

BAILLIE GIFFORD

Baillie Gifford Worldwide Responsible Global Equity
Income Fund

Shareholder Rights Directive Annual Disclosure
for the period January 01, 2022 to December 31, 2022



This disclosure is produced to meet our obligation to provide enhanced reporting under the Shareholder Rights Directive (SRD) requirements. It is not marketing material. This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients.

Our Investment Strategy

The aim of the Responsible Global Equity Income investment strategy is to deliver two outcomes for clients over the long term: a dependable income stream and real growth in income and capital. We are primarily bottom-up, active investors and invest in companies that we believe can pay dependable dividends across the cycle and also have the prospect of real growth in profits, which will lead to growth in dividends and capital over the long term. Companies which can do both of these things are not easy to find, but they are highly attractive to a client who needs income today and is also seeking long-term growth in income and capital.

The strategy excludes, from a global investment universe, businesses which sell harmful products, or where business practices fall short of the standards of the UN Global Compact.

How We Make Investment Decisions

The Responsible Global Equity Income team comprises three portfolio managers and four analysts. In addition, the strategy benefits from the insights of a dedicated ESG analyst and of an investigative researcher.

Our fundamental analysis starts with our nine-question research framework, which considers factors such as the long-term sustainability of a company's business model, the earnings growth opportunity, the quality of management, the resilience of dividends and the likely skew of total returns. Every investment idea is robustly tested at a stock discussion, where the team scores companies on four critical factors: growth in long-term cashflow; income level and growth; dependability of dividends; and total return potential.

Portfolio decisions are taken by a majority vote amongst the investment managers, who have full responsibility for the portfolio. However, based on our sustainability assessment, our ESG analyst has the right of veto over any investment which he believes is inconsistent with a responsible approach.

Our attitude to risk is pragmatic and we consider it from several perspectives. The key risk to our approach is incorrect analysis of company fundamentals. We aim to avoid this by debating all new buy ideas and rigorously challenging investment cases. We also assess the dependability of each company's dividend policy using our Dependability Checklist. To further mitigate the income risk of any one stock, we cap every stock's contribution to the portfolio's underlying income at 5 per cent. Finally, our portfolios are constructed from the bottom up. To avoid excessive concentration of income and capital, we have prudent guidelines to ensure diversification.

Key Material Medium to Long Term Risks

Fundamental risk - the permanent loss of capital and the risk of missing out on companies which subsequently post strong returns. We therefore place significant emphasis in our investment management process on understanding the fundamentals of the companies in which we invest, including environmental, social and governance factors (ESG), which may impact the sustainability of future growth.

Portfolio risk - a failure to maintain an appropriate level of diversification at the strategy level. A series of investment guidelines are in place which are intended to ensure that there is a sufficient level of diversification.

Liquidity risk - a failure to maintain appropriate level of liquidity at the strategy level. We have a series of guidelines that ensure the strategy remains sufficiently liquid to enable positions to be exited or client cash flows to be managed with minimal impact.

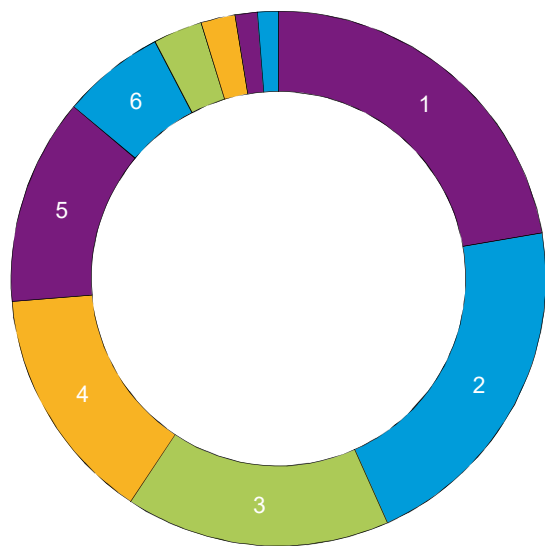
Portfolio Composition

The Fund invests in an actively managed and well-diversified portfolio of stocks from around the world. It typically contains 50–80 stocks, and positions at initiation are 1–3 per cent of the portfolio. We seek to ensure a high degree of diversification of both income and capital, with no stock representing more than 5 per cent of the portfolio's income stream or capital.

