



Form ADV Part 2A Brochure

June 2018

This Brochure provides information about the qualifications and business practices of Baillie Gifford Overseas Limited. If you have any questions about the contents of this Brochure, please contact us at +44 (0)131 275 2000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ('SEC') or by any state securities authority. Additional information about Baillie Gifford Overseas Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Baillie Gifford Overseas Limited is referred to throughout as 'BGO'.

BGO is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training.

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Item 2 – Material changes

Not applicable.

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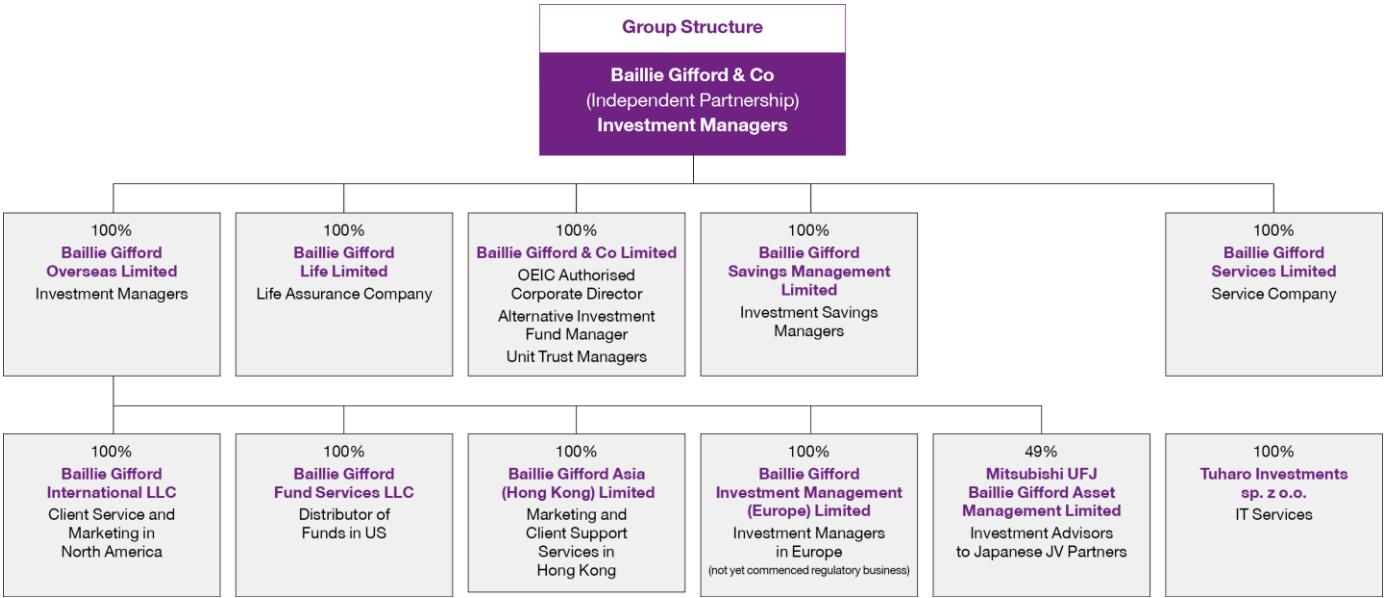
A. The firm

BGO is a limited liability company established in Scotland in 1983, with approximately \$98 billion under management or advice for its US clients. It is a wholly-owned subsidiary of Baillie Gifford & Co which is a privately owned UK investment management firm that has been in operation since 1908. Together with its subsidiaries, Baillie Gifford & Co has approximately 1000 staff of which 230 are investment professionals. Six Directors of BGO are Partners of Baillie Gifford & Co.

Baillie Gifford & Co is an independent general partnership and is wholly owned and managed by its 45 working Partners. The Partners believe that this aspect of direct personal involvement is valuable in maintaining the motivation, high standards and focus on risks and controls essential for modern financial firms.

BGO strives to deliver good performance and service for its clients within a framework of the highest standards of business professionalism and personal integrity. Committed exclusively to investment management, BGO has a well-diversified institutional client base around the world.

Baillie Gifford & Co has ten wholly-owned subsidiaries of which 4 are wholly owned by BGO. No one person or entity owns 25% or more of Baillie Gifford & Co. An organisation chart is provided below:



B. Advisory services

BGO provides the services of managing global and international equities and fixed income securities for institutional clients, including registered investment companies and unregistered private funds. In connection with separate account portfolio asset management, BGO provides administrative and advisory services, including organising collection of income and settlement of transactions through custodian banks, execution of foreign exchange transactions, portfolio valuation, record keeping and preparation of statements.

Please see Item 8, 'Methods of Analysis, Investment Strategies and Risk of Loss' for more information on the investment strategies we offer.

C. Tailoring services to client needs

We offer a number of investment strategies and generally operate on a model portfolio basis for these. Once a client has selected a strategy they may set investment restrictions and guidelines to the extent that these are practicable and consistent with the intended investment strategy. The investment restrictions and guidelines form a part of our investment management agreement with a client and we manage the client's account within these parameters.

Certain restrictions can limit our ability to act and may result in client accounts that are subject to limitations performing differently (and potentially less successfully) than other accounts with similar investment strategies but without the same restrictions.

D. Wrap fee programmes

BGO does not participate in wrap fee programmes.

E. Discretionary and non-discretionary assets under management

As of 31 March 2018, BGO managed \$155 billion in discretionary assets and \$8 billion in non discretionary assets.

Item 5 – Fees and compensation**A. Standard fees**

BGO's fees for providing discretionary investment management services vary with the type of account or product, the asset class being managed, the location of the client and the investment management strategy employed by BGO. Fees are generally based upon a percentage of the market value of assets under management. In some cases BGO may also include performance-based fees with regard to certain client accounts. These arrangements are described below.

Segregated accounts

For discretionary investment management services to segregated accounts BGO charges asset-based fees, some of which are subject to performance-based adjustments (these adjustment being referred to herein as 'performance fees' or 'performance-based fees.')

BGO generally calculates asset-based fees as a percentage of the market value of the assets under management. BGO has standard fee scales for its main investment strategies which are subject to change. On occasion the fee scale is negotiable depending on a number of factors including the type of product or strategy, the level of service provided, the total size of the account and the aggregate amount invested with BGO.

The standard fee scales for segregated accounts are given below but clients may pay higher or lower fees than these.

Standard fee scales for US segregated clients

Main Strategies		Management Fee
International Equities		
EAFE Alpha	First USD 25m	0.60%
	Next USD 75m	0.50%
	Next USD 300m	0.40%
	Next USD 600m	0.30%
	Thereafter	0.25%
EAFE Focus/ACWI ex US Focus	First USD 25m	0.60%
	Next USD 75m	0.50%
	Next USD 300m	0.40%
	Next USD 600m	0.30%
	Thereafter	0.25%
ACWI ex US Alpha	First USD 25m	0.60%
	Next USD 75m	0.50%
	Next USD 300m	0.40%
	Next USD 600m	0.30%
	Thereafter	0.25%
Global Equities		
Long Term Global Growth	First USD 50m	0.70%
	Next USD 50m	0.55%
	Next USD 900m	0.40%
	Thereafter	0.35%
Global Alpha	First USD 55m	0.65%
	Next USD 55m	0.50%
	Next USD 890m	0.35%
	Thereafter	0.33%
International Concentrated Growth	First USD 25m	0.65%
	Next USD 75m	0.55%
	Next USD 300m	0.45%
	Thereafter	0.35%
Worldwide Discovery	First USD 150m	0.75%
	Thereafter	0.60%
Specialist		
Developed Asia	First USD 50m	0.60%
	Next USD 30m	0.50%
	Thereafter	0.40%
Emerging Markets Equities	First USD 50m	0.80%
	Next USD 50m	0.70%
	Thereafter	0.60%
Emerging Markets Leading Companies	First USD 50m	0.80%
	Next USD 50m	0.70%
	Thereafter	0.60%
Greater China Equities	Flat Rate	0.75%
US Equity	First USD 100m	0.50%
	Next USD 300m	0.35%
	Next USD 600m	0.30%
	Thereafter	0.25%
Positive Change	First USD 50m	0.55%
	Next USD 50m	0.45%
	Thereafter	0.35%

If the segregated account is invested in shares or units of any open-ended investment company, other collective investment scheme or investment trust which Baillie Gifford & Co or any of its affiliates manage, any management fee payable on this investment will be deducted from the management fee payable for the segregated account.

