

Fund objective

To achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods.

The manager believes this is an appropriate benchmark given the investment policy of the Fund and the approach taken by the manager when investing. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Global Equity Income Sector.

There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods.

Investment proposition

The Fund invests in an actively managed and well-diversified portfolio of stocks from around the world. It generally contains 50–80 stocks, and positions at initiation are typically 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 at the time of purchase.

Periodic performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Inc (%)	1.4	0.9	7.6	8.1
Target (%)*	9.7	17.4	16.2	13.1
Sector Average (%)**	5.2	10.3	11.6	10.9
Sector Ranking	49/55	49/53	42/50	40/46

Annual discrete performance

	30/09/20- 30/09/21	30/09/21- 30/09/22	30/09/22- 30/09/23	30/09/23- 30/09/24	30/09/24- 30/09/25
Class B-Inc (%)	19.1	-0.7	9.9	12.4	0.9
Target (%)*	22.7	-3.7	11.0	20.4	17.4
Sector Average (%)**	21.6	-0.6	9.4	15.2	10.3

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

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

*MSCI ACWI Index.

**IA Global Equity Income Sector.

Fund facts

Managers	James Dow* / Ross Mathison
Fund launch date	06 December 2018
Fund Size	£1,125.96m
IA Sector	Global Equity Income
Active share	86% [†]
Annual turnover	14%
Guideline number of holdings	50-80
Number of holdings	52
Structure	OEIC

*Partner.

[†]Relative to MSCI ACWI Index. Source: Baillie Gifford & Co, MSCI.

Top ten holdings

Holdings	% Total assets
TSMC	4.8
Microsoft	4.7
Apple	4.3
Procter & Gamble	3.5
Analog Devices	3.2
CME Group	3.0
Deutsche Börse	3.0
Fastenal	2.9
Watsco	2.9
Schneider Electric	2.8

Stock level attribution

Top and bottom ten contributors to relative performance

Quarter to 30 September 2025

Stock name	Contribution %
TSMC	0.3
Fastenal	0.2
Cognex Corp	0.2
Amazon.com	0.2
Meta Platforms Inc.	0.1
Albemarle	0.1
Netflix Inc	0.1
NetEase HK Line	0.1
Visa	0.1
Costco Wholesale Corporation Com	0.1
Deutsche Boerse Tender	-0.9
Alphabet	-0.6
Novo Nordisk	-0.6
Wolters Kluwer NV	-0.5
Edenred	-0.5
Watsco Inc	-0.5
NVIDIA	-0.4
Jack Henry & Associates	-0.4
Intuit	-0.3
Accenture 'A'	-0.3

One year to 30 September 2025

Stock name	Contribution %
TSMC	0.6
Fastenal	0.6
NetEase HK Line	0.5
UnitedHealth	0.3
Eli Lilly	0.2
Admiral Group	0.2
SAP	0.2
Hong Kong Exchanges & Clearing	0.2
B3 S.A.	0.2
Merck	0.1
Novo Nordisk	-2.3
NVIDIA	-1.2
Watsco Inc	-1.1
Edenred	-0.9
Procter & Gamble	-0.8
Coloplast B	-0.8
Partners Group	-0.8
Atlas Copco A	-0.7
Pepsico	-0.7
Wolters Kluwer NV	-0.7

Source: Revolution, MSCI. Baillie Gifford Responsible Global Equity Income Fund relative to MSCI ACWI Index.

Some stocks may only have been held for part of the period.

All attribution figures are calculated gross of fees, relative to the Index from stock level up, based on closing prices.

As attribution is shown relative to the benchmark, not all stocks shown are held in the portfolio. See the List of Holdings section of this report for the stocks held.

