Valley. Its open-source models demonstrate how useful intelligence can be made cheaper and more widely available.
Credit: Timon – stock.adobe.com

Managers' core beliefs

Overview

Whilst fund managers claim to spend much of their careers assessing the competitive advantage of companies, they are notoriously reluctant to perform any such analysis on themselves. The tendency is to cite recent performance as evidence of skill despite the luck, randomness and mean-reverting characteristics of most such data. If this does not suffice then attention turns to a discussion of the high educational qualifications, hard work and exotic remuneration packages that the fund manager enjoys. Sometimes the procedural details of the investment process are outlined with heavy emphasis on risk controls. Little attention is given to either the distinctiveness of the approach or the strategic advantages the manager might enjoy in order to make imitation improbable. We think we should try to do better than this.

We can categorise our core beliefs into 6 key pillars.



1. Long-term patient capital

We are long term in our investment decisions. It is only over periods of at least five years that the competitive advantages and managerial excellence of companies become apparent. It is these characteristics that we want to identify and support. We own companies rather than rent shares. We do not regard ourselves as experts in forecasting the oscillations of economies or the mood swings of markets. Indeed we think that it is hard to excel in such areas as this is where so many market participants focus and where so little of the value of companies lies. Equally Baillie Gifford is more likely to possess competitive advantages for the good of shareholders when it adopts a long-term perspective. We are a 118–year–old Scottish partnership. We think about our own business over decades not quarters. Such stability may not be exciting but it does encourage patience in this most impatient of industries. We only judge our investment performance over five–year–plus time horizons. In truth it takes at least a decade to provide adequate evidence of investment skill.

The investment management industry is ill-equipped to deal with the behavioural and emotional challenges inherent in today's capital markets. Our time frame and ownership structure help us to fight these dangers. We are besieged by news, data and opinion. The bulk of this information is of little significance but it implores you to rapid and usually futile action. This can be particularly damaging at times of stress. Academic research argues that most individuals dislike financial losses twice as much as they take pleasure in gains. We fear that for fund managers this relationship is close to tenfold. Internal and external pressures make the avoidance of loss dominant. This is damaging in a portfolio context. We need to be willing to accept loss if there is an equal or greater chance of (almost) unlimited gain.

2. Finding the few exceptional companies

We are optimists. In a world where limiting volatility and avoiding downside is the dominant investor mentality, we focus unashamedly on the drivers and implications of corporate success. Limiting volatility can make sense for an overall investment portfolio but we doubt the benefits of using equities to meet this objective. The asymmetric payoff structure (you can make far more if you're right about a stock than you can lose if you're wrong) is the fundamental attraction of investing in equity markets. Whilst we have long believed in the impact of a small number of exceptional companies, even we are surprised by how narrowly returns have been shown to extend within the market. Our own research demonstrates that in the past thirty years approximately five per cent of stocks have returned at least five-fold in any five-year period. Over longer time horizons, this power law is even more dramatic. Academic work on the past ninety years of US data shows that over half of the excess return from equities came from just 90 companies. Investors enjoy little (if any) reward for taking the risk of owning the median stock in the market. Instead it is the outsized impact of a small number of exceptional companies that dominate the payoff structure.

In this context we have defined our core task more narrowly: to identify companies that have sufficient opportunity to deliver such outlying returns and to own them for long enough without interference so that the return accrues to our shareholders. We previously noted our investment time horizon to be at least five years. In practice, for businesses where our conviction has remained steadfast and our difference from the market view is clear, we have held the shares for far longer. Today eight of our top ten listed holdings have been held for more than five years and two have been held for more than ten.

We are global in stock selection, asset allocation and attribution. We are active not passive – or far worse – index plus in stock selection. Holding sizes reflect the potential upside and its probability (or otherwise) rather than the combination of the market capitalisation and geographical location of the company and its headquarters. We do not have sufficient confidence in our top-down asset allocation skills to wish to override stock selection. We do not have enough confidence in our market timing abilities to wish to add or remove gearing at frequent intervals. We do, however, have strong conviction that our portfolio should be comparatively concentrated, and that it is of little use to shareholders to tinker around the edges of indices. We think this produces better investment results and it certainly makes us more committed shareholders in companies. We suspect that selecting stocks on the basis of the past (their current market capitalisation) is a policy designed to protect the security of tenure of asset managers rather than to build the wealth of shareholders. Companies that are large and established tend to be internally complacent and inflexible. They are often vulnerable to assault by more ambitious and vibrant newcomers.

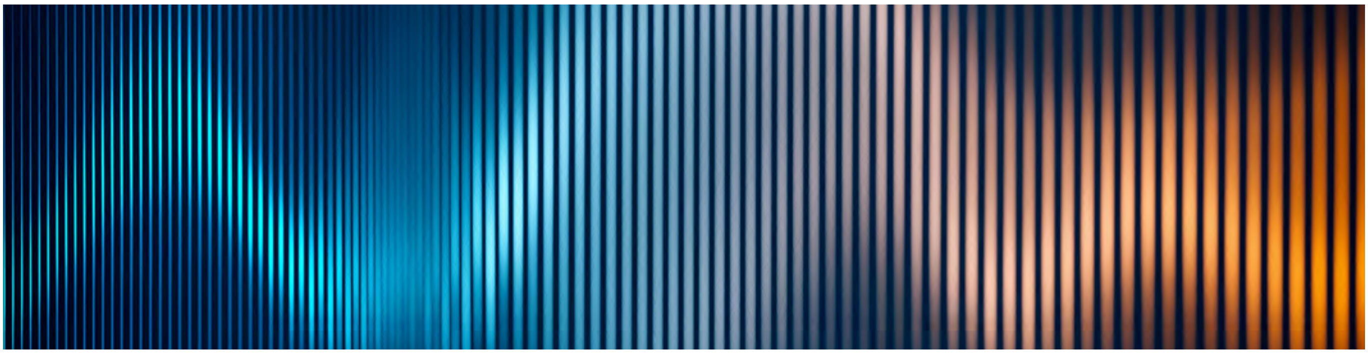
3. Learning from external sources

We are very dubious about the value of routine information. We have little confidence in quarterly earnings and none in the views of investment banks. We try to screen out rather than incorporate their noise. In contrast we think that the world offers joyous opportunities to hear views, perspectives and visions that are barely noticed by the markets. There is more in the investment world than the Financial Times or Wall Street Journal describe.

Some of you may have read some of the shortlisted titles for the Baillie Gifford Prize for Non-Fiction. We have invested in supporting interesting authors and sought to enhance our investment thinking with their insight. We have built relationships with academics and universities. We are funding research which we hope will inform our long run thinking on companies. At the same time, our time horizon is facilitating a different type of relationship with the management teams with whom we invest. They find little of value or interest in the endless cycle of quarterly updates. They delight in having less frequent and more in-depth discussion about the longer-term development of their business. Getting to listen to the entrepreneurs and visionaries that have built some of these outstandingly successful franchises is a hugely valuable input to our investment approach.

In turn, this is challenging us to re-evaluate our long-held belief that there is no opportunity for informational advantage in markets. Such inputs seem largely neglected in a world where 'colour on the quarter's numbers' is the main preoccupation of so-called investors.

The investment management industry is ill-equipped to deal with the behavioural and emotional challenges inherent in today's capital markets. Our time frame and ownership structure help us to fight these dangers.



4. Unconstrained opportunity set

We are Growth stock investors. Such has been the preference for Value and the search to arbitrage away minor rating differentials that investors find it very hard to acknowledge the extraordinary growth rates and returns that can be found today. The growth that we are particularly interested in is of an explosive nature and often requires minimal fixed assets or indeed capital. We think of it as 'Growth at Unreasonable Prices' rather than the traditional discipline of 'Growth at a Reasonable Price'. We need to be willing to pay high multiples of immediate earnings because the scale of future potential and returns can be so dramatic. On the stocks that flourish the valuation will have turned out to be derisorily low. On the others we will lose money.

Whilst listed equity markets currently remain the principal focus of our investments, the nature of capital markets has changed and our search for outliers has moved with it. Some of our most successful investee companies have benefited from (and indeed created) new growth models with dramatically lower financing requirements than has been the case historically. Access to online distribution has grown the addressable market for breakthrough businesses by an order of magnitude. The ability to harness third party infrastructure has drastically reduced the capital intensity of growth. This has made new companies less dependent on external financing. As a consequence, their boardrooms are not dominated by early financial investors looking to realise their gains and these companies are remaining private longer. They are being selective about their shareholders and they are reluctant to accept the burdens that accompany public status.

We are determined to own the most promising Growth companies in the world. To maintain our opportunity set we have expanded our operations in private markets. This has little impact on our investment process. Access to fluctuating daily quotations for our holdings is more often a distraction than an advantage for a fund with permanent capital. We are preoccupied with company fundamentals and increasingly indifferent to a company's private or public status. As access to the most promising private companies is dependent on relationships and reputation our task becomes more important, as it is much harder for our shareholders to invest directly. Our scale and commitment to low costs allows us to do this without changing our fee structure.

5. Meaningful relationships

Dialogue with management is a valuable input but the relationship extends in both directions. The investment management industry has ceded much of its role in the governance of companies to the vested interests of activist investors. We must do better. Ensuring strong governance and engaging with our holdings on matters of substance is our responsibility. More than that, it is essential if we are to be seen as attractive shareholders by our investee companies and if we are to maximise the returns we can generate on your behalf.

As we make these investments we are providing more primary capital to businesses and directly funding investment in future economic growth. The role of public equity markets in providing such investment capital has diminished. Declining holding periods and frenzied speculation around newsflow is the norm. More insidiously, the demand for immediate returns pressures companies to pay out their cashflows to shareholders rather than investing in their future. Professional management teams incentivised to maximise share prices have been happy to oblige, resulting in a declining proportion of cash flow being devoted to research and development or capital expenditure across the market. Such investments are needed more than ever in a world that is experiencing rapid change. Our holdings in public markets are heavily focused on companies whose ownership or management structure allows them to ignore such demands.

6. Low cost

We believe that it is our first duty to shareholders to limit fees. The ongoing charges ratio (0.33% as at 31 March 2026) is low by comparative standards. We think that the malign impact of high fees is frequently underestimated. The difference between an ongoing charges ratio of 0.33% and one of 1.5% may not appear great but if the perspective is altered to think of costs as a percentage of expected annual returns then the contrast becomes obvious. If annual returns average 10% then this is the difference between removing approximately 3% or 15% of your returns each year. Nor do we believe in a performance fee. Usually it undermines investment performance. It increases pressure and narrows perspective.

Stewardship and governance engagement

Long-term stewardship sits at the heart of our investment approach. Our time horizon and active approach to ownership mean that our conversations with companies focus on strategic issues that may shape long-term value creation. The following examples illustrate recent engagements with portfolio companies where technological change, capital allocation and competitive advantage were central to the discussion.

TSMC

Objective

To discuss TSMC's capital expenditure plans, the durability of demand for advanced semiconductors, and the sources of the company's long-term competitive advantage.

Discussion

TSMC is the world's largest contract semiconductor manufacturer and a foundational supplier to the AI hardware supply chain. The most material update concerned capital expenditure. TSMC has guided to a 30% increase this year and to "significantly higher" capital expenditure over the next three years. Given the two-to-three-year lag between capital expenditure and new fabrication capacity coming online, this signals confidence in revenue growth well into the 2030s.

The driver is rising demand projections from customers and the cloud service providers behind them, many of which are already reporting positive AI-related revenue impacts. Demand remains concentrated in GPUs, ASICs and memory controllers, but networking, data centres, edge AI and robotics are increasingly evident in customer roadmaps.

TSMC's approach to assessing demand came across as reassuringly conservative. The company noted that not all customers requesting capacity will ultimately succeed and that, in a supply-constrained environment, companies may request more capacity than they are likely to need. Both of these factors are taken into account when forecasting demand.

Wendell Huang, Chief Financial Officer, emphasised that TSMC's competitive advantage lies in the combination of leading-edge technology, customer trust and manufacturing excellence. Early adoption of newer technologies by competitors has not necessarily translated into success, as customer trust and execution matter as much as early adoption. New technologies must ultimately scale commercially to deliver value.

Outcome

The meeting reinforced our confidence in the durability of demand for TSMC's advanced manufacturing capacity and in the long-term compounding case. We were reassured by the company's conservative approach to demand forecasting and by the breadth of its competitive advantage across technology leadership, customer relationships and manufacturing execution.

Shopify

Objective

To discuss Shopify's strategic positioning as commerce infrastructure, the implications of AI and agentic commerce, and the durability of the company's competitive advantage.

Discussion

Shopify provides commerce infrastructure for millions of merchants globally. The meeting was dominated by founder and Chief Executive Officer Tobi Lütke's framing of the business as commerce infrastructure rather than a software product. Drawing an analogy with Microsoft, he described the online store as Shopify's "Excel", with the enduring value lying in the infrastructure layer beneath it.

Payments, compliance and checkout complexity are not areas that merchants are likely to recreate themselves, even as building a basic storefront becomes easier. Tobi was strikingly bullish on agentic commerce, which he believes could eventually account for a significant proportion of e-commerce volume. He identified Shopify's proprietary Catalogue as a critical asset in this context.

Shopify routes the vast majority of its AI queries to Anthropic, which Tobi described as the clear leader. The company is now operating with roughly half the headcount of three to four years ago while continuing to scale its ambition.

Tobi acknowledged directly that if a company's moat is simply the difficulty of writing code, it is vulnerable. He was less convincing, however, when pressed on how Shopify continues to capture a greater share of merchants' software spend in a world where AI makes bespoke solutions cheaper.

Outcome

The meeting supported our view that Shopify is well positioned for an agentic commerce world, particularly given its role in payments, checkout, compliance and merchant infrastructure. However, the company will need to continue demonstrating that AI strengthens, rather than weakens, its competitive position and that it can remain an important beneficiary of changes in how commerce is conducted online.

Proxy voting to 31 March 2026

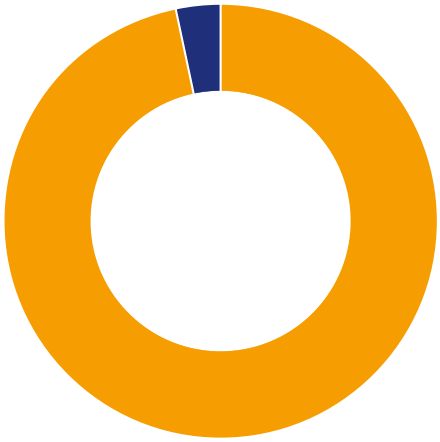
We believe that 'active ownership' of our clients' holdings is as important as selecting the right investments in the first instance. These guidelines are aligned with our stewardship principles and describe our approach to proxy voting and company engagement, the key levers of active ownership, often described as 'stewardship'.

While these guidelines are intended to provide an insight into how we approach voting on our clients' behalf, it is important to note that we assess every company individually. In voting, we will always evaluate proposals on a case-by-case basis, based on what we believe to be in the best long-term interests of our clients, rather than rigidly applying a policy.

A broad cross section of our investment staff are involved in our ongoing work on stewardship. In the same way that our investment approach is based around empowered and independent teams, our voting and engagement is led by the individual investment teams. In keeping with our decentralised and autonomous culture, our investment teams will, on occasion, elect to vote differently on the same general meeting resolutions. Where this happens, we report accordingly in the proxy voting disclosure on our website. We also have clear processes in place to identify, prevent and manage potential proxy voting related conflicts of interest to ensure that in all cases the firm acts in the clients' best interest. Baillie Gifford's firm-wide conflict of interest disclosure is available on our website.

Prior to taking any voting action, we usually address specific ESG concerns by engaging directly with the company, using voting as an escalation mechanism if we have not seen sufficient progress. Voting activity and the reasons for any resolutions voted against in the period is disclosed on the Company website and can be viewed at **scottishmortgage.com**.

Company meeting record and voting distribution†



Number of resolutions voted with management	732	96.8%
Number of resolutions voted against management, withheld or abstained	24	3.2%
Meetings not voted	–	–

† Voting distribution for resolutions proposed across all meetings held in the year.

One-year summary

The following information illustrates how Scottish Mortgage has performed over the year to 31 March 2026.

As at 31 March	2026	2025	% change
Shareholders' funds*	£ 13,822.2m	£ 12,082.5m	
Gearing†	11%	13%	
Net asset value per ordinary share (after deducting borrowings at fair value)†	1,315.8p	1,037.0p	26.9%
Net asset value per ordinary share (after deducting borrowings at book)*	1,282.0p	1,006.0p	27.4%
Share price	1,191.0p	943.4p	26.2%
FTSE All-World Index (in sterling terms)			15.8%
Discount (after deducting borrowings at fair value)†‡	(9.5%)	(9.0%)	
Active share†	89%	90%	
Year to 31 March	**2026**	**2025**	
Dividends paid and proposed per ordinary share	4.57p	4.38p	4.3%
Revenue earnings per ordinary share	2.28p	1.39p	64.0%
Ongoing charges ratio†‡	0.33%	0.31%	

Year to 31 March	2026	2025
Total returns (%)†		
Net asset value per ordinary share (after deducting borrowings at fair value)‡	27.4	11.2
Net asset value per ordinary share (after deducting borrowings at book)	27.9	10.9
Share price‡	26.8	6.0
FTSE All-World Index (in sterling terms)	18.0	5.5

Year to 31 March	2026	2026	2025	2025
Year's high and low	**High**	**Low**	**High**	**Low**
Share price	1,267.0p	815.2p	1,133.0p	768.0p
Net asset value per ordinary share (after deducting borrowings at fair value)†	1,346.7p	935.4p	1,248.6p	870.5p
(Discount)/premium (after deducting borrowings at fair value)†‡	(1.2%)	(15.9%)	(4.6%)	(13.7%)
Average sector discount (AIC Global Sector)	(4.7%)	(9.6%)	(6.7%)	(9.7%)

Year to 31 March	2026	2025
Net return per ordinary share		
Revenue return	2.28p	1.39p
Capital return	273.03p	93.18p
	275.31p	**94.57p**

* See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125.
‡ Key performance indicator.
Source: AIC/LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 121.

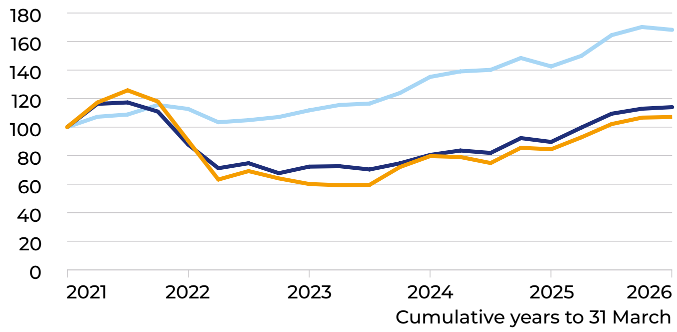
Past performance is not a guide to future performance.

Five-year summary

The following charts indicate how Scottish Mortgage has performed relative to the FTSE All-World Index*; and the dividend against the retail price index ('RPI') over the five year period to 31 March 2026.

Five year total return performance†

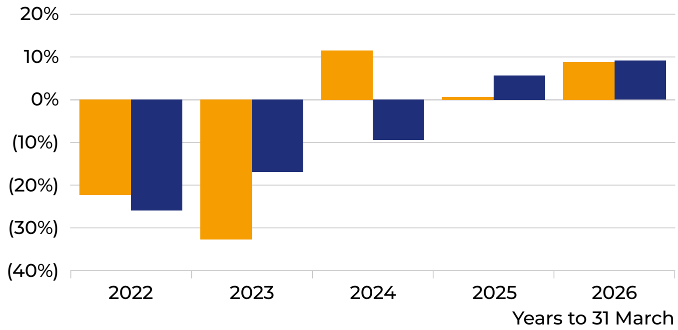
(figures rebased to 100 at 31 March 2021)



Source: LSEG/Baillie Gifford and relevant underlying index providers#. Dividends are reinvested.

- Share price total return†
- NAV (after deducting borrowings at fair value) total return†
- FTSE All-World Index total return*

Relative annual net asset value and share price total return† (compared to the FTSE All-World Index* total returns)

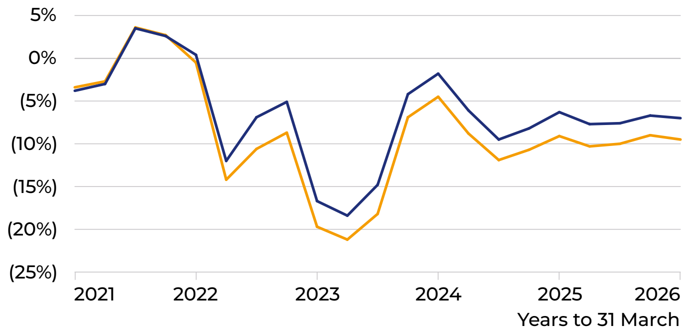


Source: LSEG/Baillie Gifford and relevant underlying index providers#. Dividends are reinvested.

- Share price total return†
- NAV (after deducting borrowings at fair value) total return†

Premium/(discount) to net asset value†

(plotted on a quarterly basis)

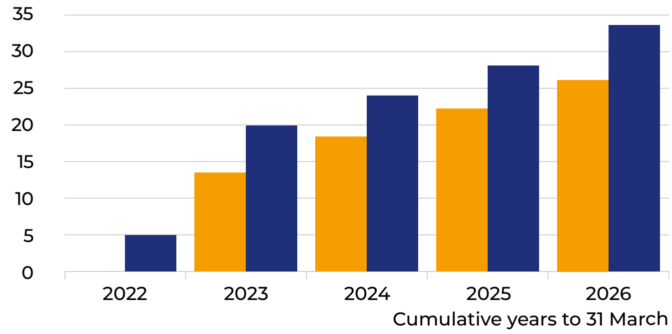


Source: LSEG/Baillie Gifford#.

- Scottish Mortgage premium/(discount) (after deducting borrowings at fair value)†
- Scottish Mortgage premium/(discount) (after deducting borrowings at par)†

Dividend and RPI growth

(figures rebased to 100 at 31 March 2021)

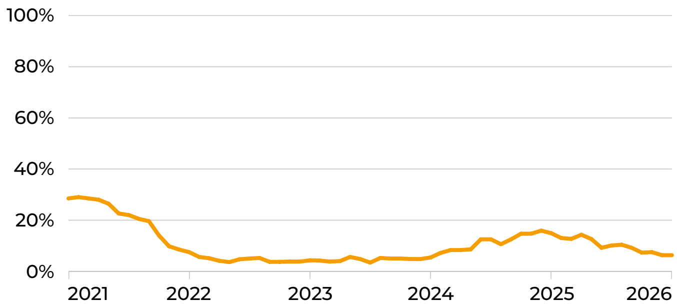


Source: LSEG/Baillie Gifford#.

- RPI
- Scottish Mortgage dividend

Five year turnover‡

(rolling 12 months turnover, plotted on a monthly basis)

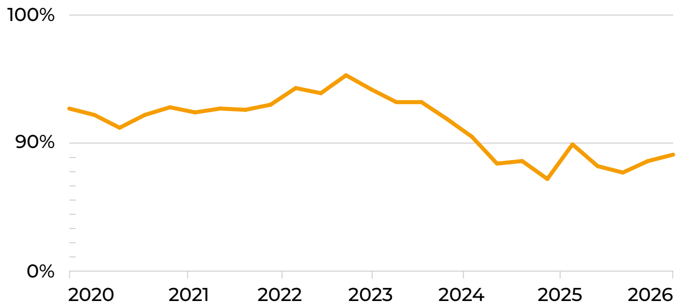


Source: Baillie Gifford.

- Turnover‡

Relative five year active share†

(compared to the FTSE All-World Index*, plotted on a quarterly basis)



Source: Baillie Gifford and relevant underlying index providers#.

- Active share†

* In sterling terms.
† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125.
\# See disclaimer on page 121.
‡ For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Past performance is not a guide to future performance.

Ten-year record

Capital

At 31 March	Total assets * £'000	Borrowings £'000	Shareholders' funds * £'000	Net asset value per share (book) † p	Net asset value per share † (fair) p	Net asset value per share † (par) p	Share price p	Premium/ (discount) # (fair) %	Premium/ (discount) # (par) %
2016	3,955,398	497,954	3,457,444	263.4	259.2	263.8	262.5	1.3	(0.5)
2017	5,383,157	509,566	4,873,591	358.7	354.6	359.0	366.1	3.2	2.0
2018	6,673,471	485,715	6,187,756	443.5	439.9	443.7	442.2	0.5	(0.3)
2019	8,133,391	703,461	7,429,930	504.0	500.8	504.2	512.0	2.2	1.5
2020	9,151,409	906,775	8,244,634	567.3	565.7	567.5	573.5	1.4	1.1
2021	18,229,261	1,237,332	16,989,470	1,195.1	1,190.0	1,195.2	1,137.0	(4.5)	(4.9)
2022	16,888,759	2,131,588	14,755,999	1,021.8	1,030.8	1,021.9	1,026.0	(0.5)	0.4
2023	13,324,519	1,823,294	11,498,000	816.8	843.9	816.9	678.6	(19.6)	(16.9)
2024	14,281,529	1,644,456	12,629,814	911.3	936.6	911.3	894.0	(4.5)	(1.9)
2025	13,706,332	1,623,867	12,082,465	1,006.0	1,037.0	1,006.0	943.4	(9.0)	(6.2)
2026	**15,428,373**	**1,606,198**	**13,822,175**	**1,282.0**	**1,315.8**	**1,281.9**	**1,191.0**	**(9.5)**	**(7.1)**

Source: LSEG/Baillie Gifford. See disclaimer on page 121.
* See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
† Net asset value per ordinary share has been calculated after deducting long term borrowings at either par, book or fair value (see note 19, page 110 and Glossary of terms and Alternative Performance Measures on pages 123 to 125).
# Premium/(discount) is the difference between the Company's quoted share price and its underlying net asset value with borrowings at either par value or fair value. See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Revenue

Year to 31 March	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per ordinary share ‡ p	Dividend paid and proposed per ordinary share (net) p	Ongoing charges ratio ¶ %
2016	32,910	21,428	1.66	2.96	0.45
2017	27,796	14,136	1.07	3.00	0.44
2018	30,663	16,701	1.20	3.07	0.37
2019	28,187	23,669	1.64	3.13	0.37
2020	28,914	22,865	1.55	3.25	0.36
2021	16,347	9,069	0.62	3.42	0.34
2022	23,262	16,581	1.16	3.59	0.32
2023	49,035	41,371	2.90	4.10	0.34
2024	40,046	32,689	2.33	4.24	0.35
2025	32,906	17,876	1.39	4.38	0.31
2026	**33,109**	**25,639**	**2.28**	**4.57**	**0.33**

Gearing ratios

Gearing § %	Gross gearing ^ %
13	14
9	10
7	8
9	9
10	11
6	7
13	14
14	16
11	13
13	13
11	**12**

Source: Baillie Gifford.
‡ The calculation of earnings per ordinary share is based on the revenue after taxation and the weighted average number of ordinary shares in issue (excluding treasury shares) (see note 7, page 92).
¶ Calculated as total operating costs divided by average net asset value (with debt at fair value) in accordance with AIC guidelines. See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
§ Total assets (including all debt used for investment purposes) less all cash at bank and in hand divided by shareholders' funds. See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
^ Total assets (including all debt used for investment purposes) divided by shareholders' funds. See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Cumulative performance (taking 2016 as 100)

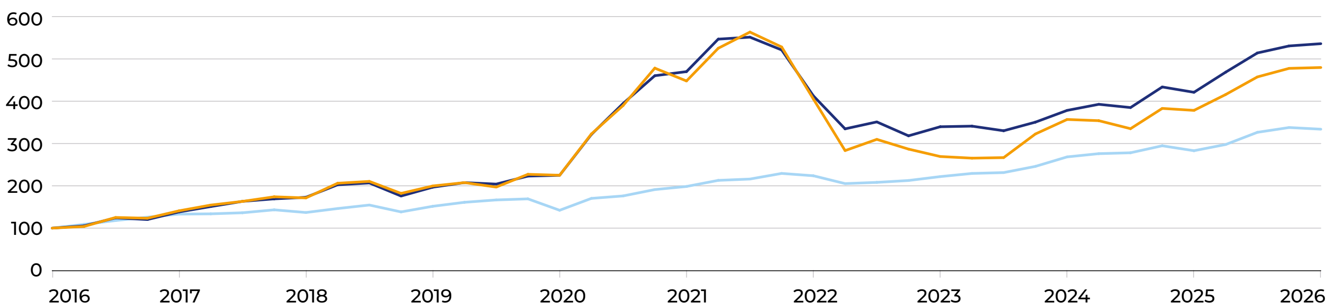
At 31 March	Net asset value per share * (fair)	Net asset value total return * (fair)	FTSE All-World Index †	FTSE All-World Index † total return	Share price	Share price total return	Revenue earnings per ordinary share	Dividend paid and proposed per ordinary share (net)	Retail price index
2016	100	100	100	100	100	100	100	100	100
2017	137	138	130	133	139	141	64	101	103
2018	170	173	130	137	168	171	72	104	107
2019	192	197	141	152	195	200	99	106	109
2020	218	225	129	142	218	225	93	110	112
2021	454	470	176	198	433	448	37	116	114
2022	398	413	195	224	391	405	70	121	124
2023	326	340	188	222	259	269	174	139	141
2024	361	378	223	268	341	357	140	143	147
2025	400	421	231	283	359	378	84	148	151
2026	**508**	**536**	**267**	**334**	**454**	**480**	**137**	**154**	**156**
Compound annual returns (%)									
5 year	2.3%	2.7%	8.7%	11.0%	0.9%	1.4%	29.8%	6.0%	6.6%
10 year	17.6%	18.3%	10.3%	12.8%	16.3%	17.0%	3.2%	4.4%	4.6%

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 121.
* See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
† In sterling terms.
All per share figures have been restated for the five for one share split on 30 June 2014.

Past performance is not a guide to future performance.

Ten-year total return performance#

(figures rebased to 100 at 31 March 2016)



Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 121.
- Share price total return#
- NAV (after deducting borrowings at fair value) total return#
- FTSE All-World Index‡ total return

#See Glossary of terms and Alternative Performance Measures on pages 123 to 125.
‡In sterling terms.

Portfolio executive summary

Performance (%)

	1 year	3 years	5 years	10 years
Share price	26.8%	78.1%	7.1%	379.7%
NAV (after deducting borrowings at fair value)	27.4%	57.9%	12.8%	435.2%
FTSE All-World Index†	18.0%	50.5%	68.2%	233.9%

All figures are stated on a total return basis* for period to 31 March 2026.
* Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 123 to 125.
† In sterling terms.
Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 121.

Key contributors and detractors to performance – year to 31 March 2026

Contributors	Contribution to absolute performance % *	Absolute performance % †
SpaceX Ⓤ	14.9	178.6
TSMC	3.6	99.1
ASML	2.3	94.2
Stripe Ⓤ	1.9	72.2
NVIDIA	1.6	57.5

Detractors	Contribution to absolute performance % *	Absolute performance % †
Meituan Ⓟ	(1.8)	(48.3)
Sea	(1.1)	(37.9)
Brandtech Ⓤ	(1.0)	(89.1)
Pinduoduo Inc	(0.8)	(15.4)
Aurora Innovation	(0.7)	(40.0)

* Contribution to absolute performance (in sterling terms) has been calculated to illustrate how an individual stock has contributed to the overall return. It is influenced by both share price performance and the weighting of the stock in the portfolio, taking account of any purchases or sales over the period.
† Absolute performance (in sterling terms) has been calculated on a total return basis over the period 1 April 2025 to 31 March 2026. For the definition of total return see Glossary of terms and Alternative Performance Measures on pages 123 to 125.
Ⓤ Denotes unlisted (private company) security.
Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Investment changes

	Valuation at 31 March 2025 £'000	Net acquisitions/ (disposals) £'000	Appreciation/ (depreciation) £'000	Valuation at 31 March 2026 £'000
North America				
United States	6,673,922	(1,025,088)*	3,199,039	8,847,873
Canada	319,098	(68,723)	55,180	305,555
South America				
Brazil	893,765	(12,345)	(61,962)	819,458
Europe				
United Kingdom	451,494	(37,350)	31,180	445,324
Eurozone	1,544,238	(151,028)‡	238,665	1,631,875
Developed Europe	813,668	(240,200)¶	(529,042)	44,426
Africa and the Middle East	102,667	97	(70,854)	31,910
Asia				
China	1,974,519	68,388	14,982	2,057,889
Rest of Asia	892,360	58,035	274,730	1,225,125
Total investments	**13,665,731**	(1,408,214)	3,151,918	15,409,435
Net liquid assets	40,602	(21,322)	(342)	18,938
Total assets	**13,706,333**	(1,429,536)	3,151,576	15,428,373

The figures above for total assets are made up of total net assets before deduction of all borrowings.
* Includes significant purchases of Anthropic, Applovin, MongoDB Inc, Figma Inc, Loyal Animal Health Inc, Sana Biotechnology Inc and ARCH Ventures XIII offset by complete sales of Wayfair.
† Significant reduction of Shopify.
# Includes significant purchase of Nu Holdings.
‡ Includes significant purchase of Hermès International offset by significant reductions of ASML, Kering and Delivery Hero.
¶ Includes reduction of Spotify Technology SA.
§ Includes significant purchases of CATL, MiniMax and RedNote.
^ Includes significant purchase of Sea.