If the shares or units of the open-ended investment company or other collective investment scheme do not bear a management fee, nor does the investment trust itself pay a management fee to Baillie Gifford & Co or any of its affiliates, the market value of the shares or units shall be included in the market value of the assets in the segregated account for the purposes of management fee calculations.

A. Pooled Vehicles

BGO provides discretionary investment management services to registered US funds and US and non-US private funds. In each case the fund's offering documents will include information about the fees and expenses paid by the fund. Management fees may be rebated or waived by BGO in certain circumstances at the sole discretion of BGO and in some cases subject to the relevant fund board's consent. BGO may also receive additional compensation for any administrative or other services provided to these funds.

B. Billing

The specific manner in which BGO charges fees is established in the client's management agreement with BGO. BGO will generally bill its fees on a quarterly or monthly basis for segregated accounts. For accounts that are pooled vehicles (where BGO acts as investment advisor or in a sub-advisory capacity), fees are accrued daily or monthly and paid in arrears. Clients are billed in arrears for fees each quarter or month-end, as the case may be, and they can elect for this fee to be billed directly or authorise their global custodians to make direct payment to BGO. Accounts initiated or terminated during a period will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

C. Other fees and expenses

BGO's fees are exclusive of brokerage commissions, transaction fees, and other related transaction costs and expenses which shall be incurred by the client.

Clients may incur certain charges imposed by custodians, brokers and other third parties, including fees, custodial fees (including FX related charges), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients invested in a Baillie Gifford registered fund or private fund, whether directly or through a separately managed account, will indirectly bear the fees and expenses paid by the fund, including various charges imposed by mutual funds, private funds and exchange traded funds, which are disclosed in a fund's prospectus.

Item 12, 'Brokerage Practices' further describes the factors that BGO considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

D. Advance payment of fees

We do not permit advanced payment of fees.

E. Compensation for the sale of securities or other investment products

Neither BGO nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Please see Item 14 'Client Referrals and Other Compensation' for details of an arrangement where Baillie Gifford International LLC provides client servicing and institutional marketing services to BGO for a fee.

Item 6 – Performance-based fees and side-by-side management

Whilst most of its fees are asset-based, BGO may, at the request of a client, agree to charge a performance fee, as long as such fee arrangements are permitted under applicable laws and regulations, including Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder (the ‘Advisers Act’). Item 11, ‘Code of Ethics, Participation or Interest in Client Transactions and Personal Trading’ describes the conflicts arising from this.

Where BGO has entered into performance fee arrangements with qualified clients, fees are subject to individual negotiation with each such client. BGO will structure any performance or incentive fee arrangement subject to Section 205(a) (1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205–3. In measuring clients’ assets for the calculation of performance based fees, BGO shall include realised and unrealised capital gains and losses. Performance based fee arrangements may create an incentive for BGO to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements could also create an incentive to favour higher fee paying accounts over other accounts in the allocation of investment opportunities. BGO has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. Amongst these procedures BGO has standard portfolio models for strategies to ensure that all clients within the model are treated fairly. BGO also operates trade allocation procedures which are designed to allocate investment opportunities fairly and equitably over time. These are described more fully in Item 11 ‘Code of Ethics, Participation in Client Transactions and Personal Trading’.

Moreover, the remuneration practices for partners and staff are designed to be consistent with and promote sound and effective risk management.

Item 7 – Types of clients

BGO provides investment advisory services to a wide variety of institutional clients, including corporate and public pension plan sponsors, endowments, foundations, sovereign wealth funds, and registered investment companies. We also act as investment adviser to a number of family office clients.

New segregated accounts generally are subject to a minimum account size or a minimum annual fee, depending on the strategy. For clients for whom the minimum account size or fee are not attainable there may be pooled vehicles that operate to a comparable fee scale.

Item 8 – Methods of analysis, investment strategies and risk of loss

A. Methods of analysis and investment strategies

Methods of analysis

Stock research at Baillie Gifford is typically carried out on a fundamental, bottom-up basis. For investments under consideration, we analyse aspects such as the opportunity available to the company (e.g. what is the outlook for growth in the market in which it operates? Does the company possess any clear and sustainable competitive advantages?), its ability to execute on that opportunity (does the financial structure allow the growth to be funded by internal cash-flows? Do management run the business for shareholders?), and valuation (to what extent does the market already appreciate these strengths?).

We place great emphasis on the communication and debate of ideas across all our research teams. It is important to note that our investment managers are first and foremost analysts in that they spend a good proportion of their time writing research. The research written at Baillie Gifford is generated internally, with the primary source of information being the companies themselves.

In corporate bonds, our analysis methods are similarly based on understanding company fundamentals but are aimed at identifying future creditworthiness rather than growth.

The majority of our investments will generally be found in bonds rated BB to BBB. This is based on our belief that the yields on bonds with these ratings have historically over-compensated for credit risks. We invest on the basis of fundamental attractions, irrespective of the location of the issuer. Industry and regional exposure are secondary considerations in the bond selection process.

Analysis of emerging market bonds is based on in-depth research of countries. This draws on desk-based research, considering economic data from governments, central banks and other sources, supplemented by regular country research trips to meet local contacts.

We place particular emphasis on the sustainability of macroeconomic trends. Qualitative research is complemented by the construction of simple but well-founded econometric models. These help us to assess different factors affecting valuation, and to make fair value estimates.

Currency is a crucial component of emerging market bond returns. We manage this aspect actively and employ a similar investment approach to that used in identifying interest rate prospects.

Buy/sell discipline

Buy decisions in equity strategies are made following analysis of individual companies, using the research framework outlined above. Stocks in the portfolio are monitored and reviewed on an ongoing basis. We may consider selling a stock when there is an adverse change in the fundamentals of the business, or when the valuation becomes less attractive.

We aim to be long term holders of equity investments, typically exhibiting an investment holding period horizon in excess of three to five years.

In fixed income investing, we also expect to be longer-term than our market peers and base investment decisions on market fundamentals rather than anticipating market sentiment. In both corporate bonds and emerging market bonds, analysts are expected to identify specific milestones which will indicate whether a company or country is following a trajectory which supports the original investment thesis. Should there be a deviation from these milestones, a fresh debate is held to determine whether a sale should be made. We will also sell bonds should relative valuation criteria no longer suggest an opportunity.

Use of cash and average cash position

For the majority of equity portfolios, we aim to be fully invested at all times subject to maintaining a suitable working cash balance for liquidity purposes. Cash balances seldom exceed 5%.

Investment strategies

We offer a range of investment strategies which we have described in Appendix A.

Descriptions of strategies offered through pooled investment vehicles are qualified in their entirety by the information in such vehicle's offering materials.

Descriptions of strategies offered through segregated accounts are qualified in their entirety by reference to the applicable investment management agreement and related investment guidelines.

B. Material risks of significant strategies and significant methods of analysis

Equity and fixed income portfolios are subject to risks inherent in equity and fixed income markets. Specifically, investors should recognise that their investment may decline in value and that the value of their investment can be expected to exhibit volatility over time. Investors should not invest money unless they are willing to risk the loss of that money.

The following is an explanation of the material risks associated with the significant strategies and methods of analysis used by BGO.

Cash position risk

A portfolio may hold any portion of its assets in cash or cash equivalents at any time or for an extended time. BGO will determine the amount of a portfolio's assets to be held in cash or cash equivalents at its sole discretion, based on such factors as it may consider appropriate under the circumstances. To the extent that a portfolio holds assets in cash and is otherwise uninvested, the ability of a portfolio to meet its objective may be limited.

