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Responsible Global Equity Income fifth anniversary

February 2024

Investment manager James Dow and investment specialist Seb Petit reflect on the first five years of the Responsible Global Equity Income Strategy, discussing key takeaways, portfolio progress, and successes with sustainable compounding investments.

Your capital is at risk. Past performance is not a guide to future returns.

Seb Petit (SP): Hello, and a very warm welcome to this Baillie Gifford webinar on our Responsible Global Equity Income strategy. I'm Seb Petit, I'm an investment specialist for our Global Equity Income franchise and I'm delighted to be joined today by James Dow, portfolio manager and head of the team.

This strategy celebrated its fifth anniversary last December and can be accessed through two vehicles, a UK OEIC, the Responsible Global Equity Income Fund, and an Irish vehicle, the Worldwide Responsible Global Dividend Growth Fund. In total, about £1.5bn is invested in this strategy.

The format of this webinar will be an interview. I will start by asking James some prepared questions, before moving on to questions asked by clients. If you would like to ask a question, please use the Q&A function at the bottom of your screen. Please also note that a recording of this webinar will be made available on our website in the next week or so.

Now, this strategy was launched five years ago at the request of clients who wanted to invest in global equities, but in a responsible way. Charity and endowment clients wanted not only exclusions, but a higher bar in terms of ESG. In the next 25 minutes or so, James will discuss his main reflections from running this strategy over the past five years, before moving on to giving his outlook for the year ahead, and then we'll have the Q&A session.

James, maybe if you could start by briefly reminding our audience of your investment approach and what you're trying to achieve with the strategy?

James Dow (JD): Thanks, Seb. And hello, everyone, thanks for joining. The heart of the strategy is really about long-term compounding. Trying to grow our clients' investments at attractive compound rates over long periods of time. The way that we do that is, first off, by investing in growth companies. Companies that we believe are very likely to compound their earnings at attractive rates, over long periods of time into the future.

If you think of companies like Microsoft or L'Oréal or some of those fantastic, long-term compounders for investors, those types of business, we want to own those for the next decade and beyond. Now, in addition to that focus on

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growth, we want all of these companies to pay resilient dividends. We believe dividend growth is a really strong signal of compounding in the long term. And we're looking for dividends that, even in a difficult economic environment or even a crisis, should stay really resilient within that. So, a really important outcome for our portfolio, a very helpful one for our clients.

Then, finally, we're looking for sustainable business models. Sustainable in a financial sense, yes, but also in terms of ESG. We want every company in the portfolio to be behaving responsibly, to be setting a really high standard in terms of their products and operations, in terms of the impact they have on environment, on society, on wider stakeholders. They don't all need to have a positive impact, but they do all need to be doing business in a responsible fashion. Compound growth, resilient dividends and true sustainability, that's the heart of the strategy.

SP: Thank you. Now we have seen over the past few years quite an explosion of responsible investing approaches. And very broadly, there seems to be a wide spectrum between exclusion only at one end and engagement only at the other end. On that spectrum, where would you place your strategy?

JD: I like to think that we have a healthy balance somewhere in the middle. If I think back to when we were thinking about this strategy, so this is around 2016/17 time, we launched in 2018. We were talking to existing clients about what they really wanted out of this strategy, pushing us to do this. One thing they said was they did want some clear red lines around certain industries and principles as a minimum. We do have some product- and principle-based exclusions because clients in the strategy, typically, they just don't want to participate in the profits of certain industries, for example, tobacco or fossil fuels. There are those exclusions, we've got some principle-based exclusions, as well. That is part of it.

But additionally, what our clients also said, and we've kept true to this, to this day, is they want to see what we call high standards. Just because a company is in, say, the software sector and, therefore, it's not tripping over some exclusion automatically, that doesn't make it necessarily a responsible investment. That's why we developed our own in-house framework, the Impact, Ambition and Trust framework, where we can evaluate every company that we're looking at and say what is the product and operational impact of this company on environment, on society? Etc. How ambitious is the company to improve? Do we trust the management?

So, every holding has to meet that high bar, those high standards, as well. It's not just about clearing the exclusions, they've got to meet those high standards, to be part of the responsible strategy.