Portfolio transactions – year to 31 March 2026

New buys

- Anthropic Series F-1 Pref. Ⓤ
- Applovin
- CATL
- Figma Inc.
- Loyal Animal Health Inc Series C Pref. Ⓤ
- MiniMax
- MongoDB Inc.
- RedNote Ⓤ

Additions

- BYD
- Denali Therapeutics Ⓟ
- Hermes International
- Joby Aviation Inc Ⓟ
- Nu Holdings
- Sana Biotechnology Inc Ⓟ
- Sea

Private company follow-on rounds

- Antler East Africa Fund I LP Ⓤ
- ARCH Ventures Fund XI Ⓤ
- ARCH Ventures Fund XII Ⓤ
- ARCH Ventures Fund XIII Ⓤ
- Climeworks AG Series F-2 Pref. Ⓤ
- Enveda Series D Pref. Ⓤ
- GoPuff Inc (GoBrands) Convertible Loan Note Ⓤ
- Nuro Inc Series E Pref Ⓤ
- PsiQuantum Series E Pref. Ⓤ
- Redwood Materials Inc. Series E Pref Ⓤ
- Sinovation Fund III Ⓤ
- Zipline International Inc Series H Pref. Ⓤ

Complete sales

- Kinnevik
- Wayfair

Reductions

- Adyen
- Affirm Holdings Inc Class A Ⓟ
- Amazon.com
- ASML
- Cloudflare
- Delivery Hero
- DoorDash
- Ferrari
- Heartflow Inc.
- Kering
- Meituan Dianping Ⓟ
- MercadoLibre
- Meta Platforms
- MiniMax
- Moderna
- Netflix
- Pinduoduo Inc
- Roblox
- Shopify
- Spotify Technology SA Ⓟ
- Tempus AI Inc Ⓟ
- Tesla Inc
- TSMC
- Wise Plc Ⓟ

Ⓤ Denotes unlisted (private company) security.
Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Portfolio themes

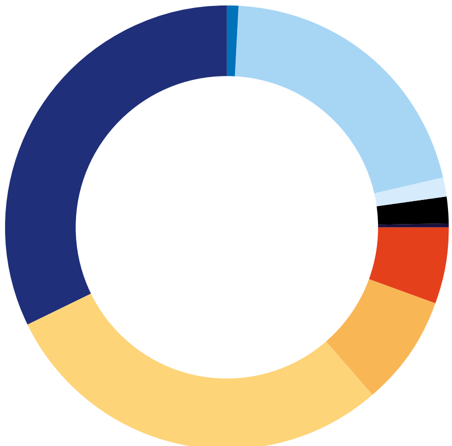
Source: Baillie Gifford & Co, and portfolio companies for use of their logo. Please note, this graphic highlights the most exciting themes in the portfolio. It does not show all companies and themes.

Distribution of total assets*

Geographical 2026 (2025)

- **Asia 13.2%** (14.5%)
  China 13.2% (14.5%)
- **South America 5.3%** (6.5%)
  Brazil 5.3% (6.5%)
- **Rest of Asia 7.9%** (6.5%)
  Korea 0.8% (1.0%)
  Singapore 1.4% (2.0%)
  Taiwan 5.7% (3.5%)
- **North America 59.7%** (54.5%)
  United States 57.7% (52.2%)
  Canada 2.0% (2.3%)
- **Europe 13.7%** (17.3%)
  United Kingdom 2.9% (3.0%)
  Eurozone 8.1% (9.7%)
  Developed Europe (non euro) 2.7% (4.6%)
- **Africa and the Middle East 0.2%** (0.7%)
  Nigeria <0.1% (<0.1%)
  Israel 0.2% (0.7%)

Sectoral 2026 (2025)



- Technology **32.1%** (30.0%)
- Industrials **29.2%** (16.9%)
- Healthcare **8.2%** (7.9%)
- Financials **5.6%** (5.9%)
- Net Liquid Assets **0.1%** (0.3%)
- Basic Materials **1.0%** (1.2%)
- Consumer Discretionary **20.6%** (33.5%)
- Consumer Staples **1.4%** (1.9%)
- Energy **1.8%** (2.4%)

* Total assets represents total net assets before deduction of all borrowings.

Thirty largest holdings and twelve month performance at 31 March 2026

Name		Business	Fair value 31 March 2026 £'000	% of total assets	Absolute performance* %	Fair value 31 March 2025 £'000
Space Exploration Technologies Corp	ⓤ	Designs, manufactures and launches rockets and spacecraft	2,984,236	19.3	178.6	1,071,116
TSMC		Semiconductor manufacturing and design	883,114	5.7	99.1	475,447
ByteDance Ltd	ⓤ	Social media	732,984	4.7	29.5	565,982
MercadoLibre		Latin American ecommerce platform	615,868	4.0	(13.2)	807,112
Stripe Inc	ⓤ	Platform that provides payment processing solutions globally	609,386	4.0	72.2	353,938
Amazon.com		Online retailer and cloud computing	550,310	3.6	7.1	773,328
ASML		Lithography	497,213	3.2	94.2	383,473
NVIDIA		Semiconductor company that designs and sells advanced chips	489,632	3.2	57.5	312,137
Meta Platforms		Social media	414,686	2.7	(2.5)	643,236
Pinduoduo Inc		Chinese ecommerce	315,211	2.0	(15.4)	529,284
Shopify		Cloud-based commerce platform provider	305,555	2.0	21.7	319,098
Zipline International Inc	ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	303,930	2.0	52.8	187,095
Moderna		Clinical stage biotechnology company	303,020	2.0	75.5	189,433
Ferrari		Luxury automobiles	291,080	1.9	(22.4)	391,400
Wise Plc	ⓟ	Online platform to send and receive money	285,450	1.9	(4.4)	332,162
Spotify Technology SA	ⓟ	Online music streaming service	285,116	1.8	(13.7)	472,502
CATL		Chinese EV battery manufacturer	254,055	1.6	71.9	–
Cloudflare		Application software developer	247,810	1.6	80.1	202,662
Databricks Inc	ⓤ	Data software solutions	225,530	1.4	101.1	112,175
Sea		Consumer internet company	221,184	1.4	(37.9)	273,440
Nu Holdings		Latin American digital bank	203,590	1.3	36.5	85,720
BYD		Electric vehicle manufacturer	203,515	1.3	(20.8)	215,597
Meituan Dianping	ⓟ	Local services aggregator	183,513	1.2	(48.3)	399,277
Anthropic	ⓤ	Next-generation AI model developer	171,462	1.1	88.4	–
Tempus AI Inc	ⓟ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	158,474	1.0	(8.2)	276,090
Adyen		Platform that provides payment processing solutions globally	158,127	1.0	(36.8)	264,794
Netflix		Subscription service for TV shows and movies	156,496	1.0	0.8	257,198
Aurora Innovation Inc	ⓟ	Developer of driverless vehicle technology	146,259	1.0	(40.0)	244,318
Snowflake Inc	ⓟ	Developer of a SaaS-based cloud data warehousing platform	144,482	0.9	1.0	142,988
Atlas Copco		Engineering	142,905	0.9	7.6	134,934
			12,484,193	**80.7**		

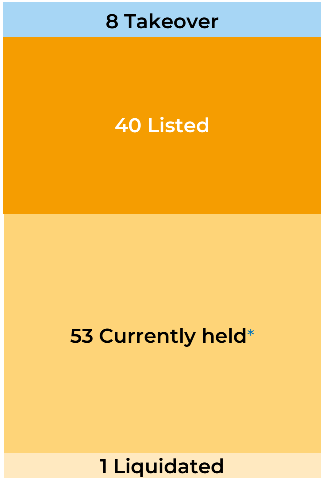
* Absolute performance (in sterling terms) has been calculated on a total return basis over the period 1 April 2025 to 31 March 2026. For the definition of total return see Glossary of terms and Alternative Performance Measures on pages 123 to 125.
ⓤ Denotes unlisted (private company) investment.
ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
† Multiple lines of stock held. Holding information represents the aggregate of all lines of stock.
Source: Baillie Gifford/StatPro and underlying data providers. See disclaimer on page 121.

Past performance is not a guide to future performance.

Private companies summary

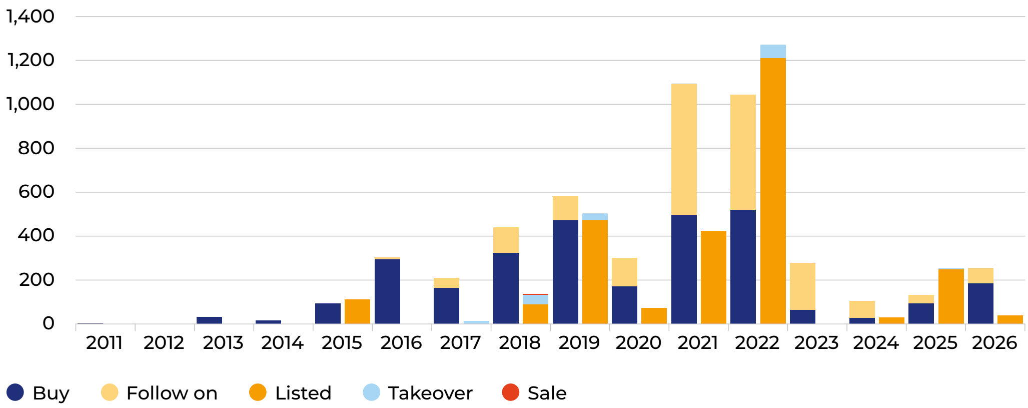
Historical snapshot

Since our first investment in Private Companies in 2012, Scottish Mortgage has deployed £4.9bn of capital in this area.



Transaction value

Showing all transactions prior to report date (£m).



* Includes Level 3 investment (see page 93).

Portfolio activity – year to 31 March 2026

£254m of new capital was deployed in private companies during the year (2025 – £132m).

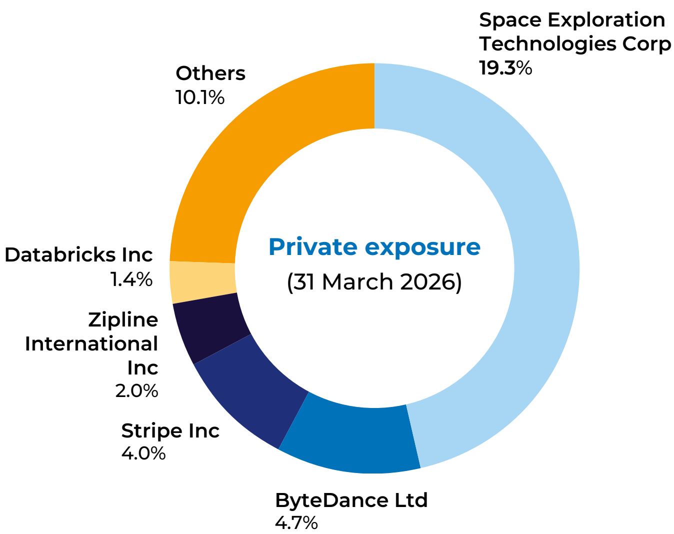
New buys	Follow on funding rounds		VC fund flow	
Anthropic	Climeworks AG Series F-2 Pref.	Nuro Inc Series E Pref.	Antler East Africa Fund I LP	ARCH Ventures Fund XII
Loyal Animal Health Inc	Enveda Series D Pref.	Redwood Materials Inc. Series E Pref.	ARCH Ventures Fund X	ARCH Ventures Fund XIII
RedNote	GoPuff Inc (GoBrands) Convertible Loan Note	Zipline International Inc Series H Pref.	ARCH Ventures Fund XI	ARCH Ventures Fund X Overage

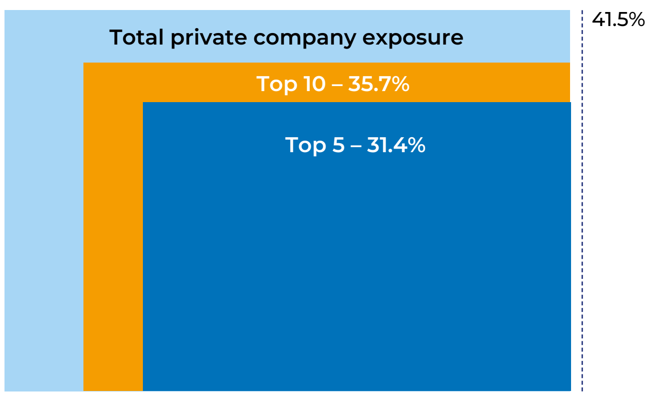
HeartFlow listed during the period.

Concentration

At 31 March 2026 we held 53 private companies which equated to 41.5% of total assets.

- Five companies account for 75.7% of the private company exposure.
- Ten companies account for 86.0% of our private company exposure.

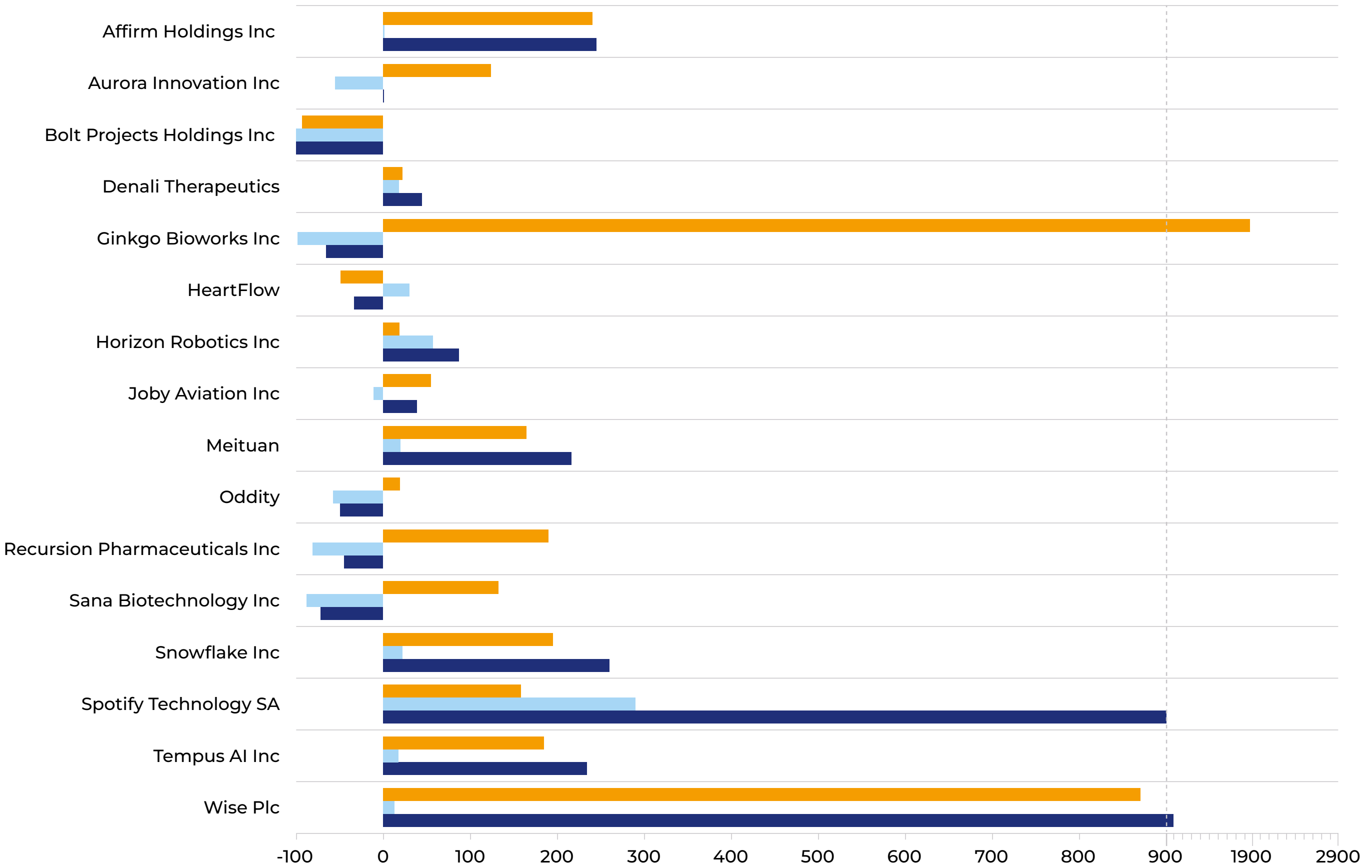




All figures stated as percentage of total assets, as at 31 March 2026.

Performance of listed holdings at 31 March 2026 held previously as private company investments from date of initial investment of each holding to 31 March 2026

(absolute performance in sterling terms %)

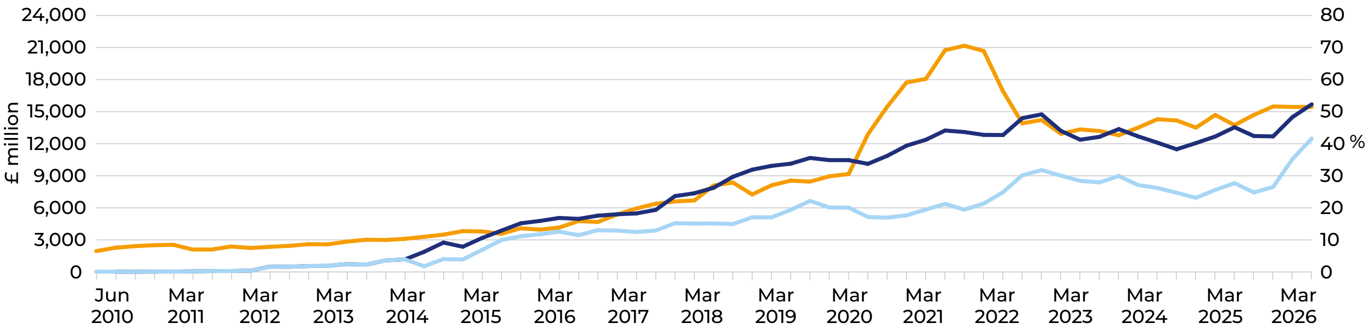


- Absolute performance from initial investment to initial public offering
- Absolute performance from initial public offering to 31 March 2026
- Total absolute performance from initial investment to 31 March 2026

Note: Absolute performance returns cannot be added together as they are geometric.
Source: StatPro/Baillie Gifford.

Private company securities and listed securities previously held as private company securities as a percentage of total assets*

(plotted quarterly from June 2010)



Source: Baillie Gifford.

- Total assets in sterling (left hand axis)
- Private company securities as a % of total assets (right hand axis)
- Private company securities and listed securities previously held in the portfolio as private company securities as a % of total assets (right hand axis)

* See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Size

Our private company exposure tends to be weighted to the upper end of the maturity curve, focussed on late stage private companies who are scaling up and becoming profitable.

Cap	Total equity value (USD)	Portfolio %	Number of holdings
Micro	<$300m	0.6	11
Small	$300m–$2bn	4.0	15
Medium	$2bn–$10bn	3.9	6
Large	>$10bn	33.0	9
		41.5	**41**

As at 31 March 2026. There are 11 limited partnership investment funds and one contingent value rights instrument not included in the table above.

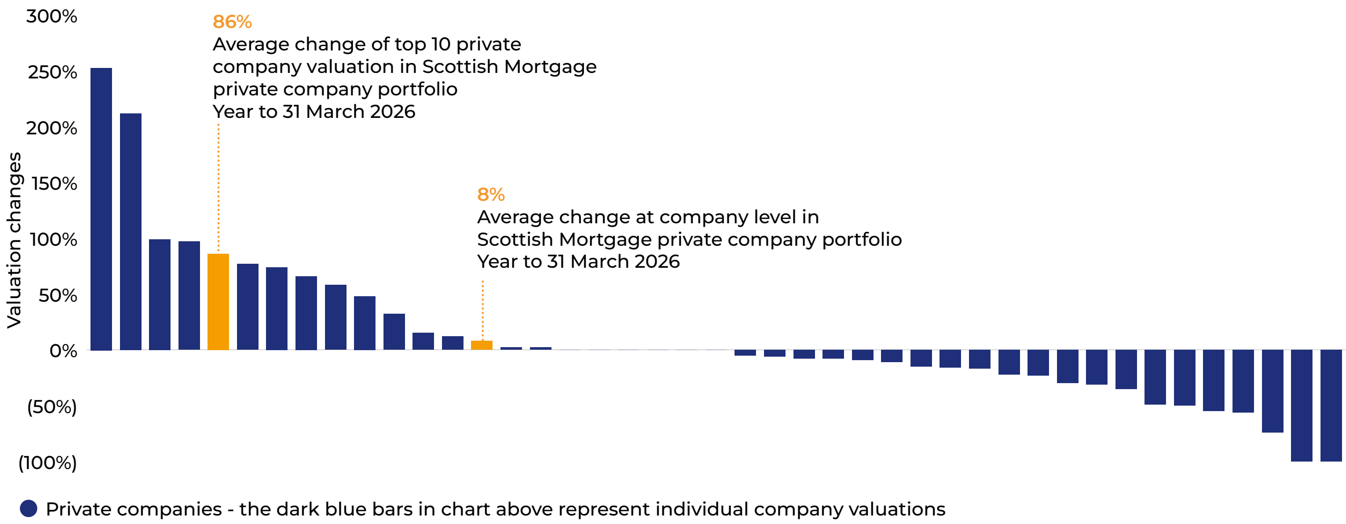
Overview

	2026 £'000	2025 £'000
Opening balance 1 April	3,784,787	3,748,379
Purchases at cost	253,843	131,957
Sales – proceeds received	(8,693)	(12,845)
Realised gains/(losses)*	802	(5,875)
Change in listing†	(39,214)	(248,332)
Change in fair value	2,426,548	171,503
Closing balance 31 March	**6,418,073**	**3,784,787**

* Gains/(losses) for the year to 31 March 2026 represent the write-off of Capsule Corp Series E Preferred, Capsule Corp Series 1-D Preferred, and Indigo Agriculture Inc. Class A Common and on distributions from limited partnership investment funds.

† During the year, Heartflow (book cost – £39,214,000) transferred from Level 3 to Level 1 on becoming listed (2025 – Bolt Projects Holdings, Tempus AI Inc and Horizon; book cost – £51,643,000, £159,627,000 and £37,062,000 respectively).

Valuation movements – year to 31 March 2026



Source: Baillie Gifford. Scottish Mortgage private company valuation changes, year to 31 March 2026.
Source: Morningstar.
12 months to 31 March 2026 in US dollars.

Instruments valued	89	Valued up to 4 times	34.8%
Revaluations performed	525	Valued 5 times or more	65.2%

Top 10 Private Company Progress Report – year to 31 March 2026

Space Exploration Technologies Corp

- **Valuation Step-Up**
  In December 2025, SpaceX's secondary share sale valued the company at $800 billion, making it the world's most highly valued private company.
  In February 2026, its acquisition of xAI valued the combined entity at $1.25 trillion, uniting rockets and frontier AI under one roof. A separate briefing note on SpaceX, including subsequent public information following its IPO filing, is available on the Company's website: **scottishmortgage.com**.
- **Launch Dominance**
  SpaceX completed 165 orbital launches in 2025, its sixth consecutive annual record and over half of all global launches worldwide. Of those, 123 were Starlink missions, with the remainder serving commercial, government and human spaceflight customers, cementing SpaceX's position as the world's dominant launch provider.
- **Starlink Expansion**
  Starlink surpassed 10 million subscribers by early 2026, up from c.4 million at the start of 2025, with Musk describing it as SpaceX's largest contributor to revenue "by far". Its aviation footprint has expanded significantly, with major carriers including Emirates, British Airways, Lufthansa and Korean Air committing to fleet-wide installations. SpaceX also continued to advance its direct-to-cell capabilities.
- **Starship Progress**
  Starship made significant progress across five test flights in 2025, with later flights achieving controlled descents of both rocket stages. The Federal Aviation Administration (FAA) also approved an increase in permitted annual launches at Starbase from 5 to 25, a critical step in the economics of Starship's long-term ambitions.

ByteDance

- **Revenue Milestone**
  Quarterly revenue exceeded $48 billion in Q2 2025, surpassing Meta's for the same period, making ByteDance the world's largest social media company by sales.
- **Valuation Discount**
  Despite generating comparable revenue to Meta, ByteDance is valued at a fraction of its peer's valuation. Both companies have a similar revenue base, yet the large valuation gap appears to reflect geopolitical and regulatory risk premiums rather than fundamental underperformance.
- **TikTok Resolution**
  In December 2025, ByteDance reached an agreement on TikTok's US operations, resolving years of political and regulatory uncertainty. Majority control transfers to a US-led joint venture, which assumes operational control of the recommendation algorithm for American users, while ByteDance retains a 19.9% stake and the underlying algorithm intellectual property.
- **AI Expansion**
  ByteDance's AI chatbot Doubao reportedly surpassed 100 million daily active users in December 2025, establishing itself as one of China's most widely used AI applications. It reached that scale with the lowest marketing spend of any ByteDance product.

Stripe Inc

- **Scale of Processing**
  Businesses on Stripe processed $1.9 trillion in total payment volume in 2025, up 34% year-on-year. That was equivalent to approximately 1.6% of global GDP. Stripe remained profitable throughout the year, continuing to reinvest heavily in product development while expanding its suite of financial software products.
- **Valuation Step Up**
  In February 2026, Stripe launched a tender offer valuing the company at $159 billion, a 74% increase from its $91.5 billion valuation set 12 months earlier, reflecting the continued strength of its underlying business.
- **Powering the Digital Economy**
  Stripe now powers 90% of the Dow Jones Industrial Average and 80% of the Nasdaq 100, and processes payments for all of the leading AI companies globally.
- **Stablecoin Expansion**
  Stripe completed its acquisition of stablecoin infrastructure platform Bridge in early 2025 for $1.1 billion. Global stablecoin payment volumes reached $400 billion in 2025, doubling year-on-year, with Bridge volumes quadrupling, validating Stripe's early conviction in the stablecoin opportunity.

Zipline International Inc

- **Unmatched Safety Record**
  Zipline has flown 130 million autonomous miles and completed over 2 million commercial deliveries since 2016, with no serious injury incidents. In the process, Zipline has accumulated the largest autonomous delivery safety dataset of any operator in the world.

- **Fresh Funding**
In January 2026, Zipline raised more than $600 million at a $7.6 billion valuation, funding expansion across the US in 2026, including into Houston and Phoenix. It also tripled the size of its US manufacturing facility in 2025.
- **US Consumer Traction**
Launching in Dallas-Fort Worth with Walmart in April 2025, Zipline expanded across the region during the year, while US delivery volumes grew at c.15% week-on-week. Commercial partners now include Walmart, Chipotle, Wendy's and Little Caesars.
- **State Department Partnership**
In November 2025, the US State Department awarded Zipline an up-to-$150 million contract to expand medical drone delivery across five African countries under a pay-for-performance structure, a first of its kind. The expansion could triple Zipline's reach, serving up to 130 million people.

databricks

Databricks Inc

- **Record Revenue Growth**
By early 2026, Databricks had surpassed a $5.4 billion revenue run-rate, growing more than 65% year-on-year, with AI products contributing more than $1 billion. The company also generated positive free cash flow over the trailing 12 months.
- **$134 Billion Valuation**
In December 2025, Databricks raised a Series L round of over $4 billion at a $134 billion valuation, more than doubling its $62 billion valuation from twelve months earlier. Microsoft subsequently joined as a strategic investor.
- **Enterprise Dominance**
Databricks' platform is now used by more than 20,000 customers, including over 60% of the Fortune 500. Databricks broadened access to leading AI models through multi-year partnerships with Anthropic and OpenAI, bringing frontier models to its enterprise platform for thousands of customers.
- **Enterprise Depth and Partnerships**
Customer spending also deepened: over 800 customers now generate more than $1 million annually, with over 70 surpassing $10 million. During 2025, Databricks launched or expanded partnerships with Microsoft, Google Cloud, Anthropic, OpenAI, SAP and Palantir.

ANTHROP\C

Anthropic

- **Revenue Growth**
Anthropic surpassed $30 billion of annualised revenue by April 2026, up from around $9 billion at the end of 2025 and nearly $1 billion at the end of 2024, making it one of the fastest-growing companies in history.
- **Historic Capital Raise**
In February 2026, Anthropic closed a $30 billion Series G funding round valuing the company at $380 billion, one of the largest private technology financings in history.
- **Coding Market Leadership**
Claude Code, Anthropic's agentic coding product, surpassed $2.5 billion in annualised revenue within nine months of general availability, with business subscriptions quadrupling in the first quarter of 2026 alone. Enterprise use now represents more than half of Claude Code revenue, as successive model upgrades through 2025 and into 2026 strengthened Claude's coding, reasoning and knowledge work capabilities.
- **Enterprise adoption**
The number of business customers spending over $1 million annually has grown from roughly a dozen two years ago to over 1,000 by April 2026, doubling in less than two months since the February 2026 funding round. Eight of the Fortune 10 are now Claude customers. Following a strategic partnership with Microsoft in November 2025, Claude is now the only frontier AI model available across AWS, Google Cloud and Azure.

Blockchain.com

Blockchain.com

- **Regulatory Progress**
In 2025, Blockchain.com secured a European crypto-asset licence enabling regulated services across 30 EEA countries, before receiving UK FCA registration in February 2026, strengthening its regulatory position across Europe and the UK.
- **Crypto Market Milestone**
The price of Bitcoin reached an all-time high of over $126,000 in 2025, helped by ETF inflows and improving US regulatory clarity. The total crypto market valuation also briefly reached $4 trillion, reflecting the renewed investor interest in digital assets. Prices have since retreated from peak levels.
- **Institutional Adoption**
Bitcoin and Ethereum investment product assets under management ended 2025 at over $150 billion, supporting broader institutional adoption of digital assets and expanding the addressable market for Blockchain.com's custody, lending and trading services.
- **US Regulatory Engagement**
The GENIUS Act, the first major US stablecoin law, was signed into law during 2025, providing the regulatory framework for payment stablecoins. CEO Peter Smith was also appointed to the US Commodity Futures Trading Commission's Innovation Advisory Committee.

Revolut

Revolut

- **Record Growth and Profitability**
  Revolut now serves over 70 million retail customers globally. Reportedly nearly 1 in 3 new bank accounts opened across key European markets is a Revolut account. Revenue reached £4.5 billion in 2025, up 46% year-on-year, with profit before tax climbing 57% to £1.7 billion, its fifth consecutive year of profitability.
- **$75 Billion Valuation**
  In November 2025, Revolut completed a secondary share sale valuing the company at $75 billion, up from $45 billion fifteen months earlier.
- **Full UK Banking Approval**
  In March 2026, Revolut received full regulatory approval to launch as a fully licensed bank in the UK, enabling government-protected deposits and paving the way for a full lending offering for its 13 million UK customers.
- **Global Expansion**
  During 2025, Revolut expanded into multiple new markets across Asia, the Middle East and Latin America, advancing its strategy to launch in 30 new markets by 2030. In March 2026, it filed applications for a US banking licence, a significant step in its effort to enter the American market.

TPB

The Production Board (TPB)

- **Supergut Series B**
  In early 2025, TPB participated in a Series B investment in Supergut, a portfolio company developing natural GLP-1 boosting food products designed to help manage blood sugar and appetite. It offers an affordable, non-pharmaceutical alternative to weight-loss drugs such as Ozempic.
- **National science policy recognition**
  In 2026, CEO David Friedberg was appointed to the President's Council of Advisors on Science and Technology (PCAST), one of the most senior scientific advisory bodies in the US government, raising TPB's profile in US science policy.
- **Almond Commercialisation**
  Following the October 2024 launch of FruitionOne by Ohalo, TPB's plant-breeding company, the variety – described by Ohalo as 'the world's first self-fertile almond variety' – entered trial plantings in California, with early orders expected in late 2026 and first commercial deliveries expected in 2027.
- **Platform Expansion**
  Ohalo expanded its Boosted Breeding platform, which accelerates conventional plant breeding, into strawberries through programmes with Florida's strawberry industry and the University of Florida, demonstrating that the technology can be applied across multiple crop systems, not just a single species.

Ant International

Ant International

- **Cross-Border Transaction Growth**
  Ant International supported over 2 billion digital cross-border transactions in its core emerging markets in 2025, across Southeast Asia, South Asia, the Middle East and Latin America, reflecting the growing scale and reach of its payments infrastructure.
- **Consumer Reach**
  Alipay+, Ant International's consumer-facing cross-border payment platform, now connects more than 1.8 billion user accounts across 40 international payment partners to merchants in over 100 markets, enabling consumers to spend globally using their local e-wallet or banking app.
- **Business Payments**
  WorldFirst, Ant International's payments platform for businesses trading internationally, saw nearly 40% growth in transaction value in 2025, with new market entries into Malaysia and Thailand. The platform helps businesses of all sizes send, receive and manage money across borders faster and at lower cost.
- **Merchant Adoption**
  Antom, Ant International's merchant payment platform, recorded 75% growth in transaction volume outside China in 2025. Its AI-powered Copilot tool has cut payment integration time by up to 95%, helping merchants across Southeast Asia and Europe find a faster, cheaper route to accepting cross-border payments.