Concentration/diversification risk

A portfolio may hold fewer instruments than is typical for its sector or have investments focused in particular countries, regions, sectors, companies or industries with high positive correlations to one another and the effect of this, together with its long term approach to investment, could result in large movements in the portfolio value.

Counterparty credit risk

A portfolio runs the risk that the other party fails to comply with the terms of the contract. The credit risk for exchange-traded or other centrally cleared derivatives is generally less than for uncleared OTC derivatives, since the clearing house, which is the counterparty to each cleared derivative, provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing house in order to reduce overall credit risk. For uncleared OTC derivatives, there is no similar clearing house guarantee. Therefore, we consider the creditworthiness of each counterparty to an uncleared OTC derivative in evaluating potential credit risk and exchange collateral with the counterparty, where appropriate.

Counterparty and settlement risks

A portfolio may be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Securities purchased or sold on a 'when-issued' or 'delayed delivery' basis involve a risk of loss if the value of the securities to be purchased declines prior to the settlement date or if the value of the securities to be sold increases prior to a settlement date. Loans of securities also involve risks of delay in receiving additional collateral or in recovering the securities loaned, or possibly loss of rights in the collateral, should the borrower of the securities become insolvent.

Credit risk

Credit risk is the risk that an issuer or guarantor of a debt security or other instrument may be either unable or unwilling to meet its financial obligations. This lack of ability, or perceived lack of ability, of the issuer, guarantor or obligor to make timely payments of interest and/or principal, or the downgrading of such entity's credit rating, will negatively affect the value of the security or instrument. Credit risk is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Credit risk is particularly pronounced for instruments rated below investment grade (also known as 'high yield' or 'junk' bonds) carrying ratings below Baa3 by Moody's Investors Service, Inc. or below BBB- by Standard & Poor's Ratings Services.

Currency risk

Currency risk includes the risk that currencies in which a portfolio's investments are traded will decline in value relative to the U.S. dollar and, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in each country may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments in such countries.

If the portfolio is denominated in U.S. dollars, that portfolio's investments may be acquired, directly or indirectly, in a wide range of currencies. BGO arranges for the execution of foreign exchange trades to implement these stock investments. Foreign exchange restrictions in certain markets may mean that BGO is unable to trade in these currencies for clients, as local requirements may dictate that any foreign exchange, trade or income related to it, has to be traded by a local party, typically the client's custodian or sub-custodian.

Investment in currency forward contracts involves the risk of an imperfect correlation between movements in the price of the forward contract and the price of the related currency. The risk of imperfect correlation generally tends to diminish as the maturity date of the forward contract approaches.

Where income, for example, dividends, interest, tax reclaims or other receipts, is received in foreign currency, the typical market practice is for the client's appointed custodian to automatically repatriate the income into the portfolio's base currency. Custodians will typically charge for such service by adding a spread to the rate achieved in the market.

Custody risk

Clients are responsible for selecting and appointing their own independent custodian.

Securities held by custodians may not be as well protected as other claims made on behalf of the general creditors of the custodian where there is a failure of the custodian. Clients are subject to similar risks in the event of an insolvency of any sub-custodian with which any relevant securities are held or any third party bank with which client money is held. In addition, clients are subject to the risk that the assets held by the custodian are not held in accordance with the contractual requirements.

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. Client portfolios can invest in markets where custodial and/or settlement systems are not fully developed. The assets of the portfolio which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the custodian will have no liability. Clients should therefore be aware of the terms of their custodial arrangements and the level of redress against any custodian or sub-custodian.

Derivative management risk

Where a portfolio has exposure to derivative products, these are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

Emerging markets risk

Investments in emerging markets can involve a higher than average risk due to less liquid and more volatile securities markets than more developed markets. Disclosure and regulatory standards in many respects are less stringent than in the more developed markets and there may be a lower level of monitoring and regulation of securities markets in emerging countries. Investments in emerging markets may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation over prolonged periods of time. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets of certain emerging countries. Finally, because publicly traded debt instruments of emerging countries represent a relatively recent innovation in the world debt markets, there is limited historical data or related market experience concerning the attributes of such instruments under all economic, market and political conditions.

There can be no assurance that adverse political changes will not cause a portfolio to suffer a loss of any or all of its investments or, in the case of fixed-income securities, interest thereon.

Equity securities risk

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as workforce shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

A portfolio may at times have the opportunity to invest in securities offered in initial public offerings ('IPOs').

IPOs may not be available to the portfolios at all times, and a portfolio may not always invest in IPOs offered to it. For example, a portfolio may not invest in an IPO if such an offering does not meet the specific investment criteria of the portfolio.

Foreign securities risk

Investing in securities of foreign governments and companies, which are generally denominated in foreign currencies and held and settled at their principal trading markets, and utilising foreign currency forward contracts involve both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. Examples of such risks include, but are not limited to, changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets, less available issuer information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, local market practices in clearing and settling transactions, difficulty in enforcing contractual obligations, lack of uniform accounting, legal and auditing standards, and greater price volatility.

Interest rate risk

A portfolio may have exposure to interest rate risk. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates.

A portfolio's investment in bonds and other fixed income securities may decline in value if interest rates change. In general, the prices of debt securities rise when interest rates fall and fall when interest rates rise. Long term obligations are usually more sensitive to interest rate changes.

Investments in other collective investment schemes

A portfolio may invest in one or more collective investment schemes including schemes managed by BGO or its affiliates. Unregulated collective investment schemes may not provide a level of investor protection equivalent to that provided by regulated collective investment schemes such as a registered investment company. As a shareholder of another collective investment scheme, a portfolio would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in

addition to the management fees and other expenses which a portfolio bears directly in connection with its own operations. A portfolio will be responsible for paying its fees and expenses regardless of the level of its profitability.

Investment risk

Active management involves absolute risk and relative risk. Absolute risk is the risk that the fund falls in value. Relative risk is the possibility of poor performance relative to benchmark. A portfolio considered to be diversified could still underperform. Some funds may not have relative risk guidelines and may not have benchmarks.

Each actively managed portfolio is subject to management risk. The portfolio manager will apply investment techniques and risk analyses when making investment decisions for actively managed portfolios, but it cannot be guaranteed that these decisions will produce the desired result.

Investment style risk

Different types of securities such as growth style or value style securities tend to shift into and out of favour with investors depending on changes in market and economic conditions. As a result, a portfolio's performance may at times be worse than the performance of other portfolios that invest more broadly or that have different investment styles. A portfolio investing principally in growth style stocks may at times underperform other portfolios that invest more broadly or that have different investment styles.

Leverage risk

Where a portfolio has exposure to derivative products, many of these have a leverage component whereby adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Liquidity risk

Some of the markets, exchanges or securities in which a portfolio may invest may prove to be illiquid and prices may be highly volatile from time to time. This may affect the price at which and the time period in which a portfolio may liquidate positions to meet funding requirements. This may result in difficulty in calculating the fair market value of a portfolio's holding. Portfolio managers may utilise pricing services or valuation sources in calculating such fair market values, however values so obtained could be inaccurate.

Market risk

The value of a portfolio's securities may decrease due to changes in the securities markets. Such changes may be due to factors affecting the issuing entities, their industries, the economy, or equity and fixed income markets generally. The market price of securities owned by a portfolio may go up or down, sometimes rapidly or unpredictably.

Political risk

The performance of investments may be affected by changes in the political environment including uncertainties such as political developments, military conflict and civil unrest, changes in government policies, government appropriations, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

C. Recommendations of particular types of securities

BGO manages active equity and fixed income strategies. Please see 'Material Risks of Significant Strategies and Significant Methods of Analysis' above for further detail.

Item 9 – Disciplinary information

There are no legal or disciplinary events, settled or pending, that BGO believes are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10 – Other financial industry activities and affiliations

A. Registration as a broker-dealer

Baillie Gifford Funds Services LLC ('BGFS'), a wholly owned subsidiary of BGO, is registered as a broker-dealer with the Financial Industry Regulatory Authority (FINRA) and four management persons are registered representatives of BGFS. The activities of BGFS are limited to acting as a principal underwriter and distributor of an affiliate open-ended registered investment company and acting as placement agent for the private placement of affiliated funds that are exempt from registration under the Securities Act of 1933.