Sector

	Fund (%)	Index (%)	Difference (%)
Information Technology	24.6	27.2	-2.5
Financials	21.9	17.4	4.5
Industrials	19.7	10.7	9.0
Consumer Staples	10.7	5.3	5.4
Consumer Discretionary	10.1	10.7	-0.6
Health Care	7.5	8.5	-1.0
Communication Services	3.9	8.8	-4.9
Utilities	1.0	2.6	-1.6
Materials	0.8	3.6	-2.7
Cash	-0.3	0.0	-0.3

Geography

Top ten locations	Fund (%)	Index (%)	Difference (%)
United States	42.1	64.7	-22.6
Switzerland	7.1	2.0	5.1
France	6.3	2.4	4.0
UK	5.3	3.2	2.1
Taiwan	4.8	2.1	2.7
Sweden	4.6	0.8	3.8
Germany	3.8	2.1	1.6
China	3.6	3.4	0.3
Denmark	3.1	0.4	2.7
Hong Kong	2.9	0.4	2.4
Total	83.6	81.4	-

Source: Baillie Gifford & Co, MSCI. Index: MSCI ACWI Index. As well as cash in the bank, the cash balance includes unsettled cash flows arising from both shareholder flows and outstanding trades. Therefore, a negative balance may arise from timing differences between shareholder flows and security trading and does not necessarily represent a bank overdraft.

Portfolio characteristics

	Fund	Index
Market Cap (weighted average)	GBP 359.8bn	GBP 664.7bn
Price/Book	5.5	3.5
Price/Earnings (12 months forward)	19.8	19.1
Earnings Growth (5 year historic)	8.9%	11.7%
Return on Equity	27.7%	18.3%
Predicted Beta (12 months)	0.7	N/A
Standard Deviation (trailing 3 years)	8.8	10.0
R-Squared	0.8	N/A
Delivered Tracking Error (12 months)	5.9	N/A
Sharpe Ratio	-0.3	1.1
Information Ratio	-2.7	N/A
Number of geographical locations	20	N/A
Number of sectors	9	N/A
Number of industries	30	N/A

Source: FactSet, Revolution, APT, Baillie Gifford & Co, MSCI. Index: MSCI ACWI Index. We have provided these characteristics for information purposes only. In particular, we do not think index relative metrics are suitable measures of risk. Fund and Index figures are calculated excluding negative earnings.

Market environment

This quarter again demonstrated how equity markets can be a 'wicked learning environment' – one where inputs and fundamentals are clear, but short-term feedback can be noisy and misleading. Global equities remain unusually concentrated, with around a quarter of the MSCI ACWI index weight resting in just ten companies, nine of which are US technology businesses. These firms have been buoyed by enthusiasm for artificial intelligence, with the five largest hyperscalers expected to spend over \$380 billion on infrastructure in 2025 alone – more than the GDP of Ireland. While such spending fuels demand for hardware providers, we question the sustainability of such extraordinary capital commitments, particularly given rapid efficiency gains in new models that can quickly render older technology obsolete.

Outside the US, performance leadership came from European banks and defence companies. Banks benefited from higher trading revenues and fees, while defence firms have seen increased demand as governments boost budgets to reduce reliance on the US. Both sectors, however, remain cyclical and capital intensive – characteristics we deliberately avoid in constructing a resilient, long-term portfolio. This positioning has been out of step with shorter-term market leadership, but we believe it is consistent with delivering durable returns over time.

Performance

Relative performance this quarter was disappointing, driven by two key factors: our underweight to direct AI beneficiaries, and individual stock setbacks.

Our disciplined stance on firms most exposed to AI infrastructure spending meant we did not fully participate in the sharp gains enjoyed by a narrow group of US technology names. We view

this prudence as essential in an environment where hundreds of billions are being spent with limited visibility on returns, echoing past episodes such as the dotcom bubble. Instead, we maintain exposure further down the value chain, through diversified businesses like **TSMC**, which manufactures cutting-edge chips for NVIDIA and AMD but also earns revenues from smartphones, automotive, and IoT. Its diversification, scale, and technological leadership make it our largest benchmark-relative position and a top contributor this quarter.