Long–term investment

Portfolio holding periods as at 31 March 2026

More than 10 years

Name		% of total assets
Amazon.com		3.6
ASML		3.2
Ferrari		1.9
Wise	ⓟ	1.9
Spotify	ⓟ	1.8
Meituan	ⓟ	1.2
Netflix		1.0
Atlas Copco		0.9

Name		% of total assets
Kering		0.8
Tesla Inc		0.5
Thumbtack	ⓤ	0.3
ZocDoc	ⓤ	0.2
Lumeris Group Holdings Corporation	ⓤ	0.1
The Brandtech Group	ⓤ	0.1
WI Harper Fund VIII	ⓤ	<0.1

Name		% of total assets
Global AI Opportunities Fund		<0.1
Sinovation Fund III	ⓤ	<0.1
WI Harper Fund	ⓤ	<0.1
Innovation Works Development Fund	ⓤ	<0.1
Illumina	ⓤ	<0.1
Total		**17.5**

More than 5 years

Name		% of total assets
Space Exploration Technologies	ⓤ	19.3
Bytedance Ltd.	ⓤ	4.7
MercadoLibre		4.0
Stripe	ⓤ	4.0
NVIDIA		3.2
PDD Holdings		2.0
Shopify		2.0
Zipline	ⓤ	2.0
Tempus AI Inc	ⓟ	1.0
Adyen		1.0
Aurora	ⓟ	1.0
Snowflake	ⓟ	0.9
The Production Board	ⓤ	0.8

Name		% of total assets
Denali Therapeutics	ⓟ	0.7
Ant International	ⓤ	0.7
Affirm	ⓟ	0.6
Epic Games	ⓤ	0.6
Joby Aviation	ⓟ	0.3
Recursion Pharmaceuticals	ⓟ	0.3
Tanium	ⓤ	0.3
Delivery Hero		0.2
Bottle Planet Holdings	ⓤ	0.2
Away (JRSK)	ⓤ	0.2
KSQ Therapeutics	ⓤ	0.2
Ocado		0.2
Carbon	ⓤ	0.2
HeartFlow	ⓟ	0.2

Name		% of total assets
Sana Biotechnology Inc	ⓟ	0.1
Ginkgo Bioworks	ⓟ	0.1
ARCH Ventures Fund XI	ⓤ	<0.1
ARCH Ventures	ⓤ	<0.1
Arch Venture Partners Overage	ⓤ	<0.1
ARCH Ventures Fund X	ⓤ	<0.1
Uptake	ⓤ	<0.1
Bolt Projects Holdings Inc#	ⓟ	<0.1
Indigo Agriculture	ⓤ	–
Northvolt	ⓤ	–
Intarcia Therapeutics	ⓤ	–
Total		**51.0**

2–5 years

Name		% of total assets
TSMC		5.7
Meta Platforms		2.7
Moderna		2.0
Cloudflare	ⓟ	1.6
Databricks	ⓤ	1.4
Sea		1.4
DoorDash		0.9
Blockchain.com	ⓤ	0.9
Insulet Corporation		0.8
Coupang		0.8
Roblox		0.7
Redwood Materials	ⓤ	0.7
Horizon Robotics	ⓤ	0.6
Nuro	ⓤ	0.4
Rappi	ⓤ	0.3

Name		% of total assets
Climeworks AG	ⓤ	0.3
Honor	ⓤ	0.3
PsiQuantum	ⓤ	0.2
Oddity	ⓟ	0.2
Solugen	ⓤ	0.2
Workrise	ⓤ	0.1
GoPuff	ⓤ	<0.1
Teya Services	ⓤ	<0.1
ARCH Venture Fund XII	ⓤ	<0.1
Antler East Africa Fund	ⓤ	<0.1
Upside Foods	ⓤ	<0.1
Relativity Space	ⓤ	–
Capsule	ⓤ	–
Blockstream	ⓤ	–
Total		**22.2**

Less than 2 years

Name		% of total assets
CATL		1.6
Nu Holdings		1.3
BYD		1.3
Anthropic Series F-1 Pref.*	ⓤ	1.1
Revolut		0.8
Hermès International		0.7
MiniMax		0.5
Applovin		0.5
RedNote*	ⓤ	0.4
MongoDB Inc.		0.3
Enveda	ⓤ	0.3
Figma Inc.		0.2
Loyal Animal Health Inc Series C Pref.*	ⓤ	0.2
ARCH Ventures Fund XIII	ⓤ	<0.1
Total		**9.2**

ⓤ Denotes unlisted (private company) security.
ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
Net liquid assets represent 0.1% of total assets. See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

List of investments as at 31 March 2026

Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Space Exploration Technologies Corp Series J Pref. ⓤ	Designs, manufactures and launches rockets and spacecraft	1,288,143	8.3		462,346
Space Exploration Technologies Corp Series N Pref. ⓤ	Designs, manufactures and launches rockets and spacecraft	1,035,290	6.7		371,591
Space Exploration Technologies Corp Class A Common ⓤ	Designs, manufactures and launches rockets and spacecraft	505,030	3.3		181,268
Space Exploration Technologies Corp Class C Common ⓤ	Designs, manufactures and launches rockets and spacecraft	155,773	1.0		55,911
		2,984,236	19.3		1,071,116
TSMC	Semiconductor manufacturing and design	883,114	5.7		475,447
ByteDance Ltd Series E Pref. ⓤ	Social media	385,856	2.5		297,943
ByteDance Ltd Series E-1 Pref. ⓤ	Social media	347,128	2.2		268,039
		732,984	4.7		565,982
MercadoLibre	Latin American ecommerce platform	615,868	4.0		807,112
Stripe Inc Series G Pref. ⓤ	Platform that provides payment processing solutions globally	245,836	1.6		142,284
Stripe Inc Series I Pref. ⓤ	Platform that provides payment processing solutions globally	240,934	1.6		139,447
Stripe Inc Class B Common ⓤ	Platform that provides payment processing solutions globally	86,552	0.6		50,094
Stripe Inc Series H Pref. ⓤ	Platform that provides payment processing solutions globally	36,064	0.2		22,113
		609,386	4.0		353,938
Amazon.com	Online retailer and cloud computing	550,310	3.6	Significant reduction	773,328
ASML	Lithography	497,213	3.2	Significant reduction	383,473
NVIDIA	Semiconductor company that designs and sells advanced chips	489,632	3.2		312,137
Meta Platforms	Social media	414,686	2.7	Significant reduction	643,236
Pinduoduo Inc	Chinese ecommerce	315,211	2.0	Significant reduction	529,284
Shopify	Cloud-based commerce platform provider	305,555	2.0	Significant reduction	319,098
Zipline International Inc Series D Pref. ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	103,980	0.7		67,575
Zipline International Inc Series C Pref. ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	88,794	0.6		57,706
Zipline International Inc Series E Pref. ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	78,457	0.5		50,987

* Significant additions and reductions to investments have been noted where the transaction value is at least a 20% movement from the value of the holding at 31 March 2025. The change in value over the year also reflects the share price performance and the movement in exchange rates.
ⓤ Denotes unlisted (private company) security.
ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
† The significant reduction was outweighed by an increase in the share price of the holding.
# The significant addition was outweighed by a decrease in the share price of the holding.

Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Zipline International Inc Series H Pref. ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	17,441	0.1	Follow-on purchase	–
Zipline International Inc Series G Pref. ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	15,258	0.1		10,827
		303,930	2.0		187,095
Moderna	Clinical stage biotechnology company	303,020	2.0		189,433
Ferrari	Luxury automobiles	291,080	1.9		391,400
Wise Plc ⓟ	Online platform to send and receive money	285,450	1.9		332,162
Spotify Technology SA ⓟ	Online music streaming service	285,116	1.8	Significant reduction	472,502
CATL	Chinese EV battery manufacturer	254,055	1.6	New purchase	–
Cloudflare	Application software developer	247,810	1.6	Significant reduction	202,662
Databricks Inc Series H Pref. ⓤ	Data software solutions	175,876	1.1		87,478
Databricks Inc Series J Pref. ⓤ	Data software solutions	32,305	0.2		16,068
Databricks Inc Series I Pref. ⓤ	Data software solutions	17,349	0.1		8,629
		225,530	1.4		112,175
Sea	Consumer internet company	221,184	1.4	Significant purchase	273,440
Nu Holdings	Latin American digital bank	203,590	1.3	Significant purchase	85,720
BYD	Electric vehicle manufacturer	203,515	1.3		215,597
Meituan Dianping ⓟ	Local services aggregator	183,513	1.2		399,277
Anthropic Series F-1 Pref. ⓤ	Next-generation AI model developer	171,462	1.1	New purchase	–
Tempus AI Inc ⓟ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	158,474	1.0	Significant reduction	276,090
Adyen	Platform that provides payment processing solutions globally	158,127	1.0		264,794
Netflix	Subscription service for TV shows and movies	156,496	1.0	Significant reduction	257,198
Aurora Innovation Inc Class A Common ⓟ	Developer of driverless vehicle technology	127,954	0.8		213,740
Aurora Innovation Inc Class B Common ⓟ	Developer of driverless vehicle technology	18,305	0.2		30,578
		146,259	1.0		244,318
Snowflake Inc ⓟ	Developer of a SaaS-based cloud data warehousing platform	144,482	0.9		142,988
Atlas Copco	Engineering	142,905	0.9		134,934
DoorDash	Operates an online food ordering and food delivery platform	140,405	0.9	Significant reduction	226,576

* Significant additions and reductions to investments have been noted where the transaction value is at least a 20% movement from the value of the holding at 31 March 2025. The change in value over the year also reflects the share price performance and the movement in exchange rates.
ⓤ Denotes unlisted (private company) security.
ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
† The significant reduction was outweighed by an increase in the share price of the holding.
# The significant addition was outweighed by a decrease in the share price of the holding.

Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Blockchain.com Series D Pref. ⓤ	Software platform for digital assets	60,114	0.4		61,111
Blockchain.com Series C-1 Pref. ⓤ	Software platform for digital assets	45,690	0.3		45,948
Blockchain.com Series E Pref. ⓤ	Software platform for digital assets	23,262	0.2		22,980
		129,066	0.9		130,039
Insulet	Medical device company	125,873	0.8		160,835
Revolut ⓤ	Neobank	121,009	0.8		77,474
Coupang	Ecommerce company	120,828	0.8		143,473
Kering	Luxury goods producer and retailer	120,525	0.8	Significant reduction	99,230
The Production Board Series A-2 Pref. ⓤ	Holding company for food technology companies	84,325	0.6		44,935
The Production Board Series A-3 Pref. ⓤ	Holding company for food technology companies	35,211	0.2		13,106
		119,536	0.8		58,041
Roblox	Online game platform and game creation system	111,754	0.7	Significant reduction	217,157
Hermès International	Luxury goods	102,869	0.7	Significant purchase	77,700
Denali Therapeutics ⓟ	Biotechnology	102,359	0.7		68,780
Ant International Ltd Class C Ord. ⓤ	Online financial services platform	101,969	0.7		125,012
Redwood Materials Inc. Series C Pref. ⓤ	Environmental battery recycling	76,371	0.5		82,944
Redwood Materials Inc. Series D Pref. ⓤ	Environmental battery recycling	18,960	0.2		20,592
Redwood Materials Inc. Series E Pref. ⓤ	Environmental battery recycling	6,245	<0.1	Follow-on purchase	–
		101,576	0.7		103,536
Affirm Holdings Inc Class B – converted at IPO ⓟ	Online platform which provides lending and consumer credit services	64,377	0.4		64,880
Affirm Holdings Inc Class A ⓟ	Online platform which provides lending and consumer credit services	36,150	0.2	Significant reduction	78,692
		100,527	0.6		143,572
Epic Games Inc ⓤ	Gaming platform	87,480	0.6		141,897
Horizon Robotics ⓟ	Designer and developer of AI chips and algorithms principally for advanced driving assistance systems and autonomous vehicles	84,096	0.6		87,364
Tesla Inc	Electric cars, autonomous driving and solar energy	76,050	0.5	Significant reduction	110,958

* Significant additions and reductions to investments have been noted where the transaction value is at least a 20% movement from the value of the holding at 31 March 2025. The change in value over the year also reflects the share price performance and the movement in exchange rates.
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ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
† The significant reduction was outweighed by an increase in the share price of the holding.
# The significant addition was outweighed by a decrease in the share price of the holding.

Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
MiniMax	Developer of AI foundation models and applications	72,970	0.5	New purchase	–
Applovin	Mobile gaming advertising technology leader	71,125	0.5	New purchase	–
RedNote ⓤ	Chinese lifestyle content and commerce platform	27,788	0.2	New purchase	–
RedNote Series A Pref. ⓤ	Chinese lifestyle content and commerce platform	13,917	0.1	New purchase	–
RedNote Series B-1 Pref. ⓤ	Chinese lifestyle content and commerce platform	13,917	0.1	New purchase	–
RedNote Series C Pref. ⓤ	Chinese lifestyle content and commerce platform	6,947	<0.1	New purchase	–
RedNote Series E Pref. ⓤ	Chinese lifestyle content and commerce platform	6,947	<0.1	New purchase	–
		69,516	0.4		–
Nuro Inc Series C Pref. ⓤ	Delivery business, using self-driving purpose-built electric vehicles	36,509	0.2		38,367
Nuro Inc Series D Pref. ⓤ	Delivery business, using self-driving purpose-built electric vehicles	23,466	0.2		24,496
Nuro Inc Series E Pref. ⓤ	Delivery business, using self-driving purpose-built electric vehicles	1,892	<0.1	Follow-on purchase	–
		61,867	0.4		62,863
Thumbtack Inc Series G Pref. ⓤ	Online directory service for local businesses	31,411	0.2		35,778
Thumbtack Inc Series I Pref. ⓤ	Online directory service for local businesses	11,185	0.1		12,417
Thumbtack Inc Series H Pref. ⓤ	Online directory service for local businesses	6,282	<0.1		7,156
Thumbtack Inc Series A Common ⓤ	Online directory service for local businesses	2,532	<0.1		3,496
Thumbtack Inc Series A Pref. ⓤ	Online directory service for local businesses	1,493	<0.1		2,061
Thumbtack Inc Series C Pref. ⓤ	Online directory service for local businesses	437	<0.1		603
Thumbtack Inc Series B Pref. ⓤ	Online directory service for local businesses	101	<0.1		140
		53,441	0.3		61,651
Rappi Inc. Series F Pref. ⓤ	Provider of an on-demand delivery platform designed to connect consumers with local stores	52,440	0.3		59,889
Joby Aviation Inc ⓟ	Electric aircraft	50,938	0.3		35,340
MongoDB Inc.	Developer of database software for modern applications	49,541	0.3	New purchase	–

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Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Climeworks AG Series F Pref. ⓤ	Direct air carbon capture	42,297	0.3		31,704
Climeworks AG Series F-2 Pref. ⓤ	Direct air carbon capture	4,719	<0.1	Follow-on purchase	–
Climeworks AG Non Voting Shares ⓤ	Direct air carbon capture	246	<0.1		243
		47,262	0.3		31,947
Recursion Pharmaceuticals Inc#	Uses image recognition/machine learning and automation to improve drug discovery	42,173	0.3		74,345
Tanium Inc Class B Common ⓤ	Provides security and systems management solutions	42,116	0.3		52,130
Honor Technology Inc Series D Pref. ⓤ	Provider of home-care services	22,515	0.2		26,542
Honor Technology Inc Series E Pref. ⓤ	Provider of home-care services	15,826	0.1		18,649
Honor Technology, Inc Promissory note	Provider of home-care services	3,109	<0.1		3,130
		41,450	0.3		48,321
Enveda Series D Pref. ⓤ	Biotechnology company	18,958	0.2	Follow-on purchase	–
Enveda Series C Pref. ⓤ	Biotechnology company	17,581	0.1		11,621
		36,539	0.3		11,621
PsiQuantum Series D Pref. ⓤ	Developer of commercial quantum computing	29,732	0.2		30,375
PsiQuantum Series E Pref. ⓤ	Developer of commercial quantum computing	5,439	<0.1	Significant purchase	3,099
		35,171	0.2		33,474
Bottle Planet Holdings ⓤ	Producer of alcoholic beverages	34,541	0.2		42,737
Delivery Hero	Operates an online food ordering and food delivery platform	31,206	0.2	Significant reduction	88,614
Oddity ⓟ	Cosmetic and skincare platform	30,885	0.2		101,802
JRSK Inc (Away) Series D Pref. ⓤ	Manufactures luggage	12,196	0.1		12,682
JRSK Inc (Away) Convertible Promissory Note 2021 ⓤ	Manufactures luggage	7,924	<0.1		7,871
JRSK Inc (Away) Convertible Promissory Note ⓤ	Manufactures luggage	7,924	<0.1		7,871
JRSK Inc (Away) Series Seed Pref. ⓤ	Manufactures luggage	1,619	<0.1		2,010
		29,663	0.2		30,434

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Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
KSQ Therapeutics Inc Series C Pref. ⓤ	Biotechnology company	15,057	0.1		17,355
KSQ Therapeutics Inc Series D-1 Pref. ⓤ	Biotechnology company	12,097	0.1	Significant purchase	6,541
		27,154	0.2		23,896
Ocado	Online grocery retailer and technology provider	25,076	0.2		39,487
Figma Inc.	Leading collaborative design platform software	24,058	0.2	New purchase	–
Carbon Inc Series Prime Pref. ⓤ	Manufactures and develops 3D printers	8,772	0.1	Follow-on purchase	–
Carbon Inc Series 1-D Pref. ⓤ	Manufactures and develops 3D printers	8,716	0.1		21,924
Carbon Inc Series 1-E Pref. ⓤ	Manufactures and develops 3D printers	6,371	<0.1		15,492
		23,859	0.2		37,416
Solugen Inc. Series C-1 Pref. ⓤ	Sustainable chemical manufacturer	22,728	0.2		46,336
Zocdoc Inc Series D-2 Pref. ⓤ	Online platform for searching for doctors and booking appointments	22,224	0.2		25,181
Heartflow Inc.	Develops software for cardiovascular disease diagnosis and treatment	20,004	0.2	Significant reduction	19,445
Loyal Animal Health Inc Series C Pref. ⓤ	Developer of veterinary medicines for dogs	18,958	0.2	New purchase	–
Lumeris Group Holdings Series 3 Pref.	Healthcare business services	17,384	0.1		36,133
Workrise Technologies Inc Series E Pref. ⓤ	Online platform connecting contractors with work	17,125	0.1		25,167
Sana Biotechnology Inc#	Biotechnology company creating and delivering engineered cells as medicine	14,384	0.1	Significant purchase	7,585
The Brandtech Group LLC ⓤ	Digital advertising	13,888	0.1		127,078
Ginkgo BioWorks Inc#	Bio-engineering company	11,081	0.1		10,543
GoPuff Inc (GoBrands) Series G Pref. ⓤ	On demand retail delivery service	7,436	<0.1		5,289
GoPuff Inc (GoBrands) Convertible Loan Note ⓤ	On demand retail delivery service	1,289	<0.1	Follow-on purchase	–
		8,725	<0.1		5,289

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Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Teya Services Ltd Non-Voting Ordinary Shares ⓤ	Payment and management solutions	7,825	<0.1		8,685
Teya Services Ltd Voting Ordinary Shares ⓤ	Payment and management solutions	–	–		–
		7,825	<0.1		8,685
WI Harper Fund VIII ⓤ	Venture capital fund	6,840	<0.1		9,577
Global AI Opportunities Fund	Artificial intelligence based algorithmic trading	5,963	<0.1		5,237
ARCH Ventures Fund XI ⓤ	Venture capital fund to invest in biotech start-ups	5,385	<0.1		7,405
ARCH Ventures Fund XII ⓤ	Venture capital fund to invest in biotech start-ups	5,322	<0.1		5,104
ARCH Ventures Fund IX ⓤ	Venture capital fund to invest in biotech start-ups	5,055	<0.1		5,516
Sinovation Fund III ⓤ	Venture capital fund	4,900	<0.1		8,280
ARCH Ventures Fund XIII ⓤ	Venture capital fund to invest in biotech start-ups	4,858	<0.1	Significant purchase	1,829
Upside Foods Inc Series C-1 Pref. ⓤ	Cultivated meat producer	3,231	<0.1		8,845
WI Harper Fund VII ⓤ	Venture capital fund	2,351	<0.1		2,781
ARCH Ventures Fund X Overage ⓤ	Venture capital fund to invest in biotech start-ups	2,590	<0.1		6,368
ARCH Ventures Fund X ⓤ	Venture capital fund to invest in biotech start-ups	2,401	<0.1		6,220
Antler East Africa Fund I LP ⓤ	Venture capital fund helping entrepreneurs establish their businesses in East Africa	1,025	<0.1		863
Uptake Technologies Inc Class C Common. ⓤ	Designs and develops enterprise software	940	<0.1		–
Innovation Works Development Fund ⓤ	Venture capital fund	621	<0.1		984
Illumina CVR	Biotechnology equipment	512	<0.1		555
Bolt Projects Holdings Inc ⓟ	Natural fibres and fabrics manufacturer	9	<0.1		586
Indigo Agriculture Inc Class A Common. ⓤ	Analyses plant microbiomes to increase crop yields	–	–		455
Relativity Space Inc ⓤ	Aerospace company, designs and builds rockets using 3D printers	–	–		–
Capsule Corp Series E Pref. ⓤ	Digital platform providing home delivery of prescription medication	–	–		2,228
Capsule Corp Series 1-D Pref. ⓤ	Digital platform providing home delivery of prescription medication	–	–		1,779
		–	–		4,007

* Significant additions and reductions to investments have been noted where the transaction value is at least a 20% movement from the value of the holding at 31 March 2025. The change in value over the year also reflects the share price performance and the movement in exchange rates.
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Name	Business	Fair value 31 March 2026 £'000	% of total assets	Notes *	Fair value 31 March 2025 £'000
Blockstream Corporation Inc Series B-1 Pref. ⓤ	Financial software developer	–	–		–
Northvolt AB Promissory Note ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	–	–		–
Northvolt AB Series E1 Pref. ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	–	–		–
Northvolt AB Series E2 Pref. ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	–	–		–
Northvolt AB Series A Ord. ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	–	–		–
Northvolt AB Series D1 Pref. ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	–	–		–
		–	–		–
Intarcia Therapeutics Inc Convertible Bond ⓤ	Implantable drug delivery system	–	–		–
Total Investments		**15,409,435**	**99.9**		
Net Liquid Assets¶		18,938	0.1		
Total Assets¶		**15,428,373**	**100.0**		

	Listed equities %	Unlisted (private company) securities ‡ %	Unlisted (private company) bonds %	Net liquid assets ¶ %	Total %
31 March 2026	**58.4**	**41.4**	**0.1**	**0.1**	**100.0**
31 March 2025	72.0	27.5	0.2	0.3	100.0

Figures represent percentage of total assets.

* Significant additions and reductions to investments have been noted where the transaction value is at least a 20% movement from the value of the holding at 31 March 2025. The change in value over the year also reflects the share price performance and the movement in exchange rates.

ⓤ Denotes unlisted (private company) security.

ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

\# The significant addition was outweighed by a decrease in the share price of the holding.

† The significant reduction was outweighed by an increase in the share price of the holding.

‡ Includes holdings in preference shares, ordinary shares and contingent value rights.

¶ See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

§ The publicly listed holding in Illumina was sold during the year to 31 March 2024. The company retains an unlisted CVR instrument.

The following investments were completely sold during the year: Kinnevik and Wayfair.

Source: Baillie Gifford/StatPro.

Business review

Business model

Business and status

Scottish Mortgage Investment Trust PLC ('the Company') is a public company limited by shares and is incorporated in Scotland. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed amount of share capital although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs during the year so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund ('AIF') for the purposes of the UK Alternative Investment Fund Managers Regulations.

Change to Investment Policy

Following the year end, the Board sought and obtained shareholder approval at a General Meeting held on 10 April 2026 to amend the Company's Investment Policy. The amendment provides the Board with limited additional flexibility to permit further investment in private (unlisted) companies in certain circumstances. The change reflects the impact of market movements, revaluations of private investments and the Company's share buyback programme, which can increase the proportion of assets invested in private companies without additional investment being made. In particular, these factors resulted in the Company's private company exposure exceeding the existing 30% limit, constraining its ability to make further investments, including follow-on investments in existing holdings. The revised Investment Policy allows the Board, subject to shareholder approval and defined limits, to permit up to £250 million of additional investment in private companies when the existing limit has been exceeded. This flexibility is intended to support the Company's ability to continue to make investments, including follow-on investments, within a framework of appropriate governance and ongoing shareholder oversight. The amended Investment Policy is set out below.

Investment objective

Scottish Mortgage carries on business as an investment trust. The objective is to maximise total return from a portfolio of long term investments chosen on a global basis enabling the Company to provide capital and dividend growth.

Investment policy

Investment is predominantly in equities. The number of equity holdings will typically range between 50 and 100 and the portfolio can be relatively concentrated. Achieving diversification is a requirement when selecting investments but an unconstrained approach is adopted and there are no fixed limits set as to geographical, industry and sector exposure. Portfolio concentration and levels of diversity are monitored by the Board on a regular basis. The maximum investment in any one holding is limited to 8% of total assets at the time of purchase.

A long term investment horizon is observed and little attention is paid to short term market trends when deciding strategy. This patient approach allows market volatility to be exploited to shareholders' long term advantage. An average holding period for investments of five years or more is targeted.

The major part of the portfolio will be held in quoted equities with good liquidity. Investment may also be made in fixed interest securities, convertible securities, funds, unquoted entities and other assets based on the individual investment case. The maximum amount which may be invested by the Manager in companies not listed on a public market ("Private Companies") shall not exceed 30% of the total assets of the Company, measured at the time of purchase (the "30% Limit").

Notwithstanding the 30% Limit above, the Board may permit the Manager to make additional investments in Private Companies of up to an aggregate amount of £250 million (the "Additional Private Investment Capacity") where the aggregate amount held in Private Companies has exceeded (or would, following any use of the Additional Private Investment Capacity, exceed) 30% of the total assets of the Company provided that:

(I) this discretion[1] has been renewed by shareholders at the Company's most recently held annual general meeting;

(ii) the £250 million cap shall apply for the duration of the period when the 30% Limit is exceeded; and

(iii) an overall cap of £250 million shall also apply in any period between one annual general meeting of the Company and the next (regardless of how many times the 30% Limit is exceeded during that period).

With prior approval of the Board, the Company may use derivatives for the purpose of efficient portfolio management (for the purpose of reducing, transferring or eliminating investment risk in its investment portfolio, including protection against currency risk) and for investment purposes. The maximum permitted investment in other UK listed investment companies in aggregate is 15% of gross assets.

The Company aims to achieve a greater return than the FTSE All-World Index (in sterling terms) over a five year rolling period or longer. This benchmark is a reference point for considering performance and emphatically is not a portfolio construction tool. The portfolio does not set out to reproduce the index and there will be periods when performance diverges significantly from the benchmark.

[1] With effect from the conclusion of the 2027 annual general meeting onwards.

The Managers' Core Investment Beliefs with respect to the Company are set out on pages 16 to 18.

Details of investment strategy and activity this year can be found in the Statement from the Chair on pages 4 to 6 and in the Managers' Review on pages 7 to 18. A detailed analysis of the Company's investment portfolio is set out on pages 25 to 43.

Liquidity policy

The Board recognises that it is in the long term interests of shareholders to manage discount/premium volatility. Whilst the Board believes that the primary driver of discounts over the longer term is performance, the relationship between the Company's NAV and share price can be impacted in the shorter term by an imbalance of buyers and sellers in the market.

The Board does not have formal discount or premium targets at which shares will be bought back or sold respectively, as it believes that the announcement of specific targets is likely to hinder rather than help the successful execution of a buyback/issuance policy. However, it will undertake to aid the efficient functioning of the market in its shares in normal market conditions, by acting when such a significant imbalance in supply and demand for the Company's shares exists.

The Board announced on 15 March 2024 that the Company would allocate at least £1 billion for share buybacks over the two-year period from 15 March 2024 to 15 March 2026. Over that period, the Company bought back 318.6 million shares at a total cost of £3.10 billion. Although that two-year programme has now concluded, the Board remains committed to undertaking share buybacks in normal market conditions, in line with the Liquidity Policy, where it considers there to be a significant imbalance between supply and demand for the Company's shares and where such buybacks are in the best interests of shareholders.

During the year the Company bought back a total of 122,884,921 shares into treasury. Between 1 April 2026 and 21 May 2026, no shares were bought back. During the year the Company issued no ordinary shares from treasury. Between 1 April 2026 and 21 May 2026, 24,750,000 ordinary shares were issued from treasury.

In order to be able to implement this strategy over the coming year, the Directors will seek the relevant authorities from shareholders at the forthcoming Annual General Meeting.

To prevent substantial demand for the Company's shares pushing them to trade at a significant premium to the underlying NAV, the Board will again seek shareholder authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total amount representing approximately 10 per cent of the Company's total issued Ordinary Share capital.

Having regard to guidance previously received from the Financial Conduct Authority 'FCA' and consistent with the approach adopted in previous years, the Directors wish to ensure that any such sale of Ordinary Shares held in treasury or issue of new Ordinary Shares will not result in an inadvertent breach of the Listing Rules by virtue of the FCA determining that 'net asset value' should be calculated on the basis of debt valued at par value, instead of the general market understanding that net asset value is determined on the basis of debt valued at fair value. The Directors will therefore also seek to renew the authority previously granted to issue shares at a discount to net asset value with debt at par value, in order to continue to protect against any such inadvertent breach. The Directors wish to stress that they will in no circumstances seek to issue Ordinary Shares (including any Ordinary Shares held in treasury) for cash at a price below the net asset value per share on the basis of debt valued at fair value.

The Directors are further seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 14.99 per cent. of the Ordinary Shares in issue from the date of grant of the authority to the date of the Annual General Meeting in 2027. Such purchases will only be made at a discount to the prevailing net asset value. Any such shares which are bought back may be held in treasury and may subsequently then either be sold for cash or cancelled.

Dividend policy

The Board intends to pay a modest but growing dividend in accordance with the stated Investment Objective of the Company to maximise total return from a portfolio of long term investments chosen on a global basis enabling the Company to provide capital and dividend growth. The Board anticipates that returns will primarily be driven by long term capital appreciation and that income will remain a small component of the total return, consistent with the Company's growth focused investment strategy.

The dividend will be paid from a combination of revenue earnings, revenue reserves (if any) and distributable capital reserves (comprising mainly realised investment gains), provided that the Board remains of the view that the total returns being earned by the Company over the long run justify this use of capital reserves.

The Board will continue to keep the dividend policy and the use of realised capital reserves under review.

Gearing policy

The Board is committed to the strategic use of borrowings in the belief that gearing the portfolio into long run equity market returns will enhance returns to shareholders over the long term. The Board views this capacity to use debt as one of the principal advantages of the investment trust structure. In line with the long term approach taken, no attempt is made to time short term market movements through tactical shifts in the level of gearing. The gearing instruments will include debt instruments with different durations. Where the Board deems it appropriate, borrowings may be denominated in foreign currencies as well as sterling.

Although the borrowings limit set out in the Articles of Association is 50% of issued and fully paid share capital and reserves, borrowing covenants are in place restricting gearing to 35% of adjusted net asset value or total assets (dependent on the lender). The Company will not take out additional borrowings if, at the time of borrowing, this takes gearing beyond 30% (calculated in accordance with the AIC guidelines).

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key Performance Indicators

The key performance indicators ('KPIs') used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in net asset value per ordinary share (after deducting borrowings at fair value);
- the movement in the share price;
- the movement of net asset value and share price performance compared to the FTSE All-World Index;
- the premium/discount (after deducting borrowings at fair value);
- the ongoing charges ratio and;
- dividend per share.

An explanation of these measures can be found in the Glossary of terms and Alternative Performance Measures on pages 123 to 125.

The one, five and ten year records of the KPIs are shown on pages 21 to 24. The primary KPIs are also presented on page 1.

In addition to the above, the Board considers performance against other companies within the AIC Global Sector.

Borrowings

There are two debentures in issue, both of which are listed and quoted on the London Stock Exchange and details of which are given on pages 98, 104 and 110. The Company has also issued private placement loan notes as detailed on page 98. In addition, loan facilities are in place which are shown on pages 96 and 97.

During the year the level of borrowings was unchanged. During the year, the undrawn US$75 million revolving credit facility with Industrial and Commercial Bank of China ("ICBC") was refinanced with a new US$120 million revolving credit facility. The US$300 million Scotiabank three-year fixed-rate loan expired and was refinanced through drawdowns of US$120 million from the new ICBC facility, US$30 million from a new US$75 million revolving credit facility with The Bank of New York Mellon, and US$150 million from a new US$150 million revolving credit facility with Banco Bilbao Vizcaya Argentaria S.A.

Principal and emerging risks

As explained on page 66, there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity.

In light of the requirements of Provision 29 of the UK Corporate Governance Code and Provision 34 of the AIC Code, the Board continues to review and enhance the Company's risk management and internal control framework in preparation for compliance with the enhanced reporting requirements applicable to financial years beginning on or after 1 January 2026. This review is focused on identifying the Company's material risks, being those risks which could have the most significant impact on the Company's ability to achieve its investment objective and continue in operation, and on assessing the material controls in place to manage or mitigate those risks.

As a result, the Board has rationalised and consolidated its risk disclosures into a smaller number of clearly defined material risks. This consolidation reflects the interrelated nature of a number of previously disclosed risks, particularly where macroeconomic, geopolitical and regulatory factors act as amplifiers of underlying investment and operational risks, rather than representing standalone risks.

The Board considers that the following represent the Company's material risks. These will form the basis for the Board's future assessment of the effectiveness of the Company's material controls. Further information on the Board's oversight of risk management and internal controls, including the Audit Committee's review of the Company's internal control environment, is set out in the Corporate Governance Report on page 67 and the Audit Committee Report on pages 69 to 70.

The Board also considers emerging risks, being those that may not have an immediate impact but could arise over the longer term. The Board considers that the key emerging risks arise from the interconnectedness of global economies and the related exposure of the Company's portfolio to external developments. These include risks associated with the societal and financial implications of escalating geopolitical tensions, rapid technological developments (including artificial intelligence) and changes in the global regulatory environment.

The Board monitors these risks on an ongoing basis and considers their potential impact within the context of the material risks outlined below.

	What is the risk?	How is it managed?	Current assessment of risk

Financial Risk	The Company's assets consist mainly of listed securities and unlisted investments and its principal financial risks are therefore market related. These include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. Further explanation of market risk, liquidity risk and credit risk and illustrative sensitivities is provided in Note 19 to the Financial Statements.
	
	The Company's investment strategy, including its focus on long-term growth companies and its unconstrained approach to portfolio construction, may result in increased volatility and periods of underperformance relative to the comparative index. The pursuit of this strategy, or the ineffective implementation of it through stock selection and portfolio construction, may lead to reduced returns for shareholders and a decreased demand for the Company's shares.
	
	The Company's exposure to private (unlisted) investments may increase these risks. Such investments:
	• may be more difficult to buy or sell
	• are less liquid than listed securities
	• require the use of subjective valuation methodologies
	• may be perceived to be more volatile or their valuations less certain, particularly in periods of market stress or where funding conditions are constrained
	
	The Company may also have significant exposure to individual holdings, meaning that the performance of a limited number of investments can have a material impact on overall portfolio returns.
	
	Macroeconomic and geopolitical developments, including changes in interest rates, inflation, global trade dynamics and political instability, together with changes in regulatory posture in local market jurisdictions, and environmental, social and governance factors (including climate-related risks and regulatory developments), may exacerbate these risks by:
	• increasing market volatility
	• affecting capital availability and funding conditions
	• influencing company valuations and investor sentiment
	
	These risks are interrelated and ultimately manifest through the Company's net asset value, share price performance and long-term shareholder returns.
		The Board has, in particular, considered the impact of heightened macroeconomic and geopolitical concerns on the Company's investment portfolio.
		
		The Board considers at each meeting a range of portfolio metrics, including:
		• individual stock performance and weightings
		• the top and bottom contributors to performance
		• sector and geographic exposures
		• levels of portfolio concentration
		
		The Managers provide detailed rationale for stock selection decisions and portfolio positioning.
		
		To mitigate these risks, the Board:
		• regularly reviews and monitors the Company's investment objective, policy and strategy and their implementation
		• undertakes periodic in-depth reviews of investment strategy and portfolio construction, including consideration of performance outcomes
		• monitors the Company's exposure to private company investments, ensuring:
		  ◦ adherence to investment policy limits
		  ◦ regular and robust valuation processes, including oversight of valuations supported by an independent third-party valuation adviser (S&P Global), and with reference to the Managers' valuation policy detailed in Note 1(c) to the Financial Statements
		• reviews the balance between conviction and diversification, particularly in relation to larger holdings
		• considers the potential impact of currency movements, including the interaction between portfolio assets and foreign currency borrowings
		• engages closely with the Managers, including through an annual update from the Managers' investment risk team, to ensure that portfolio risks are identified, understood and appropriately managed
			This risk remains high but stable given ongoing market volatility and the Company's long-term growth investment approach.
			