B. Registration as a commodities trading adviser

BGO has an application pending to register as a commodity pool operator ('CPO'). One management person has an application pending as an associated person of the CPO.

C. Affiliations and conflicts of interest

BGO and its affiliate's primary business activity is investment management, where we act as agent, in a fiduciary capacity for our clients. BGO and its affiliates do not undertake any proprietary trading (save in very limited circumstances where it deals on its own account in providing initial seeding for new funds or new share classes), deposit-taking activities or provide any credit facilities to clients.

BGO is committed to providing clients with service of the highest quality and we are guided by the principle that we act in the best interests of our clients. Nevertheless, there may be circumstances where clients' interests may conflict with BGO's interests or the interests of other clients. Many of these conflicts of interest can be inherent in providing investment advisory services to multiple clients and are encountered by other investment advisers offering similar services. We have policies and procedures that are designed to ensure that we are always acting in the best interests of our clients.

We are affiliated with various US and non-US investment advisers and pooled investment vehicles described in this section and in Item 4 'Advisory Business'. From time to time BGO engages in business activities with some or all of these entities, subject always to our policies and procedures governing how we handle conflicts of interest. BGO provides advice for a

number of clients, including some BGO affiliates. We may advise some clients or take actions for them that differ from recommendations or actions taken for other clients. BGO is not obligated to recommend to any or all clients any investments that it may recommend to, or purchase or sell for, certain other clients. Persons associated with BGO may themselves have investments in securities that are recommended to clients or held in client accounts, subject to compliance with our policies regarding personal securities trading. Additional information regarding potential conflicts of interest arising from our relationships and activities with our affiliates is provided under Item 11 ‘Code of Ethics, Participation or Interest in Client Transactions and Personal Trading’.

Where shares in a pooled investment vehicle managed by BGO or one of its affiliates may be purchased on behalf of clients this fact is disclosed in our management agreement. The agreement also states that no initial fee will be made and that any management fee received by Baillie Gifford will be rebated to the client.

BGO acts as investment adviser to Baillie Gifford Funds, a Massachusetts business trust under the terms of investment advisory agreements. Baillie Gifford Funds is an open-ended, diversified investment management company consisting of thirteen series offering portfolios with different objectives and strategies, twelve of which are currently funded (SEC File No 811-10145).

BGO is also Manager to the Baillie Gifford Group Trust. The Trust is an Illinois trust and is only available by private placement to a limited number of qualified and governmental retirement plans. Within the Group Trust there are seven funds with different objectives and strategies, one of which is currently funded. The Baillie Gifford Group Trust is the only client for which BGO may be deemed to have custody under Rule 206-4 (2) under the Advisers Act and as disclosed in response to Item 9 of Part I of this Form ADV. See Item 15 ‘Custody’ for additional information. Northern Trust has been engaged as the qualified custodian for the Baillie Gifford Group Trust.

Other investment adviser or financial planner

BGO acts as sub-adviser, on a non-discretionary basis, to Mitsubishi UFJ Baillie Gifford Asset Management Limited, a joint venture between BGO and Mitsubishi UFJ Trust and Banking Corporation.

BGO has an arrangement with Baillie Gifford International LLC (‘BGI’), a wholly-owned subsidiary of BGO. BGI, provides client servicing and institutional marketing services to BGO for a fee. Please see Item 14 ‘Client Referrals and Other Compensation’ below for further information regarding BGO’s arrangement with BGI.

BGO has an arrangement with Baillie Gifford Funds Services LLC (‘BGFS’), a wholly owned subsidiary of BGO. BGFS provides distribution and underwriting services to Baillie Gifford Funds. It is also responsible for any private placement of pooled investment vehicles to US investors. BGFS is compensated on a cost plus basis and not by revenues generated from distribution of funds.

D. Recommendation fees

BGO does not recommend or select other investment advisers for its clients for compensation.

Item 11 – Code of Ethics, participation or interest in client transactions and personal trading

Baillie Gifford & Co has adopted compliance policies and procedures at the group level that are applicable to Partners, staff and Directors of all subsidiary companies, including BGO, that cover, among other things, fiduciary duties, conflicts of interest, code of ethics and code of employee conduct, personal trading, whistle blowing, insider trading, trading for clients, proxy voting, record keeping, valuation, privacy, anti-money laundering, sanctions and counter-terrorist financing anti-bribery and corruption and other compliance matters.

A. Code of Ethics

BGO has adopted a Code of Ethics in compliance with Rule 204A-1 of the Advisers Act and Rule 17j-1, of the Investment Company Act of 1940, which establishes standards of conduct for BGO’s and its affiliates, Partners, Directors, employees and, in general, contractors. This Code of Ethics applies to Baillie Gifford’s activities globally, and therefore looks to satisfy regulatory requirements in a number of different jurisdictions including the US. The Code of Ethics includes general requirements to ensure that BGO’s supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and

specific requirements relating to, among other things, personal trading, inducements, ethical conduct and conflicts of interest. The Code of Ethics covers personal investment transactions of all Partners, Directors and employees of BGO and its affiliates and ‘connected persons’ (as defined in the Code of Ethics and known as ‘access persons’) which includes most persons sharing the same household as the Partner, Director or employee.

Although the Code of Ethics permits access persons to trade in securities for their own account, including the same securities as may be purchased or sold for client accounts, access persons must follow the Code of Ethics procedures which are designed to prevent its access persons from engaging in personal securities transactions that may compete or interfere materially with trading of client accounts. It requires all access persons to report their personal securities transactions and holdings annually to the compliance department via the Firm’s Code of Ethics System. Furthermore, the Code of Ethics requires access persons to (a) seek approval prior to the use of any brokerage account for personal trading (b) receive advance approval via the Firm’s code of Ethics system prior to entering into personal securities transactions, (c) provide copies of the contract note from the broker to the Compliance Department, (d) annually certify that the list of holdings and securities accounts that they provide to the Compliance Department is accurate and that they have complied with the Code of Ethics during that year, and (e) report any violations of the Code of Ethics promptly to the Compliance Department. These processes are all overseen by the Compliance function and BGO’s Chief Compliance Officer.

The Code of Ethics does not permit trading in securities on a short-term basis (currently defined as 60 days); and we conduct an active monitoring programme of personal trading and reporting to ensure compliance with the Code. For example, we review transactions to ensure there are no conflicts between personal trading and client trading and no trading in securities that are restricted as a result of BGO and its affiliates being privy to material non-public price-sensitive information. Any employee who violates the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, censure, suspension or dismissal. The Code of Ethics also places restrictions on the giving or receipt of payments, donations, political contributions, gifts or entertainment, or other non-monetary benefits to or from third parties that could constitute some form of inducement and requires prior consent before service on the boards of publicly traded companies by certain members of staff. Each supervised person of BGO receives notification of any amendments made to the

Code of Ethics. The foregoing discussion is a summary of our Code of Ethics and clients and prospective clients may obtain a copy of BGO’s Code of Ethics by contacting BGO.

No member of staff is permitted to purchase or sell for their own account, directly or indirectly, any security which, to his or her knowledge, is currently being purchased or sold by Baillie Gifford or which, to his or her knowledge, Baillie Gifford is actively considering for purchase or sale. In addition, Investment Personnel are not permitted to trade for their own account in the seven calendar day period before/after a fund/strategy that they are involved in has traded the same security.

Baillie Gifford has the following controls in place to prevent the potential conflict of personal dealing in close proximity to client orders in the same security. Prior to undertaking a personal deal, members of staff are required to obtain electronic internal pre-clearance from the Firm’s Code of Ethics System (the System). The System will deny trade requests if there is a live client order in progress in that security. As an additional control, members of staff are required to obtain permission to use their desired broker and must ensure that duplicate copies of confirmation of all personal securities transactions are sent directly to the Firm’s Compliance Department.