Another strong contributor this quarter was **Cognex**, which sits at the application layer of AI by embedding machine vision and deep learning into industrial automation. Traditionally known for barcode readers and quality control cameras, Cognex is now broadening its reach as AI allows its VisionPro devices to handle tasks once reliant on the human eye – such as detecting defects in the highly variable packaging of food and pharmaceuticals. By automating these processes, Cognex helps manufacturers reduce costs, improve quality, and address labour shortages, creating a more diversified and less cyclical business model over time. This combination of practical AI deployment, expanding end markets, and tangible efficiency gains underpins both its strong results this quarter and our conviction in its long-term potential.

Conversely, Danish biopharmaceutical company, **Novo Nordisk** was one of our largest detractors from relative returns. Novo cut its 2025 sales growth guidance from 17% to 11% due to copycat GLP-1 treatments and competitive pressure from Eli Lilly. While sentiment was also affected by the appointment of an internal CEO candidate, we see parallels with past downturns, such as 2016, when disciplined execution ultimately restored growth and created the GLP-1 category. With valuation

now below 2016 levels, we believe prospects for outperformance are strong.

Edenred, the corporate benefits administrator, faced regulatory uncertainty in France and Brazil, with proposed reforms around digitalisation, voucher usage, and merchant fees weighing on sentiment. However, the feared cap on merchant fees – estimated to cut EBITDA by €100–150m – now looks unlikely, and the company continues to benefit from structural drivers such as hybrid working and wellbeing initiatives. With digital penetration above 90% and sticky relationships across 60 million users and 2 million merchants, Edenred's scale advantages remain intact, supporting our decision to add to the position at an attractive valuation of just 8x forward earnings.

Stewardship

Our newly published [Responsible Global Equity Income Stewardship Report](#) opens with a reflection on a year of contrasts, where regulatory ambition in some markets clashed with retrenchment in others, and the very premise of ESG was both challenged and redefined. Despite this turbulence, our conviction remains clear: companies that attend to ESG factors are better positioned to compound earnings and dividends over the long term. Encouragingly, we saw many positive developments in both financial and sustainability performance, and we continued longstanding, meaningful engagements with management teams and boards on issues of material importance. The report also highlights our perspective on the ethics of artificial intelligence, exploring both the sustainability challenges and societal implications of this transformative technology.

Notable transactions

During the quarter, we initiated a position in MSCI after more than two years of detailed research. The company is the leading provider of global equity indices and risk analytics, with three-quarters of its earnings stemming from its index business. Its revenues are underpinned by long-term contracts and AUM-linked fees, generating 80%+ gross margins and highly predictable cash flows. Assets in MSCI-linked funds have grown to over \$1.3 trillion in the past decade, reflecting the structural rise of passive investing. Beyond indices, MSCI has attractive growth runways in ESG & Climate data – compounding at more than 30% per year – alongside private assets and fixed income analytics. While shares trade on a premium multiple, we believe the strength of its pricing power, sticky client relationships, and diversified growth justify this. We funded the purchase by trimming our positions in Deutsche Borse and Hong Kong Exchanges.

We also continued our programme of deep-dive research into holdings where long-term risks are under review. For example, we are assessing Wolters Kluwer for potential AI disruption and have completed an investigation into Nestlé's corporate culture to test its adaptability in a rapidly evolving consumer environment. This process ensures we act quickly where operating performance is at risk, while reinforcing conviction in companies that continue to compound steadily over time.

Market Outlook

Looking ahead, several catalysts could help restore performance momentum. If hyperscalers begin to prioritise return on investment over sheer scale, we expect AI-related spending to normalise, easing index concentration and supporting our more diversified exposures. A renewed appreciation of steady compounders should also emerge, as investors are reminded of

their role in driving durable returns. Meanwhile, falling interest rates are likely to favour dividend growers, making the Funds consistent income progression more attractive to investors reallocating cash. With the Fund trading on a forward price-to-earnings ratio just one point above the market average – its lowest in five years – and offering superior dividend growth, stronger margins, and more resilient balance sheets, we believe the backdrop for the Fund is becoming increasingly supportive.