Then the last part of it is really the engagement piece. Because that was another thing that we felt strongly was important and our initial clients felt strongly too. Once we own something, we want to continue to engage with the company and make sure they're continuing on the right path and that they're behaving in a responsible way. The job isn't done after we buy the shares, it continues after that. An example of that is the net-zero target that we have for the fund, around alignment with a 1.5-degree scenario by 2030. And that requires continued engagement with the holdings, to make sure that they are on the right path and that they are doing what they have said they will and promised to.

So, some exclusion, where are we on the spectrum? Yes, some exclusions as a minimum, but also these really high standards for every holding and then continued engagement with the holding as we go along.

SP: Thank you. So, it's been five years. What major reflections do you have after running that strategy for the past five

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years?

JD: I think it's been a chance to look back at five years. In a way it's just a random day, but in a way it's a chance to pause and look back and think about what we've learned after five years of investing in this strategy. I think one of the things that really strikes me is how our analysis around high standards and our Impact, Ambition and Trust framework around ESG generally, how it's actually been really positive for our investment outcomes.

The cynics around responsible investing, or sceptics, let’s say, would say it's kind of like a box-ticking exercise over here and then you've got your true investments over here. And that has not been our experience at all. Our experience has been that the two are very much hand-in-hand and that actually, doing the analysis for the response around ESG issues and matters has been very, very helpful for our investment outcomes, as well.

I've noted that over time and I think one of the main reasons that that comes through is because if you think about being an investor with a long-term time horizon and you're trying to find these amazing compounders, like the L'Oréals, the TSMCs, the Atlas Copcos, and so on, of the world. What you really are looking for is forward-thinking companies, adaptive companies, front-of-foot companies.

The world’s constantly changing and if a company is going to continue growing its earnings and dividends relentlessly over a long period and compounding away, it's really important that they’re not stuck in the past and going sideways. That they’re actually quite adaptive and forward-thinking.

I think what has come out of our responsible analysis, is it's made us able to identify those really forward-thinking companies who are embracing it. How about net zero, what are we going to do? And also, avoid some of the stuck-in-the-muds, if I can call them that, going backwards. I'll give you a couple of examples.

This is going back five, six years, Johnson & Johnson was a holding, this is Johnson & Johnson the pharmaceutical company. If you remember, it was the subject of multiple lawsuits and accusations around knowingly selling products that were doing harm to its customers, for example its classic talcum powder product. We did a lot of investigation of that for the responsible part. Is this behaving responsibly, responsible marketing, etc.?

What that analysis revealed when we interviewed former employees, we did a whole lot of work around that, is that this was actually an incredibly bureaucratic and slow-moving, in some respects, entity. It was a very large entity, very difficult to control. And that actually gave us a bit of a tip-off that some of the other things that we expected financially from the company might be quite hard to achieve. In the end, we divested from the holding and if you look back, since then the earnings growth and the share price performance of that holding has actually been quite underwhelming, quite poor since that divestment. But it originally came out of that ESG analysis and around forward thinking.

On the flip side, if you think of something like Schneider Electric, which has been a really good investment for our clients, that was one where our Impact, Ambition and Trust analysis said this is actually a really forward-thinking, adaptive company. We had long-standing deep thinking about, whether it's gender equality in its workforce, whether it's about net-zero targets, it's really front of foot. And that has translated, perhaps not coincidentally, into really good growth and good share price performance over the past five years.

So, long answer, but I think how helpful that’s been to our investment outcomes, I think has been one of our really big learnings over the past five years.

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SP: What I hear is that focusing a lot and doing deep research into ESG factors may help you uncover these long-term compounders because [in order to] deliver that compound growth, you will need to take into account these future challenges. That's the major reflection I hear. Any other reflection you would like to share with us?

JD: I've got a few. I won't go on all day. Another one that definitely jumped out to us as we've been running the strategy and thinking about it, is about resilience of the holdings and how, again, our focus on excluding certain things, this high standard and so on, all of us on the team would say has really been helpful in terms of the underlying resilience of the companies that we're investing in. Again, in a way this comes back to compounding because it's quite hard to compound our clients' capital and dividends ever higher if you've got holdings that are constantly being reset lower with shocks. It's much easier if they can get through tough times and keep growing.

I think that's come through a couple of ways. I think first is that the responsible approach tends to lead you as an investor away from some quite cyclical and capital-intensive businesses. You're less likely as an investor to be putting capital into steelmaking or oil and gas or some of these other sectors. And those sectors actually, by their nature, often are not very resilient businesses.