B–D. Potential conflicts relating to advisory activities

BGO has a duty to act honestly, fairly and professionally in accordance with the best interests of our clients when providing investment services to them. BGO acts as investment adviser to both pooled vehicles and separately managed segregated accounts. In some cases both have similar objectives and similar strategies. From time to time, there may be situations that give rise to a conflict of interest. A conflict can arise between the interests of BGO and its affiliates, its employees and Partners of Baillie Gifford & Co, and the interests of a client of BGO. A conflict of interest can also arise between the interests of one client of BGO and another client. In such circumstances we have put in place effective organisational and administrative arrangements with a view to taking reasonable steps to prevent the conflict giving rise to a material risk of damage to the interests of our clients. In addition, where we pay or accept any monetary benefit or provide or receive any non-monetary benefit in relation to our investment services, care must be taken to ensure that such benefits do not place BGO or any third party firm in a situation where it would not be in compliance with the general duty to act in accordance with the best interest of our clients. Baillie Gifford Group, (which includes Baillie Gifford & Co and all

subsidiary companies) maintains a firm-wide Conflicts Matrix which identifies conflicts and potential conflicts of interest that exist, and the procedures and controls that have been adopted to manage these conflicts. It is subject to review and approval by Baillie Gifford group's Compliance Committee which consists of a cross section of senior management. Each employee and Partner of Baillie Gifford & Co has a responsibility for the identification of conflicts through adherence to the firm's Code of Ethics. BGO attempts to disclose material conflicts of interest in this document. However, because conflicts are inherent for firms providing investment management services, in responding to the particular items of Form ADV Part 2, BGO has focused on identifying those conflicts that may be most salient.

Other sections of this brochure also provide a description of additional conflicts of interest that may arise in the operation of BGO's business. Please also refer to Item 5 'Fees and Compensation', Item 6 'Performance Based Fees and Side-by-Side Management', Item 12 'Brokerage Practices', Item 14 'Client Referrals and Other Compensation' and Item 17 'Voting Client Securities'.

Trade aggregation and allocation process

The overriding objective of our trade allocation policy is to achieve fair and equitable treatment of client accounts and to ensure trade allocations are timely. Certain investments identified by BGO may be appropriate for multiple clients. Investment decisions for these clients are made by BGO in its best judgment, but in its sole discretion, taking account of those factors BGO believes relevant. Such factors may include investment objectives, regulatory restrictions, current holdings, availability of cash for investment, the size of investments generally, and limitations or restrictions on a client's account that are imposed by the client or by law. BGO generally is not under any obligation to share any investment idea or strategy with all of its clients. Decisions to buy or sell investments for each client advised by BGO are made by the relevant BGO investment decision-making group with a view to achieving each client's investment objectives. Therefore, a particular investment may be bought or sold for only one client or in different amounts at different times for more than one but fewer than all clients. Likewise, a particular investment may be bought for one or more clients when one or more other clients are selling the investment. Conflicts can also arise in cases where clients with different strategies invest in different parts of an issuer's capital structure. Actions by investors in one part of the capital structure could disadvantage investors in another part of the capital

structure. Given all of the foregoing factors, the amount, timing, structuring or terms of an investment by a client may differ from and performance may be lower than, investments and performance of other clients, including those that may provide greater fees or other compensation to BGO.

Under BGO's procedures, portfolio managers and the trading desk typically seek to aggregate orders that are placed or received concurrently for more than one Fund or account. In some cases, this policy may adversely affect the price paid or received by a Fund or an account, or the size of the position obtained or liquidated. When trades are aggregated, each account within the block will receive the same price and commission. In circumstances where the client has given us instructions on the use of particular brokers (for example minority brokers) for a specific percentage of trading, we would typically remove their order from the aggregated order, to be dealt separately with the specified broker to fulfil the instruction.

Under BGO's procedures, unless client specific circumstances dictate otherwise, portfolio managers normally implement transactions in individual stocks for all funds and accounts with similar mandates which are managed by that team at the same time. BGO has adopted policies with the objective that purchases and sales be allocated equitably across all participating clients in any given order. An electronic 'Order Allocator' is built into our Front Office System, which allocates execution fills on a pro rata basis by reference to the portion of the aggregate assets under management of the participating accounts and ensures that the correct number of shares is allocated to each client in the event of an uncompleted order. Occasional exceptions to this occur. One example of this is when the aggregated order is too small to be prorated sensibly, and in this situation the Order Allocator will select a client on a random basis for the allocation. The system has an in-built audit trail, which our Compliance Department reviews as part of their risk based monitoring programme

From time to time, aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all accounts seeking the investment opportunity or a client may be limited in or precluded from participating in an aggregated order as a result of that client's brokerage arrangements. Also an issuer in which clients wish to invest may have threshold limitations on aggregate ownership interests arising from legal or regulatory requirements or company ownership restrictions that may have the effect of limiting the potential size of the investment opportunity and thus the ability of the applicable clients to participate in the opportunity.

Although allocating orders among clients can potentially create potential conflicts of interest because we may receive greater fees or compensation from some clients than other clients, or because we may be affiliated or have other relationships with certain clients, we will not make allocation decisions based on such interests, greater fees or compensation. BGO's policies and procedures seek to ensure that investment decisions are made in the best interests of clients and without consideration of BGO's (or its personnel's) pecuniary, investment or financial interest. On a regular basis, portfolio managers review all client accounts to identify those whose current portfolio characteristics differ significantly from targets.

In operating its aggregation and allocation policies BGO looks to ensure that priority is always given to client orders over orders in any funds wholly seeded by BGO or its affiliates.

Non-discretionary advisory services

BGO provides non-discretionary advisory services to certain clients where we will give advice on purchasing, selling or holding particular investments but we will not execute purchases or sales on behalf of the client. Discretionary and non-discretionary advisory clients can hold the same or similar securities. There may be timing differences related to the transmission of advice to a non-discretionary client and that client's decision whether or not to act upon the advice and this may lead to trades being executed for discretionary clients at different times, and sometimes in advance of executions for non-discretionary clients. There can also be situations where the advisory clients' trading has an impact, either negative or positive, on the trading conducted by Baillie Gifford for its discretionary management clients.

Clients, Service Providers and Suppliers that Issue Securities

BGO and its affiliates provide services to a wide variety of clients including those that may be issuers of securities that BGO or its affiliates may recommend for purchase or sale to clients. In addition to our clients, some of our service providers and/or suppliers are issuers of securities that BGO or its affiliates may recommend for purchase or sale to clients. In both cases it is BGO's general policy not to take into account that an issuer is our client, service provider or supplier when making investment decisions. Given the range of clients, service providers and suppliers within BGO and its affiliates, BGO believes it would not be in the interests of clients

generally to exclude such issuers from a client portfolio, unless a client instructs BGO or its affiliates to the contrary.

Availability of proprietary information

In connection with our activities, certain persons within BGO may receive information regarding proposed activities for BGO and clients that is not generally available to the public. There will be no obligation on the part of BGO to make available for use by a client, or to effect transactions on behalf of a client on the basis of, any such information. Similarly, a client may have access to information regarding BGO's transactions that are not available to other clients, and may act on such information through other accounts not managed by BGO. Such transactions and proprietary information may negatively impact clients through market movements or by decreasing the pool of available securities or liquidity.

Material non-public information

Occasionally, BGO staff come into possession of material, non-public information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under relevant laws, BGO staff are generally prohibited from using or disclosing such information for their personal benefit or for the benefit of third parties, including clients.

Accordingly, should a BGO staff member come into possession of material, non-public information with respect to an issuer, it is BGO's policy to place that issuer and any related securities on a restricted list and for all dealings in those securities for clients and staff to be prohibited for so long as BGO holds the material, non-public information. Staff are also prohibited from disclosing the material, non-public information to any other party. Other than in exceptional circumstances, a client's account may therefore be unable to buy or sell certain securities until the restriction is lifted, which could disadvantage the client's account.