Transactions from 01 July 2025 to 30 September 2025.

New Purchases

Stock name	Transaction rationale
MSCI	MSCI is the leading provider of global equity indices, ESG ratings, and portfolio analytics. The company has delivered double-digit revenue growth over the past decade, underpinned by the rise of passive funds and index proliferation, each supplemented by significant pricing power. Looking forward, custom indices, climate strategies and private asset benchmarks represent attractive long-term growth opportunities. The firm's competitive advantage rests on brand strength, network economies and the frictional costs of switching between providers. MSCI is the de facto standard in global equity benchmarks, with entrenched client relationships across asset managers, banks, and asset owners. Its "build once, sell to many" model yields >70% operating margins and strong free cash generation. Management is founder-led, with CEO Henry Fernandez in place since 1998. Though succession planning remains a risk, we take comfort from a deep bench of talent, many of whom we met during our research process. Capital allocation has been shareholder-friendly with the company buying back stock and progressively growing its dividend. Based on these attractions, we took a new holding for the Fund.

There were no complete sales during the period.

Voting activity

Votes cast in favour		Votes cast against		Votes abstained/withheld	
Companies	2	Companies	None	Companies	None
Resolutions	31	Resolutions	None	Resolutions	None

Company engagement

Engagement type	Company
Environmental	Microsoft Corporation, Midea Group Co., Ltd., PepsiCo, Inc.
Social	Starbucks Corporation
Governance	Albemarle Corporation, Amadeus IT Group, S.A., Arthur J. Gallagher & Co., CME Group Inc., Cognex Corporation, Deutsche Börse AG, Eurofins Scientific SE, Fastenal Company, PepsiCo, Inc., Schneider Electric S.E., Starbucks Corporation, Texas Instruments Incorporated
Strategy	Amadeus IT Group, S.A., Microsoft Corporation

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

Asset name	Fund %
TSMC	4.8
Microsoft	4.7
Apple	4.3
Procter & Gamble	3.5
Analog Devices	3.2
CME Group	3.0
Deutsche Börse	3.0
Fastenal	2.9
Watsco	2.9
Schneider Electric	2.8
Partners	2.7
Atlas Copco	2.7
Admiral Group	2.5
Amadeus IT Group	2.4
PepsiCo	2.4
USS	2.2
Roche	2.2
L'Oréal	2.2
CAR Group	2.0
B3	2.0
Novo Nordisk	2.0
Epiroc	1.9
NetEase	1.9
Experian	1.8
Wolters Kluwer	1.8
Midea	1.7
United Overseas Bank	1.7
Cisco Systems	1.7
Intuit	1.7
Nestlé	1.5
Hong Kong Exchanges & Clearing	1.5
Anta Sports Products	1.4
Medtronic	1.4
Accenture	1.4
Edenred	1.3
Jack Henry & Associates	1.2
Starbucks Corp	1.2
Coloplast AS	1.2
T. Rowe Price Group, Inc.	1.2
AVI	1.1
Home Depot	1.1
Valmet	1.1
AJ Gallagher	1.1
Texas Instruments	1.0
Greencoat UK Wind	1.0
Paychex	1.0
Cognex Corp	0.9
Albemarle	0.8

Asset name	Fund %
Eurofins	0.8
SAP	0.8
MSCI	0.8
Kuehne & Nagel	0.8
Cash	-0.3
Total	100.0

Please note the fund information contained within this document is proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

Share class	Share class inception date	ISIN	SEDOL	Annual management fee (%)	Ongoing charge figure (%)
Class B-Inc	06 December 2018	GB00BFM4N494	BFM4N49	0.50	0.52
Class B-Acc	06 December 2018	GB00BFM4CT76	BFM4CT7	0.50	0.52

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

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

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Additional geographical location information

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

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

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

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

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

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