			The external environment continues to be characterised by heightened geopolitical tensions, including ongoing conflicts and shifting global alliances, together with greater unpredictability in government policy and international trade dynamics, which may contribute to increased market volatility and uncertainty.
			
			In addition, rapid technological developments, particularly in areas such as artificial intelligence, are creating both significant opportunities and uncertainty. The potential implications for business models, capital allocation and wider society may influence investor sentiment and contribute to periods of market dislocation.
			
			The Company's exposure to private company investments and the increased concentration of the portfolio, including as a result of valuation uplifts in certain holdings, may further amplify the impact of adverse market movements on overall returns, particularly where a limited number of holdings represent a significant proportion of the portfolio.

High Risk
Moderate Risk
Low Risk
Increasing Risk
Decreasing Risk
Stable Risk

	What is the risk?	How is it managed?	Current assessment of risk
Discount Risk	The Company's shares may trade at a discount to net asset value. A sustained or widening discount may: • reduce shareholder returns • undermine investor confidence • increase the risk of shareholder activism or pressure on capital allocation decisions The level of the discount is influenced by a range of factors, including the Company's performance, investor sentiment towards the investment trust sector and broader market conditions.	The Board monitors the level of discount and shareholder sentiment on an ongoing basis. The Board has authority to undertake share buybacks where considered to be in the best interests of shareholders. During the year to 31 March 2026, the Company bought back 122.9 million shares at a total cost of £1.31 billion. Over the two-year period to 31 March 2026, the Company has bought back 307.7 million shares at a total cost of £3.02 billion, representing approximately 22% of the issued share capital as at 31 March 2024. The Board continues to take a pragmatic approach to capital allocation, balancing the use of share buybacks with other uses of capital, including new investments. The Board engages actively with shareholders and monitors developments within the wider investment trust sector.	This risk is considered to be reducing and moderate. The Company's average discount remained broadly stable, narrowing from 9.7% to 9.6% over the year to 31 March 2026, although the year-end discount widened slightly from 9.0% to 9.5%. Following the year end, the shares moved to a premium. While discount volatility remains influenced by market conditions and investor sentiment, the scale of share buybacks undertaken by the Company and the Board's continued focus on capital allocation have strengthened its ability to manage this risk effectively.
Regulatory Risk	Failure to comply with applicable legal and regulatory requirements could result in: • financial penalties • reputational damage • suspension of the Company's shares from listing • loss of investment trust status A breach of the conditions required to maintain investment trust status could result in the Company losing its approved status and becoming liable to pay tax on capital gains, which would have a significant adverse impact on shareholder returns. In addition, changes to the regulatory environment affecting investment trusts could increase the administrative and compliance burden on the Company or reduce its operational flexibility.	The Board relies on the Managers' compliance, risk and internal audit functions to ensure adherence to applicable regulations. The Audit Committee receives regular reports on compliance monitoring and the effectiveness of internal controls. Shareholder communications, including the Annual and Interim Reports, are subject to robust internal review processes to ensure compliance with applicable requirements. Procedures are also in place to ensure adherence to relevant market regulations, including disclosure obligations. The Board and Managers monitor regulatory developments closely and, where appropriate, make representations in respect of proposed changes to ensure that the interests of the Company and its shareholders are recognised.	This risk is considered to be low and stable. The Company continues to operate within a well-established regulatory framework and control procedures are considered to be operating effectively.

High Risk Moderate Risk Low Risk

Increasing Risk Decreasing Risk Stable Risk

	What is the risk?	How is it managed?	Current assessment of risk
Third Party Service Provider Risk	The Company relies on third-party service providers, including the Managers, depositary, custodian and registrar, for the provision of key operational, administrative and safeguarding functions. Failure of these providers' systems or controls could result in: • operational disruption • an inability to provide accurate reporting and monitoring • loss or misappropriation of assets The Company's exposure to private (unlisted) investments increases the importance of robust third-party processes and controls, particularly in relation to: • the valuation of investments, which involves the application of judgement and the use of external data inputs • the maintenance of accurate records and reporting, including for less liquid and less frequently priced assets Custody of the Company's assets may be compromised through control failures at the depositary or custodian, while failures in systems or processes may affect the integrity and timeliness of shareholder reporting.	The Board has delegated the design, implementation and operation of internal controls to the Managers but retains overall responsibility for oversight. Baillie Gifford & Co conducts an annual review of its system of internal controls, the results of which are documented in an independently audited internal controls report. This report is reviewed by the Managers' risk function, with a summary of key findings reported to the Audit Committee. The depositary, custodian and registrar provide regular reports on their control environments, including the safekeeping of assets and maintenance of shareholder records. Where available, independently audited internal controls reports are reviewed by the Managers' risk function and reported to the Audit Committee, with any issues investigated. The Managers conduct periodic due diligence on key third-party service providers, including consideration of their control environments and operational resilience, with findings reported to the Board as appropriate. The Company's assets are subject to independent reconciliation and verification procedures, including: • reconciliation of holdings to custodian records • confirmation of ownership of securities and cash balances • verification of holdings with counterparties and, where appropriate, investee companies In relation to private company investments, the valuation processes operated by the Managers, including the use of independent third-party inputs and the governance of valuation decisions, form part of Baillie Gifford's internal control framework and are subject to review by its internal audit function, with relevant findings reported to the Board. Baillie Gifford maintains business continuity and disaster recovery plans designed to ensure the continued operation of systems and processes in the event of a disruption. The Board considers the performance and resilience of all key service providers on an ongoing basis and believes that alternative providers could be engaged if required.	This risk is considered to be low and stable – control procedures are operating effectively. While the increasing complexity of private company investments places greater reliance on robust third-party processes, the Board considers that appropriate controls and oversight arrangements are in place.

High Risk Moderate Risk Low Risk

Increasing Risk Decreasing Risk Stable Risk

	What is the risk?	How is it managed?	Current assessment of risk
Cyber Security Risk	A cyber attack on the systems of Baillie Gifford or the Company's third-party service providers could compromise the confidentiality, integrity or availability of data and systems, potentially resulting in: • operational disruption • financial loss • reputational damage The evolving nature of cyber threats, including the increasing sophistication of attacks and the potential for the malign use of emerging technologies such as artificial intelligence to automate, scale and target cyber attacks, may increase both the likelihood and potential impact of cyber incidents. In addition, the continued reliance on digital systems, the use of third-party service providers and the interconnectedness of those providers may increase exposure to cyber risks.	The Audit Committee receives regular reporting from Baillie Gifford's Business Risk function on the effectiveness of information security controls and the broader cyber security framework. Cyber security due diligence is performed on key third-party service providers, including an assessment of their information security controls, crisis management procedures and operational resilience. The Baillie Gifford Business Risk function also reviews internal controls reports provided by key third-party service providers, where available, and reports its findings to the Audit Committee. Baillie Gifford maintains business continuity and disaster recovery plans, designed to ensure the continued operation of systems and processes in the event of a cyber incident or other disruption. The Baillie Gifford Business Risk function reviews the resilience of key systems and service providers, with any significant matters reported to the Board.	This risk is considered to be moderate and increasing due to the evolving threat landscape, heightened geopolitical tensions and the growing sophistication of cyber attacks, including those enabled by emerging technologies.
Leverage Risk	The Company may borrow money for investment purposes, a practice also known as gearing or leverage. If the value of investments falls, any borrowings will magnify the impact of these losses. There is also a risk that borrowing facilities may not be renewed or that covenant requirements may not be met, which could require the Company to sell investments to repay borrowings at an unfavourable time. Further details of the Company's borrowings and related risks are set out in Notes 11 and 12 to the Financial Statements on pages 96 to 98.	The Board has set limits on the level of gearing and reviews these at each Board meeting. All borrowings require prior approval of the Board and compliance with loan covenants is monitored on an ongoing basis. During the year, all borrowing facilities that expired were successfully refinanced, demonstrating continued access to funding. The Company's borrowings are structured across a range of maturities, providing flexibility in managing gearing levels. Approximately 27% of the Company's debt is in the form of revolving credit facilities, which can be repaid at short notice, enhancing the Company's financial flexibility. The majority of the Company's investments are in listed securities which are readily realisable and could be sold to repay borrowings if required. The Company also maintains access to undrawn revolving credit facilities of US$70 million, providing additional flexibility in managing liquidity and gearing.	This risk is considered to be moderate and reducing. Gearing decreased from 13% to 11% over the year to 31 March 2026, reflecting a reduction in borrowings and active management of the balance sheet. While the use of leverage continues to introduce additional risk in adverse market conditions, the current level of gearing, the successful refinancing of facilities and the availability of undrawn facilities provide flexibility in managing this risk.

High Risk　Moderate Risk　Low Risk

Increasing Risk　Decreasing Risk　Stable Risk

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code that the Directors assess the prospects of the Company over a defined period, the Directors have elected to do so over a period of 10 years. The Directors continue to believe this period to be appropriate as the investment objective of the Company is aimed at investors with a 5 to 10 year investment horizon and, subject to the assumptions detailed below, the Directors do not expect there to be any significant change to the current principal risks facing the Company nor to the adequacy of the controls in place to effectively mitigate those risks. Furthermore, the Directors do not reasonably envisage any change in strategy or any events which would prevent the Company from operating over a 10 year period.

Assumption 1

There is no significant adverse change to the regulatory environment and tax treatment enjoyed by UK investment trusts.

Assumption 2

The Company does not suffer sustained inadequate relative investment performance with the current or any successor fund managers such that the Company fails to maintain a supportive shareholder base.

Using the long term expectations of shareholders as the main determinant of the chosen assessment period, the Directors have conducted a robust assessment of the principal and emerging risks and uncertainties facing the Company, including climate change (as detailed on page 56) and, in particular, the impact of market risk where a significant fall in global equity markets would adversely impact the value of the investment portfolio. In reviewing the viability of the Company, the Directors have considered the key characteristics of the Company which include an investment portfolio that takes account of different degrees of liquidity, with moderate levels of debt and a business model where substantially all of the essential services required are outsourced to third party providers; this outsourcing structure allows key service providers to be replaced at relatively short notice where necessary.

The Directors have also considered the Company's leverage and liquidity in the context of the fixed term debentures, the private placement loan notes, the long term fixed rate bank loans, the short term bank loans, the revenue projections, the readily realisable nature of the listed portfolio which could be sold to provide funding if necessary and its stable closed ended structure. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of market deterioration. The leverage stress testing identified the impact on leverage in scenarios where gross assets fall by 25% and 50%, reflecting a range of market conditions that may adversely impact the portfolio. The liquidity stress testing has been conducted in line with ESMA liquidity stress testing guidelines. This included an analysis of a number of scenarios to reflect stressed liquidity conditions as well as a review of the one month liquidity available to repay Company borrowings.

The Directors have concluded that these sustainable long term characteristics provide a high degree of flexibility to the Company and afford an ability to react so as to mitigate both controllable and most external uncontrollable plausible risks and events in order to ensure the long term prosperity of the business.

Based upon the Company's processes for monitoring operating costs, share price premium/discount, the Managers' compliance with the investment objective, the portfolio risk profile, leverage, counterparty exposure, liquidity risk, financial controls and the Managers' operational resilience, the Board believes that the prospects of the Company are sound and the Directors are able to confirm that they have a reasonable expectation that it will continue in operation and meet its liabilities as they fall due over a period of at least 10 years.

Promoting the success of the Company (Section 172 Statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

In this context and having regard to Scottish Mortgage being an externally-managed investment company with no employees, the Board considers that the Company's key stakeholders are its shareholders, its externally-appointed Managers (Baillie Gifford) and other professional service providers (corporate brokers, registrar, auditors and depositary), lenders, wider society and the environment.

The Board considers that the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements.

The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

Stakeholder	Why we engage	How we engage and what we do
Shareholders	Shareholders are, collectively, the Company's owners: providing them with a return for their investment in accordance with the Company's investment policy and objective is the reason for its existence.	The Board places great importance on communication with shareholders. The Annual General Meeting provides an opportunity for the Board and Investment Manager to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Investment Manager and raise questions and concerns. The Board are available to meet with shareholders as appropriate and meetings with major shareholders were held during the year. The Investment Manager meets regularly with shareholders and their representatives, reporting their views back to the Board. Directors also attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's brokers. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.
Baillie Gifford, Manager and Secretaries	The Company's Board has delegated the management of the Company's portfolio and the administration of the Company's operations including fulfilment of regulatory and taxation reporting requirements to Baillie Gifford. Baillie Gifford are therefore responsible for the substantial activities of the Company and have the most immediate influence on its conduct towards the other stakeholders, subject to the oversight and strategic direction provided by the Board.	The Board seeks to engage with its Managers and Secretaries, and other service providers in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Portfolio companies	As all of the Company's operations are conducted by third party professional providers, it is the companies held in its investment portfolio which have the primary real-world impact in terms of social and environmental change, both positively and negatively, as well as generating, through their commercial success, the investment growth sought by the Company's shareholders. The investee companies have an interest in understanding their shareholders' investment rationale in order to assure themselves that long-term business strategies will be supported.	The Board is cognisant of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders. The Board's review of the Investment Manager includes an assessment of their ESG approach and its application in making investment decisions. The Board reviews Governance Engagement reports, which document the Investment Manager's interactions with investee companies on ESG matters (see page 19). The portfolio managers regularly report to the Board on discussions with portfolio companies on operational and strategic matters.
Brokers	The Company's brokers provide an interface between the Company's Board and its institutional shareholders.	The Company's brokers regularly attend Board meetings, and provide reports to those meetings, in order to keep the Board apprised of shareholder and wider market sentiment regarding the Company. They also arrange opportunities for shareholders to meet the Chairperson outside the normal general meeting cycle.
Registrar	The Company's registrars provide an interface with those shareholders who hold the Company's shares directly.	The Investment Manager liaises with the registrars to ensure the frequency and accuracy of communications to shareholders is appropriate, and monitor shareholder correspondence to ensure that the level of service provided by the registrar is acceptable. The Investment Manager's risk function reviews the registrar's internal controls report and reports on the outcome of this review to the Board.

Stakeholder	Why we engage	How we engage and what we do
Auditor	The Company's Auditor has a responsibility to provide an opinion on whether the Company's Financial Statements present a true and fair view of the state of affairs of the Company and its profit or loss for the period, and as a whole are free from material misstatement, as set out in more detail in the Auditor's report to the Members on page 75.	The Company's Auditor meets with the Audit Chair and the Board, in the absence of the Managers where deemed necessary, and the Managers undertake to provide all information requested by the Auditor in connection with the Company's annual audit promptly and to ensure that it is complete and accurate in all respects.
Depositary and Custodian	The depositary is responsible for the safekeeping of the Company's financial instruments, as set out in more detail on page 67.	The Depositary provides the Audit Committee with a report on its monitoring activities. The Investment Manager's Business Risk team reviews the relevant Bank of New York Mellon internal controls report and reports any relevant matters to the Audit Committee. The Board and Investment Manager seeks to engage with the Depositary and Custodian in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Regulatory Bodies	Engagement with regulatory bodies is important to ensure effective compliance with law and regulation. Failure to maintain good relations with regulatory bodies, or comply with relevant law and regulation, could lead to penalties and damage the Company's reputation. Regulatory risk can be mitigated by making representations to regulators regarding the specific circumstances of investment companies.	The Investment Manager engages regularly with regulatory bodies, including the Financial Reporting Council ('FRC'), and reports to the Board as appropriate. The Company engaged with the FRC regarding its thematic review of the Annual Report and Financial Statements for the year to 31 March 2025 and has sought to enhance the relevant disclosures in this Annual Report and Financial Statements where material and relevant.
AIC/industry peers	The Association of Investment Companies ('AIC') and the Company's investment trust industry peers have an interest in the Company's conduct and performance, as adverse market sentiment towards one investment trust can affect attitudes towards the wider industry.	The Company is a member of the AIC, and the Directors and/or the Investment Manager and Secretaries (as appropriate) participate in technical reviews, requests for feedback on proposed legislation or regulatory developments, corporate governance discussions and/or training.
Investment platforms	Investment platforms provide an interface with shareholders who invest in the Company indirectly.	The Investment Manager liaises with the various investment platforms on strategies for improving communications with the Company's shareholders who hold their shares via these platforms. An annual timetable of key dates is published on the Company's website, for the ease of reference of such shareholders.
Lenders	Lenders such as holders of debt instruments (debentures and private placement loan notes) and banks providing fixed or revolving credit facilities provide the Company's gearing and have an interest in the Company's ongoing financial health and viability.	The Company's legal advisers review all legal agreements in connection with the Company's debt arrangements and advise the Board on the appropriateness of the terms and covenants therein. The Managers and Secretaries ensure that the frequency and accuracy of reporting on, for example, covenant certification, is appropriate and that correspondence from the lenders receives a prompt response.

Stakeholder	Why we engage	How we engage and what we do
Wider society and the environment	No entity, corporate or otherwise, can exist without having an influence on the society in which it operates or utilising the planet's resources. Through its third-party relationships, as noted above, the Company seeks to be a positive influence and, in circumstances where that is not possible, to mitigate its negative impacts insofar as is possible. The primary real-world impact of the Company's operations are through the companies held in its investment portfolio – please refer to 'Portfolio companies' section above.	The Board and Investment Manager's interactions with the various stakeholders as noted above form the principal forms of direct engagement with wider society and in respect of the environment (commercial, financial, and in terms of planetary health and resources).

Matters raised with the Board and Managers by shareholders over the year included:

- **the discount to NAV per share.** Shareholders continued to express concern regarding the level of the Company's discount. The Board and Managers provided updates on the implementation of the Liquidity Policy, including the scale of share buybacks undertaken during the year and over the two-year period following the March 2024 announcement. The Board engaged closely with the Company's brokers throughout the year to explore ways to maximise the effectiveness of buybacks and to support the efficient functioning of the market in the Company's shares. These actions contributed to a narrowing of the discount over the year, with the Company's shares trading at a premium following the year end.
- **performance of the Company.** Shareholders continued to focus on the Company's performance, particularly in the context of the decline from the share price peak in November 2021. The Managers and Board provided context on the improvement in performance over the year to 31 March 2026 and reiterated the long-term nature of the investment approach. Updates on operational progress at portfolio company level were shared, with the view that long-term returns are driven by company fundamentals rather than short-term market sentiment. The Board and Managers confirmed that the investment process remains unchanged and continues to be focused on delivering long-term growth.
- **private company exposure and investment policy limits.** Shareholders raised questions regarding the Company's exposure to private companies and the constraints imposed by the existing investment policy limit. The Board engaged extensively with shareholders on this topic during the year. This dialogue culminated in the approval, at a General Meeting held on 10 April 2026, of a revised Investment Policy providing limited additional flexibility for investment in private companies, subject to defined limits and ongoing shareholder oversight. The Board and Managers provided detailed explanations of the rationale for the change and the governance framework supporting it.

Whilst the Company's operations are limited (with all substantive operations being conducted by the Company's third party service providers), the Board is keenly aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders and that proper consideration of ESG factors sits naturally with Scottish Mortgage's long-term approach to investment. The Board monitors the Managers' response to the current and anticipated impact of climate change on its investment strategy. The Board's approach to matters of diversity and inclusion is set out on page 64.

The Board recognises the importance of keeping the interests of the Company's stakeholders, and of acting fairly between them, firmly front of mind in its key decision making and the Company Secretaries are at all times available to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard.

During the year, the Board has continued to have regard to its duties under section 172 of the Companies Act 2006 and, in particular, to the long-term interests of shareholders and other stakeholders. Key actions taken by the Board during the year include:

- **Management of the share price discount and capital allocation**

  The Board has continued to prioritise the management of the Company's share price discount, recognising its importance to shareholder returns and investor confidence. Building on the commitment announced in 2024 to undertake significant share buybacks, the Company has bought back 122.9 million shares during the year to 31 March 2026 at a cost of £1.31 billion, and 307.7 million shares over the past two years at a total cost of £3.02 billion, representing approximately 22% of the issued share capital as at 31 March 2024. The Board has spent considerable time engaging with the Company's brokers to explore ways to maximise the effectiveness of these buybacks and to support the efficient functioning of the market in the Company's shares. These actions have contributed to a narrowing of the discount during the year and the Company's shares trading at a premium following the year end.

- **Refinancing of borrowing facilities**

  The Board has maintained oversight of the Company's financing arrangements, recognising the importance of stable and flexible funding in supporting the investment strategy. In the period up to the date of this report, approximately $670 million of borrowing facilities were successfully refinanced, demonstrating continued access to bank debt. The Board continues to support the measured use of gearing, where appropriate, to enhance long-term returns, while ensuring that borrowing levels and covenant requirements are carefully monitored.

- **Board composition and succession planning**

  The Board appointed Heather Manners as a non-executive Director during the year. Heather brings significant experience in fund management and investment trusts, as well as broader financial markets expertise. Her appointment strengthens the Board's collective skillset and supports effective oversight of the Company's investment strategy and governance framework.

- **Investment policy flexibility for private companies**

  Following consultation with shareholders, the Board sought and obtained approval at the General Meeting held on 10 April 2026 to amend the Company's investment policy to allow a limited additional capacity of up to £250 million for investment in private companies in certain circumstances. This provides the Board with greater flexibility to support existing investments and pursue attractive opportunities, while maintaining appropriate shareholder oversight through annual approval.

Employees, human rights and community issues

The Board recognises the requirement to provide information about employees, human rights and community issues.

As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues. Further information on the Company's approach to ESG matters is provided below. The Board encourages all service providers to the Company to consider matters of diversity and inclusion and report on progress to the Board annually (see page 64).

Gender representation

As at 31 March 2026, the Board comprises seven Directors, four male and three female. The Company has no employees. The Board's policy on diversity and inclusion is set out on page 64.

Environmental, social and governance policy

The consideration of ESG is gaining prominence in the finance industry. We welcome this but we are highly sceptical of the labels, metrics and box ticking which have become central to the broader ESG agenda for all too many. ESG has never been the starting point in our investment process. It is simply a by-product of our pursuit of long-term returns. However, we believe the need to create a more sustainable world represents a huge upside opportunity for companies on the front foot of change, and a material downside risk for those who are not. The impact a business has on society and its treatment of staff and customers will of course influence its chances of success. Given our investment time horizon of at least five years, we need to consider the possibility that environmental, social and governance factors will become internalised by market forces and regulation and could therefore influence the returns we generate for shareholders. More information and resources regarding the Managers' approach to environmental, social and governance factors can be found on the Company's website: **scottishmortgage.com**. The Managers' policy has been reviewed and endorsed by the Board.

Climate change

Scottish Mortgage does not seek specific climate outcomes as part of its investment objective.
However, as noted above, the Managers believe the need to create a more sustainable world represents a huge upside opportunity for companies on the front foot of the transition, and a material downside risk for those who are not. At Scottish Mortgage we don't believe that carbon foot-printing in isolation is especially helpful.
We view carbon footprints as a function of industry exposures rather than a company's ambition around decarbonisation. Some of the companies that are most important to the decarbonisation of the economy will have the highest footprints, for example Tesla Inc or BYD. For this reason, we do not believe that the environmental scores assigned by rating providers tell the whole story, and we are prepared to challenge them.

ESG reporting and signatories

A summary of the Company's voting activities is provided on page 20 and is published on the website under Portfolio Voting Disclosure on a quarterly basis.

The Managers have published a TCFD report in relation to the Company which can be found at **scottishmortgage.com**. This report is a means by which the portfolio's carbon footprint and exposure to climate risk are measured and reported. We believe companies disclosing their emissions and communicating emissions plans will be a helpful place from which to begin more useful discussions with management teams, industry experts and regulators. Ultimately, a carbon footprint is a first step, not an answer. It can direct our efforts but it also highlights the importance of company-level research. Only this can give an understanding of the performance, resilience and opportunity of the portfolio from a carbon perspective.

The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**.

The Managers are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project and are also members of the International Corporate Governance Network and the Asian Corporate Governance Association.

Modern Slavery Act 2015

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 ('Act') and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at **bailliegifford.com**.

Future developments of the Company

The outlook for the Company is set out in the Statement from the Chair on pages 4 to 6 and in the Managers' Reviews on pages 7 to 18.

The Strategic Report which includes pages 4 to 56 was approved by the Board of Directors and signed on its behalf on 26 May 2026.

Christopher Samuel
Chair

Directors and management

The members of the board come from a broad variety of backgrounds. The board can draw on an extensive pool of knowledge and experience.

Directors

Christopher Samuel

Christopher Samuel is an experienced Chair and non-executive director with financial services expertise. He was appointed to the Board in January 2025 and became Chair in July 2025. Formerly the Chief Executive of Ignis Asset Management, Christopher also held board level executive positions at several asset management businesses including Gartmore, Hill Samuel Asset Management and Cambridge Place Investment Management. Prior to that he worked at Prudential-Bache and KPMG, where he qualified as a chartered accountant. Christopher is a non-executive director of Quilter plc, having previously been Chair of Quilter Financial Planning Limited. He is chair of Oakley Capital Investments Limited. He was previously the Chair of BlackRock Throgmorton Trust plc, Chair of JP Morgan Japanese Investment Trust plc and a director of Alliance Trust, Sarasin, UIL and UIL Finance Limited.

Mark FitzPatrick

Mark FitzPatrick was appointed to the Board in 2021 and became Chair of the Audit Committee in 2022. He was appointed Chief Executive Officer for St. James's Place in December 2023, where he is responsible for setting the strategic direction and vision for growth for the UK's largest financial advice firm. Mark was previously Group Chief Executive Officer of Prudential plc until February 2023. Prior to this he was the Group Financial Officer & Chief Operating Officer of Prudential plc from 2017 to 2022. Mark led the Prudential's Group Executive Committee, was a member of its Board, and had overall responsibility for the executive management and leadership of the business. Mark also served as Chair of the Prudential Diversity & Inclusion Council and Chair of the Group ESG Committee. Prior to joining Prudential in 2017, Mark was a Managing Partner at Deloitte and a member of the Executive Committee and the Board of Deloitte, UK. He was Vice Chairman of Deloitte between 2011 and 2015. Mark previously led Deloitte's insurance & investment management audit practice and its insurance industry practice. He worked at Deloitte for 26 years, advising global insurance and investment management clients. He is currently on the Board of the British Heart Foundation, where he chairs their Audit and Risk Committees.

Professor Patrick H Maxwell

Patrick Maxwell is the Regius Professor of Physic and head of the School of Clinical Medicine at Cambridge University. He was appointed a Director in 2016 and is senior independent Director. Patrick has extensive knowledge and experience of the biotechnology sector and has made important research discoveries concerning how cells sense oxygen. He was elected a Fellow of the Academy of Medical Sciences in 2005. He is currently a member of the boards of Cambridge University Health Partners, Cambridge University Hospitals NHS Foundation Trust, Cambridge Enterprise and the International Biotechnology Trust PLC.

Vikram Kumaraswamy

Vikram was appointed to the Board in 2023. He is a partner and Head of India at L Catterton, a consumer focused private equity firm with c.$40bn assets under management globally. In this capacity, he leads the firm's India Fund which partners with late stage growth businesses in the Indian consumer market. He was formerly the Global Head of Treasury, Strategy and Corporate Development at Unilever where he led portfolio development, capital allocation and financial strategy with responsibility for corporate strategy, treasury operations, M&A sourcing and execution, competitor intelligence and corporate venturing. He has lived and worked in Mumbai, Singapore, London and Jakarta.

Stephanie Leung

Stephanie Leung is the Co-founder and CEO of KareHero Group, a social mission driven enterprise that helps working adults balance their careers while caring for elderly relatives. She was appointed a Director in 2023. She has spent approximately 25 years in executive leadership roles in large enterprise and tech-led businesses across the globe, most notably as part of Uber's EMEA leadership team, overseeing operations across 20 countries, and as DEI Co-Chair and Head of EMEA for Women@Uber. She also formed part of Uber's NED team in the UK. Earlier in her career, Stephanie was Chief Projects Officer at Monitor Group and CEO of Greater China at HAVI Group, eventually becoming the youngest member to join the global board, overseeing 40 countries as Chief Strategy and Business Development Officer. Stephanie began her career at Goldman Sachs as a Financial Analyst.

Sharon Flood

Sharon Flood was appointed to the Board in 2023 and became Chair of the Remuneration Committee in 2026. Sharon is a Non-Executive Director of Getlink SE, where she is Chair of Safety and Security, and of CityFibre, where she is Chair of Audit. Sharon previously served as Chair of Seraphine Group PLC and S T Dupont SA, and as a non-executive director at Pets at Home PLC, Crest Nicholson PLC, Network Rail Ltd, The Go-Ahead Group Limited and Govia Thameslink Railway Limited. She has chaired Audit, Remuneration and ESG committees. A Fellow of the Chartered Institute of Management Accountants, Sharon has also held leadership roles at Sun European Partners and the John Lewis Partnership. She is Chair of Council of the University of Bath and was formerly a Trustee of the University of Cambridge, the Science Museum Group and Shelter.

Managers and secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretary. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which has been Managers and Secretaries to the Company since its formation in 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages twelve closed-ended investment companies. Baillie Gifford also manages open-ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Based in Edinburgh, the partnership is one of the leading privately owned investment management firms in the UK.

The Manager of Scottish Mortgage's portfolio is Tom Slater. Lawrence Burns is Deputy Manager. Tom Slater is a partner and Head of the North American equities team. Lawrence Burns is also a partner and leads international strategies that are focused on investing outside the US.

Baillie Gifford & Co and Baillie Gifford & Co Limited are both authorised and regulated by the Financial Conduct Authority.

Heather Manners

Heather Manners was appointed to the Board on 1 January 2026. She is an award-winning market professional with some 34 years' experience of investment in Asia, the most recent 15 of which were spent as the co-founder, CEO and CIO of Prusik Investment Management. She is the Chair of Fidelity Emerging Markets Limited, a non-executive director of Montanaro Asset Management, and a non-executive director of Collidr Asset Management. She was previously a non-executive director of Aberdeen New Dawn. Heather began her career at Henderson Global Investors Limited, where, latterly, she was Head of Asia and Emerging Markets.

Directors' report

The Directors present their Report together with the audited Financial Statements of the Company for the year to 31 March 2026.

Corporate governance

The Corporate Governance Report is set out on pages 63 to 68 and forms part of this Report.

Manager and company secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting has been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Investment Management Agreement sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than six months' notice. The annual management fee for the year to 31 March 2026 was 0.30% on the first £4 billion of total assets less current liabilities (excluding short term borrowings for investment purposes) and 0.25% on the remaining assets.

Careful consideration has been given by the Board as to the basis on which the management fee is charged. The Board considers that maintaining a low ongoing charges ratio is in the best interests of all shareholders as lower costs mean higher returns, particularly when compounded over long periods. The Board is also of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence over the long term performance.

The Board as a whole fulfils the functions of the Management Engagement Committee. The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted at least annually. The Board considers, amongst others, the following topics in its review: the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date, the administrative services provided by the Secretaries, the marketing efforts undertaken by the Managers and the promotion of diversity by the Managers. Following the most recent review and the good performance over the long term, it is the opinion of the Directors that the continuing appointment of Baillie Gifford & Co Limited as AIFM and the delegation of investment management services to Baillie Gifford & Co, on the terms agreed, is in the interests of shareholders as a whole.

Depositary

In accordance with the UK Alternative Investment Fund Managers Regulations, the AIFM must appoint a Depositary to the Company. The Bank of New York Mellon (International) Limited has been appointed as the Company's Depositary.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The custody function is also undertaken by The Bank of New York Mellon (International) Limited (the 'Custodian').

Directors

Information about the Directors, including their relevant experience, can be found on page 57 and 58.

Following a formal performance evaluation, the Board considers that the performance of the Directors continues to be effective and each remains committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders.

Directors' indemnification and insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Directors are convicted or civil proceedings brought by the Company in which judgement is given against him or her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person. The indemnities were in force during the year to 31 March 2026 and up to the date of approval of this Report.

The Company maintains Directors' and Officers' Liability Insurance.

Conflicts of interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year. Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Dividends

The Board recommends a final dividend of 2.97p per ordinary share which, together with the interim dividend of 1.60p per ordinary share already paid, makes a total of 4.57p for the year compared with 4.38p per ordinary share for the previous year.

If approved, the recommended final dividend on the ordinary shares will be paid on 10 July 2026 to shareholders on the register at the close of business on 12 June 2026. The ex-dividend date is 11 June 2026.

The Company's Registrars offer a Dividend Reinvestment Plan (see page 118) and the final date for elections for this dividend is 19 June 2026.

Share capital

Capital structure

The Company's capital structure as at 31 March 2026 consists of 1,078,166,806 ordinary shares of 5p each, all of which are allotted and fully paid. At 31 March 2026, 406,614,074 shares were held in treasury. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas the proposed final dividend is subject to shareholder approval.

Capital entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Information on the deadlines for proxy appointments can be found on pages 111 and 113.

Major interests in the company's shares

The Company has received notifications in accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attached to the Company's issued share capital.

Name	Ordinary 5p shares held at 31 March 2026	% of issue
Rathbones Investment Management Ltd	83,363,946	7.7

Analysis of shareholders at 31 March

	2026 Number of shares held	2026 %	2025 Number of shares held	2025 %
Institutions	161,353,334	15.0	192,663,849	16.1
Intermediaries*	850,074,321	78.8	928,661,407	77.3
Individuals	46,652,617	4.3	33,642,194	2.8
Marketmakers	20,086,534	1.9	46,084,277	3.8
	1,078,166,806	**100.0**	**1,201,051,727**	**100.0**

* Intermediaries include wealth managers and execution-only platforms.

Share issuances and share buy-backs

At the last Annual General Meeting the Directors were granted power to allot equity securities or sell ordinary shares held in treasury for cash up to a maximum nominal amount of £5,882,033.

During the year to 31 March 2026, 122,884,921 shares were bought back. Between 1 April and 21 May 2026, no further shares were bought back.

During the year to 31 March 2026 the Company sold no shares from treasury. At 31 March 2026, 406,614,074 shares were held in treasury. The Company issued 24,750,000 shares between 1 April and 21 May 2026.

