

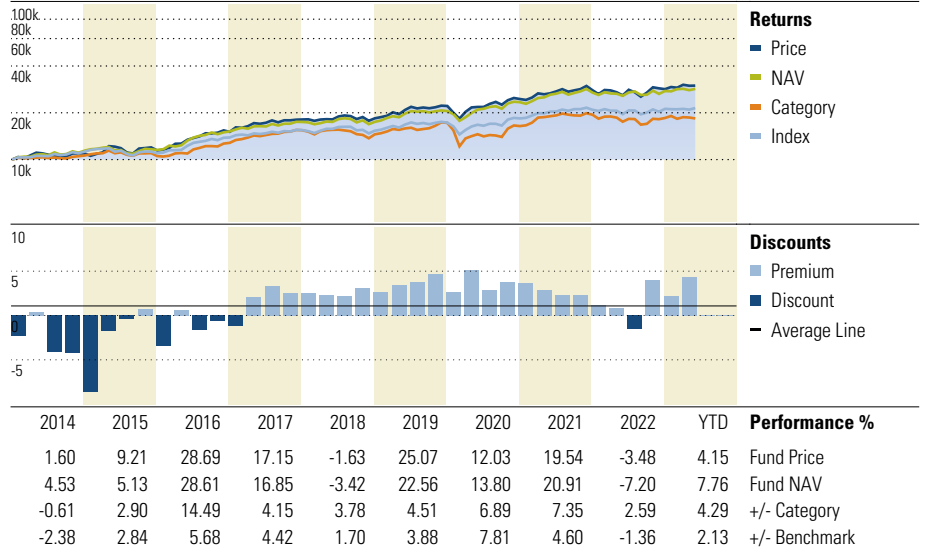
Scottish American Ord SAIN

Morningstar Rating™
★★★★★

Morningstar Medalist Rating
Bronze
3/06/23 15:47 UTC+0000

Morningstar Benchmark Morningstar UK Adv Tgt Alloc
Morningstar Category™ GBP Allocation 80%+ Equity

Last Closing Price GBP	5.29
Last Closing NAV GBP	5.31
Discount/Premium %	-0.45
Latest Published NAV	—
Latest Published NAV Date	—
Traded Currency	GBP
Yield	2.61
Dividend Frequency	—
Total Assets £ Mil	1,010.3
Net Assets £ Mil	947.5
Market Cap £ Mil	943.3
Net Gearing %	5.56
Avg Daily Shares Traded Mil (3 month)	0.19
Inception Date	31/03/1873
www.bailliegifford.com	



Morningstar Analyst: Teodor Dilov, Analyst

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Executive Summary

People: In July 2016, James Dow and Toby Ross were appointed as deputy managers. Following the departure of team leader Dominic Neary in August 2017, they became joint lead managers. The duo is supported by a well-resourced team that has expanded in recent years and mixes experienced and more-junior analysts.

Parent: An exemplary steward.

Board: The board comprises five nonexecutive directors. All board members bring a wealth of experience and expertise gained through different business areas and are shareholders, which further demonstrates their alignment of interest.

Process: The managers follow a bottom-up process that aims to identify attractive, high-quality companies with dependable and growing dividends. A differentiator here is the selective allocation to commercial property, fixed income, and a modest infrastructure allocation.

Performance: The fund has comfortably outperformed the index and typical peer since the managers took charge.

Fees:

Role in Portfolio

Supporting. The fund provides a good option for those investors seeking a high and rising level of income and capital growth from global equities. Gearing is relatively high but is largely offset by commercial property and fixed-income holdings. The portfolio is managed on an unconstrained basis and so is likely to deviate significantly from the benchmark at times.

Morningstar Opinion

06 Mar 2023 | Scottish American's thorough and differentiated approach has some worthy strengths for investors seeking a high and rising level of income and capital growth from global equities. We retain our conviction in the team managing the strategy and the well-established and consistently applied process, which results in the trust retaining its Morningstar Analyst Rating of Bronze.

Toby Ross and James Dow have managed this strategy since the end of January 2015, initially on the open-ended fund (Baillie Gifford Global Income Growth) before taking over this closed-end vehicle in August 2017 from former lead manager Dominic Neary. Dow and Ross average 17 years of investment experience and benefit from the support of a well-resourced team that has expanded in recent years through a mix of experienced and more-junior analysts. The managers have spent all of their investment careers at the group, so they are immersed in the culture and well-placed to draw upon their shared experience and in-house expertise. Furthermore, both also formally contribute to idea-generation for other in-house multi-asset and global teams.

The managers practice a long-term and differentiated approach and aim to provide shareholders with a dependable source of income, together with growth in income and capital. This aim is executed via investment in a portfolio of equities selected for the dependability of their income alongside capital








growth through a rigorous research framework. In addition, there is opportunistic, but limited, exposure to niche fixed-income assets along with a strategic long-term allocation to UK commercial property and a small infrastructure allocation. The property portfolio is outsourced to Olim, and the other nonequity assets are managed internally by Baillie Gifford's teams. These allocations are funded by the fund's gearing element, which allows up to 30%, and seek to augment income and assist portfolio diversification. Portfolio construction is bottom-up-driven, so the portfolio is likely to bear only very limited likeness to its comparative FTSE All World Index benchmark. Indeed, the strategy exhibits strong biases at the sector and regional levels relative to the index and peers. Against these comparators, it also shows more top-line quality in that return on equity and return on assets are materially higher, while debt/equity is substantially lower, than the index's. Nominally, the portfolio is a little more expensive in terms of price/earnings, which is in step with Baillie Gifford's approach to investment. This profile is differentiated from other global income-focused strategies, which makes it an interesting option for those seeking a growing income stream.

Results under the pair's watch through January 2023 were strong relative to the index and typical peer, both in absolute and risk-adjusted terms. Similar success has been seen from the open-ended Baillie Gifford Global Income Growth, which shares 98% of holdings in terms of equity positions, over a slightly longer period.



Report Disclosure Statement

Morningstar Medalist Rating

	2021	2022	2023
 Gold			
 Silver			
 Bronze			
 Neutral			
 Negative			
 Under Review			
 Not Ratable			

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Growth of 10,000

For managed investments, this graph compares the growth of an investment of 10,000 (in the base currency of the managed investment) with that of an index and/or with that of the average for all managed investments in its

Morningstar Category. The total returns are not adjusted to reflect sales charges or the effects of taxation but are adjusted to reflect actual ongoing expenses, and they assume reinvestment of dividends and capital gains. If adjusted, effects of sales charges and taxation would reduce the performance quoted. If pre-inception data is included in the analysis, it will be graphed.

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