If you think of something like Shell, the big oil company, when it got to Covid, it had a bit of a moment of reckoning in 2020. It ended up cutting its dividend I think by two-thirds, it was a huge cut in its dividend, and it's never really recovered and it's not been a good place to compound your capital and your income as a shareholder. And that's got to do with the nature of the business.

Whereas, I think the responsible approach is more naturally leading you to things like some of the consumer names, some of the healthcare names, certain parts of the financial sector and so forth. They, by their nature, tend to be more resilient businesses, which again tends to promote compounding, it gives you probably a bit less volatility in the portfolio than you'd have in some other sectors. I think 2020 was a great proof point of that.

Avoiding some of those names and focusing on, let's take Procter & Gamble in the portfolio. There's a name which clearly has some impact on environment and so forth, in terms of packaging, it's a big user of palm oil, we've done a lot of work around that. What we found from that, is that it is managing those impacts in a responsible fashion and to high standards, so we're comfortable that it's a responsibly run business, so it fits within the strategy. But it's also by its nature really quite a resilient business for a variety of reasons. And that was one which, back in 2020, I think the dividend was increased something like 10 per cent and the shares outperformed really quite strongly for that tough environment.

Again, it comes about in a variety of ways, but I think the focus on responsible investing promotes resilience within the portfolio, and that's a very helpful outcome for clients, as well.

SP: Thank you. Then maybe not so much a reflection, but any big surprise you had after running this for five years?

JD: It's probably this one, about how much we've learnt about our holdings by doing our Impact, Ambition and Trust analysis, and how revealing it's been. I've said this before, but it gives you another lens to look at a company, in some ways a bit of a front-row seat to how they actually behave as they're grappling with some of these issues. If they're quite dismissive of, "we're all just about making money here, we're not here about climate change or anything like that". You're thinking that's interesting, about how they think about their impact, their own employees, and so forth.

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You have so many learnings as you do the analysis, about what are companies really like, which is really important if you're going to own it for ten-plus years. You want to know that stuff. We were hopeful that the analysis would talk just more about company culture, but I think we've probably been surprised at just how much we've learnt from founders who are involved and their mentality. Long-term shareholders, rank of shareholders and what they're actually trying to do with the company.

I think back to L'Oréal as an example where, before we invested in L'Oréal, the cosmetics company, again we did a lot of investigative research around the culture. They talk about responsible marketing practices and about packaging and about net zero, but is that really believed, is that true on the inside, or is it just slide deck material? Again that research that we did to back that up confirmed that this is really genuine at the company. They are leaders in many respects and it is in many ways a fantastic company to work at, with really high standards.

I think that's probably the surprise, is how much we've learned and how much conviction it's given us in the culture of these things that we're investing in by doing that analysis.

SP: Thank you. Now maybe changing tack slightly. I know one of the ways to ensure these high standards is that you have given your ESG analysts a right of veto. Could you give us an example of when it was used?

JD: Yes. The one time that it has been used, and it's only once, is FeverTree, the soft drinks manufacturer. This is a good one around why you do the IAT and why you have the veto. It doesn't fall foul of the exclusion in the alcohol sector because it's not making alcohol. But the feeling was, hang on a minute, this is so intimately tied up with alcohol consumption, it's not really in the spirit of what we're doing, to invest in FeverTree if we've got an alcohol exclusion.

Now I will say, that wasn't a veto and then there was a horrific argument between the managers and the ESG analysts. We had the same question ourselves, as we were doing the analysis, and we agreed with that, and so it wasn't purchased for the portfolio.

The interesting thing to say about the veto is that it's not been used that often. I think what that is reflecting is the fact that we're actually fairly good early on at weeding out ideas. It's not like we're coming up with let's buy Norilsk Nickel, and then the ESG analyst says no, we should veto that. We know that that's just never going to be appropriate for the strategy, so we don't tend to bring forward ideas that are clearly going to fail. I think that's why it's not being used too often, but FeverTree would be the example where it was.

SP: Thank you. I was wondering about the competitive advantage that you see for your strategy. There's lots of providers of ESG ratings out there, so everybody has access to those and could run a responsible strategy. What do you see as your competitive advantage in that respect?

JD: To be honest, there's a few different ones, but probably the biggest one that's on our side is probably just the time element, the time that we have to be able to take, to do fundamental, thorough research and our own, in-house research on these issues. Because this is a strategy which has a long-term time horizon and our average holding period is currently somewhere around nine years. And we're going into things, investing with the mentality, like so many of our clients are, they're trying to grow their savings, their investments, their wealth over long periods. Whether that's through an endowment or through retirement, whatever it might be. They've got a long time horizon, we try to align with that.