The Directors will again be seeking authorities at the forthcoming Annual General Meeting to buy back shares and to sell any shares held in treasury and allot new shares at a premium to the net asset value per share with debt valued at fair value. Details of these resolutions are set out below.

Annual general meeting

The details of the next AGM, including the proposed resolutions and information on the deadlines for proxy appointments, can be found on pages 111 to 117. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to vote at the AGM.

Resolution 13 – authority to allot shares

Section 551 of the Companies Act 2006 provides that the Directors may not allot new shares without shareholder approval. Resolution 13 seeks to renew the Directors' authority to allot shares up to a maximum nominal amount of £5,514,584, representing approximately 10 per cent. of the Company's total issued ordinary share capital as at 21 May 2026, being the latest practicable date prior to publication of this document.

The Directors presently intend to exercise this power when the number of shares held by the Company in treasury is not sufficient to support share issuance by the Company in accordance with its stated liquidity policy. As at 21 May 2026, the Company held 381,864,074 ordinary shares in treasury. The authority will expire on 2 October 2027 or, if earlier, at the end of the Annual General Meeting of the Company to be held in 2027, unless previously cancelled or varied by the Company in general meeting.

Resolution 14 – disapplication of pre-emption rights

Resolution 14 which is being proposed as a Special Resolution, seeks to renew the Directors' authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total nominal amount of £5,514,584, representing approximately 10 per cent of the Company's total issued ordinary share capital as at 21 May 2026, being the latest practicable date prior to publication of this document.

The Directors consider that the authority proposed to be granted by Resolution 14 continues to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand. The Directors do not intend to use this authority to sell or issue ordinary shares on a non pre-emptive basis at a discount to net asset value on the basis of debt valued at fair value. The attention of shareholders is drawn to information set out under Resolution 15 below.

While the level of the authority being sought is greater than the 5 per cent. recommended by the Pre-Emption Group in their Statement of Principles on disapplying pre-emption rights, it is specifically recognised in the Statement of Principles that, where an investment trust is seeking authority to issue shares at a premium to the underlying net asset value per share, this should not normally raise concerns and the Directors consider the greater flexibility provided by this authority to be justified in the circumstances.

Resolution 15 – authority to issue shares at a discount to net asset value

As noted above, the Directors do not intend to sell ordinary shares held in treasury or to issue new ordinary shares on a non pre-emptive basis at a discount to net asset value on the basis of debt valued at fair value. The Directors are aware that LR 15.4.11 of the Listing Rules prohibits the issue of ordinary shares (including ordinary shares held in treasury) for cash at a price below the net asset value per share of those shares without such shares first being offered to existing shareholders pro-rata to their existing holdings.

It is a general market understanding in this context that 'net asset value' is determined on the basis of debt valued at fair value but, for the purposes of LR 15.4.11, the term 'net asset value' is not specifically defined. As a result, having regard to guidance previously received from the FCA and consistent with the approach adopted in previous years, the Directors wish to ensure that any sale of ordinary shares held in treasury or issue of new ordinary shares will not result in an inadvertent breach of the Listing Rules by virtue of the FCA determining that 'net asset value' should be calculated on the basis of debt valued at par value. Resolution 15 seeks to renew the authority granted to the Company at the 2025 Annual General Meeting to issue shares at a discount to net asset value, in order to continue to protect against any such inadvertent breach. The Directors wish to reiterate that they will in no circumstances seek to issue ordinary shares (including ordinary shares held in treasury) for cash at a price below the net asset value per share on the basis of debt valued at fair value.

Resolution 16 – market purchase of own shares by the Company

The Directors are seeking shareholders' approval (by way of a Special Resolution) at the Annual General Meeting to renew the authority to purchase up to 14.99 per cent. of the ordinary shares in issue (excluding treasury shares) as at 21 May 2026, being the latest practicable date prior to publication of this document (or, if less, up to 14.99 per cent. of the ordinary shares in issue (excluding treasury shares) on the date on which the Resolution is passed). This authority will expire at the end of the Annual General Meeting of the Company to be held in 2027. Such purchases will only be made at a discount to the prevailing net asset value. The Company may hold bought back shares in treasury and then:

(a) sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or

(b) cancel such shares (or any of them).

Shares will only be re-sold from treasury at (or at a premium to) the net asset value per ordinary share on the basis of debt valued at fair value, in accordance with Resolution 15.

Treasury shares do not receive distributions and the Company will not be entitled to exercise the voting rights attaching to them.

Under the Listing Rules, the maximum price (exclusive of expenses) that may be paid on the exercise of the authority shall be an amount equal to the higher of:

(i) 5 per cent. above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of the purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the London Stock Exchange.

The minimum price (again exclusive of expenses) that may be paid will be the par value of an ordinary share. Purchases of ordinary shares will be made within guidelines established, from time to time, by the Board. The Company does not have any warrants or options in issue.

The Directors intend that this authority, if conferred, will be exercised only if to do so would result in an increase in net asset value per ordinary share for the remaining shareholders and if it is in the best interests of shareholders generally.

Resolution 17 – adoption of new Articles of Association

Adoption of new Articles of Association

Resolution 17, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the "**New Articles**") in order to update the Company's current Articles of Association (the "**Existing Articles**"). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation or developments in market practice since the Existing Articles were adopted and, most notably, include provisions enabling the Company to hold wholly virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings).

The proposed amendments reflect current best practice and are intended to relieve certain administrative burdens on the Company. A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 116 to 117 of this report). Other amendments, which are of a minor, technical, typographical or clarifying nature, have not been summarised in the appendix.

Whilst the proposed New Articles would permit shareholder meetings to be conducted using wholly electronic means, the Board has no intention of holding a virtual-only meeting if it can be reasonably avoided. The Board is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting where shareholders can meet with the Board face to face. The ability to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a contingency to ensure the continued smooth operation of the Company in extreme operating circumstances where physical meetings are prohibited or cannot reasonably be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

Recommendation

The Board considers that all the Resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all of the Resolutions, as the Directors intend to do where possible in respect of their own beneficial shareholdings which amount in aggregate to 141,106 shares, representing 0.01% of the issued share capital of the Company as at 21 May 2026, being the latest practicable date prior to publication of this document.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances, borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 19 of the Financial Statements.

Articles of association

The Company's Articles of Association may only be amended by Special Resolution at a general meeting of shareholders.

Disclosure of information to auditors

The Directors confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are willing to continue in office and in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning their reappointment and remuneration will be submitted to the Annual General Meeting.

Post balance sheet events

Subsequent to the year end, at a General Meeting held on 10 April 2026, shareholders approved a targeted change to the Company's Investment Policy. The change provides limited additional flexibility for private company investments, subject to defined limits and annual shareholder approval.

Space Exploration Technologies Corp. also publicly filed a registration statement (Form S-1) with the U.S. Securities and Exchange Commission in connection with a proposed initial public offering. The filing provides updated information on the company's business and financial position.

Both events are non-adjusting post balance sheet events and have no impact on the financial statements for the year ended 31 March 2026.

Stakeholder engagement

Although the Company has no employees, trade suppliers or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders, in particular with shareholders, its externally appointed Managers, other professional service providers and lenders. The effect of this consideration upon the key decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on pages 4 to 56.

Greenhouse Gas Emissions and Streamlined Energy & Carbon Reporting ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Bribery act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Approved by the Board of Directors and signed on its behalf by

Christopher Samuel
Chair
26 May 2026

Corporate governance report

The Board is committed to achieving and demonstrating high standards of corporate governance. The Association of Investment Companies ('AIC') Code of Corporate Governance issued in 2024 ('AIC Code') provides a framework of best practice for investment companies and can be found at **theaic.co.uk**. The Financial Reporting Council ('FRC') has confirmed that AIC members who report against the AIC Code, as is the case with the Company, will be meeting their obligations in relation to the 2018 UK Corporate Governance Code ('UK Code') which can be found at **frc.org.uk**.

Compliance

The Board confirms that the Company has complied throughout the year under review with the recommendations of the AIC Code.

The Board

The Board has overall responsibility for the Company's affairs. The Board appoints the Managers and Secretaries and approves the terms of the investment management agreement. It has a number of matters reserved for its approval including strategy, investment policy, currency hedging, borrowings, gearing, share buy back and issuance policy, treasury matters, dividend and corporate governance policy. A separate meeting devoted to strategy is held each year. The Board seeks to contribute to the delivery of the Company's strategy by engaging with the Managers in a collaborative and collegiate manner with open and respectful discussion and debate being encouraged, whilst also ensuring that appropriate and regular challenge is brought and evaluation is conducted. The Board also reviews the financial statements, investment transactions, revenue budgets and performance. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

Following the appointment of Ms Heather Manners on 1 January 2026, the Board comprises seven Directors, all of whom are non-executive. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibility for investment management has been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and, in the context of a Board comprising only non-executive Directors, there is no chief executive officer. As previously announced, following the conclusion of the Annual General Meeting, Professor Maxwell will retire from the Board, and there will again be six Directors on the Board.

The Directors believe that the Board has a balance of skills and experience that enables it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 57 and 58

There is an agreed procedure for Directors to seek independent professional advice, if necessary, at the Company's expense.

Board Committees

The Board has established a number of committees and working groups to assist in the effective discharge of its responsibilities. Given the size of the Board, certain committees comprise the full Board, with specific responsibilities delegated as appropriate. The principal committees in operation during the year were the Audit Committee and the Nomination Committee, details of which are set out below.

During the year, the Board established a Remuneration Committee, chaired by Sharon Flood, with all other Directors serving as members. The Committee is expected to have a broader remit than is typical, encompassing certain aspects of Board effectiveness and development alongside its responsibilities in relation to Directors' fees. The Committee was constituted towards the end of the financial year and had not formally met as at 31 March 2026.

The Board also established a Marketing Working Group, chaired by Heather Manners, to support oversight of the Company's marketing and shareholder engagement activities. In addition, the Board agreed that a Valuations Group will be established, chaired by Vikram Kumaraswamy, to support the Board's oversight of private company valuations. The Board expects the roles and activities of these committees and working groups to evolve during the current financial year and to be reported in due course.

Appointments

New Directors are appointed by the Board, following recommendation to the Board by the Nomination Committee. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting. In accordance with the Code all the Directors will retire at each Annual General Meeting and, if appropriate, offer themselves for re-election.

Independence of Directors

All the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship that could interfere with the exercise of their independent judgement.

The Directors recognise the value of progressive refreshing of, and succession planning for, company boards and the Board's composition is reviewed annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can be a benefit to the Board. The Board does not believe the simple imposition of inflexible numerical based limits on the tenure of individual members to be the best way to ensure ongoing diversity and Board refreshment overall. In determining the appropriate length of service for each Director, including the Chair, the Board must judge the appropriate balance between the retention of the corporate memory of the Company with a suitable rate of refreshment at any given point in time.

Further, the Board wishes to retain the flexibility to be able to recruit outstanding candidates when they become available rather than simply adding new Directors based upon a predetermined timetable.

As previously announced, Professor Maxwell will retire from the Board following the conclusion of the Annual General Meeting on 2 July 2026. Following a formal externally facilitated performance evaluation in March 2026, the Board concluded that, notwithstanding his length of service, Professor Maxwell continued to demonstrate clear independence of character and judgement and his range of skills and experience was beneficial for the Board.

Policy on tenure of the Chair

The Board considers that the tenure of the Chair should be determined principally by how the Board's purpose in providing strategic leadership, governance and bringing challenge and support to the Managers can best be maintained, whilst also recognising the importance of independence, refreshment, diversity and retention of the corporate memory. The Nomination Committee of the Board considers the long term succession planning for this role as part of its broader remit to ensure there is an appropriate level of refreshment and diversity on the Board.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The table below shows the attendance record for the core Board and Committee Meetings held during the year (various additional meetings were also held). The Annual General Meeting was attended by all Directors serving at that date.

Directors' attendance at meetings

	Board	Audit Committee	Nomination Committee
Number of meetings	**6**	**4**	**1**
Christopher Samuel (Chair)	6	4	1
Professor Patrick Maxwell	6	4	1
Mark FitzPatrick (Audit Committee Chair)	6	4	1
Sharon Flood	6	4	1
Vikram Kumaraswamy	6	4	1
Stephanie Leung	6	4	1
Heather Manners*	2	–	1

* Appointed to the Board on 1 January 2026.

Nomination Committee

The Nomination Committee consists of the whole Board due to the relatively modest size of the Board. The Chair of the Board is Chair of the Committee. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, Board independence, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised. The Committee's Terms of Reference are available on request from the Company and within the 'Literature' section of the Company's pages of the Managers' website: **scottishmortgage.com**.

Diversity and inclusion

The Board believes diversity of thought is vital for informing the decisions taken for the Company both operationally and strategically at Board level. Maintaining this will promote the success of the Company for its shareholders and other key stakeholders (see Section 172 Statement on page 52) and support the Company in adapting to change over the coming decades.

As an externally managed investment trust, the Company's Managers, Baillie Gifford carry out all of the executive functions and so the Company itself has no employees. Accordingly, the Company itself therefore does not have any specific policies relating to employees or those applicable to an operating business.

Baillie Gifford strives for diversity in its own business and reports on its progress in this area to the Board annually. The principles of fairness, equality and openness form the backbone of its approach to diversity and inclusion. Further information about the initiatives to promote diversity and inclusion are available on the Managers' website at: **bailliegifford.com/en/uk/about-us/diversity-inclusion**.

The Board also encourages all other major service providers to the Company to consider these issues.

Board diversity policy

Appointments to the Board are made on merit with due regard for the benefits of diversity, including gender, social and ethnic backgrounds and having regard to, cognitive and personal strengths. The priority in succession planning and appointing new Directors is to identify the candidate with the best range of skills and experience to complement the existing Directors. The Board considers that diversity of thought is more likely to arise through debate between a group of individuals who can bring together a mix of experiences, whether those arise through their variety of professional disciplines, cultural backgrounds, gender or other factors, rather than the application of rigid criteria. Within the context of a small, entirely non-executive Board, a single appointment or retirement can have a significant impact on percentage representation, and a limited number of senior roles are available. The Board will endeavour to comply with the FCA Listing Rules diversity targets but notes that an orderly succession plan can, when implemented thoughtfully and having regard to the best interests of the Company and its shareholders, take a significant period of time to develop and may result in periods when the diversity targets are not met. Furthermore, the particular circumstances of directors may prevent them from being able to undertake the responsibilities of a senior role. In such circumstances, the Board considers that it is in the best interests of the Company to prioritise an orderly succession over the satisfaction of diversity targets.

Board composition

The Board continued to review its succession planning during the year using the external search consultancy, Fletcher Jones, which had been appointed previously, to identify Non-Executive Directors candidates to maintain the broad range of experience that is particularly valuable when supporting and challenging the Managers. Fletcher Jones was appointed after a full and thorough selection process undertaken by the Board and was specifically tasked with considering the promotion of diversity on the Board as an integral part of the recruitment process, having regard to the skills, experience and knowledge of each of the existing and prospective Directors, and with particular regard to the Parker Review recommendations. Ms Heather Manners was appointed to the Board with effect from 1 January 2026. The Board believes that Ms Manners' knowledge and experience will be of great benefit to the Company and is satisfied that, after reviewing her other commitments, she will be able to devote sufficient time to the Company. As previously announced, Professor Maxwell will retire following the Annual General Meeting, his tenure having been extended to ensure an orderly succession. Ms Flood will become the Senior Independent Director following Professor Maxwell's retirement.

The following disclosures are provided in respect of the FCA Listing Rules targets that: i) 40% of a board should be women; ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics ('ONS') criteria:

As an externally managed investment company with no chief executive officer ('CEO') or chief financial officer ('CFO'), the roles which qualify as senior under FCA guidance are Chair and Senior Independent Director ('SID'). The Board also considers the roles of Audit Committee Chair and Remuneration Committee Chair to represent senior positions within this context, reflecting their responsibilities and the importance attached to these roles by key industry stakeholders. However, neither role is recognised as a senior position under FCA guidance and therefore is not reflected in the following numerical disclosures. The Board has considered that the Company's year end date to be the most appropriate date for disclosure purposes. As at 31 March 2026, the Board comprised seven Non-Executive Directors, four men and three women from a variety of backgrounds as set out in their biographies on pages 57 and 58.

The Board recruitment process seeks to draw upon as diverse a pool of candidates as possible, including men and women from across all ethnic backgrounds working in the fields of science and industry as well as finance.

Board as at 31 March 2026

Gender	Number of Board Members	% of the Board	Number of senior positions on the Board *
Men	4	57.1	2
Women	3	42.9	–
	7	100	2

Ethnic background	Number of Board Members	% of the Board	Number of senior positions on the Board *
White British or Other White (including minority white groups)	5	71.4	2
Asian/Asian British	2	28.6	–
	7	100	2

* The Board Chair and SID, being senior positions in accordance with the FCA Listing Rules. The Board also considers the Audit Committee Chair and Remuneration Committee Chair to be senior positions (not reflected in these disclosures).

As at 31 March 2026, the Board met the FCA Listing Rule target that at least 40% of the Board should be women. Following Professor Maxwell's retirement at the conclusion of the Annual General Meeting, Sharon Flood will become Senior Independent Director. Ms Flood's appointment means that, following the Annual General Meeting, the Company will also meet the FCA target that at least one senior board position is held by a woman. The Board will continue to take these targets into account as part of its ongoing succession planning.

Performance evaluation

During the year the Board appointed Lintstock Ltd, a firm which assists companies with the design and execution of board evaluations, to facilitate the performance evaluation of the Chair, each Director, the Board as a whole and its Committees.

Lintstock provided similar evaluations for the Company previously but has no other connection with the Company or the Directors. Lintstock provided questionnaires which were tailored to the specific needs of the Company. The questionnaires addressed, amongst other issues:

- Board and Committee composition, succession and expertise;
- the effectiveness of Board processes, including the quality of Board documentation, administration and third-party relationships;

- oversight of investment strategy and portfolio matters, including private company exposure and risk;
- shareholder engagement, marketing and external positioning; and
- personal development and Board dynamics.

Each Director and the Chair completed the questionnaires and the Chair discussed feedback with each Director. The Managers were also invited to contribute to the process and provided input, which was considered alongside the Directors' responses. The results were considered by the Nomination Committee.

Lintstock reviewed the output from the evaluation process and judged the Company's Board, Committees and Directors to be operating effectively.

Following this process, it was concluded that the performance of each Director, the Chair, the Board and its Committees continued to be effective and each Director and the Chair remained committed to the Company. A review of the Chair's and other Directors' commitments was carried out and the Nomination Committee was satisfied that they are capable of devoting sufficient time to the Company.

It is intended that the evaluation will again be externally facilitated in 2027.

Induction and training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. Regular briefings were provided during the year on industry and regulatory matters. The Directors receive other training as necessary.

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee under the UK Corporate Governance Code. However, as noted above, the Board agreed during the year to establish a Remuneration Committee, reflecting the evolving governance arrangements of the Company.

During the year under review, Directors' fees continued to be considered and approved by the Board as a whole. In doing so, no Director was involved in determining their own remuneration and the Chair's fee was considered in the absence of the Chair. It is intended that this responsibility will be delegated to the Remuneration Committee going forward.

The Board's policy is that the remuneration of Directors should be set at a level which is fair and reflects the responsibilities and time commitment of the role, taking into account the scale and complexity of the Company and prevailing market practice. Further details of the Company's remuneration policy are set out in the Directors' Remuneration Report on page 71.

Audit Committee

The report of the Audit Committee is set out on pages 69 and 70.

Internal controls and risk management

The Directors acknowledge their responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls, have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the UK Alternative Investment Fund Managers Regulations (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford and Co's auditor and a copy is submitted to the Audit Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems, which accord with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014, and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report.

During the year the Audit Committee considered the changes required by the new AIC Corporate Governance Code, published in 2024. Within the new Code, Provision 34, effective for accounting periods starting on or after 1 January 2026, requires boards to monitor and, at least annually, review the effectiveness of the company's risk management and internal control framework. The monitoring and review should cover all material controls including financial, operational, reporting and compliance. Boards are required to report on that review in their annual report providing; a description of how the board has monitored and reviewed the effectiveness of the framework, a declaration of the material controls as at the balance sheet date, and description of any material controls not operating effectively as at the balance sheet date and action taken to improve them.

In preparation for reporting against the Provision 29/ Provision 34 requirements, the Audit Committee has continued its review of the Company's risk matrix and principal risks and has agreed a timeline with the Managers and Secretaries to develop an appropriate process for the identification of material controls, how assurance will be obtained and the evidence to support the Board's attestation in this regard in the 2027 Annual Report and Financial Statements. As noted above, effective risk management and internal control systems were in place during the year under review and Provision 34 is expected to result in changes to disclosures in the Annual Report and Financial Statements rather than an overhaul of risk management and internal controls.

To comply with the UK Alternative Investment Fund Managers Regulations, The Bank of New York Mellon (International) Limited acted as the Company's Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Company's Depositary also acts as the Company's Custodian. The Custodian prepares a report on its key controls and safeguards which is independently reviewed by its appointed auditors, KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated.

The Depositary provides the Audit Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see page 119), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with remedial measures being taken. No exceptions occurred during the year.

Going concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's principal and emerging risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is contained on pages 47 to 50 and in note 19 to the Financial Statements.

The Board has, in particular, considered the impact of heightened macroeconomic and geopolitical uncertainty, including ongoing geopolitical tensions in Ukraine and the Middle East, increasing fragmentation of global trade and supply chains, and the implications of higher interest rates and inflationary pressures in major economies. It has also considered market volatility and the implications of portfolio concentration, particularly in relation to significant private holdings. The Board has reviewed the results of specific leverage and liquidity stress testing, but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis.

During the year, the Company refinanced its existing borrowing facilities. The undrawn US$75 million revolving credit facility with Industrial and Commercial Bank of China ('ICBC') was refinanced with a US$120 million revolving credit facility. The US$300 million Scotiabank three-year fixed rate loan matured during the year and was refinanced through a combination of a US$120 million drawdown from the ICBC facility, a US$30 million drawdown from a new US$75 million revolving credit facility with Bank of New York Mellon, and a full drawdown from a new US$150 million revolving credit facility with Banco Bilbao Vizcaya Argentaria S.A.

Following the year end, on 8 April 2026, the undrawn US$25 million revolving credit facility and the expiring US$180 million fixed rate loan with The Royal Bank of Scotland International Limited ('RBSI') were refinanced with a new US$205 million one-year revolving credit facility, of which US$180 million was drawn.

The Company has continued to comply with the investment trust status requirements of Section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters set out in the Viability Statement on page 51, which assesses the prospects of the Company over a period of 10 years, that the Company will be able to pay its obligations as they fall due and will continue in operational existence for a period of at least 12 months from the date of approval of these Financial Statements.

Relations with shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and their representatives and report shareholders' views to the Board. The Chair and the Audit Committee Chair are each available to meet with shareholders as appropriate. Shareholders wishing to communicate with any members of the Board may do so by writing to them at the Company's registered office, or through the Company's brokers, Numis Securities and Jefferies (see contact details on the back cover).

The Company's Annual General Meeting conventionally provides a forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the meeting and published at **scottishmortgage.com**. The notice period for the Annual General Meeting is at least twenty working days. Shareholders and potential investors may obtain up-to-date information on the Company at **scottishmortgage.com**.

Authorities to issue and buy back shares

The Directors' remaining authorities at 31 March 2026 to issue and buy back the ordinary shares are disclosed in note 13 on page 99.

Corporate governance and stewardship

In its oversight of the Managers and the Company's other service providers, the Board promotes due regard to the benefits of diversity. The Board's approach to matters of diversity is set out on page 64 of this report.

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests and report their actions to the Board. More information and resources regarding the Managers' approach to governance factors can be found on page 56 of this report and on the Company's website: **scottishmortgage.com**.

The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**.

Climate change

The Company's direct operational footprint is minimal. It has not retained more than seven non-executive Directors who formally meet six times a year. The material environmental impact of the Company is made via its portfolio holdings. More information regarding the Manager's approach to climate change is available on page 56 of this report, and on the Company's website at **scottishmortgage.com**.

Approved by the Board of Directors and signed on its behalf by
Christopher Samuel
Chair
26 May 2026

Audit Committee report

The Audit Committee consists of all Directors. The Chair of the Board, Samuel, is a member of the Audit Committee in accordance with the provisions of the AIC Code of Corporate Governance.

The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mark FitzPatrick, the Chair of the Committee, Sharon Flood, Vikram Kumaraswamy and Christopher Samuel are Chartered Accountants. The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at **scottishmortgage.com**. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process (see page 66).

At least once a year the Committee meets with the external Auditors without any representative of the Manager being present.

Main activities of the Committee

The Committee met formally four times during the year and PricewaterhouseCoopers LLP, the external Auditors, attended these meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for these meetings.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

- the results announcement and the Annual and Interim Reports;
- the Company's accounting policies and practices and the implementation of the Managers' valuation policy for investments in private company (unlisted) companies;
- the regulatory changes impacting the Company;
- the requirement to ensure the Annual Report and Financial Statements are fair, balanced and understandable and whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the effectiveness of the Company's internal control environment;
- appointment, remuneration and engagement letter of the external Auditors;
- whether the audit services contract should be put out to tender;
- the policy on the engagement of the external Auditors to supply non-audit services;
- the independence, objectivity and effectiveness of the external Auditors;
- the need for the Company to have its own internal audit function;
- internal controls reports received from the Managers and Custodian; and
- the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

FRC Review

During the year, the Financial Reporting Council ('FRC') reviewed the Company's Annual Report and Accounts for the year to 31 March 2025 as part of its thematic review of investment trusts, venture capital trusts and similar closed-ended entities. The FRC confirmed that, based on its review, it had no questions or queries to raise at that stage and did not enter into substantive correspondence with the Company. The FRC did, however, note certain matters where it considered that users of the accounts would benefit from improvements to the Company's existing reporting.

The Audit Committee considered the matters raised, together with the Manager and the external Auditor, and the Company has sought to enhance the relevant disclosures in this Annual Report and Financial Statements where material and relevant. These enhancements include additional disclosure relating to unlisted investments, valuation movements, disposals and Alternative Performance Measures.

The FRC's review was based solely on the Annual Report and Accounts and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. The FRC's review provides no assurance that the Annual Report and Accounts are correct in all material respects and the FRC's role is not to verify the information provided, but to consider compliance with reporting requirements.

Internal audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Managers provide sufficient assurance that a sound system of internal control which safeguards shareholders' investment and the Company's assets is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

Financial reporting

The Committee considers that the most significant area of risk likely to impact the Financial Statements is the existence, ownership and valuation of investments as they represent 99.9% of total assets.

- **Private company (unlisted) investments**
  The Committee reviewed the Managers' valuation approach for investments in private (unlisted) companies (as described on page 88) and approved the valuations of the private company investments following a detailed review of the valuation of each investment and relevant challenge where appropriate.

The Managers agreed the holdings in certificated form to confirmations from the Company's custodian and holdings of uncertificated private company investments were agreed to confirmations from the relevant investee companies.

- **Listed investments**
  The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed Baillie Gifford's Report on Internal Controls which details the controls in place regarding the recording and pricing of investments.

  The Managers agreed the prices of all the listed investments at 31 March 2026 to external price sources and the holdings were agreed to confirmations from the Company's Custodian or Transfer Agent.

The Managers and Auditors confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

Internal controls and risk management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on page 67. No significant weaknesses were identified in the year under review.

Audit Tender

Following the audit tender process held in February 2023 the Board unanimously decided to reappoint PricewaterhouseCoopers LLP as Auditors.

External auditors

To fulfil its responsibility regarding the independence of the external Auditors the Committee reviewed:

- the audit plan for the current year;
- a report from the Auditors describing the arrangements to identify, report and manage any conflicts of interest and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditors. Non-audit fees for the year to 31 March 2026 were £5,000 and relates to specific procedures performed in respect of financial information provided to the debenture trustee. The Committee does not believe that this has impaired the Auditors' independence.

The effectiveness of the external Auditors was reviewed and the Committee considered:

- the Auditors' fulfilment of the agreed audit plan;
- feedback from the Secretaries on the performance of the audit team;
- the Audit Quality Inspection Report from the FRC; and
- detailed discussion with audit personnel to challenge audit processes and deliverables.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

- the Auditors' engagement letter;
- the Auditors' proposed audit strategy;
- the audit fee; and
- a report from the Auditors on the conclusion of the audit.

The audit partner responsible for the audit will be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Mr Jeremy Jensen, the current audit partner, took over this role from the conclusion of the 2024 audit and is expected to continue as audit partner until the conclusion of the 2029 audit.

PricewaterhouseCoopers LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review process described above, and undertaken a tender process,the Committee is satisfied that the Auditors have remained independent and effective.

There are no contractual obligations restricting the Committee's choice of external Auditors.

Accountability and audit

The respective responsibilities of the Directors and the Auditors in connection with the Financial Statements are set out on pages 74 and 80.

On behalf of the Board
Mark FitzPatrick
Audit Committee Chair
26 May 2026

Directors' remuneration report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chair

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed.

The Remuneration Policy which is set out below was approved at the Annual General Meeting in June 2023. No changes are proposed to the policy and an ordinary resolution for the approval of the Remuneration Policy will be put to the members at the upcoming Annual General Meeting in 2026.

The Board reviewed the level of Directors' fees during the year and agreed that, with effect from 1 April 2026, the annual fee payable to the Chair would increase from £77,500 to £82,500 and the annual fee payable to each Director would increase from £51,500 to £55,000.

The annual fee payable to the Chair of the Audit Committee was increased from £64,500 to £69,000. The additional fee payable to the Senior Independent Director remains £3,000 above the base Director fee. The Board also agreed that an additional fee of £3,000 above the base Director fee would be payable to each of the Chair of the Remuneration Committee, the Chair of the Marketing Working Group and the Chair of the Valuations Group.

Directors' remuneration policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. During the year, the Board established a Remuneration Committee, chaired by Sharon Flood. The Committee did not meet during the year and no remuneration decisions were taken by it prior to 31 March 2026. Accordingly, during the year under review, Directors' fees continued to be considered by the Board as a whole from time to time, with the Chair's fee being considered in the absence of the Chair.

Baillie Gifford & Co Limited, which has been appointed by the Board as the Company Secretaries, provides comparative information when the level of Directors' fees is considered. The Remuneration Committee is expected to take responsibility for considering Directors' remuneration going forward, alongside such other matters as fall within its terms of reference.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts and prevailing rates of retail price inflation. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. Directors are paid a fixed fee. There are no performance conditions relating to Directors' fees and there are no long term incentive schemes or pension schemes. No compensation is payable on loss of office.

Limits on Directors' remuneration

The fees for the Directors are monthly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £500,000 in aggregate. Any change to this limit requires shareholder approval.

The fees paid to Directors in respect of the year ended 31 March 2026 and the expected fees payable in respect of the year ending 31 March 2027 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 31 Mar 2027 £	Fees for year ending 31 Mar 2026 £
Chair's fee	82,500	77,500
Directors' fee	55,000	51,500
Additional fees payable for the following positions:		
Chair of Audit Committee	14,000	13,000
Senior Independent Director	3,000	3,000
Chair of the Remuneration Committee	3,000	–
Chair of the Marketing Working Group	3,000	–
Chair of the Valuations Group	3,000	–
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	500,000	500,000

Annual report on remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in PricewaterhouseCoopers LLP's report on pages 75 to 82.

Directors' remuneration for the year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2026 Fees £	2026 Taxable benefits * £	2026 Total £	2025 Fees £	2025 Taxable benefits * £	2025 Total £
Christopher Samuel (Chair)†	70,717	5,411	**76,128**	12,500	1,827	**14,327**
Justin Dowley¶	20,217	2,168	**22,385**	75,000	9,003	**84,003**
Professor Patrick Maxwell (Senior Independent Director)	54,500	178	**54,678**	50,000	1,911	**51,911**
Heather Manners‡	12,875	917	**13,792**	–	–	–
Mark FitzPatrick (Audit Committee Chair)	64,500	1,150	**65,650**	62,500	1,738	**64,238**
Sharon Flood	51,500	2,752	**54,252**	50,000	5,128	55,128
Vikram Kumaraswamy	51,500	18,041	**69,541**	50,000	4,566	54,566
Stephanie Leung	51,500	3,435	**54,935**	50,000	3,759	53,759
	377,309	**34,052**	**411,361**	**350,000**	**27,932**	**377,932**

* Comprises travel and subsistence expenses incurred by or on behalf of Directors in the course of travel to attend Board, Committee and other meetings held at the Company's registered office in Edinburgh. These amounts have been grossed up for income tax.
† Appointed to the Board on 1 January 2025
¶ Retired from the Board on 3 July 2025
‡ Appointed to the Board on 1 January 2026.

Annual change in Directors' fees (role-based)

The table below contains the annual percentage change in Directors' fees over the four financial years prior to the current year in respect of the various director roles.

Fee rates:	Year to 31 March 2026	Year to 31 March 2025	Year to 31 March 2024	Year to 31 March 2023	Year to 31 March 2022
Chair	£77,500 +3.3%	£75,000 +7.1%	£70,000 0.0%	£70,000 0.0%	£70,000 0.0%
Chair of the Audit Committee	£64,500 +3.2%	£62,500 +11.6%	£56,000 0.0%	£56,000 0.0%	£56,000 0.0%
Senior Independent Director	£54,500 +9.0%	£50,000 +11.1%	£45,000 0.0%	£45,000 0.0%	£45,000 0.0%
Director	£51,500 +3.0%	£50,000 +11.1 %	£45,000 0.0%	£45,000 0.0%	£45,000 0.0%

Notes:
1. The table shows the annual change in Directors' fees by role over the five financial years to 31 March 2026.
2. Percentage changes are calculated based on the fee applicable for each role in the relevant financial year compared to the prior year.
3. The figures shown exclude any taxable benefits and therefore reflect base Directors' fees only.
4. With effect from 1 April 2025, it was agreed that the Senior Independent Director would be paid an additional fee of £3,000 on an ongoing basis.

Directors' interests (audited)

The table below shows the interests of the Directors of the Company (and their connected parties) at the year-end. There have been no other changes in the Directors' interests up to 21 May 2026.