Top Ten Holdings

Asset Name	% of Portfolio
Novo Nordisk	5.4
Procter & Gamble	3.8
UPS	3.6
Microsoft	3.5
Pepsico	3.5
Fastenal	3.4
Nestle	3.2
Roche	3.0
Watsco Inc	3.0
TSMC	2.9

Sector Analysis of Total Assets



	%
1 Information Technology	22.3
2 Industrials	21.0
3 Financials	16.0
4 Consumer Staples	14.3
5 Health Care	12.5
6 Consumer Discretionary	6.2
7 Communication Services	3.0
8 Materials	2.1
9 Utilities	1.3
10 Cash	1.3

Source: Baillie Gifford & Co.
Please note that totals may not add due to rounding.

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	9

Rolling One Year Turnover is calculated as the lesser of the sum of all purchases and the sum of all sales in each month divided by the monthly average market value, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon.

Transaction costs:	%
Explicit transaction costs	0.08
Implicit transaction costs	0.02

Explicit costs are directly observable and include broker commissions and transaction taxes and fees. Implicit costs are the indirect costs associated with buying and selling of securities. Specifically, implicit costs represent the differential between the actual transaction price (excluding taxes and commissions) and the mid-market price of the asset when the order to transact was transmitted to a third-party. Due to the methodology used, overall transaction costs may be 'negative' if individual securities are purchased below the prevailing mid-price or conversely sold above the mid-price. Current MiFID II guidance requires us to disclose these costs, even if they result in a negative figure (i.e. an implicit gain to the investor).

Our Governance and Sustainability Approach

We look beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on their long-term prospects, including material governance and sustainability factors which we believe will positively or negatively affect the financial returns of an investment. In keeping with our decentralised and autonomous culture, we are comfortable with our various investment strategies taking different approaches to reach the same goal of properly assessing and weighing up governance and sustainability considerations in the investment process. Further information regarding our approach is detailed in our Governance and Sustainability Principles and Guidelines available in the About Us section of our website.

Our Approach to Voting and Engagement

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource the responsibility of voting to third-party suppliers. We utilise research from proxy advisers for information only. Additionally, Baillie Gifford does not lend securities on behalf of our clients. Where a client chooses to lend securities, we may consider requesting that clients recall any securities on loan to enable us to vote if we deem a meeting to be significant or contentious.

We engage regularly with management and board members to identify and understand issues and to monitor performance. Analysts from the Governance and Sustainability team regularly join our investors for these meetings, in addition to meetings that they will arrange directly with company representatives to discuss specific issues. Further details of Baillie Gifford's approach to voting and engagement is outlined in our Governance and Sustainability Principles and Guidelines document available in the About Us section of our website.

Detailed below are the engagements and the most significant votes we have carried out.

Company Engagement

Engagement Type	Company
Corporate Governance	Greencoat UK Wind PLC, Hargreaves Lansdown plc, Kering SA, L'Oreal S.A., SAP SE
Environmental/Social	ANTA Sports Products Limited, Albemarle Corporation, B3 S.A. - Brasil, Bolsa, BalcAo, Experian plc, GSK plc, Microsoft Corporation, Midea Group Co., Ltd., National Instruments Corporation, Starbucks Corporation, Taiwan Semiconductor Manufacturing Company Limited, United Parcel Service, Inc., Want Want China Holdings Limited, Watsco, Inc.

AGM or EGM Proposals	ANTA Sports Products Limited, AVI Limited, Amadeus IT Group, S.A., Apple Inc., Atlas Copco AB, Dolby Laboratories, Inc., Kering SA, Kuehne + Nagel International AG, L'Oreal S.A., PepsiCo, Inc., SAP SE, Sonic Healthcare Limited, Valmet Oyj, carsales.com Ltd
Executive Remuneration	Admiral Group plc, Amadeus IT Group, S.A., Cisco Systems, Inc., Edenred SA

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	53	Companies	20	Companies	8
Resolutions	768	Resolutions	47	Resolutions	13

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
Apple	Annual 03/04/22 Resolution(s): 6	We supported a shareholder resolution requesting for an increase in the information disclosed in the company's transparency reports. This is an area we believe to be material to the company and additional disclosures would bring the company in line with its peers. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Apple	Annual 03/04/22 Resolution(s): 8	We supported a shareholder resolution requesting the company report on median pay gaps across race and gender. We believe the additional disclosure wouldn't be too burdensome and would allow comparability over time and across organisations. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Microsoft	Annual 12/13/22 Resolution(s): 7	We supported a shareholder resolution requesting an independent report on whether government use of its technology contributes to violations of the company's human rights and ESG policies and principles. We believe shareholders would benefit from additional transparency around the considerations made by the company in evaluating the appropriateness of military contracts. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
UPS	Annual 05/05/22 Resolution(s): 7	We supported a shareholder proposal calling on the company to adopt independently verified science-based greenhouse gas emissions reduction targets. We believe that this would provide shareholders with a clearer understanding of UPS' approach to climate change and progress being made in achieving climate-related targets. This resolution is significant because it was submitted by shareholders and received greater than 20% support.

Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
Analog Devices	Annual 03/09/22 Resolution(s): 2	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Apple	Annual 03/04/22 Resolution(s): 3	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because it received greater than 20% opposition.
AVI	AGM 11/09/22 Resolution(s): S.10-S.17	We opposed eight resolutions on non-executive director fees as the new fee framework incorporates a performance fee. We believe this is inappropriate as it could impact the independence of non-executives. This resolution is significant because it received greater than 20% opposition.
B3 S.A.	AGM 04/28/22 Resolution(s): 7	We opposed a resolution to confer our votes on unknown directors should the slate of directors change. This resolution is significant because we opposed the election of a director.
GSK PLC	AGM 05/04/22 Resolution(s): 3	We opposed the remuneration policy because we believe that an increase in the maximum opportunity of the STIP to 300 per cent is excessive at a time when the company's market cap will reduce because of the demerger of the consumer healthcare business. This resolution is significant because we opposed remuneration.
Microsoft	Annual 12/13/22 Resolution(s): 4	We opposed a shareholder resolution requesting a cost/benefit analysis of the company's diversity and inclusion strategy. We are comfortable with the company's efforts in this area and do not think this additional analysis would be worthwhile. This resolution is significant because it received greater than 20% opposition.
Microsoft	Annual 12/13/22 Resolution(s): 5	We opposed a shareholder resolution requesting a report on the company's alignment between its hiring practices and public statements. We believe the company is being proactive in the work they are doing to implement the Fair Chance Business Pledge. We also think the company's current reporting is sufficient to enable shareholders to measure progress against commitments. This resolution is significant because it received greater than 20% opposition.
Microsoft	Annual 12/13/22 Resolution(s): 6	We opposed a shareholder resolution requesting a report on the company's retirement funds' management of systemic climate risk. We do not believe this is a material risk for the company and think they are doing enough by offering employees a range of investment options. This resolution is significant because it received greater than 20% opposition.
Microsoft	Annual 12/13/22 Resolution(s): 8	We opposed a shareholder resolution requesting a report on the risks to the company of its perceived involvement in the development of weapons for the military. We don't view this to be a material risk for the business currently. This resolution is significant because it received greater than 20% opposition.
Microsoft	Annual 12/13/22 Resolution(s): 9	We opposed a shareholder resolution requesting a tax transparency report. We believe the company's current disclosures are in line with peers and provide shareholders with adequate disclosure. This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Nestle	AGM 04/07/22 Resolution(s): 1.2, 5.2	We opposed two resolutions which relate to executive remuneration as we do not feel the performance targets are sufficiently stringent or aligned with shareholders best interests. This resolution is significant because we opposed remuneration.
Procter & Gamble	Annual 10/11/22 Resolution(s): 2	We opposed the reappointment of the external auditor due to concerns that the auditor's length of tenure could negatively impact their ability to act independently. This resolution is significant because we opposed the election of auditors.
Valmet Oyj	AGM 03/22/22 Resolution(s): 10	We opposed the remuneration report due to concerns with a short performance period under the long-term incentive plan, and lack of disclosure of performance targets. This resolution is significant because we opposed remuneration.
Want Want China	AGM 08/23/22 Resolution(s): 3.A.V	We opposed the election of one member of the compensation committee due to our unaddressed concerns over a practice where discretionary bonuses are paid to the CEO. This resolution is significant because we opposed the election of a director.

Significant Abstentions

There were no significant abstentions

Conflicts of Interest

Baillie Gifford maintains a firm-wide Conflicts Matrix, which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. Baillie Gifford's firm wide conflict of interest disclosure is available in the Important Disclosures area of our website

We recognise the importance of managing potential conflicts of interest that may exist when we engage with or vote at a company with whom we have a material business or personal relationship and the Governance and Sustainability team is responsible for monitoring these possible material conflicts of interest.

The Governance and Sustainability team's approach to dealing with conflicts of interest in relation to voting and engagement can be found in our Investment Stewardship Activities report which is available in the Governance and Sustainability area of our website.