Cross trades

To the extent permitted by applicable law, BGO's compliance policies and procedures and a client's investment guidelines, BGO may engage in 'cross trades' where, as investment manager to a client account, BGO causes that client account to purchase a security from (or sell a security directly to) another client account. Cross trades present a conflict of interest because BGO represents the interests of both the selling account and the buying account in the same transaction and may have a financial incentive to favour one client over the other due to different fee arrangements or other factors.

We will only perform a cross trade when we believe it is in the best interests of both the selling and buying client and our policy requires cross trades to be effected at the independent 'current market price' of the security as determined by reference to independent third party sources.

Investments in Baillie Gifford pooled vehicles

As noted above, if permitted by relevant investment guidelines and applicable law, BGO may purchase for client accounts interests in mutual funds or other registered and unregistered funds or vehicles that are offered by BGO or its affiliates when we believe it is in the relevant client's best interest to do so.

Subject to applicable law and provided certain conditions are met, clients of BGO may purchase shares of Baillie Gifford Funds ('BGF') by an in-kind contribution of securities, and BGF may redeem shares held by clients of BGO by an in-kind distribution of securities.

Item 12 – Brokerage practices

A. Broker-dealer selection process

Baillie Gifford Overseas has relationships worldwide with a large number of brokerage firms. Our Business Risk Department maintains a central list of approved brokers with whom orders can be placed. Brokerage firms are placed on this subject to an authorisation and ongoing monitoring process, which includes but is not limited to, the broker's credit worthiness and financial stability, a review of the performance of execution services provided by the broker and the broker's ability to trade effectively on our clients' behalf. Limits on counterparty risk are also set for individual brokers and our Business Risk Department review and monitor exposures against these limits on a daily basis. Broker selection for trading is determined entirely by the requirement to achieve best execution for our clients.

An evaluation of brokers' services is conducted semi-annually by members of our trading team. We also meet with each of our main brokers on a regular basis. During these meetings, we discuss any specific service issues which our traders have encountered during the period.

1. Broker-dealer Compensation

From 1st January 2016, we moved to execution-only commission rates to compensate brokers for equity trading, away from the previous 'bundled' format whereby client dealing commission included an element for permitted research services in addition to execution. Baillie Gifford does not receive any third party payments or inducements from execution or trading venues.

This has allowed us to negotiate lower, execution only, commission rates with our brokers for all applicable trades, reflecting only the services received by our trading desk in each market.

Baillie Gifford assumes full responsibility for payment of non-execution services from brokers. The receipt of such services does not factor in the selection of brokers.

Commission rates as a whole are monitored by Baillie Gifford's Best Execution Group which meets monthly to monitor the firm's execution effectiveness and trading relationships with brokerage firms.

2. Brokerage for client referrals

Occasionally, broker-dealers that are on our approved list of counterparties for trading may also operate as a consultant and offer advisory services relating to client referral. We do not, however, consider such factors in the selection of that broker-dealer for trading client transactions; as mentioned previously, all broker-dealer selections are made on the basis of the provision of best execution.

Client-directed brokerage

BGO will accept client directed brokerage arrangements to brokerage houses of the client's choice (including directed business to 'minority' brokers), so long as the brokerage houses in question are on our list of approved brokers. BGO will assume the responsibility to override a client's instruction for directed brokerage if it is clearly not in the best interest of the client to trade with that broker from a best execution perspective. Occasionally, a client who has requested directed brokerage, will not be able to participate in block or aggregated trades, which could adversely impact the price or the commission the client pays. Higher levels of recapture and directed trades can potentially affect the commission rates paid and might ultimately impact the prices at which trades are executed, therefore impeding overall performance.

B. Aggregation of orders

Please see item 11 'Code of Ethics, Participation or Interest in Client Transactions and Personal Trading' for a discussion of our trade aggregation policies.

Item 13 – Review of accounts

BGO looks to ensure compliance with a client's investment guidelines in line with its fiduciary responsibilities. Accordingly BGO utilises a proprietary front office system, including a restrictions system, that captures the investment parameters from each client's guidelines and facilitates automated pre and post trade testing for compliance with these parameters, where capable of automation. BGO's Clients Department ('CD') also works closely with the portfolio management teams to make sure each client's guidelines are implemented, where applicable. The frequency of account review varies between strategies.

Investment strategy and oversight

Investment management is carried out on a continuous basis, and is managed and reviewed by a number of groups including:

- The Investment Management Group ('IMG') – responsible for operational and staff matters from an investment perspective.
- The Strategic Leadership Group ('SLG') - responsible for strategic issues relating to investment matters.

These groups are ultimately responsible for all of the firm's investment activities and for all client portfolios but delegate day to day management to the relevant investment teams and portfolio construction groups ('PCG's).

Portfolio construction

Regional equity teams

The regional equity teams are the foundation of the Baillie Gifford research process and such teams may or may not manage portfolios directly based on the region covered (for example specialist UK Equity mandates). They may also manage mandates on a modular basis through a number of regional model portfolios.

In all cases, analysts and managers within these teams will be expected to contribute to the research carried out and employed across the firm.

The regional teams typically maintain model portfolios of stocks to accommodate specific investment mandates. Model portfolios allow us to accommodate a variety of mandates whilst maintaining consistent portfolio characteristics across clients' portfolios.

Global specialist teams

Several of the investment teams manage specialist global mandates on behalf of a range of clients and in these cases the head of the relevant investment team is responsible for ensuring the appropriate management and controls are in place, subject to occasional review as appropriate by CD and the Investment Risk Committee. These teams include the Global Alpha, Long Term Global Growth, Global Select Team, Global Income Growth, Global Discovery and Positive Change.

Portfolio Construction Groups (PCGs)

Clients who invest in international equities are managed by one of a number of PCGs, comprising a combination of investors from regional teams and specialist global investors. Representatives from CD are involved in all such mandates, ensuring that all client portfolios are managed in a manner consistent with their objectives and expectations.

Client account oversight – Clients Department

Client service staff in CD are responsible for determining the overall effect of investment decisions on specific client mandates, taking into account individual client restrictions and risk profiles. While PCGs or investment teams retain responsibility for the strategic positioning of portfolios, the client service staff retain a co-ordinating role, monitoring the portfolios on an ongoing basis, reporting to clients, ensuring compliance with client guidelines, and maintaining internal target allocations and awareness of client risk parameters. Client service staff will make the PCGs and investment teams aware of any client issues or constraints that may arise as a result of potential changes to the portfolio. As well as written reports, the client service staff will usually report to clients or their agents in person, at least annually.

Accounting and reporting

Baillie Gifford's Client Reporting System provides a tailored reporting service. Clients receive a comprehensive written quarterly report.

Quarterly reports include investment commentary, a portfolio valuation, details of income received, investment performance versus the relevant index and details of transactions during the quarter. Proxy voting reports are also included and we provide clients with a breakdown of the trading costs incurred by their portfolio, in terms of execution only commission costs.

To keep clients informed, BGO also periodically produces papers such as white papers and thought pieces which explore topics of relevance. Clients may receive economic review papers and more specific macro-economic, sector and stock research.

Through Baillie Gifford's Client Extranet, clients have access to information about their portfolio, to their monthly and quarterly reports and to intellectual capital such as white papers written by Baillie Gifford's Investment Managers.

The valuation of securities included within these reports and other accounting conventions are derived from Baillie Gifford's valuation policies and procedures. Clients have the option of receiving a monthly accounting report.

Baillie Gifford's valuation methodology and frequency of reporting may differ from that provided by other service providers, such as clients' custodian banks, or where the client's investment is in a pooled fund managed by BGO, the valuation generated by the administrator of that pooled fund (See Item 15, 'Custody').

The relevant boards of the registered and private funds also periodically receive reports that include information on performance and relevant market conditions. These boards have the opportunity to review performance of relevant portfolios at the time of their respective meetings.