Name	Ordinary 5p shares held at 31 March 2026	Ordinary 5p shares held at 31 March 2025
Mark FitzPatrick	10,000	10,000
Professor Patrick Maxwell	75,594	75,594
Sharon Flood*	8,653	9,601
Stephanie Leung	–	–
Vikram Kumaraswamy	4,075	4,075
Christopher Samuel	42,784	25,578
Heather Manners	–	–

* The reduction in Ms Flood's disclosed beneficial interest reflects the exclusion of 948 shares held by an adult child who ceased to be a connected person during the year. It does not reflect any sale or transfer of shares by Ms Flood.

Statement of voting at Annual General Meeting

At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (June 2023), 99.4% of votes received were in favour, 0.4% were against and votes withheld were 0.2%.

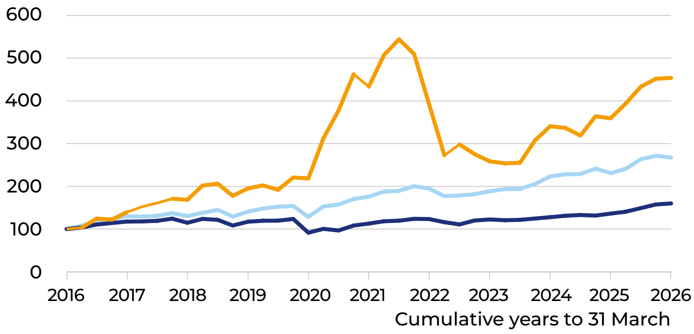
Relative importance of spend on pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration and distributions to shareholders.

	2026 £'000	2025 £'000	Change %
Directors' remuneration	411	378	8.8
Dividends	50,151	55,342	(9.4)
Share buy-backs	1,311,758	1,709,766	(23.3)

Company performance

Scottish Mortgage's Share Price, FTSE All-Share Index and FTSE All-World Index*
(figures have been rebased to 100 at 31 March 2016)



Source: LSEG#.

- Scottish Mortgage share price
- FTSE All-World Index†
- FTSE All-Share Index

* All figures are total return (assuming all dividends are reinvested). See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

† In sterling terms.

See disclaimer on page 121.

Past performance is not a guide to future performance.

The graph compares the total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes, as it is a widely used measure of performance for UK listed companies (FTSE All-World Index provided for information purposes only).

Approval

The Directors' Remuneration Report on pages 71 to 73 was approved by the Board of Directors and signed on its behalf on 26 May 2026.

Christopher Samuel
Chair

Statement of directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Financial Report

The Directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

We confirm to the best of our knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

On behalf of the Board
Christopher Samuel
Chair
26 May 2026

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

- The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Scottish Mortgage Investment Trust PLC

Report on the audit of the financial statements

Opinion

In our opinion, Scottish Mortgage Investment Trust PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance sheet as at 31 March 2026;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Cash flow statement for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 4 to the financial statements, we have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages Baillie Gifford & Co Limited (the 'AIFM') to manage its assets. • We conducted our audit of the financial statements using information from the AIFM to whom the Directors have delegated the provision of all administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the AIFM and other third party service providers, the accounting process and controls, and the industry in which the Company operates. • We obtained an understanding of the control environment in place at the AIFM, including controls around the valuation of unlisted investments and we adopted a fully substantive testing approach.
Key audit matters	• Income from investments • Valuation and existence of listed investments • Valuation and existence of unlisted investments
Materiality	• Overall materiality: £138,221,000 (2025: £120,820,000) based on approximately 1% of Net Assets. • Performance materiality: £103,665,000 (2025: £90,615,000). • Specific materiality: £6,911,000 (2025: £6,041,000) on non-valuation related Income statement financial statement line items.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key Audit Matter	How our audit addressed the Key Audit Matter
Income from investments Refer to Note 1 – Principal Accounting Policies and Note 2 – Income. Income from investments comprises gains/losses on investments (capital) amounting to £3,151.9 million and dividend income of £33.1 million. We applied a specific materiality to non-valuation financial statement line items in the Income Statement, determining dividend income to be material and therefor we focus on the completeness and existence of this balance as well as the classification between revenue and capital. Gains and losses on investments is a material figure in the Income statement and comprises realised and unrealised gains and losses on both listed and unlisted investments. Gains and losses on investments are calculated based on the movement in fair value in the year; whilst the fair value of listed investments is derived from external sources, there is significant judgment involved in the valuation of unlisted investments (see separate Key Audit Matter below). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. Whilst the Company does have a stated aim to deliver dividend growth, dividends are non complex in nature with few judgements involved, and therefore we consider the more significant returns to relate to capital growth on investments over a longer term period. As such, we focused the risk of fraud in income recognition on the valuation of gains and losses on investments, in particular driven by judgments made in relation to the valuation of unlisted investments. We also considered the risk of manipulation of income through making manual journal entries.	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to confirm that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of the processes and controls surrounding income recognition and journals. We tested the recognition of dividend income by comparing the dividends recorded in the financial statements to external sources. We also considered the classification of all dividend income, including any special dividends received in the year. We have tested the completeness of dividends by confirming that dividends announced by a sample of listed investments in the year were appropriately recognised by the Company. For unrealised gains and losses, we sample tested the valuation of the investment portfolio at the year-end (see below), together with testing the reconciliation of opening and closing investments. For realised gains and losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains and losses. We considered the risk of inappropriate bias in the judgments and estimates made in the valuation of unlisted investments that would impact on the unrealised gains and losses recognised in the income statements – see further details in the 'Valuation and existence of unlisted investments' Key Audit Matter below. Our testing also included the consideration of specific risks in relation to posting journals in order to manipulate the gains and losses on investments. We assessed the journals posted to unexpected account combinations or with unusual amounts, and considered the individuals posting and approving journals. We have no matters to report in respect of this work.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation and existence of listed investments Refer to the Audit Committee Report, Note 1 – Principal Accounting Policies and Note 9 – Investments held at fair value through profit or loss. The investment portfolio at 31 March 2026 comprised listed equity investments (Level 1) of £8,991.4 million. We focused on the valuation and existence of listed investments because listed investments represent the principal element of the net asset value (total shareholder's funds) of the Company.	We tested the valuation of all the listed investments as at 31 March 2026 by agreeing the prices used in the valuation to independent third party sources. We tested the existence of all listed investments by agreeing the holdings of all investments to an independent confirmation from the Depository, The Bank of New York Mellon (International) Limited as at 31 March 2026. We have no matters to report in respect of this work.
Valuation and existence of unlisted investments Refer to the Audit Committee Report, Note 1 – Principal Accounting Policies and Note 9 – Investments held at fair value through profit or loss. The investment portfolio at 31 March 2026 included unlisted investments. We focused on the valuation and existence of the unlisted investments as these investments represented a material balance in the financial statements (£6,418.1 million) and the valuation requires significant estimates and judgements to be applied by the Directors such that changes to key assumptions within the estimates and/or judgements made could result in a material change to the valuation of unlisted investments. We considered both the risk of over or understatement of the valuations, recognising that there may exist incentives to over or under-value investments depending on specific circumstances such as performance for the year and the cap on the proportion of unlisted investments to total investments setout in the Investment policy. The risk of under or over-statement in the valuation process could arise from error or fraud.	We understood and assessed the design and implementation of the process and controls surrounding the valuation of unlisted investments, including the involvement of a third party valuation expert, S&P Global, and the processes, governance and oversight of the valuations by the AIFM and the Company's Audit Committee. On a sample basis, we assessed the valuation methodology applied by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV), and tested the techniques used by the Directors in determining the fair value of unlisted investments. We read the internal AIFM valuation committee meeting minutes where the valuations of the unlisted investments were discussed and attended relevant meetings where the valuation of these investments were discussed. We also utilised our own internal valuation experts both to assess the valuation process and also to support the core audit team in testing certain judgemental selected unlisted investments. Our substantive testing, performed on a sample basis, included: • Assessing the appropriateness of the valuation methodology used and testing the inputs either through validation to appropriate sources, or where relevant, assessing whether significant estimates and judgements used are supportable; • Comparing valuations of investments in funds to the most recent audited financial statements, where available; and • Comparing valuations to recent transactions, where relevant, including consideration of whether the recent transaction was at arm's length. We also considered the potential impact of climate change on the valuation of the unlisted investments through gaining an understanding of how the AIFM and Directors had considered the impact of climate change throughout the valuation process. We tested the existence of the unlisted investment portfolio by agreeing a sample of the holdings to independently obtained confirmations as at 31 March 2026. Throughout our work, we considered the risk of fraud through management override or inappropriate bias. We have no matters to report in respect of this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

In planning our audit, we made enquiries of the Directors and Investment Manager to understand the extent of the potential impact of climate change on the Company's financial statements. The Directors and Investment Manager concluded that there was no material impact on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact. This was principally in relation to the valuation of certain hard to value investments as explained in our key audit matter 'Valuation and existence of unlisted investments'. We also considered the consistency of the climate change disclosures included in the Strategic report and Corporate governance report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£138,221,000 (2025: £120,820,000).
How we determined it	Approximately 1% of Net Assets
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for investment trust company audits. This benchmark provides an appropriate and consistent year on year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2025: 75%) of overall materiality, amounting to £103,665,000 (2025: £90,615,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We have applied a specific materiality of £6,911,000 (2025: £6,041,000) to the Income statement's non-valuation related financial statement line items.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £6,911,000 (2025: £6,041,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' risk assessment and considering whether it addressed relevant threats, including the ongoing conflict between Russia and Ukraine, and wider political and macroeconomic uncertainty;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers;
- assessing the impact of the discount at which the Company's share price has been trading compared to the net asset value per share; and
- assessing the implication of reductions in NAV as a result of market performance on the ongoing ability of the Company to operate, taking into consideration stress testing performed by the Directors.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Reporting on other information

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

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' remuneration report

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate governance report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the use of inappropriate bias in key judgments and estimates used in the valuation of unlisted investments or the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- discussions with the AIFM and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant meeting minutes, including those of the Audit Committee;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- challenging assumptions made by the Directors in their significant accounting estimates, in particular in relation to the valuation of unlisted investments (see related Key Audit Matter above);
- identifying and testing journal entries posted throughout the year and those posted at the year end during the preparation of the financial statements. This included, but was not limited to, testing journals with unusual account combinations and journals posted on unusual days; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 March 2020. Our uninterrupted engagement covers seven financial years.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 May 2026

Income statement

For the year ended 31 March

	Notes	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Gains on investments	9	–	3,151,918	**3,151,918**	–	1,273,082	**1,273,082**
Currency gains		–	16,876	**16,876**	–	22,682	**22,682**
Income	2	33,109	–	**33,109**	32,906	–	**32,906**
Investment management fee	3	–	(40,121)	**(40,121)**	–	(37,022)	**(37,022)**
Other administrative expenses	4	(4,770)	–	**(4,770)**	(12,653)	–	**(12,653)**
Net return before finance costs and taxation		28,339	3,128,673	**3,157,012**	20,253	1,258,742	**1,278,995**
Finance costs of borrowings	5	–	(52,695)	**(52,695)**	–	(55,682)	**(55,682)**
Net return before taxation		28,339	3,075,978	**3,104,317**	20,253	1,203,060	**1,223,313**
Tax	6	(2,700)	2	**(2,698)**	(2,377)	(3,177)	**(5,554)**
Net return after taxation		**25,639**	**3,075,980**	**3,101,619**	**17,876**	**1,199,883**	**1,217,759**
Net return per ordinary share	7	**2.28p**	**273.03p**	**275.31p**	**1.39p**	**93.18p**	**94.57p**

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this statement derive from continuing operations.

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 87 to 110 are an integral part of the Financial Statements.

Balance sheet

As at 31 March

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		15,409,435		13,665,731
Current assets					
Debtors	10	43,979		69,511	
Cash at bank and in hand	19	11,028		9,013	
		55,007		78,524	
Creditors					
Amounts falling due within one year:	11				
Bank loans		(568,742)		(441,592)	
Debenture stock		(50,139)		–	
Other creditors and accruals		(36,069)		(37,923)	
		(654,950)		(479,515)	
Net current liabilities			(599,943)		(400,991)
Total assets less current liabilities			14,809,492		13,264,740
Creditors					
Amounts falling due after more than one year:	12				
Bank loans		–		(139,454)	
Loan notes		(986,642)		(991,493)	
Debenture stock		(675)		(51,328)	
			(987,317)		(1,182,275)
Net assets			**13,822,175**		**12,082,465**
Capital and reserves					
Called up share capital	13		74,239		74,239
Share premium account	14		928,400		928,400
Capital redemption reserve	14		19,094		19,094
Capital reserve	14		12,792,344		11,057,697
Revenue reserve	14		8,098		3,035
Total shareholders' funds	15		**13,822,175**		**12,082,465**
Net asset value per ordinary share					
(after deducting borrowings at book)*	15		**1,282.0p**		**1,006.0p**

The Financial Statements of Scottish Mortgage Investment Trust PLC (Company registration No. SC007058), on pages 83 to 110, were approved and authorised for issue by the Board, and were signed on its behalf on 26 May 2026.

Christopher Samuel
Chair

The accompanying notes on pages 87 to 110 are an integral part of the Financial Statements.

* See Glossary of terms and Alternative Performance Measures on pages 123 to 125.

Statement of changes in equity

For the year ended 31 March 2026

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve * £'000	Total shareholders' funds £'000
Shareholders' funds at 1 April 2025		74,239	928,400	19,094	11,057,697	3,035	**12,082,465**
Net return after taxation	14	–	–	–	3,075,980	25,639	**3,101,619**
Ordinary shares bought back into treasury	13	–	–	–	(1,311,758)	–	**(1,311,758)**
Dividends paid during the year	8	–	–	–	(29,575)	(20,576)	**(50,151)**
Shareholders' funds at 31 March 2026		**74,239**	**928,400**	**19,094**	**12,792,344**	**8,098**	**13,822,175**

For the year ended 31 March 2025

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve * £'000	Total shareholders' funds £'000
Shareholders' funds at 1 April 2024		74,239	928,400	19,094	11,591,680	16,401	**12,629,814**
Net return after taxation	14	–	–	–	1,199,883	17,876	**1,217,759**
Ordinary shares bought back into treasury	13	–	–	–	(1,709,766)	–	**(1,709,766)**
Dividends paid during the year	8	–	–	–	(24,100)	(31,242)	**(55,342)**
Shareholders' funds at 31 March 2025		**74,239**	**928,400**	**19,094**	**11,057,697**	**3,035**	**12,082,465**

The accompanying notes on pages 87 to 110 are an integral part of the Financial Statements.

* The revenue reserve and the capital reserve (to the extent it constitutes realised profits) are distributable.

Cash flow statement

For the year ended 31 March

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Cash flows from operating activities					
Net return before taxation		3,104,317		1,223,313	
Adjustments to reconcile company net return before tax to net cash flow from operating activities					
Net gains on investments		(3,151,918)		(1,273,082)	
Currency gains		(16,876)		(22,682)	
Finance costs of borrowings		52,695		55,682	
Taxation					
Overseas withholding tax		(2,639)		(12,611)	
Other capital movements					
Changes in debtors and creditors		(984)		3,663	
Cash from operations			(15,405)		(25,717)
Interest paid			(53,316)		(56,746)
Net cash outflow from operating activities			(68,721)		(82,463)
Cash flows from investing activities					
Acquisitions of investments		(927,919)		(2,234,476)	
Disposals of investments		2,377,491		4,002,653	
Net cash inflow from investing activities			1,449,572		1,768,177
Cash flows from financing activities					
Equity dividends paid	8	(50,151)		(55,342)	
Ordinary shares bought back into treasury and stamp duty thereon		(1,328,343)		(1,747,606)	
Bank loans repaid		(1,030,761)		(843,506)	
Bank loans drawn down		1,030,761		843,506	
Net cash outflow from financing activities			(1,378,494)		(1,802,948)
Increase/(decrease) in cash at bank and in hand			2,357		(117,234)
Exchange movements			(342)		2,485
Cash at bank and in hand at start of period	16,19		9,013		123,762
Cash at bank and in hand at end of period*	16,19		**11,028**		**9,013**

The accompanying notes on pages 87 to 110 are an integral part of the Financial Statements.

* Cash at bank and in hand represent cash at bank and short term money market deposits repayable on demand.

Notes to the financial statements

1 Significant accounting policies

The Financial Statements for the year to 31 March 2026 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

(a) Basis of accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of heightened macroeconomic and geopolitical concerns, including trade wars, the ongoing Russia-Ukraine war, and the conflict in the Middle East. It has reviewed the results of specific leverage and liquidity stress testing and does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis.

During the year, the undrawn US$75 million revolving credit facility with Industrial and Commercial Bank of China ('ICBC') was refinanced with a new US$120 million revolving credit facility with ICBC. The US$300 million Scotiabank three year fixed rate loan expired and was refinanced by drawdowns of US$120 million from the new ICBC facility, US$30 million from a new US$75 million revolving credit facility with The Bank of New York Mellon and US$150 million from a new US$150 million revolving credit facility with Banco Bilbao Vizcaya Argentaria S.A. Following the year end, on 8 April 2026, the undrawn US$25 million revolving loan facility with The Royal Bank of Scotland International Limited ('RBSI') and the expiring US$180 million fixed rate loan with RBSI were refinanced through a new US$205 million one year revolving credit facility, of which US$180 million was drawn down.

The Company has continued to comply with the investment trust status requirements of Section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

It is the Directors' opinion, having assessed the principal and emerging risks and other matters set out in the Viability Statement on page 51, which assesses the prospects of the Company over a period of 10 years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in July 2022 with consequential amendments.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as a principal risk as set out on page 56, and have concluded that it does not have a material impact on the Company's investments. In line with FRS 102 investments are valued at fair value, which for the Company are unlisted investments predominantly utilising market-based valuation techniques and quoted bid prices for investments in active markets at the balance sheet date and therefore reflect market participants' view of climate change risk.

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income statement.

Although the portfolio is dominantly exposed to US dollars, the Directors consider the Company's functional currency to be sterling as the Company's share capital and dividends paid are denominated in sterling, the Company's shareholders are predominantly based in the UK, and the Company and its investment managers, who are subject to the UK's regulatory environment, are also UK based.

Financial assets and financial liabilities are recognised in the Company's Balance sheet when it becomes a party to the contractual provisions of the instrument.

The Company has only one material segment being that of an investment trust company investing in a portfolio of long term investments chosen on a global basis.

(b) Significant accounting estimates and judgements

The preparation of the Financial Statements requires the use of estimates and judgements. These estimates and judgements affect the reported amounts of assets and liabilities at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the fair valuation of the unlisted investments.

Judgements

The Directors consider that the preparation of the Financial Statements involves the key judgements in the following areas:

(i) the determination of the functional currency of the Company as sterling (see rationale in 1(a) above); and

(ii) the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

(i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Guidelines 2025 ('IPEV') to each unlisted investment; and

(ii) the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used (see 1(c) below) for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the private company investments at the Balance sheet date. The significance of this estimate has increased over the year with the increase in the proportion of private company investments (see note 9). The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

(i) the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns;

(ii) the selection of a revenue metric (either historical or forecast);

(iii) the application of an appropriate discount factor to reflect the reduced liquidity of private companies versus their listed peers;

(iv) the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;

(v) the selection of an appropriate industry benchmarks index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

(vi) the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimate. As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other price risk sensitivity in note 19 on page 105 to illustrate the effect on the Financial Statements of an over or under estimation of fair values. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

The determination of fair value by the Managers involves key assumptions dependent upon the valuation technique used. As explained in 1(c) below, the primary technique applied under the IPEV Guidelines is the Multiples approach. The valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate starting point for estimating fair value. The Multiples approach involves subjective inputs and therefore presents a greater risk of over or under estimation and particularly in the absence of a recent transaction.

The key assumptions for the Multiples approach are that the selection of comparable companies provides a reasonable basis for identifying relationships between enterprise value, revenue and growth to apply in the determination of fair value. Other assumptions include that (i) the discount applied for reduced liquidity versus listed peers, (ii) the probabilities assigned to an exit being through either an IPO or a company sale, and (iii) the application of milestone analysis and industry benchmark indices are a reasonable basis for applying appropriate adjustments to the valuations. Valuations are cross-checked for reasonableness to alternative multiples-based approaches or benchmark index movements as appropriate.

(c) Investments

Purchases and sales

Purchases and sales of investments are accounted for on a trade date basis. All investments are designated as valued at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

Listed investments

The fair value of listed security investments is bid value or, in the case of holdings on certain recognised overseas exchanges, at last traded prices.

Private company investments

Private company investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The valuation process is overseen by the Private Companies Valuations Group at Baillie Gifford which is independent from the portfolio managers and which takes advice from an independent third party (S&P Global). The Managers' private company investment policy applies techniques consistent with the International Private Equity and Venture Capital Valuation Guidelines 2025 ('IPEV').
The techniques applied are predominantly market-based approaches. The market-based approaches available under IPEV are set out below and are followed by an explanation of how they are applied to the Company's private company portfolio:

- Multiples;
- Industry Valuation Benchmarks; and
- Available Market Prices.

The nature of the private company portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate.
An absence of relevant industry peers may preclude the application of the Industry Valuation benchmarks technique and an absence of observable prices may preclude the Available Market Prices approach. Valuations are typically cross-checked for reasonableness by employing relevant alternative techniques.

The private company investments are valued according to a three monthly cycle of measurement dates. The fair value of the private company investments will be reviewed before the next scheduled three monthly measurement date on the following occasions:

- at the year end and half year end of the Company; and

- where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

Significant holdings

The Company has a significant holding in the shares of the Global AI Opportunities Fund and in the limited partnership interests of WI Harper Fund VII (see note 9 on page 94). The Directors have assessed the rights attached to each of these significant holdings and have concluded that the Company does not control either undertaking for the purposes of FRS 102 and that neither holding is a subsidiary undertaking under the Companies Act 2006. The holdings are held as part of the Company's investment portfolio with a view to investment return and are accounted for at fair value through profit or loss.

Gains and Losses

Gains and losses on investments, including those arising from foreign currency exchange differences are recognised in the Income statement as capital items.

(d) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

(e) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

(ii) Interest from fixed interest securities is recognised on an effective interest rate basis. Where income returns are for a non-fixed amount, the impact of these returns on the effective interest rate is recognised once such returns are known. If there is reasonable doubt that a return will be received, its recognition is deferred until that doubt is removed.

(iii) Unfranked investment income includes the taxes deducted at source.

(iv) Interest receivable on deposits is recognised on an accruals basis.

(v) If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital.

(vi) Special dividends are treated as repayments of capital or income depending on the facts of each particular case.

(f) Expenses

All expenses are accounted for on an accruals basis. Where expenses relate directly to the acquisition or disposal of an investment (transaction costs) they are recognised as capital within losses/gains on investments; and where they are connected with the maintenance or enhancement of the value of investments they are charged to capital reserve. Accordingly, the management fee is charged fully to capital as this reflects the primary source of returns to shareholders over the long term. All other expenses are charged through the revenue column of the Income statement.

(g) Long term borrowings and finance costs

Long term borrowings are carried in the Balance sheet at amortised cost, representing the cumulative amount of net proceeds after issue, plus accrued finance costs attributable to the stepped interest debentures. The finance costs of such borrowings have been allocated to the capital reserve at a constant rate on the carrying amount. The borrowings are invested with the aim of enhancing long term returns therefore the related costs are charged to capital. Issue costs are written off at a constant rate over the life of the borrowings. Gains and losses on the repurchase or early settlement of debt is wholly charged to capital.

(h) Taxation

Current tax is provided at the amounts expected to be paid or recovered. The tax effect of different items of income and expenditure is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the Company's effective tax rate for the accounting period.

Deferred taxation is provided on an undiscounted basis on all timing differences which have originated but not reversed by the Balance sheet date, calculated at the tax rates expected to apply when the timing differences reverse, based on what has been enacted or substantially enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is probable that there will be taxable profits from which underlying timing differences can be deducted.

(i) Foreign currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in capital reserve or revenue reserve as appropriate.

(j) Capital reserve

Gains and losses on disposal of investments, changes in fair value of investments held, exchange differences of a capital nature and the amount by which other assets and liabilities valued at fair value differ from their book cost are dealt with in this reserve. Purchases of the Company's own shares are also funded from this reserve. 100% of management fees and finance costs have been allocated to the capital reserve. The capital reserve, to the extent it constitutes realised profits, is distributable.

When making a distribution to shareholders, the Directors determine profits available for distribution by reference to 'Guidance on realised and distributable profits under the Companies Act 2006' issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The availability of distributable reserves in the Company is dependent on those dividends meeting the definition of qualifying consideration within the guidance and on available cash resources of the company and other accessible sources of funds. The distributable reserves are therefore subject to any future restrictions or limitations at the time such distribution is made.

(k) Share premium account

The balance classified as share premium represents:

- the proceeds of sales of shares held in treasury in excess of the weighted average purchase price paid by the Company to repurchase the shares; and
- the excess of the proceeds of issuance of new shares over the nominal value.

2 Income

	2026 £'000	2025 £'000
Income from investments		
Overseas dividends*	31,293	28,423
Overseas interest	1,099	1,215
	32,392	**29,638**
Other income		
Deposit interest	696	3,268
Miscellaneous income	21	–
Total income	**33,109**	**32,906**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	31,293	28,423
Interest from financial assets designated at fair value through profit or loss	1,099	1,215
Interest from financial assets not at fair value through profit or loss	717	3,268
	33,109	**32,906**

* Overseas dividend income represents income from equity holdings. There was no income from preference share (non-equity) holdings during the year (2025 – nil).

3 Investment management fee

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Investment management fee	–	**40,121**	**40,121**	–	**37,022**	**37,022**

Details of the Investment Management Agreement are disclosed on page 59. The annual management fee is 0.30% on the first £4 billion of total assets less current liabilities (excluding short term borrowings for investment purposes) and 0.25% thereafter and is calculated quarterly.

The investment management fees for the years to 31 March 2026 and 31 March 2025 were charged 100% to capital.

4 Other administrative expenses

	2026 £'000	2025 £'000
General administrative expenses	1,022	798
Impairment provision†	–	8,775
Directors' fees (see Directors' remuneration report on page 71)	377	350
Custody fees	1,869	1,194
Marketing*	1,228	1,267
Registrar fees	100	102
Auditors' remuneration for audit services	169	163
Auditors' remuneration for non-audit services – certification of financial information for the debenture trustee	5	4
Other administrative expenses charged to revenue	**4,770**	**12,653**

* The Company is part of a marketing programme which includes all the investment trusts managed by the Manager. The marketing strategy has an ongoing objective to stimulate demand for the Company's shares. The cost of this marketing strategy is borne in partnership by the Company and the Manager. The Manager matches the Company's marketing contribution and provides the resource to manage and run the programme.

† The impairment provision in the year to 31 March 2025 relates to interest previously accrued from the Northvolt Convertible Note but no longer receivable following Northvolt's filing for bankruptcy.

5 Finance costs of borrowings

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Bank loans and overdrafts repayable within five years or less	–	20,629	**20,629**	–	23,012	**23,012**
Debentures repayable wholly or partly in five years or less	–	5,486	**5,486**	–	5,537	**5,537**
Debentures repayable wholly or partly in more than five years	–	30	**30**	–	30	**30**
Loan notes repayable in more than five years	–	26,550	**26,550**	–	27,103	**27,103**
	–	**52,695**	**52,695**	**–**	**55,682**	**55,682**

The finance costs for the years to 31 March 2026 and 31 March 2025 have been charged 100% to capital.

The weighted average cost of debt at 31 March 2026 was 3.6% (31 March 2025 – 3.1%)

6 Tax

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Overseas taxation	2,700	–	**2,700**	2,377	–	**2,377**
Indian capital gains tax	–	(2)	**(2)**	–	3,177	**3,177**
	2,700	**(2)**	**2,698**	**2,377**	**3,177**	**5,554**

	2026 £'000	2025 £'000
Net return before taxation	3,104,317	1,223,313
Net return before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2025 – 25%)	776,079	305,828
Capital returns not taxable	(792,199)	(323,941)
Income not taxable (overseas dividends)	(7,823)	(7,106)
Current year management expenses and non-trade loan relationship deficit not utilised	23,943	25,219
Overseas withholding tax	2,700	2,377
Revenue tax charge for the year	**2,700**	**2,377**
Indian capital gains tax	(2)	3,177
Capital tax charge for the year	**(2)**	**3,177**
Total tax on ordinary activities	**2,698**	**5,554**

At 31 March 2026 the Company had surplus management expenses and losses on non-trading loan relationships of £638.5 million (2025 – £590.8 million) which have not been recognised as a deferred tax asset. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

7 Net return per ordinary share

	2026 Revenue	2026 Capital	2026 Total	2025 Revenue	2025 Capital	2025 Total
Net return per ordinary share	**2.28p**	**273.03p**	**275.31p**	**1.39p**	**93.18p**	**94.57p**

Revenue return per ordinary share is based on the net revenue after taxation of £25,639,000 (2025 – £17,876,000), and on 1,126,604,877 (2025 – 1,287,655,573) ordinary shares, being the weighted average number of ordinary shares (excluding treasury shares) during the year.

Capital return per ordinary share is based on the net capital return for the financial year of £3,075,980,000 (2025 – net capital return of £1,199,883,000), and on 1,126,604,877 (2025 – 1,287,655,573) ordinary shares, being the weighted average number of ordinary shares (excluding treasury shares) during the year.

There are no dilutive or potentially dilutive shares in issue.

8 Ordinary dividends

	2026	2025	2026 £'000	2025 £'000
Amounts recognised as distributions in the year:				
Previous year's final (paid 10 July 2025)	2.78p	2.64p	32,610	35,175
Interim (paid 12 December 2025)	1.60p	1.60p	17,541	20,167
	4.38p	**4.24p**	**50,151**	**55,342**

Also set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £25,639,000 (2025 – £17,876,000).

	2026	2025	2026 £'000	2025 £'000
Dividends paid and payable in respect of the year:				
Interim (paid 12 December 2025)	1.60p	1.60p	17,541	20,167
Proposed final dividend per ordinary share (payable 10 July 2026)	2.97p	2.78p	32,022	32,610
	4.57p	**4.38p**	**49,563**	**52,777**

9 Investments held at fair value through profit or loss

As at 31 March 2026	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities/funds	8,991,362	–	–	**8,991,362**
Private company ordinary shares	–	–	1,199,887	**1,199,887**
Private company preference shares†	–	–	5,156,079	**5,156,079**
Private company convertible notes	–	–	20,246	**20,246**
Limited partnership investments	–	–	41,349	**41,349**
Contingent value rights	–	–	512	**512**
Total financial asset investments	**8,991,362**	**–**	**6,418,073**	**15,409,435**

As at 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities/funds	9,880,944	–	–	**9,880,944**
Private company ordinary shares	–	–	835,363	**835,363**
Private company preference shares†	–	–	2,875,069	**2,875,069**
Private company convertible notes	–	–	18,872	**18,872**
Limited partnership investments	–	–	54,928	**54,928**
Contingent value rights	–	–	555	**555**
Total financial asset investments	**9,880,944**	**–**	**3,784,787**	**13,665,731**

† The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a take-over.

9 Investments held at fair value through profit or loss (continued)

The fair value of listed investments is bid value or, in the case of holdings on certain recognised overseas exchanges, last traded price. Listed investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data.

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition. In accordance with Financial Reporting Standard 102, the preceding tables provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

Fair value hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

The valuation techniques used by the Company are explained in the accounting policies on page 88. A sensitivity analysis by valuation technique of the unlisted securities is on page 105.

During the year, Heartflow (book cost – £39,214,000) transferred from Level 3 to Level 1 on becoming listed (2025 – Bolt Projects Holdings, Tempus AI Inc and Horizon; book cost – £51,643,000, £159,627,000 and £37,062,000 respectively).

	Listed securities * £'000	Private company securities † £'000	Private company bonds £'000	Total £'000
Cost of investments held at 1 April 2025	7,271,642	3,078,268	112,829	**10,462,739**
Fair value adjustment at 1 April 2025	2,609,302	687,647	(93,957)	**3,202,992**
Value of investments held at 1 April 2025	9,880,944	3,765,915	18,872	**13,665,731**
Movements in year:				
Purchases at cost	674,076	252,569	1,274	**927,919**
Sales – proceeds received	(2,327,440)	(8,693)	–	**(2,336,133)**
– gains/(losses) #	1,135,579	802	–	**1,136,381**
Changes in fair value	(411,011)	2,426,448	100	**2,015,537**
Change in categorisation	39,214	(39,214)	–	**–**
Fair value of investments held at 31 March 2026	**8,991,362**	**6,397,827**	**20,246**	**15,409,435**
Cost of investments held at 31 March 2026	6,793,071	3,283,732	114,103	**10,190,906**
Fair value adjustment at 31 March 2026	2,198,291	3,114,095	(93,857)	**5,218,529**
Fair value of investments held at 31 March 2026	**8,991,362**	**6,397,827**	**20,246**	**15,409,435**

* Includes funds.

† Includes holdings in preference shares, limited partnerships and ordinary shares.

Includes losses on investments written off in the period.

The purchases and sales proceeds figures above include transaction costs of £764,000 (2025 – £1,487,000) and £579,000 (2025 – £1,459,000) respectively. The book cost of investments disposed of during the year was £1,199,752,000 (2025 – £1,382,540,000)

	2026 £'000	2025 £'000
Net gains on investments designated at fair value through profit or loss on initial recognition		
Gains on sales#	1,136,381	2,428,669
Changes in investment holding gains /(losses)	2,015,537	(1,155,587)
	3,151,918	**1,273,082**

Includes losses on investments written off in the period.

9 Investments held at fair value through profit or loss (continued)

Significant holdings disclosure requirements – Companies Act 2006

Details of significant holdings are detailed below in accordance with the disclosure requirements of the Companies Act 2006 where the requirements are met in relation to investments which amount to 20% or more of the nominal value of any class of shares in an undertaking. As required, this disclosure includes the profit or loss and the capital reserves as reported within the most recently audited financial statements of the investee undertakings, where possible. The different share classes of the undertakings below are detailed in the List of Investments on pages 36 to 43.