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I think that's kind of unusual. If you're running a strategy which has 200 per cent portfolio turnover, then inevitably, the amount of research that you're doing on any individual name is probably quite condensed. Do you really have time to get into that? If I think of Ben, our ESG specialist, some of the deep projects that he's had the time to do, like the one around water use in the Salar de Atacama for lithium production. Is that deeply harmful? What impact is it having? Having the time to go away and speak to hydrogeologists and others, and study models of that. I think that's pretty unusual, that people can do that, that level of in-depth research, that they have that much time to be able to do that.

Or when Hatty, our investigative researcher, when she goes off and talks to often dozens of former employees of a company, to get a real sense of how honest and how honourable its culture is internally. What is really motivating these people? Again, I don't think too many funds probably have the luxury of the time that we give to put into the research and to do that, as well.

The other place where the time comes into is I feel like when we're engaging with companies on matters to do with environment stakeholders, whatever it might be, I think because companies will know that we are serious long-term shareholders, you could be on the register for a decade. I think that probably gives us better access and better engagement with senior management and board members, probably more than our position necessarily warrants.

Because I hope they feel that they are talking to someone who do care about those long-term outcomes because we intend to hold the shares for that long period of time. And so, again, that gives us good alignment with them, as well. I think that's the one that I'd pick out above everything, the time advantage.

SP: Thank you. We talked about the past, now I want to turn to the here and now, and particularly your outlook for the year ahead and what you see in terms of possible opportunities for investment.

JD: As the listeners already know, we're not trying to take big bets on macro within the fund. Our view is if you have a great company and you invest in it for a long period, especially if you've paid attention to resilience, as we have, then almost regardless of the macro, the company should be able to thrive.

Our investigations are really much more driven by what are the bottom-up opportunities available to us, rather than what do we think your Federal Reserve is going to do next meeting with interest rates, or something like that.

Our outlook, to that extent, is really about where are we seeing interesting opportunities, things that are really beaten up or depressed? Now at the moment, for example in the energy transition space, a lot of companies have had a pretty torrid time. If you believe the mainstream press, electric vehicles are over and they're not going anywhere any time soon, and that's led to a lot of share prices falling on the back of that energy transition stories. In some ways, the beauty of being an active manager, there's always something that the market is having a tizzy about and worrying about.

Our outlook, if you can call it that, is what are those things where we still have conviction in the long-term growth, where we can find opportunities? That's informed quite a lot of what we're talking about at the moment, is names which perhaps have been really attractive investments because they've been unfairly marked down in the short term by the market.

I hope that with, as I say, a diversified portfolio where we've paid a lot of attention to resilience across cycles, and I think we've hopefully proved that through 2020 and how the strategy performed then. Even if there is a poor macro environment or some disruption or shock, I would very much hope that this is a strategy that our clients could still go to

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sleep at night, not having to worry about it because they know they own great businesses, which should continue thriving in the long term.

That's our approach, if you like, on the outlook is own great businesses and don't worry too much about the macro outlook in the short term.

SP: James, that concludes the prepared questions section. We will move on now to questions asked by the clients that we have received so far. The first one is about the Magnificent Seven and, in a way, a positive shock in a very narrow part of the market last year. We have seen some of them starting to pay a dividend. Meta announced early February that they will start paying out a dividend. How do you look at this group of companies and the fact that potentially they could become dividend growth companies going forward?

JD: Good question. Fundamentally, it comes back to do we think that they're a good fit for what we're trying to do for clients? Do we think that they're going to deliver that long compound growth at attractive rates? Do we think they are going to pay not just dividends, but resilient dividends that are steadily growing, even in tough times? And, crucially, do they have true sustainability, if you like, responsible behaviours at their core?

Now in the case of a couple of those companies, our analysis and our judgment, and we're obviously always monitoring those, but our analysis has been, yes, with Apple and with Microsoft, one can say that is very much the case. I think all of the others have not, or until recently with Meta's announcement, have not paid dividends. We're big believers in that, in a strong signal of long-term compounding and delivering income to clients. They've not really been a fit with what we do.