Item 14 – Client referrals and other compensation

BGI provides client servicing and institutional marketing services to BGO. BGI acts on behalf of BGO to communicate with BGO's existing investment advisory clients and market to prospective institutional clients and consultants to the institutional market. BGI neither enters into any contracts with such clients nor receives fees from such clients. BGO pays a fee to BGI.

For details of material conflicts of interest and how they are addressed, please see Item 11 'Code of Ethics, Participation or Interest in Client Transactions and Personal Trading'.

BGO and Baillie Gifford & Co do not currently have any referral arrangements with consultants that primarily serve as advisers to our clients. However, BGO does maintain a number of relationships with consultants or their affiliates which are described below. Such consultants provide information in their databases, select potential managers for their clients, and monitor our performance as investment managers after appointment. A number of affiliates of consultancy firms are also clients of Baillie Gifford & Co or BGO, for example as the co-ordinator of a manager of manager programme.

BGO participates in consultant forums. We pay a fee to be a member of these forums and attend a variety of conferences/workshops during the year. We also attend various industry conferences at which consultants may also be present. BGO and its affiliates also purchase selected services from consultants from time to time, such as industry surveys or performance measurement. Such interaction and other related interaction is designed to enhance the quality of service we provide to clients and does not impair compliance with our duty to act in the best interests of our clients. Nonetheless, these firms and/or personnel may believe they have a financial incentive to give favourable evaluations of BGO and may therefore operate as if they are faced with a conflict of interest.

Item 15 – Custody

In general, BGO acts in an agency capacity and does not have custody of client funds and securities. Clients with separate managed accounts engage custodians directly to maintain custody of their funds and securities. BGO is neither a party to, nor responsible for the terms of, any contract between the client and the appointed custodian and is not responsible for the operational performance of

the custodian. Notwithstanding the above, BGO may be deemed to have custody if it has the ability to have fees or other expenses deducted directly from a client's account by the account's custodian and the fees are then paid directly to BGO. In all such cases BGO complies with the relevant portion of the custody rules under the Adviser Act.

In the case of registered and private funds advised by BGO, such funds have made arrangements with custodians as disclosed in the relevant offering and other fund documents.

Each client should receive at least quarterly statements from the nominated custodian that holds and maintains the client's investment assets. BGO recommends clients review such statements and compare such official custodial records to the account statements that we may provide. In addition, any standing instructions and the terms of the contract with any custodian should be reviewed by clients regularly to ensure they continue to be appropriate. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment discretion

BGO usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In general, clients enter into a written investment advisory agreement with BGO, which sets forth the parties' responsibilities and the scope of BGO's authority over the client's account. In all cases, BGO will exercise such discretion in a manner consistent with the stated investment objectives for the particular client account, as set forth in the investment advisory agreement.

When selecting securities and determining amounts, BGO observes the investment policies, limitations and restrictions of the clients that it advises. For registered investment companies, BGO's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favour the holding of investments once made.

Investment guidelines and restrictions must be provided to BGO in writing.

BGO also furnishes investment advisory services to some clients on a non-discretionary basis, which may include, without limitation, evaluation and risk assessment of client portfolios.

Item 17 – Voting client securities

General statement and approach

BGO recognises that it has a fiduciary duty to act solely in the best interests of its clients. In that regard BGO and its affiliates (collectively, ‘Baillie Gifford’) have adopted Global Corporate Governance Principles and Guidelines (the ‘Guidelines’), which include proxy voting policies and procedures that are designed, among other things, to ensure that proxies for the securities owned by clients for which BGO exercises voting authority and discretion are voted in the best interests of those clients in accordance with BGO’s fiduciary duties, Rule 206(4)–6 under the Advisers Act and other applicable law.

The Guidelines include principles (the ‘Principles’) that articulate corporate governance standards relating to the basic rights and equitable treatment of shareholders, the role of stakeholders (as established by law), disclosure and transparency on all material matters, and the responsibilities and accountability of the board of directors. The Principles are based upon the widely supported principles developed by the Organisation for Economic Cooperation and Development, which BGO believes are appropriate for most markets. BGO recognises, however, that given the differences in national corporate and market regulation, one set of standards is unlikely to be appropriate for all of the markets in which it invests. Therefore, the Guidelines include as appendices detailed corporate governance standards for the United Kingdom, Japan, the US, Emerging Markets and Europe, and may include overseas corporate governance codes, where these are available and appropriate. In order to provide an indication of how the Principles should be interpreted in practice, the Guidelines include some ‘best practice’ guidelines as to voting on specific issues (e.g. opposing the re-election of non-executive directors who are not independent if they are members of the audit or remuneration committees or if less than three or a minority of the board’s non-executive directors is independent; and executive remuneration schemes which incorporate insufficiently challenging performance targets).

BGO recognises, however, that companies within particular markets operate under significantly differing conditions and for this reason it does not apply any of the principles, practices or standards included in the Guidelines rigidly. Rather, it applies them with care,

giving due consideration to the specific circumstances of individual companies. In this way it takes a pragmatic and flexible approach to corporate governance, consistent with its overriding aim of looking after the long term financial interests of its clients.

BGO looks to have confidence in the quality and integrity of management. Consequently, its investment process involves keeping closely in touch with company management, learning how it plans to take the company’s business forward and seeking to understand its goals and attitude towards shareholders. BGO believes that such dialogue is important in selecting successful investments for its clients. Nevertheless, where the formal aspects of a company’s corporate governance fall short of the Guidelines and this is not fully supported by its circumstances, BGO encourages improvements in face to face meetings and, where appropriate, votes against management recommendations at general meetings.

Proxy voting

Baillie Gifford’s Governance and Sustainability Team develops and administers the Guidelines. The Governance and Sustainability Team sits alongside the investment teams and includes personnel dedicated to the voting of proxies. The Governance and Sustainability Team reports to an investment partner. In evaluating each proxy, the Governance and Sustainability Team considers the Guidelines, third party analysis, Baillie Gifford’s own research and discussions with company management. If a proxy involves a non-routine matter, the Governance and Sustainability Team will typically consult with the appropriate investment team regarding the proposed vote.

Conflicts of interest

BGO recognises the importance of managing potential conflicts of interest that can exist when voting a proxy solicited by a company with whom Baillie Gifford has a material business or personal relationship. The Governance and Sustainability Team is responsible for monitoring possible material conflicts of interest with respect to proxy voting and we have processes in place to identify, prevent and manage those proxy voting conflicts of interest of which we are aware. Internal guidelines advise the Governance and Sustainability Team of actions to follow to manage potential conflicts of interests that can arise when voting proxies. As part of these guidelines, an internal escalation process is available, if required, to review the proposed voting rationale.

When voting on behalf of segregated clients at shareholder meetings of vehicles managed by Baillie Gifford, we will only do so as per the voting instructions we receive from those clients. We will not vote at shareholder meetings of BG managed vehicles on behalf of other BG managed vehicles, except in special circumstances (e.g. quorum requirements) unless we are prohibited from doing so by regulation.

Overseas voting – share blocking

Where our clients have delegated their voting rights to us, we endeavour to vote all of their shares in all markets. However, it is difficult to vote in some overseas markets because of costly trading restrictions. For example, in the Turkish and Egyptian markets, our clients' shares are 'blocked', which means that we are unable to sell the shares from the time that we vote until the close of the company meeting. This creates a potential risk to our clients' interests, particularly if we believe that it is in their best interests to sell the shares. We will therefore only vote in these markets when we believe the benefits of voting our clients' shares, such as approving a merger or acquisition, exceed the risks involved.

Proxy voting record and full guidelines

Clients are sent a quarterly voting report and can obtain a copy of the Guidelines by contacting their usual client contact at BGO. Baillie Gifford's full voting record, along with the Guidelines, is available publically on Baillie Gifford's website, at www.bailliegifford.com.

Item 18 – Financial information

BGO has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

BGO does not require or solicit prepayment of fees.

Item 19 – Requirements for state-registered advisers

Not applicable.