As at 31 March 2026

Name	Business	Country of incorporation	Share class with significant holding	Proportion of shares held %	Latest Financial Statements	Capital and reserves ('000)	Profit/(loss) ('000)
Global AI Opportunities Fund	Artificial intelligence based algorithmic trading	Not applicable*	Class A†	95.3%	31/03/2025	£5,390	£598
WI Harper Fund VII	Venture capital fund	Not applicable*	Not applicable	80.4%	31/12/2025	US$3,101	US$255

As at 31 March 2025

Name	Business	Country of incorporation	Share class with significant holding	Proportion of shares held %	Latest Financial Statements	Capital and reserves ('000)	Profit/(loss) ('000)
Global AI Opportunities Fund	Artificial intelligence based algorithmic trading	Not applicable*	Class A†	89.6%	31/03/2024	£5,098	(£55)
WI Harper Fund VII	Venture capital fund	Not applicable*	Not applicable	80.1%	31/12/2024	US$3,589	(US$3,128)

* The registered address of the Global AI Opportunities Fund is: Level E Capital SICAV p.l.c., 171, Old Bakery Street, Valletta, VLT 1455, Malta. The address of the WI Harper Fund VII is: 50 California Street, Suite 2580, San Francisco, California 94111, U.S.A.

† Global AI Opportunities Fund information represents the holding in Class A. No other share classes are held by the Company.

Significant holdings disclosure requirements – AIC SORP

Details are disclosed below in accordance with paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in July 2022) in relation to unlisted investments included within the Company's ten largest holdings disclosed on page 28. Paragraph 82 requires disclosure of turnover, pre-tax profits and net assets attributable to investors, as reported within the most recently audited financial statements of the relevant investee companies.

For certain unlisted investee companies, this information is not publicly available and/or the Company is subject to confidentiality restrictions which limit the information that can be disclosed. Where the required information has not been provided in the table below, this represents a departure from the disclosure requirement of paragraph 82 of the AIC SORP. The Directors consider that the omitted information is not necessary for an understanding of the Company's financial position or performance and that the omission does not prevent the Financial Statements from giving a true and fair view.

As at 31 March 2026

Name	Latest Financial Statements	Proportion of capital owned %	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover ('000)	Pre-tax profit/(loss) ('000)	Net assets attributable to shareholders ('000)
Space Exploration Technologies Corp*	Year ended 31 Dec 2025	0.3	151,149	2,984,236	Nil	18,674,000	(4,219,000)	41,325,000
ByteDance Ltd	n/a	0.2	169,683	732,984	Nil	Information not publicly available		
Stripe Inc	n/a	0.5	221,542	609,386	Nil	Information not publicly available		

As at 31 March 2025

Name	Latest Financial Statements	Proportion of capital owned %	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover ('000)	Pre-tax profit/(loss) ('000)	Net assets attributable to shareholders ('000)
Space Exploration Technologies Corp*	Year ended 31 Dec 2024	0.3	151,149	1,071,116	Nil	14,015,000	242,000	25,804,000
ByteDance Ltd	n/a	0.2	169,683	565,982	Nil	Information not publicly available		

* The information for Space Exploration Technologies Corp. has been included following the public filing of a registration statement (Form S-1) with the U.S. Securities and Exchange Commission in connection with a proposed initial public offering. The filing provides updated information on the company's business and financial position.

9 Investments held at fair value through profit or loss (continued)

Material movements in unlisted investment valuations – AIC SORP

The following table sets out the largest movements in the fair value of unlisted investments included within the Company's thirty largest holdings during the year. The movements shown compare the fair value at 31 March 2026 with the fair value at 31 March 2025. Where relevant, the table identifies movements affected by follow-on investment. New purchases during the year are not included in this table.

Investment	Fair value at 31 March 2026 £'000	Fair value at 31 March 2025 £'000	Movement £'000	Nature of movement	Commentary
Space Exploration Technologies Corp	2,984,236	1,071,116	1,913,120	Increase	Significant valuation uplift during the year. The Company's disclosure notes a valuation step-up following SpaceX's December 2025 secondary share sale and the February 2026 xAI transaction.
Stripe Inc	609,386	353,938	255,448	Increase	Valuation uplift during the year. The Company's disclosure notes Stripe's February 2026 tender offer valuation of US$159 billion, a 74% increase from its US$91.5 billion valuation 12 months earlier.
ByteDance Ltd	732,984	565,982	167,002	Increase	Valuation uplift during the year, reflecting continued business progress, including revenue, user reach and AI expansion, alongside the valuation assessment applied to the holding.
Zipline International Inc	303,930	187,095	116,835	Increase	Increase during the year, including the impact of a follow-on investment in Series H Preference shares. The Company's disclosure notes Zipline's January 2026 funding round and operational expansion.
Databricks Inc	225,530	112,175	113,355	Increase	Valuation uplift during the year. The Company's disclosure notes Databricks' December 2025 Series L funding round at a US$134 billion valuation.

Note: The movements above have been calculated using the fair value at 31 March 2026 less the corresponding fair value at 31 March 2025 as shown in the thirty largest holdings table on page 28.

10 Debtors

	2026 £'000	2025 £'000
Amounts falling due within one year:		
Accrued income	8,120	6,426
Sales for subsequent settlement	20,905	62,263
Currency sales for subsequent settlement	13,917	–
Other debtors and prepayments	1,037	822
	43,979	**69,511**

None of the above debtors is a financial asset designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value.

11 Creditors – amounts falling due within one year

	2026 £'000	2025 £'000
The Royal Bank of Scotland International Limited 3 year revolving loan	128,915	131,706
Banco Bilbao Vizcaya Argentaria 3 year revolving loan	113,748	–
Industrial and Commercial Bank of China 1 year revolving loan	90,999	–
The Bank of New York Mellon 1 year revolving loan	22,750	–
Scotiabank US$300 million 2.23% fixed rate loan	–	232,412
The Royal Bank of Scotland International Limited US$180 million 2.60% fixed rate loan*	136,498	–
National Australia Bank Limited 2 year revolving loan	75,832	77,474
£50 million 6–12% stepped interest debenture stock 2026†	50,139	–
Currency purchases for subsequent settlement	13,915	–
Other creditors and accruals	22,154	37,923
	654,950	**479,515**

* Expires on 8 April 2026 and included in creditors falling due within one year at 31 March 2026.
† Expires on 30 June 2026 and included in creditors falling due within one year at 31 March 2026.
Included in other creditors is £10,111,000 (2025 – £9,066,000) in respect of the investment management fee.

Borrowing facilities at 31 March 2026

A 2 year US$100 million revolving loan facility has been arranged with National Australia Bank Limited (expiring 16 December 2026).

A 3 year US$170 million revolving loan facility has been arranged with The Royal Bank of Scotland International Limited (expiring 8 January 2027).

A 5 year US$25 million revolving loan facility has been arranged with The Royal Bank of Scotland International Limited (expiring 27 August 2026 but refinanced on 8 April 2026 – see note below).

A 1 year US$120 million revolving loan facility has been arranged with Industrial and Commercial Bank of China Limited (expiring 17 March 2027).

A 1 year US$ 75 million revolving credit facility has been arranged with The Bank of New York Mellon ('BNYM') (expiring 26 March 2027)

A 3 year US$150 million revolving credit facility has been arranged with Banco Bilbao Vizcaya Argentaria ('BBVA') (expiring 27 March 2029).

The revolving loan facilities are classified as due within one year because of the revolving nature of the facilities and the short drawdown periods. The facilities are available until their termination dates which are noted above. The maturity table on page 104 reflects the termination dates of the revolving facilities.

11 Creditors – amounts falling due within one year (continued)

At 31 March 2026 drawings were as follows:

National Australia Bank Limited	US$100 million (revolving facility expiring 16 December 2026) at an interest rate (at 31 March 2026) of 5.28857% per annum
The Royal Bank of Scotland International Limited	US$170 million (revolving facility expiring 8 January 2027) at an interest rate (at 31 March 2026) of 4.96181% per annum
Industrial and Commercial Bank of China	US$120 million (revolving facility expiring 17 March 2027) at an interest rate (at 31 March 2026) of 5.13161% per annum
The Bank of New York Mellon	US$30 million (revolving facility expiring 26 March 2027) at an interest rate (at 31 March 2026) of 4.89000% per annum
Banco Bilbao Vizcaya Argentaria	US$150 million (revolving facility expiring 27 March 2029) at an interest rate (at 31 March 2026) of 4.57000% per annum

At 31 March 2025 drawings were as follows:

National Australia Bank Limited	US$100 million (revolving facility expiring 16 December 2026) at an interest rate (at 31 March 2025) of 5.9553% per annum
The Royal Bank of Scotland International Limited	US$170 million (revolving facility expiring 8 January 2027) at an interest rate (at 31 March 2025) of 5.6287% per annum

During the year, the undrawn US$75 million revolving credit facility with Industrial and Commercial Bank of China (“ICBC”) was refinanced by a new US$120 million revolving credit facility with ICBC. The US$300 million Scotiabank 3 year fixed rate loan expired and was refinanced by drawdowns of US$120 million from the new ICBC facility, US$30 million from a new US$75 million revolving credit facility with The Bank of New York Mellon and US$150 million from a new US$150 million revolving credit facility with Banco Bilbao Vizcaya Argentaria S.A.

Following the year end, on 8 April 2026, the undrawn US$25 million revolving loan facility with The Royal Bank of Scotland International Limited (“RBSI”) and the expiring US$180 million fixed rate loan with RBSI were refinanced through a new US$205 million 1 year revolving credit facility, of which US$180 million was drawn down.

The main covenants which are tested monthly are:

(i) Total borrowings shall not exceed 35% of the Company’s adjusted net asset value.

(ii) Total borrowings shall not exceed 35% of the Company’s adjusted total assets.

(iii) The Company’s minimum net asset value shall be £2,500 million.

(iv) The Company shall not change the investment manager without prior written consent of the lenders.

12 Creditors – amounts falling due after more than one year

	Nominal rate %	Effective rate %	2026 £'000	2025 £'000
Debenture stocks:				
£675,000 4½% irredeemable debenture stock			675	675
£50 million 6-12% stepped interest debenture stock 2026	12	10.8	–	50,653
Unsecured loan notes:				
£30 million 2.91% 2038	2.91	2.91	29,975	29,973
£150 million 2.30% 2040	2.3	2.3	149,862	149,852
£50 million 2.94% 2041	2.94	2.94	49,954	49,951
£45 million 3.05% 2042	3.05	3.05	44,927	44,922
£30 million 3.30% 2044	3.3	3.3	29,949	29,946
£20 million 3.65% 2044	3.65	3.65	19,976	19,974
€18 million 1.65% 2045	1.65	1.65	15,711	15,048
£30 million 3.12% 2047	3.12	3.12	29,947	29,944
£90 million 2.96% 2048	2.96	2.96	89,908	89,904
€27 million 1.77% 2050	1.77	1.77	23,566	22,571
£100 million 2.03% 2036	2.03	2.03	99,943	99,938
£100 million 2.30% 2046	2.3	2.3	99,933	99,930
US$175 million 2.99% 2052	2.99	2.99	132,561	135,426
US$110 million 3.04% 2057	3.04	3.04	83,322	85,123
US$115 million 3.09% 2062	3.09	3.09	87,108	88,991
Long term bank loans:				
US$180 million RBSI 2.60% fixed rate loan 2026	2.6	2.6	–	139,454
			987,317	**1,182,275**

Unsecured loan notes

The unsecured loan notes are stated at the cumulative amount of net proceeds after issue. The cumulative effect is to reduce the carrying amount of borrowing by £1,005,000 (2025 – £1,047,000).

Long term bank loans

There were no bank loans falling due after more than one year at 31 March 2026. The long-term bank loan at 31 March 2025 was stated at the cumulative amount of net proceeds after issue, which reduced the carrying amount of borrowing by £11,000 at 31 March 2025. The main covenants are detailed in note 11.

Borrowing limits

Under the terms of the Articles of Association and the Debenture Trust Deeds, total borrowings should not exceed a sum equal to one half of the adjusted total of capital and reserves at the Company's year end.

Debenture stocks

The debenture stocks are stated at the cumulative amount of net proceeds after issue, plus accrued finance costs attributable to the stepped interest debentures. The cumulative effect is to increase the carrying amount of borrowings by £139,000 (2025 – £653,000) over nominal value. The debenture stocks are secured by a floating charge over the assets of the Company.

13 Called up share capital

	2026 Number	2026 £'000	2025 Number	2025 £'000
Allotted, called up and fully paid ordinary shares of 5p each	1,078,166,806	53,908	1,201,051,727	60,053
Treasury shares of 5p each	406,614,074	20,331	283,729,153	14,186
Total	**1,484,780,880**	**74,239**	**1,484,780,880**	**74,239**

The Company's authority permits it to hold shares bought back 'in treasury'. Such treasury shares may be subsequently either sold for cash (at, or at a premium to, net asset value per ordinary share) or cancelled. In the year to 31 March 2026, 122,884,921 shares with a nominal value of £6,144,000 were bought back at a total cost of £1,311,758,000 and held in treasury (2025 – 184,816,766 shares with a nominal value of £9,241,000 were bought back at a total cost of £1,709,766,000 and held in treasury). At 31 March 2026 the Company had authority to buy back 50,979,213 ordinary shares.

Under the provisions of the Company's Articles, the share buy-backs are funded from the capital reserve.

In the year to 31 March 2026, the Company sold no treasury ordinary shares (31 March 2025 – no treasury ordinary shares). At 31 March 2026 the Company had authority to issue or sell from treasury 117,640,660 ordinary shares (406,614,074 shares were held in treasury at 31 March 2026).

14 Capital and reserves

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
At 1 April 2025	74,239	928,400	19,094	11,057,697	3,035	**12,082,465**
Gains on sales	–	–	–	1,136,381	–	**1,136,381**
Changes in investment holding gains and losses	–	–	–	2,015,537	–	**2,015,537**
Exchange differences	–	–	–	(342)	–	**(342)**
Exchange differences on loans	–	–	–	17,218	–	**17,218**
Shares bought back into treasury	–	–	–	(1,311,758)	–	**(1,311,758)**
Investment management fee charged to capital	–	–	–	(40,121)	–	**(40,121)**
Finance costs of borrowings charged to capital	–	–	–	(52,695)	–	**(52,695)**
Tax charged to capital	–	–	–	2	–	**2**
Dividends paid in the year	–	–	–	(29,575)	(20,576)	**(50,151)**
Revenue return after taxation	–	–	–	–	25,639	**25,639**
At 31 March 2026	**74,239**	**928,400**	**19,094**	**12,792,344**	**8,098**	**13,822,175**

The capital reserve includes investment holding gains of £5,218,529,000 (2025 – gains of £3,202,992,000) as disclosed in note 9. The Revenue Reserve and the Capital Reserve (to the extent it constitutes realised profits) are distributable.

15 Shareholders' funds

	2026 £'000	2025 £'000
Total shareholders' funds are attributable as follows:		
Equity shares	**13,822,175**	**12,082,465**

Total shareholders' funds have been calculated in accordance with the provisions of FRS 102.

	2026	2025
Shareholders' funds attributable to ordinary shares (as above)	£13,822,175,000	£12,082,465,000
Number of ordinary shares in issue at the year end*	1,078,166,806	1,201,051,727
Shareholders' funds per ordinary share	**1,282.0p**	**1,006.0p**

* Excluding shares held in treasury.

16 Analysis of change in net debt

	At 1 April 2025 £'000	Cash flows £'000	Other non-cash changes* £'000	Exchange movement £'000	At 31 March 2026 £'000
Cash at bank and in hand	9,013	2,015	–	–	11,028
Loans due within one year	(441,592)	–	(136,509)	9,359	(568,742)
Loans due after more than one year	(139,454)	–	136,498	2,956	–
Debenture stocks due within one year	–	–	(50,139)	–	(50,139)
Debenture stocks after more than one year	(51,328)	–	50,653	–	(675)
Loan Notes	(991,493)	–	(52)	4,903	(986,642)
	(1,614,854)	**2,015**	**451**	**17,218**	**(1,595,170)**

17 Related parties and transaction with the managers

The Directors' fees for the year and Directors' interests are detailed in the Directors' remuneration report on pages 71 to 73.

No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

The management fee payable for the year end and details of the management fee arrangements are included on pages 59 and 90 respectively.

18 Contingencies, guarantees and financial commitments

At the year end the Company had capital commitments amounting to US$11,160,000 (2025 – US$16,500,000) in respect of subscription agreements.

Subscription agreement capital commitments

As at 31 March 2026	Expiry	Total commitment	Drawn down as at 31 March 2026	Remaining commitment at 31 March 2026
Sinovation Fund III, L.P.	31 December 2026	US$10.00 million	US$9.83 million	US$0.17 million
WI Harper Fund VIII, L.P.	31 July 2027	US$10.00 million	US$9.79 million	US$0.21 million
ARCH Venture Fund XI, L.P.	27 January 2032	US$10.00 million	US$8.80 million	US$1.20 million
Antler East Africa Fund I L.P.	15 October 2034	US$3.00 million	US$1.47 million	US$1.53 million
ARCH Venture Fund XII, L.P.	4 April 2033	US$10.00 million	US$7.35 million	US$2.65 million
ARCH Venture Fund XIII, L.P.	19 April 2034	US$10.00 million	US$4.60 million	US$5.40 million

As at 31 March 2025	Expiry	Total commitment	Drawn down as at 31 March 2025	Remaining commitment at 31 March 2025
Sinovation Fund III, L.P.	31 December 2026	US$10.00 million	US$9.43 million	US$0.57 million
WI Harper Fund VIII, L.P.	31 July 2025	US$10.00 million	US$9.79 million	US$0.21 million
ARCH Venture Fund X Overage, L.P.	4 December 2029	US$5.00 million	US$4.90 million	US$0.10 million
ARCH Venture Fund XI, L.P.	27 January 2032	US$10.00 million	US$7.55 million	US$2.45 million
Antler East Africa Fund I L.P.	15 October 2034	US$3.00 million	US$1.33 million	US$1.67 million
ARCH Venture Fund XII, L.P.	4 April 2033	US$10.00 million	US$6.15 million	US$3.85 million
ARCH Venture Fund XIII, L.P.	19 April 2034	US$10.00 million	US$2.35 million	US$7.65 million

19 Financial instruments

As an investment trust, the Company invests in listed and private company securities and makes other investments so as to achieve its investment objective to maximise total return from a portfolio of long term investments chosen on a global basis enabling it to provide capital and dividend growth. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short term volatility. Risk provides the potential for both losses and gains and in assessing risk, the Board encourages the Managers to exploit the opportunities that risk affords. The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

Market risk

The fair value of future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board reviews and agrees policies for managing these risks and the Company's Investment Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis. Details of the Company's investment portfolio are shown in note 9 and on pages 36 to 43.

19 Financial instruments (continued)

Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Investment Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Investment Managers assess the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

As at 31 March 2026	Investments £'000	Cash at bank and in hand £'000	Loans, loan notes and debentures £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	12,020,498	10,115	(871,733)	23,715	**11,182,595**
Euro	1,201,019	–	(39,277)	368	**1,162,110**
Taiwan dollar	883,114	–	–	2,710	**885,824**
Hong Kong Dollar	544,093	–	–	–	**544,093**
Chinese Yuan	254,055	–	–	–	**254,055**
Swedish Kroner	142,905	–	–	–	**142,905**
Swiss franc	47,262	–	–	–	**47,262**
Total exposure to currency risk	**15,092,946**	**10,115**	**(911,010)**	**26,793**	**14,218,844**
Sterling	316,489	913	(695,188)	(18,883)	**(396,669)**
	15,409,435	**11,028**	**(1,606,198)**	**7,910**	**13,822,175**

As at 31 March 2025	Investments £'000	Cash at bank and in hand £'000	Loans, loan notes and debentures £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	10,615,898	7,527	(890,586)	1,572	**9,734,411**
Euro	1,305,211	544	(37,618)	182	**1,268,319**
Taiwan dollar	475,447	–	–	–	**475,447**
Hong Kong dollar	702,237	–	–	2,142	**704,379**
Chinese Yuan	–	–	–	–	**–**
Swedish krona	158,105	–	–	–	**158,105**
Swiss franc	31,947	–	–	–	**31,947**
Total exposure to currency risk	**13,288,845**	**8,071**	**(928,204)**	**3,896**	**12,372,608**
Sterling	376,886	942	(695,663)	27,692	**(290,143)**
	13,665,731	**9,013**	**(1,623,867)**	**31,588**	**12,082,465**

19 Financial instruments (continued)

Currency risk sensitivity

At 31 March 2026, if sterling had strengthened by 10% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below. A 10% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The analysis in 2025 was performed on the same basis.

	2026 £'000	2025 £'000
US dollar	1,118,260	973,440
Euro	116,211	126,832
Taiwan dollar	88,582	47,544
Hong Kong Dollar	54,409	70,438
Chinese Yuan	25,406	–
Swedish Kroner	14,291	15,811
Swiss franc	4,726	3,195
	1,421,885	**1,237,260**

Interest rate risk

Interest rate movements may affect directly:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- the fair value of the Company's fixed-rate borrowings; and
- the interest payable on the Company's variable rate borrowings.

Interest rate movements may also impact upon the market value of the Company's investments outwith fixed income securities. The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity (see sensitivity analysis under 'Other price risk' on page 105).

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering borrowing agreements.

The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The Company finances part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board. Movements in interest rates, to the extent that they affect the market value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value at fair value.

The interest rate risk profile of the Company's financial assets and liabilities at 31 March is shown below:

Financial assets

	2026 Fair value £'000	2026 Weighted average interest rate	2026 Weighted average period until maturity *	2025 Fair value £'000	2025 Weighted average interest rate	2025 Weighted average period until maturity *
Cash and short term deposits:						
Other overseas currencies	10,115	0.85%	n/a	8,071	1.60%	n/a
Sterling	913	0.95%	n/a	942	1.70%	n/a

* Based on expected maturity date.

The cash deposits generally comprise call or short term money market deposits of less than one month which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the Interbank market rate.

19 Financial instruments (continued)

Financial liabilities

The interest rate risk profile of the Company's bank loans, debentures and loan notes (at amortised cost) and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 31 March are shown below.

Interest rate risk profile

The interest rate risk profile of the Company's financial liabilities at 31 March was:

	2026 £'000	2025 £'000
Floating rate – US$ denominated	432,244	209,180
Fixed rate – Sterling denominated	695,188	695,662
– US$ denominated	439,489	681,406
– Euro denominated	39,277	37,619
	1,606,198	**1,623,867**

The interest rates of the financial liabilities are disclosed in notes 11 and 12 on pages 96 and 98.

Maturity profile

The maturity profile of the Company's financial liabilities at 31 March was:

	2026 Within 1 year £'000	2026 Between 1 and 5 years £'000	2026 More than 5 years £'000	2025 Within 1 year £'000	2025 Between 1 and 5 years £'000	2025 More than 5 years £'000
Repayment of loans, debentures and loan notes	504,994	113,748	988,322*	309,897	321,160	993,232*
Accumulated interest on loans, debentures and loan notes to maturity date	50,932	117,470	447,743	53,206	625,055	479,192
	555,926	**231,218**	**1,436,065**	**363,103**	**946,215**	**1,472,424**

* Includes £675,000 irredeemable debenture stock.

Amounts drawn under the revolving loan facilities are presented within creditors falling due within one year, reflecting the short-term nature of the individual drawdowns. The facilities themselves remain available until their contractual termination dates, which are detailed in note 11. The maturity table above reflects those facility termination dates rather than the balance sheet current/non-current classification of the individual drawings.

Interest rate risk sensitivity

The effect of an increase or decrease of 100 basis points in bond yields as at 31 March 2026 on the fixed interest investments would have had no significant impact on the net assets or net return after taxation (2025 – nil). Interest rate movements may also impact upon the market value of the Company's investments outwith fixed income securities (see sensitivity analysis under 'Other price risk' below).

Other price risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets.

The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Managers. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the index, investments are selected based upon the merit of individual companies and therefore performance may well diverge from the short term fluctuations of the benchmark. The Board provides guidance to the Managers on the level of private company investments.

A full list of the Company's investments is given on pages 36 to 43. In addition, a geographical analysis of the portfolio, an analysis of the investment portfolio by broad industrial sector and a list of the 30 largest investments by their aggregate market value are contained in the Strategic report.

65.1% (2025 – 72.0%) of the Company's net assets are invested in quoted investments. A 10% increase in quoted companies equity valuations at 31 March 2026 would have increased net assets and net return after taxation by £899,136,000 (2025 – £1,037,015,000). A decrease of 10% would have had an equal but opposite effect. The analysis in 2025 was performed on the same basis and based on movements of 10%.

19 Financial instruments (continued)

Other price risk sensitivity

46.4% (2025 – 27.7%) of the Company's net assets are invested in private company investments. The fair valuation of the private company investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1(b) on page 88). A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. The inputs have been flexed by +/-10% with the exception of the Recent Transaction Price valuation approach as it does not involve significant subjectivity. The table also provides the range of values for the key unobservable inputs.

As at 31 March 2026		Significant unobservable inputs*					
Valuation approach	Fair value of investments £'000	Key unobservable inputs	Other unobservable inputs†	Range	Weighted average range #	Sensitivity %	Sensitivity to changes in significant unobservable inputs
Market approach using comparable traded multiples	661,822	EV / LTM revenue multiple	a,b,c,d	0.4x – 5.7x	3.54x	10%	If EV/LTM multiples changed by +/- 10%, the fair value would change by £40,079,510 and -£41,253,139.
		EV / NTM revenue multiple	a,b,c,d	2.4x – 4.1x	2.62x	10%	If EV/NTM multiples changed by +/- 10%, the fair value would change by £2,922,515 and -£2,817,804
		EV/LTM Earnings multiple	a,b,c,d	12.59x – 29.73x	18.48x	10%	If EV/LTM Earnings multiples changed by +/-10%, the fair value would change by + £2,413,377 and -£2,413,344.
		EV/NTM Earnings multiple	a,b,c,d	4.38x – 24.08x	12.52x	10%	If EV/NTM Earnings multiples changed by +/-10%, the fair value would change by + £1,422,759 and -£1,422,759.
		Illiquidity discount	e	-10.0%	-10%	10%	If the illiquidity discount is changed by +/- 10%, the fair value would change by £5,697,205 and -£5,494,759
Benchmark performance	153,569	Selection of comparable companies and relevant indices	a,b,c,f	(-18.4%) – 10.5%	(12.60%)	10%	If input comparable company performance changed by +/- 10%, the fair value would change by £6,492,383 and -£6,492,383
Sum of the parts	119,537	Selection of comparable companies and relevant indices	a,b,c,f	n/a	n/a	10%	If the performance of the underlying investment and selected benchmark performance changed by +/- 10%, the fair value would change by £13,332,362 and -£13,332,362.
Net Asset Value	41,349	Performance of portfolio	a	n/a	n/a	10%	If the performance of the underlying investment changed by +/- 10%, the fair value would change +/- £4,134,854.
Price of expected transaction	609,386	Execution risk discount	h	n/a	n/a	10%	n/a
Recent transaction price	4,831,898	n/a	a,b	n/a	n/a	10%	n/a

19 Financial instruments (continued)

Other price risk sensitivity (continued)

As at 31 March 2025		Significant unobservable inputs*					
Valuation approach	Fair value of investments £'000	Key unobservable inputs	Other unobservable inputs†	Range	Weighted average range #	Sensitivity %	Sensitivity to changes in significant unobservable inputs
Market approach using comparable traded multiples	1,786,731	EV / LTM revenue multiple‡	a,b,c,d	0.6x – 8.7x	3.5x	10%	If EV/LTM multiples changed by +/- 10%, the fair value would change by £100,550,266 and £104,099,801.^^
		EV / NTM revenue multiple ¶	a,b,c,d	4.9x – 5.8x	5.0x	10%	If EV/NTM multiples changed by +/- 10%, the fair value would change by £7,044,506 and -£7,044,192.^^
		EV/Earnings multiple	a,b,c,d	13.7x	n/a	10%	If EV/Earnings multiples changed by +/-10%, the fair value would change by £4,844,925 and -£4,935,894.
		Illiquidity discount on transaction	e	-10.0%	-10%	10%	If the illiquidity discount is changed by +/- 10%, the fair value would change by £11,556,882 and -£11,711,983.
		Transaction implied premiums and discounts	g	(1.3%) – 24.4%	10%	10%	If a +/- 10% adjustment is applied to the calculated premiums and discounts, the fair value would change by £720,277 and – £716,418
Benchmark performance	422,100	Selection of comparable companies and relevant indices §	a,b,c,f	(27.3%) – 12.5%	(15%)	10%	If input comparable company performance changed by +/- 10%, the fair value would change by £28,156,556 and -£26,272,352.
Sum of the parts^	58,041	Selection of comparable companies and relevant indices §	a,b,c,f	n/a		10%	If the performance of the underlying investment and selected benchmark performance changed by +/- 10%, the fair value would change by £4,299,878 and £5,727,097.
Net Asset Value**	54,929	Performance of LP portfolio	a	n/a		10%	If the performance of the underlying investment changed by +/- 10%, the fair value would change +/- £5,492,584.
Price of expected transaction	–	Execution risk discount	h	n/a		n/a	n/a
Recent transaction price	1,755,063	n/a††	a,b	n/a		n/a	n/a

† See explanation for other unobservable inputs on pages 107 and 108 (sections 'a' to 'f' as relevant).

Weighted average is calculated by reference to the fair value of holdings as at the respective year-end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

‡ Enterprise value divided by the last twelve months revenue.

¶ Enterprise value divided by the next twelve months forecast revenue.

19 Financial instruments (continued)

Other price risk sensitivity (continued)

§ See explanation for the selection of comparable companies on page 108, section 'c'.

^ A 'sum of the parts' valuation approach is used for holding company investments with several underlying businesses. Each individual business is valued using the most appropriate basis depending on the specific circumstances and the overall valuation is the summation of these separate valuations.

** LP ('Limited Partnership') investments are held at net asset values provided by the relevant LP fund administrators. These are adjusted by benchmark movements as appropriate.

†† Whilst a recent transaction price may be the most appropriate basis for a valuation, it will be corroborated by other techniques which factor in the unobservable inputs noted in the above table. However, the transaction price itself is observable.

^^ Flexing the revenue figures by the same sensitivity would result in the same change in both directions.

*Significant unobservable inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each private company valuation. An explanation of each of the key variable inputs is provided below. The assumptions made in the production of the inputs are described in note 1(b) on page 88.

(a) Application of valuation basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

(b) Probability estimation of liquidation events

The probability of a liquidation event such as a company sale, or alternatively the probability of the shares being treated as common stock, such as in the event of an initial public offering ('IPO'), is a key variable input in the Transaction-based and Multiples-based valuation techniques. The probability of a common stock equivalent ('CSE') outcome versus a company sale is typically estimated from the outset to be 50:50 as no one outcome is more likely than the other. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario. The Company typically invests in higher ranking preference shares which carry more protection, and this can therefore influence the end valuation. Option pricing models are used to corroborate the valuations where there has been more notable company underperformance to ensure that the economic reality of the shares held by Scottish Mortgage remain appropriate.

19 Financial instruments (continued)

(c) Selection of comparable companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in.

(d) Estimated sustainable earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

(e) Application of illiquidity discount

The application of an illiquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration (see (g) below) is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

(f) Selection of appropriate benchmarks

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison where applicable.

(g) Transaction implied premium and discount

Where there is an implied company valuation available as a result of an external arm's length transaction, the ongoing valuation will be calibrated to this by deriving a company valuation with reference to the average multiple from a set of comparable companies and comparing this to a transaction implied valuation, and could result in an implied premium or discount compared to comparable companies at the point of transaction. This discount or premium will be considered in future valuations, and may be reduced due to factors such as period of time since the transaction and company performance. Where a calibrated approach is not appropriate, a discount for illiquidity will be applied as noted in (e) above.

(h) Execution risk

An execution risk discount is applied to all investments where an arm's-length transaction is due to take place, however, hasn't closed prior to the reporting period end. The discount typically applied is 10%, acknowledging that the finer details of the round may well still be negotiated which could impact the expected issue price. In valuing in line with an expected transaction the arm's-length nature of the deal has been assessed and legal documentation received.

19 Financial instruments (continued)

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not significant as 58.4% of the Company's total assets are investments in quoted securities that are believed to be readily realisable. The Board provides guidance to the Investment Managers as to the maximum exposure to any one holding and to the maximum aggregate exposure to substantial holdings.

The Company has the power to incur borrowings, which give it access to additional funding when required.

The maturity profile of the Company's financial liabilities is on page 104.

Credit risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

- where the Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;
- the Board regularly receives information from the Managers on the credit ratings of those bonds and other securities in which the Company has invested (if any);
- the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Depositary has delegated the custody function to The Bank of New York Mellon (International) Limited. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Investment Manager monitors the Company's risk by reviewing the custodian's internal control reports and reporting its findings to the Board;
- investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations at the same time as any transfer of cash or securities away from the Company is completed;
- transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of continuing interest, are subject to rigorous assessment by the Managers of the creditworthiness of that counterparty. In such circumstances the Company's aggregate exposure to each such counterparty is monitored regularly by the Board; and
- cash is held only at banks that are regularly reviewed by the Managers.

The Company owns a number of unquoted preference share securities. Some of these may have been classified as debt by the issuer. There are no material amounts past due in relation to these securities. As these instruments (alongside the ordinary share securities) have been recognised at fair value through profit and loss, the fair value takes into account credit, market and other price risk.

Credit risk exposure

The maximum exposure to direct credit risk at 31 March was:

	2026 £'000	2025 £'000
Fixed interest investments	20,246	18,872
Cash and short term deposits	11,028	9,013
Debtors	43,979	69,510
	75,253	**97,395**

None of the Company's financial assets are past due or impaired.