That's always under review. So, in the case of Meta, that's one where there's a case for going away and doing the analysis now and saying maybe this does fit with this strategy and maybe this could be a contender. We'd have to ask whether the dividend intention is genuine and resilient. What happens next time there's a downturn?

Do they just stop paying it and buy back stock? Those kind of questions. I think there's quite a lot of questions, I would anticipate, around the responsible behaviour practices of the business. I think what has come to light about Meta over the past several years, we'd certainly be putting it through our Impact, Ambition and Trust analysis, regardless of what the rating agencies say.

And we'd want to feel comfortable that it was run in a responsible fashion. I think you don't need to know much about Meta to know there's going to be some questions about that. Because it's very complex business areas it is involved in and questions about freedom of speech... So, a bit of a minefield.

But if we think any of these companies will fit, genuinely, what we're trying to do for clients, then we'll put them through our analysis. That could happen with Meta, it has obviously happened with Apple and Microsoft. I wouldn't expect it to happen with the others anytime soon because they don't pay dividends and they're not obviously steady compounding type companies. They're quite wild and cyclical. Our approach will be we'll look at them, if we think they're a good fit for our clients.

SP: Thank you. We have a question on Novo Nordisk. A large holding in the strategy, had a fantastic performance and became the most valuable listed European company last year. What are your latest thoughts on Novo Nordisk?

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JD: It's still our top holding and we still think it's one of the great growth companies out there, for sure. We have a high regard for it and the way it does business, its values, its culture, its responsible behaviours, its commitment to that resilient dividend, dating back to 2016 when we first invested in the company. And it's our biggest holding today. So, we're still very optimistic that there's a lot of growth ahead of it.

I think perhaps one of the focal points of our research in the past six months, let's say, has really been around the competitive edge that it's building, particularly on the manufacturing side. The products they're manufacturing are complex and they're not something that anybody can turn up and do. They're not simple molecules, like a typical pharma company, where a patent expired, you'd expect somebody to manufacture it the next day, kind of thing. The edge that it's building around manufacturing and extending its competitive advantage period has been a big focus of our research recently.

And generally, we're still very optimistic that, before Wegovy and the appetite suppressants came along, within modern insulin for diabetic treatment, that still, both of those are areas where there's huge remaining unmet need and huge potential for Novo Nordisk to innovate new and better products that help people living with those conditions. I guess the high-level version is still very optimistic about it.

People tuning in will know that over the past year we've made reductions to it a number of times. That's more because we try to have discipline around our risk controls and around our risk limits, and not letting any name go above... Once it gets above 5 per cent of the total portfolio, we start cutting it back from a risk control perspective. We've done that a few times in the past year, but it's still a big holding for us and we still think there are great days ahead for Novo Nordisk.

SP: Thank you. We now have a question on emerging markets. The question is how do you look at emerging markets where the lack of data and potentially governance may be a challenge?

JD: Exactly, yes, it's a challenge. You don't have some of the disclosure. On the other hand, it can also be an opportunity because you do have the time to put in the hard yards and the work, and to do your research. You can uncover things that maybe other people have missed. We're certainly open to investing in emerging markets and we do have a number of long-standing EM holdings, many of which have performed very well for clients over a long period, but it's also a challenge.

In any jurisdiction where, if you're asking questions about, let's say supply chain, this is a question with the United Nations Global Compact principles that we adhere to. They're one of our prerequisites, if you like, and you're asking questions about does a company have a responsibly managed supply chain, is it reaching those?

When there's very limited information to go on and often their supply chains are very complex. That's a real challenge and we've certainly looked at things where we've just not been able to get comfortable with that or have conviction that it's meeting those standards and, therefore, we have not invested.

So, it is a challenge, but that does not prevent good opportunities from getting into the portfolio, if we do the hard work.

SP: Thank you. We have a question on performance now. Looking at the composite numbers, the strategy has outperformed the MSCI ACWI benchmark over the past five years. Can you give us a broad idea of what has led to that outperformance over the period?

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JD: It's really stock selection. If you look at the attribution of where that outperformance has come from, it's come from the individual names that we have picked. That's one of the reasons, again, why we say we don't try to call macrocycles or the benchmark or certain industries. We just say what are the companies that we really believe in with great growth prospects, resilient dividends and true sustainability in them that we can hold for the long term. Simple as that. We've identified those companies and in a number of cases, that has worked extremely well and that ultimately has driven the outperformance.