Item 20 – Other Investment Information

A. Pricing and valuation

BGO seeks to maintain accurate market valuations of the holdings in client accounts. We determine values of all securities and other instruments held in client accounts and where reliable third-party vendor prices are readily available, we update those values daily.

We do not act as the pricing agent of record in our capacity as investment adviser or sub-adviser for client accounts, though we provide assistance to the official pricing agents of those accounts, upon request. In each instance, however, the official pricing agent retains responsibility for determining the value of the securities in question.

B. Restrictions on our services

Availability of our services

BGO retains the sole discretion to decide when and to which clients it will provide investment services. We offer the same or substantially similar investment strategies and services to more than one client, including mutual fund clients that may compete with each other. We may refuse to accept a prospective client or investment mandate for any reason.

We may make the decision to discontinue an investment strategy, close an investment strategy to new assets or to accept new assets only from specific clients. Once an investment strategy is closed for any reason, we may reopen or offer the investment strategy at any time, and may offer that approach to some clients but not others.

Impact of client decisions

We frequently hold a particular security in multiple accounts for unrelated clients, both within the same investment strategy and also across different investment strategies. As a result, trading activity in one or more client accounts can adversely affect the price of securities held in other client accounts. In addition, a client's decision to liquidate part or all of an account could adversely affect the price of securities in other accounts and impair the liquidity or ability to redeem or liquidate similar accounts. We have no control over the clients' decisions to terminate our services and the majority of our client assets are managed under contracts with short notice periods, typically one month.

Cash Flows

BGO generally does not invest cash flows in client separate accounts prior to obtaining confirmation from the relevant custodian that the assets have been received by the custodian into the account over which we have investment discretion. However, at our sole discretion, we may agree to a client's request to place trades ahead of the confirmed receipt of cash. That decision will be based on a number of factors that in our judgement provide reasonable assurance that cash will be received prior to the settlement of any transactions. Any losses or other costs incurred because a client failed to deliver cash or securities as indicated in valid client instructions to us are that client's obligation.

Liquidation of client accounts

We may be unable to sell or close all holdings in client accounts in full or partial liquidation. This may result in a client having to take investment responsibility over certain holdings and/or employ a third party to convert these holdings into cash.

C. Class Actions

BGO's segregated account clients, supported by their custodians and other legal advisors, are responsible for deciding whether to participate in any securities litigation, including making class action filings. BGO will provide on request transactional information required to allow the client, or custodian to file or raise a claim but will not take action independently of clients.

D. Technology and data

BGO relies heavily on the use of technology, including proprietary and third-party software and data to run most aspects of its investment advisory business. For example, virtually all of our trade instructions are entered through and executed using electronic systems.

We employ a control framework around our development and use of technology systems, including where provided by systems suppliers. We monitor for systems defects and have processes to escalate for prompt resolution. Our technology systems rely on a broad spectrum of data to operate effectively and we employ risk-based controls around the use of data. We devote what we believe to be appropriate resources to the development and support of technology systems and to data usage and its security.

Despite our control environment, we expect that from time to time we will encounter systems flaws and that some of the data that we use will be inaccurate. These issues may go undetected for periods of time, and these issues could affect the investment performance of portfolios we manage. We believe we have taken reasonable steps to mitigate these risks, but do not believe that we can eliminate them altogether.

Like other business enterprises, the use of the internet and other electronic media and technology exposes BGO, its service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, 'cyber-events'). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through 'hacking' activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact BGO, and cause a portfolio to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional

compliance costs associated with corrective measures. A cyber-event may cause BGO, or its service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support BGO and its service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

E. Control over use of material, non-public information

As an integral part of BGO's investment process, our investment professionals will visit companies and meet with senior executives within these firms. In discussions with company management and others (e.g. suppliers, competitors and brokers), our investment personnel are not expected to seek or to receive material, non-public information, but to develop knowledge of the company and the industry in a manner consistent with applicable law. While our investment professionals do not actively seek material, non-public information, they sometimes receive it, typically through meetings such as the ones described above, or from a client with publicly traded securities. If this occurs BGO will take such measures designed to protect the firm and its staff from unlawful trading or the appearance of unlawful trading, based upon that information. Those measures can involve the imposition of trading restrictions on the securities involved, based upon our determination that it is in the interests of the firm and our clients to do so.

When a temporary restriction on trading in a security is imposed, a portfolio manager can be required to forgo an investment decision he or she would otherwise make in client accounts, which could cause certain of those accounts to experience a loss or be otherwise disadvantaged.

Appendix A – Investment Strategies

BGO's equity investment philosophy is to add value through active, bottom-up, fundamental, long-only, long-term investment.

We offer a range of portfolios and overviews of each of the strategies available to our North American clients follow.

Baillie Gifford EAFE Alpha strategy

The aim of the EAFE Alpha investment strategy is to produce above average long-term capital appreciation through investments in a committed international portfolio of growth equity securities located in countries of developed and emerging markets. This is a genuinely active portfolio, which will typically have less than 20% overlap with the relevant index.

Baillie Gifford International Focus strategy (ACWI ex US Focus and EAFE Focus)

The aim of the International Focus investment strategy is to produce long-term capital appreciation through investments in a committed international portfolio of equity securities located in countries of developed and emerging markets.

Baillie Gifford ACWI ex US Alpha strategy

The aim of the ACWI ex US Alpha investment strategy is to produce above average long-term capital appreciation through investments in a committed international portfolio of equity securities. The benchmark is the MSCI All Countries World (ACWI) ex US Index.

Baillie Gifford Long Term Global Growth strategy

The aim of the Long Term Global Growth investment strategy is to produce above average long term capital appreciation through investments in a concentrated and benchmark unconstrained global portfolio of 30-60 equity securities located in countries of developed and emerging markets.

Baillie Gifford Global Alpha strategy

The aim of the Global Alpha investment strategy is to produce above average long term returns through investments in a committed global portfolio of equity securities principally within the markets included in the MSCI All Countries World Index (ACWI).

Baillie Gifford Global Select strategy

The aim of the Global Select investment strategy is to produce good long-term performance. The benchmark is the MSCI All Countries World Index

Baillie Gifford Developed Asia Equity strategy (MSCI Pacific)

The aim of the Developed Asia Equity investment strategy is to produce above average long-term capital appreciation through investments in a concentrated portfolio of securities principally within the markets included in the MSCI Pacific Index.

Baillie Gifford Emerging Markets Equities strategy and Baillie Gifford Emerging Markets Leading Companies strategy

The aim of the Emerging Markets Equity and Leading Companies investment strategy is to produce above average long-term capital appreciation through investments in a committed, international portfolio of equity securities located in countries with emerging markets.

Baillie Gifford Greater China strategy

The aim of the Greater China investment strategy is to produce above average long term capital appreciation through investments in a committed portfolio of securities within the markets included in the MSCI Golden Dragon Index.

Baillie Gifford International Concentrated Growth Strategy

The aim of the International Concentrated Growth investment strategy is to produce above average long-term capital appreciation through a concentrated portfolio of 20-35 stocks in developed and emerging international markets, with the latitude to invest up to 10% in US equities.

Baillie Gifford US Equity strategy

The aim of the US Equity investment strategy is to produce above average long term capital appreciation through investments in a concentrated portfolio of equity securities located in North America.

Baillie Gifford Positive Change strategy

The strategy has dual objectives: to deliver capital appreciation and to deliver a positive social change. The aim of the strategy is to invest in high quality growth companies whose core business addresses one of four areas: Social Inclusion and Education, Environment and Resource needs, Healthcare and Quality of Life, Base of the Pyramid (addressing the basic aspirational needs of the people at the bottom of the global income ladder).

Baillie Gifford Worldwide Discovery strategy

The aim of the Worldwide Discovery investment strategy is to produce superior long-term returns by investing in a portfolio of smaller, immature companies with significant growth potential. The opportunity for superior returns arises because it is often the less mature, more entrepreneurial companies' that shape the evolution of an industry. Our style of investment is well suited, first, to identifying interesting businesses early in their development and, subsequently, backing them with a long-term investment horizon and ability to look through short-term volatility.