Fair value of financial assets and financial liabilities

The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the Balance sheet with the exception of long term borrowing. Long term borrowings in relation to debentures are included in the Financial Statements at the amortised amount of net proceeds after issue, plus accrued finance costs in accordance with FRS 102. The fair value of bank loans is calculated with reference to bonds of comparable maturity and yield. A comparison with the fair value (closing offer value) is as follows:

19 Financial instruments (continued)

	2026 Par/nominal £'000	2026 Book £'000	2026 Fair £'000	2025 Par/nominal £'000	2025 Book £'000	2025 Fair £'000
6 –12% stepped interest debenture stock 2026	50,000	50,139	50,810	50,000	50,653	54,218
4½% irredeemable debenture stock	675	675	476	675	675	503
Total debentures	**50,675**	**50,814**	**51,286**	**50,675**	**51,328**	**54,721**
£30 million 2.91% 2038	30,000	29,975	21,663	30,000	29,973	21,174
£150 million 2.30% 2040	150,000	149,862	96,264	150,000	149,852	95,221
£50 million 2.94% 2041	50,000	49,954	32,545	50,000	49,951	32,062
£45 million 3.05% 2042	45,000	44,927	29,139	45,000	44,922	28,762
£30 million 3.30% 2044	30,000	29,949	19,309	30,000	29,946	19,140
£20 million 3.65% 2044	20,000	19,976	13,596	20,000	19,974	13,507
€18 million 1.65% 2045	15,727	15,711	10,037	15,064	15,048	9,823
£30 million 3.12% 2047	30,000	29,947	17,647	30,000	29,944	17,595
£90 million 2.96% 2048	90,000	89,908	50,308	90,000	89,904	50,185
€27 million 1.77% 2050	23,591	23,566	14,029	22,596	22,571	14,016
£100 million 2.03% 2036	100,000	99,943	69,406	100,000	99,938	67,083
£100 million 2.30% 2046	100,000	99,933	50,531	100,000	99,930	50,034
US$175 million 2.99% 2052	132,706	132,561	88,737	135,580	135,426	92,878
US$110 million 3.04% 2057	83,415	83,322	53,750	85,222	85,123	56,489
US$115 million 3.09% 2062	87,207	87,108	54,664	89,095	88,991	57,618
Total unsecured loan notes	**987,647**	**986,642**	**621,625**	**992,557**	**991,493**	**625,588**
Fixed rate bank loans	136,498	136,498	136,428	371,888	371,866	361,503
Floating rate loans		432,244	432,244		209,180	209,180
Total borrowings		**1,606,198**	**1,241,583**		**1,623,867**	**1,250,992**

All short term floating rate borrowings are stated at fair value, which is considered to be equal to their par value.

Deducting long term borrowings at fair value would have the effect of increasing the net asset value per share from 1,282.0p to 1,315.8p. Taking the market price of the ordinary shares at 31 March 2026 of 1,191.0p, this would have given a discount to net asset value of 9.5% as against a discount of 7.1% on a debt at book basis. At 31 March 2025 the effect would have been to increase the net asset value from 1,006.0p to 1,037.0p. Taking the market price of the ordinary shares at 31 March 2025 of 943.4p, this would have given a discount to net asset value of 9.0% as against a discount of 6.2% on a debt at book basis.

Deducting long term borrowings at par value would have the effect of decreasing the net asset value per share from 1,282.0p to 1,281.9p. Taking the market price of the ordinary shares at 31 March 2026 of 1,191.0p, this would have given a discount to net asset value of 7.1% as against the same discount of 7.1% on a debt at book basis. At 31 March 2025 this would have no effect on the net asset value per share at 1,006.0p. Taking the market price of the ordinary shares at 31 March 2025 of 943.4p, this would have given a discount to net asset value of 6.2% as against the same discount of 6.2% on a debt at book basis.

Capital management

The capital of the Company is its share capital and reserves as set out in notes 13 and 14 together with its borrowings (see notes 11 and 12). The objective of the Company is to maximise total return from a portfolio of long term investments chosen on a global basis, enabling the Company to provide capital and dividend growth. The Company's investment policy is set out on page 44. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 47 to 50 and on page 66. The Company has the authority to issue and buy back its shares (see page 45) and changes to the share capital during the year are set out in notes 13 and 14. The Company does not have any externally imposed capital requirements other than the covenants on its loans, loan notes and debentures which are detailed in notes 11 and 12.

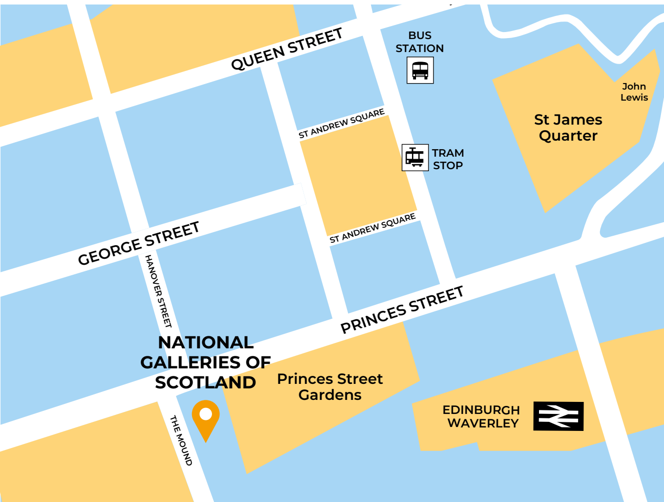
20 Subsequent events

Subsequent to the year end, at a General Meeting held on 10 April 2026, shareholders approved a targeted change to the Company's Investment Policy. The change provides limited additional flexibility for private company investments, subject to defined limits and annual shareholder approval.

Space Exploration Technologies Corp. also publicly filed a registration statement (Form S-1) with the U.S. Securities and Exchange Commission in connection with a proposed initial public offering. The filing provides updated information on the company's business and financial position.

Both events are non-adjusting post balance sheet events and have no impact on the financial statements for the year ended 31 March 2026.

Notice of Annual General Meeting



The Annual General Meeting of the Company will be held at the National Galleries of Scotland, Princes Street Gardens entrance, Hawthornden Lecture Theatre, The Mound, Edinburgh, EH2 2EL on Thursday, 2 July 2026, at 4.30pm.

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 917 2113. Baillie Gifford may record your call.

To accurately reflect the views of shareholders of the Company, the Board intends to hold the AGM voting on a poll, rather than on a show of hands as has been customary. The Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 4.30pm on 30 June 2026. We would encourage shareholders to monitor the Company's website at **scottishmortgage.com**. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to **enquiries@bailliegifford.com** or call 0800 917 2113. For details of how to vote your shares if held via a platform please refer to **theaic.co.uk/how-to-vote-your-shares**. Should you or, if appointed, your proxy, wish to watch the Annual General Meeting electronically please get in touch with the Managers at **enquiries@bailliegifford.com**, who will be able to provide you with details and instructions for doing so. Please note you will not be able to vote and you will not be counted as part of the quorum but you will have the opportunity to watch the Managers' presentation. You will also be able to submit questions in advance to the Board and Managers by email to **enquiries@bailliegifford.com** or call 0800 917 2113. Baillie Gifford may record your call.

Notice is hereby given that an Annual General Meeting of Scottish Mortgage Investment Trust PLC (the 'Company') will be held at the National Galleries of Scotland, Hawthornden Lecture Theatre, The Mound, Edinburgh, EH2 2EL, Thursday, 2 July 2026 at 4.30pm for the purposes of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 to 13 and 15 will be proposed as Ordinary Resolutions and Resolutions 14, 16 and 17 will be proposed as Special Resolutions. Resolutions 15 and 17 comprise the special business to be proposed and all the remaining Resolutions comprise the ordinary business:

1. To receive and adopt the Company's Annual Report and Financial Statements for the financial year ended 31 March 2026, together with the Reports of the Directors and the Independent Auditors' report thereon.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 March 2026.
4. To declare a final dividend of 2.97p per Ordinary Share.
5. To re-elect Mr CJL Samuel as a Director of the Company.
6. To re-elect Mr M FitzPatrick as a Director of the Company.
7. To re-elect Ms S Flood as a Director of the Company.
8. To re-elect Mr V Kumaraswamy as a Director of the Company.
9. To re-elect Ms S Leung as a Director of the Company.
10. To elect Ms H Manners as a Director of the Company.
11. To re-appoint PricewaterhouseCoopers LLP as Independent Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
12. To authorise the Directors to determine the remuneration of the Independent Auditors of the Company.
13. That:

(a) the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to allot shares in the Company, or to grant rights to subscribe for or convert any security into shares in the Company, up to a maximum nominal amount of £5,514,584; and

(b) the authority given by this Resolution:

(i) shall be in substitution for all pre-existing authorities under section 551 of the Act; and

(ii) unless renewed, revoked or varied in accordance with the Act, shall expire on 2 October 2027 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2027 save that the Company may, before such expiry, make any offer or enter into an agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry.

14. That, subject to the passing of Resolution 13 above, the Directors be given power pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares for cash, as if section 561(1) of the Act did not apply to such allotment or sale, provided that such power:

(a) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal amount of £5,514,584;

(b) shall be in substitution for all pre-existing powers under sections 570 and 573 of the Act; and

(c) shall expire at the same time as the Allotment Authority, save that the Company may, before expiry of the power conferred on the Directors by this Resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry.

15. That the Directors be authorised for the purposes of LR15.4.11 of the Listing Rules of the UK Listing Authority of the Financial Conduct Authority to allot ordinary shares and to sell treasury shares for cash at a price below the net asset value per share of those shares without first offering those shares pro rata to existing shareholders.

16. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares, (either for retention as treasury shares for future reissue, resale, transfer or for cancellation), provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 165,327,229 or, if less, the number representing approximately 14.99 per cent. of the issued share capital of the Company on the date on which this Resolution is passed;

(b) the minimum price (excluding expenses) which may be paid for each ordinary share shall be the nominal value of that share;

(c) the maximum price (excluding expenses) which may be paid for any ordinary share purchased pursuant to this authority shall not be more than the higher of:

(i) 5 per cent. above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

(ii) the higher price of the last independent trade of an ordinary share and the highest current independent bid for such a share on the London Stock Exchange; and

(d) unless previously varied, revoked or renewed by the Company in general meeting, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2027, save that the Company may, prior to the expiry of such authority, enter into a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract or contracts.

17. That the Articles of Association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
Baillie Gifford & Co Limited
Company Secretaries
1 June 2026

General notes

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Financial Statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.

2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or **eproxyappointment.com** no later than 2 days (excluding non-working days) before the time of the meeting or any adjourned meeting.

3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website **euroclear.com/CREST**.

CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID 3RA50) no later than 2 days (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than 48 hours (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.
11. The members of the Company may require the Company to publish on its website, (without payment) a statement (which is also passed to the Auditors) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditors' report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5 per cent. of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.
12. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website at **scottishmortgage.com**.
13. Members have the right to have questions raised at the meeting in accordance with section 319A of the Companies Act 2006.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. As at 21 May 2026 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 1,102,916,806 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 21 May 2026 were 1,102,916,806 votes.

16. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
17. No Director has a contract of service with the Company.
18. A copy of the proposed new articles of association of the Company, together with a copy showing all of the proposed changes to the existing articles of association, will be available for inspection at the Company's website, **http://scottishmortgage.com/**, and at the offices of Baillie Gifford & Co Limited at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Explanatory notes

Resolutions 5 to 9 – Directors standing for re-election

Mr M FitzPatrick, Mr C Samuel, Ms SE Flood, Mr V Kumaraswamy and Ms S Leung are seeking re-election at this year's AGM. The performance of each Director has been reviewed as part of the Board effectiveness review; it is confirmed that each Director contributes effectively and continues to demonstrate commitment to the role. Through its Nomination Committee, the Board has undertaken appropriate due diligence on the Directors' other interests and external time commitments and has concluded that the Directors are able to commit fully to their roles and are free from any relationship or circumstances that could affect their judgement and are accordingly considered independent by the Board.

The AIC Code of Corporate Governance does not impose any limit on the tenure of Directors (including the Chair) on the Board. The Company therefore remains fully compliant with the relevant provisions of the AIC Code in this respect. The Policy on the Tenure of the Chair is disclosed on page 64.

Resolution 10 – appointment of new Director – Heather Manners

The Board continued to review its succession planning during the year using the external search consultancy, Fletcher Jones, which had been appointed the previous year, to identify Non-Executive Directors candidates to maintain the broad range of experience that is particularly valuable when supporting and challenging the Managers. Fletcher Jones was appointed after a full and thorough selection process undertaken by the Board and was specifically tasked with considering the promotion of diversity on the Board as an integral part of the recruitment process, having regard to the skills, experience and knowledge of each of the existing and prospective Directors, and with particular regard to the Parker Review recommendations. Ms Heather Manners was appointed to the Board with effect from 1 January 2026. The Board believes that Mrs Manners' knowledge and experience will be of great benefit to the Company and is satisfied that, after reviewing her other commitments, she will be able to devote sufficient time to the Company.

Biographical details, in support of each Director's re-election/election are provided below.

Christopher Samuel is an experienced Chair and non-executive director with financial services expertise. He was appointed to the Board in January 2025. Formerly the Chief Executive of Ignis Asset Management, Christopher also held board level executive positions at several asset management businesses including Gartmore, Hill Samuel Asset Management and Cambridge Place Investment Management. Prior to that he worked at Prudential-Bache and KPMG, where he qualified as a chartered accountant. Christopher is a non-executive director of Quilter plc, having previously been Chair of Quilter Financial Planning Limited. He was previously the Chair of BlackRock Throgmorton Trust plc, Chair of JP Morgan Japanese Investment Trust plc and a director of Alliance Trust, Sarasin, UIL and UIL Finance Limited.

Mark FitzPatrick was appointed to the Board in 2021 and became Chair of the Audit Committee in 2022. In December 2023, he was appointed Chief Executive Officer of St. James's Place, the UK's largest financial advice firm, tasked with setting its strategic direction and vision for growth. Previously, he was Group Chief Executive Officer of Prudential plc until February 2023, having served as Group Financial Officer and Chief Operating Officer from 2017 to 2022. At Prudential, he was a Board member, and chaired the Prudential Diversity & Inclusion Council and the Group ESG Committee. Mark was previously a Managing Partner at Deloitte, serving on its Executive Committee and Board, and was Vice Chairman between 2011 and 2015. He worked at Deloitte for 26 years, leading Deloitte's insurance and investment management audit practice and its insurance industry practice. Currently, he is also on the Board of the British Heart Foundation, chairing their Audit and Risk Committees.

Sharon Flood was appointed to the Board in 2023 and became Chair of the Remuneration Committee in 2026. Sharon is a Non-Executive Director of Getlink SE, where she is Chair of Safety and Security, and of CityFibre, where she is Chair of Audit. Sharon previously served as Chair of Seraphine Group PLC and S T Dupont SA, and as a non-executive director at Pets at Home PLC, Crest Nicholson PLC, Network Rail Ltd, The Go-Ahead Group Limited and Govia Thameslink Railway Limited. She has chaired Audit, Remuneration and ESG committees. A Fellow of the Chartered Institute of Management Accountants, Sharon has also held leadership roles at Sun European Partners and the John Lewis Partnership. She is Chair of Council of the University of Bath and was formerly a Trustee of the University of Cambridge, the Science Museum Group and Shelter.

Vikram Kumaraswamy was appointed to the Board in 2023. He is a partner and Head of India at L Catterton, a consumer focused private equity firm with c.$40bn assets under management globally. In this capacity, he leads the firm's India Fund which partners with late stage growth businesses in the Indian consumer market. He was formerly the Global Head of Treasury, Strategy and Corporate Development at Unilever where he led portfolio development, capital allocation and financial strategy with responsibility for corporate strategy, treasury operations, M&A sourcing and execution, competitor intelligence and corporate venturing. He has lived and worked in Mumbai, Singapore, London and Jakarta.

Stephanie Leung is the Co-founder and CEO of KareHero Group, a social mission driven enterprise that helps working adults balance their careers while caring for elderly relatives. She was appointed a Director in 2023. She has spent approximately 25 years in executive leadership roles in large enterprise and tech-led businesses across the globe, most notably as part of Uber's EMEA leadership team, overseeing operations across 20 countries, and as DEI Co-Chair and Head of EMEA for Women@Uber. She also formed part of Uber's NED team in the UK. Earlier in her career, Stephanie was Chief Projects Officer at Monitor Group and CEO of Greater China at HAVI Group, eventually becoming the youngest member to join the global board, overseeing 40 countries as Chief Strategy and Business Development Officer. Stephanie began her career at Goldman Sachs as a Financial Analyst.

Heather Manners is an award-winning market professional with some 34 years' experience of investment in Asia, the most recent 15 of which were spent as the co-founder, CEO and CIO of Prusik Investment Management. She is the Chair of Fidelity Emerging Markets Limited, a non-executive director of Montanaro Asset Management, and a non-executive director of Collidr Asset Management. She was previously a non-executive director of Aberdeen New Dawn. Heather began her career at Henderson Global Investors Limited, where, latterly, she was Head of Asia and Emerging Markets.

Appendix to Notice of Meeting describing the principal amendments to the Articles of Association

Summary of the principal amendments to the Company's articles of association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 17 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, http://scottishmortgage.com/, and at the offices of Baillie Gifford & Co Limited at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Virtual and hybrid shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using wholly electronic means, the Directors have no intention of holding a virtual-only meeting if it can be reasonably avoided. The Board is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting so that shareholders can meet with the Board face to face. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a contingency to ensure the continued smooth operation of the Company in extreme operating circumstances where physical meetings are prohibited or cannot reasonably be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD") as incorporated into UK law

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFM Regulations and all applicable rules and regulations implementing the AIFMD. The proposed new provisions are as follows:

(i) The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(ii) The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, the AIFM Regulations, or such other accounting standards, bases, policies and procedures as the Board may determine from time to time. This reflects best practice, has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(iii) The New Articles expressly permit the Board to allow a depositary appointed to safe-keep the Company's assets to avail of a contractual discharge of liability for loss of such assets, provided always that all other conditions for such discharge have been met.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations, including, without limitation, under or in relation to FATCA, the Common Reporting Standard and the European Union's Directive on Administrative Co-operation ("**Tax Reporting Requirements**").

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its Tax Reporting Requirements. The Existing Articles will also be amended to provide that: (i) where any member fails to supply the relevant information to the Company within the relevant time period, the member will be deemed to have forfeited their shares; and (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, the Common Reporting Standard or any similar laws as such liability would be to the detriment of shareholders as a whole.

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

i. removing provisions in the Existing Articles relating to bearer warrants as such warrants are no longer relevant under UK company law;

ii. clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the forfeiture provisions will belong to the Company;

iii. simplifying the procedure in relation to untraced shareholders by removing the requirement for the Company to publish newspaper advertisements and clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company;

iv. updating provisions which enable the Company to hold shareholder meetings across two (or more) physical locations in the event that all shareholders cannot be accommodated in a single physical location on the day of a meeting;

v. reducing the quorum for a shareholder meeting from three persons entitled to attend and vote at the meeting (each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member) to two such persons;

vi. expanding the provisions enabling the Company to make security, safety and other arrangements in respect of shareholder meetings (including arrangements in relation to verifying the identity of shareholders) in order to assist with the smooth conduct of such meetings;

vii. expanding the circumstances under which the chairman of a shareholder meeting may adjourn the meeting without the consent of the meeting, including where the health, safety or wellbeing of those entitled to attend would be put at risk by their attendance at the meeting, or where any physical or electronic facilities being used to host the meeting have become compromised or no longer enable the meeting to be conducted as intended;

viii. removing the existing provisions relating to the retirement of Directors by rotation and inserting provisions which require all Directors to retire at each AGM (and, if they wish, to offer themselves for re-election) in line with the recommended corporate governance regime in the UK and the approach to retirement by rotation adopted by the Company in practice;

ix. inserting provisions dealing with the potential situation whereby less than the required minimum number of Directors is re-elected at an AGM;

x. expanding the provisions in the Existing Articles which allow the Board to immediately remove a Director from office;

xi. clarifying that the Directors may use video or web conferencing applications and other appropriate communications devices to conduct meetings of the Board and its committees; providing that, if on three consecutive occasions any notice, document or other information sent to a member has been returned undelivered, such member shall not thereafter be entitled to receive notices, documents or other information from the Company until such member has communicated with the Company and supplied to the Company a new registered address, or a postal address within the United Kingdom for the service of notices and the despatch or supply of documents and other information, or has informed the Company of an address for the service of notices etc. in electronic form; and

xii. modernising the provisions relating to the payment methods for dividends, including inserting provisions which enable the Company to pay dividends by any approved funds transfer system (in addition to traditional bank transfers) and which enable the Company to specify which payment method(s) will be used by the Company in respect of any dividend.

These changes generally reflect modern best practice and may assist in relieving certain administrative burdens on the Company.

Further shareholder information

How to invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Scottish Mortgage you can do so online. There are a number of companies offering real time online dealing services – find out more by visiting **scottishmortgage.com**.

Sources of further information on the company

The price of shares is quoted daily in the *Financial Times* and can also be found on the Scottish Mortgage pages of the Baillie Gifford website at **scottishmortgage.com**, Trustnet at **trustnet.co.uk** and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Scottish Mortgage share identifiers

ISIN	GB00BLDYK618
Sedol	BLDYK61
Ticker	SMT

Legal Entity Identifier 213800G37DCS3Q9IJM38

The ordinary shares of the Company are listed on the London Stock Exchange and the price is shown in the *Financial Times*, *Daily Telegraph* and *The Scotsman* under 'Investment Companies'.

AIC

Scottish Mortgage was one of the founding members of The Association of Investment Companies in 1932. The AIC's website **theaic.co.uk** contains detailed information about investment trusts, such as factsheets and statistics on the investment trust industry.

Key dates

Ordinary shareholders normally receive two dividends in respect of each financial year. An interim dividend is paid at the end of November/early December and a final dividend is paid in early July. The Annual General Meeting is normally held in late June or early July.

Capital gains tax

For Capital Gains Tax indexation purposes, the market value (adjusted for the bonus issue of 4 for 1 and the stock split of 5 for 1) of an ordinary share in the Company as at 31 March 1982 was 6.12p.

Share register enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on **0370 707 1300**.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

By quoting the reference number on your share certificate you can check your holding on the Registrar's website at **investorcentre.co.uk**.

They also offer a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market value of each shareholding;
- view price histories and trading graphs;
- register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;
- update bank mandates and change address details;
- use online dealing services; and
- pay dividends directly into your overseas bank account in your chosen local currency.

To take advantage of this service, please log in at **investorcentre.co.uk** and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

Dividend reinvestment plan

Computershare operates a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to **investorcentre.co.uk** and follow the instructions or telephone **0370 707 1694**.

Electronic communications and proxy voting

If you hold stock in your own name you can choose to receive communications from the Company, and vote, in electronic format. This method reduces costs, is environmentally friendly and, for many, is convenient too. The paragraphs below explain how you can use these services.

- **Electronic Communications** If you would like to take advantage of this service, please visit our Registrar's website at **investorcentre.co.uk** and register. You will need your shareholder reference number (which is on your share certificate and tax voucher) to hand. If you then agree to the terms and conditions, in future, on the day that documents are sent to shareholders by post, you will receive an e-mail providing the website address link to the documents. After you register, paper documents will be available on request.
- **Electronic Proxy Voting** You can also return proxies electronically at **eproxyappointment.com**. If you have registered for electronic communications you will be issued a PIN number to use when returning proxies to the secure Registrar website. You do not need to register for electronic communications to use electronic proxy voting, paper proxy forms will contain a PIN number to allow you to return proxies electronically.

If you have any questions about this service please contact Computershare on **0370 707 1300**.

Scottish Mortgage is an investment trust. Investment trusts offer investors the following:

- participation in a diversified portfolio of shares;
- constant supervision by experienced, professional managers; and
- the Company is free from capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment.

These Financial Statements have been approved by the Directors of Scottish Mortgage Investment Trust PLC.

Automatic exchange of information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Scottish Mortgage Investment Trust PLC is required to collect and report information about certain categories of shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Scottish Mortgage Investment Trust PLC must provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders **gov.uk/government/publications/exchange-of-information-account-holders**.

UK Alternative Investment Fund Managers (AIFM) regulations

In accordance with the UK AIFM Regulations, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors.

In accordance with the Regulations, the AIFM remuneration policy is available at **bailliegifford.com** or on request (see contact details on the back cover) and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period are available at **bailliegifford.com**.

Leverage

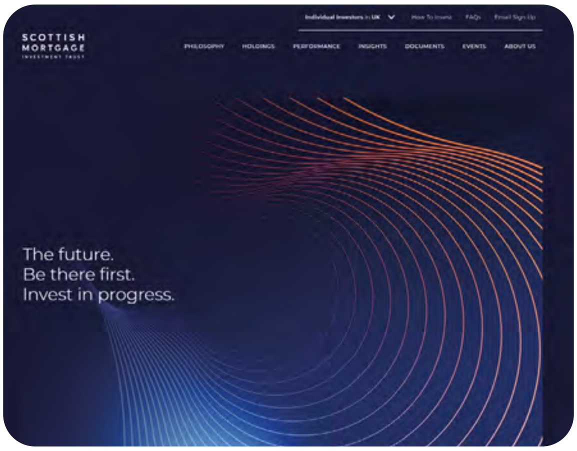
The Company's maximum and actual leverage levels (see Glossary of terms and alternative performance measures on pages 123 to 125) at 31 March 2026 are shown below:

	Gross method	Commitment method
Maximum limit	250:1	200:1
Actual	112:1	112:1

Investing in Scottish Mortgage

Information on how to invest in Scottish Mortgage can be found at **scottishmortgage.com**.

Communicating with Shareholders



A Scottish Mortgage web page at **scottishmortgage.com**

Trust Magazine

Promoting Scottish Mortgage

Baillie Gifford carries out extensive marketing activity to promote Scottish Mortgage to all existing and potential shareholders. Clear and timely communication with shareholders will always be a priority. Improvements continue to be made to our digital offering to provide greater levels of information and insights and allow for more self-service. In response to shareholder feedback, disclosures have been enhanced on the private companies held within the portfolio. The digital platform is scalable and better equipped to fulfil the needs of a growing number of shareholders based outside the UK.

Scottish Mortgage website

www.scottishmortgage.com

A one-stop-shop for all Scottish Mortgage-related content. The aim is to provide shareholders with the information they require at the point of need.

The website includes key information about the strategy, portfolio, performance, along with insights and upcoming events. In addition, webinar recordings are placed on the website so that shareholders can hear the views of the managers at a convenient time. As with all websites, it will evolve over time and shareholders should expect to see new insightful and creative content on an ongoing basis.

The website includes an email sign up so that visitors to the site can opt-in to keeping up to date on news from the trust.

Social media

Dedicated LinkedIn, Twitter and YouTube channels have been launched. The Company is thinking differently about its communications strategy. It uses bespoke content across different platforms to meet the needs of its shareholders as well as engaging with and learning more about persons interested in Scottish Mortgage.

Invest in progress – podcast

In each podcast episode, Tom Slater and Lawrence Burns speak to founders and leaders of portfolio companies. Listeners can learn more about the companies and how they possess the potential to deliver returns for shareholders. Four seasons are now available on all major platforms including Spotify, Castbox, and Apple Podcasts.

Trust magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Scottish Mortgage. *Trust* plays an important role in helping to explain our products so that readers can really understand them.

You can subscribe to *Trust* magazine or view a digital copy at **bailliegifford.com/trust**.

Suggestions and questions

Any suggestions on how communications with shareholders can be improved are welcome. Please contact the Baillie Gifford Client Relations Team (see contact details below) and give them your suggestions. They will also be very happy to answer any questions that you may have about Scottish Mortgage.

Client relations team contact details

Telephone: 0800 917 2113
Your call may be recorded for training or monitoring purposes.

Email: enquiries@bailliegifford.com
Website: bailliegifford.com

Client Relations Team
Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Scottish Mortgage specific queries

Please use the following contact details:
Website: scottishmortgage.com
Email: scottishmortgage@bailliegifford.com

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Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As Scottish Mortgage Investment Trust is marketed in the EU by the AIFM, Baillie Gifford & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's stewardship principles and guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture, and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within in its Investment Objective & Policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Investment Managers' approach to sustainability can be found in the ESG Principles and Guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com** and by scanning the QR code below.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities established under the EU Taxonomy Regulation.

Glossary of terms and Alternative Performance Measures ('APM')

An Alternative Performance Measure ('APM') is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs noted below are commonly used measures within the investment trust industry and serve to improve comparability between investment trusts.

Total assets

This is the Company's definition of adjusted total assets, being the total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Net asset value ('NAV')

Also described as shareholders' funds. Net asset value ('NAV') is the value of total assets less liabilities (including borrowings). Net asset value can be calculated on the basis of borrowings stated at book value, fair value and par value. An explanation of each basis is provided below. The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding treasury shares).

Net asset value (borrowings at book)/shareholders' funds

Borrowings are valued at adjusted net issue proceeds. The value of the borrowings at book is set out on page 110.

Net asset value (borrowings at fair value) (APM)

Borrowings are valued at an estimate of their market worth. The value of the borrowings at fair is set out on page 110 and a reconciliation to Net asset value with borrowings at book value is provided below.

	31 March 2026	31 March 2025
Net asset value per ordinary share (borrowings at book value)	1,282.0p	1,006.0p
Shareholders' funds (borrowings at book value)	£13,822,175,000	£12,082,465,000
Add: book value of borrowings	£1,606,198,000	£1,623,867,000
Less: fair value of borrowings	(£1,241,582,843)	(£1,250,992,000)
Net asset value (borrowings at fair value)	£14,186,790,157	£12,455,340,000
Shares in issue at year end (excluding treasury shares)	1,078,166,806	1,201,051,727
Net asset value per ordinary share (borrowings at fair value)	1,315.8p	1,037.0p

Net asset value (borrowings at par) (APM)

Borrowings are valued at their nominal par value. The value of the borrowings at par is set out on page 110 and a reconciliation to Net asset value with borrowings at book value is provided below.

	31 March 2026	31 March 2025
Net asset value per ordinary share (borrowings at book value)	1,282.0p	1,006.0p
Shareholders' funds (borrowings at book value)	£13,822,175,000	£12,082,465,000
Add: allocation of interest on borrowings	£156,000	£739,000
Less: expenses of debenture/loan note issue	(£1,001,000)	(£1,144,000)
Net asset value (borrowings at par value)	£13,821,330,000	£12,082,060,000
Shares in issue at year end (excluding treasury shares)	1,078,166,806	1,201,051,727
Net asset value per ordinary share (borrowings at par value)	1,281.9p	1,006.0p

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings and provisions for deferred liabilities.

Discount/premium (APM)

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, it is said to be trading at a premium.

		2026 NAV (book)	2026 NAV (fair)	2025 NAV (book)	2025 NAV (fair)
Closing NAV per share	(a)	1,282.0p	1,315.8p	1,006.0p	1,037.0p
Closing share price	(b)	1,191.0p	1,191.0p	943.4p	943.4p
(Discount)/premium ((b) – (a)) ÷ (a)		**(7.1%)**	**(9.5%)**	**(6.2%)**	**(9.0%)**

Ongoing charges ratio (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value). The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

A reconciliation from the expenses detailed in the Income Statement on page 83 is provided below.

		2026 £'000	2025 £'000
Investment management fee		40,121	37,022
Other administrative expenses*		4,770	3,878
Total expenses	(a)	44,891	40,900
Average net asset value (with borrowings deducted at fair value)	(b)	13,551,730	12,989,536
Ongoing charges ((a) ÷ (b) expressed as a percentage)		**0.33%**	**0.31%**

* Ongoing charges for 2025 have been calculated excluding the impairment provision for the interest previously accrued relating to the Northvolt Convertible Note of £8.8m, following Northvolt's filing for bankruptcy in that year.

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing represents borrowings at book value less cash at bank and in hand and broker's balances expressed as a percentage of shareholders' funds.

		31 March 2026 £'000	31 March 2025 £'000
Borrowings (at book value)		1,606,198	1,623,867
Less: cash and cash equivalents		(11,028)	(9,013)
Less: sales for subsequent settlement		(20,905)	(62,263)
Less: currency sales for subsequent settlement		(13,917)	–
Add: currency purchases for subsequent settlement		13,915	–
Add: purchases for subsequent settlement		–	–
Adjusted borrowings	(a)	1,574,263	1,552,591
Shareholders' funds	(b)	13,822,175	12,082,465
Gearing: (a) as a percentage of (b)		**11%**	**13%**

Gross gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

		31 March 2026 £'000	31 March 2025 £'000
Borrowings (at book value)	(a)	1,606,198	1,623,867
Shareholders' funds	(b)	13,822,175	12,082,465
Gross gearing: (a) as a percentage of (b)		**12%**	**13%**

Leverage (APM)

For the purposes of the UK Alternative Investment Fund Managers (AIFM) Regulations, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Turnover

Annual turnover is calculated on a rolling 12 month basis. The lower of purchases and sales for the 12 months is divided by the average assets, with average assets being calculated on assets as at each month's end.

Active share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Total return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

		2026 NAV (book)	2026 NAV (fair)	2026 Share price	2025 NAV (book)	2025 NAV (fair)	2025 Share price
Closing NAV per share/share price	(a)	1,282.0p	1,315.8p	1,191.0p	1,006.0p	1,037.0p	943.4p
Dividend adjustment factor*	(b)	1.0039	1.0038	1.0043	1.0046	1.0043	1.0047
Adjusted closing NAV per share/share price	(c = a x b)	1,287.0p	1,320.8p	1,196.1p	1,010.6p	1,041.5p	947.8p
Opening NAV per share/share price	(d)	1,006.0p	1,037.0p	943.4p	911.3p	936.6p	894.0p
Total return	(c ÷ d)-1	**27.9%**	**27.4%**	**26.8%**	**10.9%**	**11.2%**	**6.0%**

* The dividend adjustment factor is calculated on the assumption that the dividends of 4.38p (2025 – 4.24p) paid by the Company during the year were reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

Compound annual return (APM)

The compound annual return converts the return over a period of longer than one year to a constant annual rate of return applied to the compound value at the start of each year.

Private (unlisted) company

An unlisted or private company means a company whose shares are not available to the general public for trading and are not listed on a stock exchange, including all Level 3 investments as per the fair value hierarchy on page 93.

Directors
Chair: CJL Samuel ACA

MT FitzPatrick CA
Professor PH Maxwell DPhil FRCP FMedSci
S Leung
SE Flood
V Kumaraswamy
H Manners

Alternative Investment Fund Managers, Secretaries and Registered Office
Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Tel: 0131 275 2000
bailliegifford.com

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 707 1300

Company Brokers
Numis Securities Limited
45 Gresham Street
London EC2V 7BF

Jefferies Hoare Govett
Vintners Place
68 Upper Thames Street
London EC4V 3BJ

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London
Riverside
London SE1 2RT

Depositary
The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

Company Details
scottishmortgage.com
scottishmortgage@bailliegifford.com
Company Registration No. SC007058
ISIN GB00BLDYK618
Sedol BLDYK61
Ticker SMT
Legal Entity Identifier: 213800G37DCS3Q9IJM38

Further Information
Client Relations Team
Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Tel: 0800 917 2113
Your call may be recorded
enquiries@bailliegifford.com

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scottishmortgage.com