You can't prove it in the numbers, but I have a suspicion, as well, I think another thing that has helped us is because of that focus on resilience and the risk control that I mentioned earlier, what we try to find are companies where even if things go really badly wrong, the capital value for our clients will probably go sideways. It might go down a bit, but it's not like we would be losing a lot of money for clients. And we have a variety of ways that we try to manage that. On the flip side, if it goes really right, we could potentially make really great returns for clients.

Another thing, you can't prove this in the numbers, but I would say another thing that has helped the performance is we've tried hard to find things where the skew of outcome is very much in our favour. So, it could do really well and even if it doesn't do so well, it probably won't be a disaster, it would probably go sideways. That's probably the second thing I'd pull out in the performance that has been helpful.

SP: Thank you. We have a question on financials. Because you seem to hold very few banks. What is your view on financials in general?

JD: It's a broad sector, there's a lot of financials out there. I think 20 per cent of the market, [by market] cap is financials. There are some parts of it that I would say are a really poor fit for what we're trying to do for clients and banks, to be honest, would be one of those.

Very capital-intensive businesses, very cyclical, often financing all kinds of things where you would question whether they should really be, if it would be honourable to have them in a responsible strategy. Not resilient dividends. There's parts of the financial sector where we say it's just not a good fit with what we're trying to do and we won't spend too much time trying to force a square peg into a round hole, we'll leave that to other folks.

But then there's other parts of the financial sector which can be a fantastic fit with what we're trying to do and can be quite resilient or, in some cases, diversifying. We've had a few investments in exchange-type businesses, so financial exchanges.

If you go back to the emerging markets point, B3, the Brazilian financial securities exchange, it's not quite a monopoly, but it's pretty close to that position. It's a very strong competitive position, it just has a fantastic service and a fantastic product that Brazilian firms use. It's quite a capital light business model, which pays out good dividends. And it's one I think of when I think back to 2020, we had a very large increase in the dividend, actually, from B3 in that period. So, very helpful from a portfolio perspective.

Exchanges, and we own a couple of other of those. Insurance broking is quite an interesting one, Gallagher has been a really strong investment for the fund over time. There are parts of the financial sector, which is very broad, which can be a fantastic fit. And there's other parts where you want to keep a million miles away from it, and probably banks would be in that.

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SP: Thank you. We have one more question, which is one geography and your big, underweight US equities. What is the reasoning there?

JD: It's really coming through from the bottom-up stock picking. We've said we want to find these great growth companies. The resilient dividends, sustainability, I'm repeating myself, but that's what we're trying to do for clients we think that'll produce great outcomes.

Now currently, I think something like 40 per cent of the portfolio, which is quite a lot when you think about it, is coming from US listed companies. That's a lot. But the slightly odd things is that the benchmark has something like two-thirds or over 60 per cent, I think now, of the market cap is weighted in the US, partly to do with the Magnificent Seven and so forth.

We still believe that in long run our clients are going to be better off if we just focus on really good companies, bottom up, rather than going out and trying to just match the benchmark for the sake of matching the benchmark and putting more into the US, into this very high weighting that's in the US.

But that's really how it comes about. It's from the bottom-up stock picking, which over time has driven our outperformance. As you say, that's probably the single biggest way in which we're very different from the global benchmark, is that US underweight. But we still believe fundamentally that in the long term, that's the right thing to do for better outcomes for this strategy.

SP: Thank you, James. That was the last question. In summary, I retain two main reflections from running this strategy for the past five years from you. The first one is it has made you a better investor by helping you uncovering long-term compounders. And the second reflection is that it has helped increase the resilience of the portfolio, again by looking in detail at ESG angles.

Thank you again, James, for sharing these reflections. And thanks everyone for joining. Have a good day.

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Annual past performance to 31 December each year (net%)

	2019	2020	2021	2022	2023
Responsible Global Equity Income Composite*	28.7	18.0	20.7	-17.4	22.5
MSCI ACWI Index	27.3	16.8	19.0	-18.0	22.8

Annualised returns to 31 December 2023 (net%)

	1 year	5 years	10 years	Since inception
Responsible Global Equity Income Composite*	22.5	13.2	N/A	13.2
MSCI ACWI Index	22.8	12.3	8.5	12.3

*Inception date: 31 December 2018.
Source: Baillie Gifford & Co and MSCI. USD. Returns have been calculated by reducing the gross return by the highest annual management fee for the composite.

Past performance is not a guide to future returns.

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