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Form ADV Part 2A Brochure

22 March 2012

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 +44 131 275 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.

Item 2 – Material Changes

Not applicable

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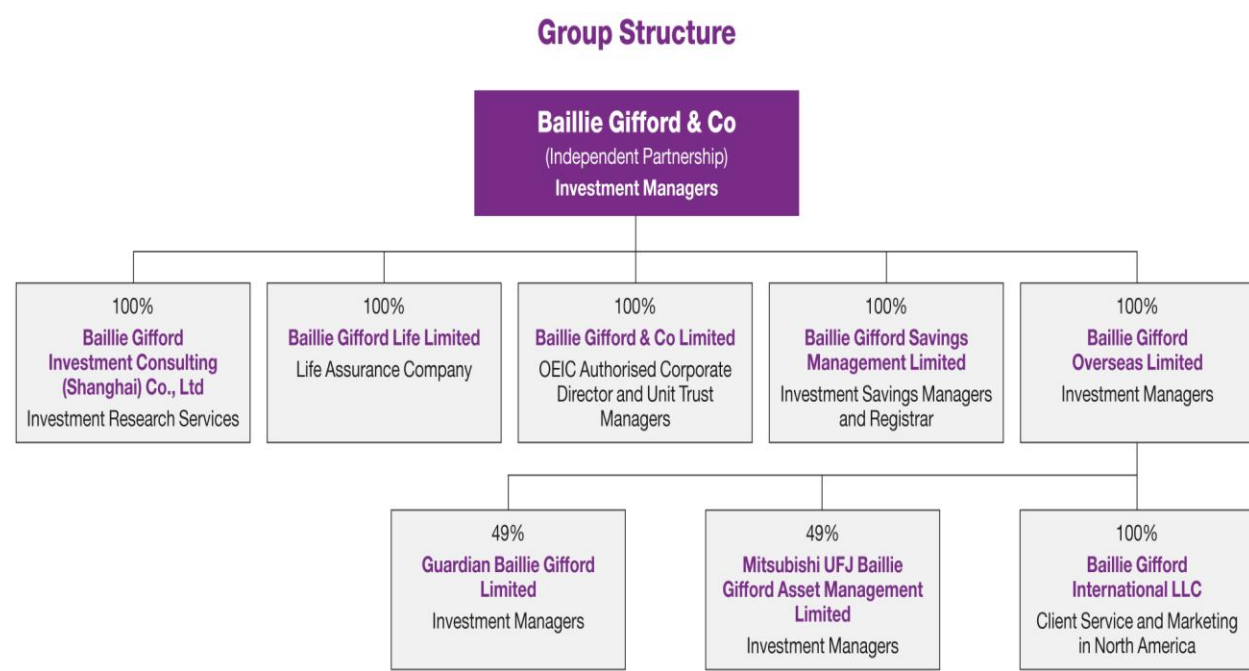
Item 4 – Advisory Business

A. Our Firm

BGO is a limited liability company established in Scotland in 1983. 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 670 staff, 168 investment professionals and \$119 billion under management or advice for its clients as of 31 March 2011. Nine 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 36 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 six wholly-owned subsidiaries, including BGO, and all staff are employed jointly by Baillie Gifford & Co and its subsidiaries. No one person or entity owns 25% or more of Baillie Gifford & Co. An organisation chart is provided below:



BGO's investment activities are principally conducted from its head office in Edinburgh UK. Its wholly owned subsidiary Baillie Gifford International LLC has a marketing office in New York.

B. Advisory Services

BGO provides the services of managing international portfolios of 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, assisting clients with queries on tax returns and reclaims, bookkeeping and preparation of accounts.

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 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 2011 BGO managed \$67,662.15 million in discretionary assets and \$3,931.33 million 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 charge 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 both asset-based fees and performance 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 all of its 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

Strategy		Management Fee	
International Equities	EAFE Alpha	First \$25m	0.60%
		Next \$75m	0.50%
		Next \$300m	0.40%
		Thereafter	0.30%
	EAFE Focus	First \$25m	0.60%
		Next \$75m	0.50%
		Next \$300m	0.40%
		Thereafter	0.30%
Global Equities	ACWI ex US Alpha	First \$25m	0.60%
		Next \$75m	0.50%
		Next \$300m	0.40%
		Thereafter	0.30%
	ACWI ex US Focus	First \$25m	0.60%
		Next \$75m	0.50%
		Next \$300m	0.40%
		Thereafter	0.30%
Specialist	Long Term Global Growth	First \$50m	0.75%
		Next \$50m	0.60%
		Thereafter	0.45%
	Global Alpha	First \$55m	0.65%
Specialist	Global Opportunities	Next \$55m	0.50%
		Thereafter	0.35%
		Flat rate	0.75%
	Asia Pacific Inc Japan	First \$25m	0.60%
		Next \$75m	0.50%
		Thereafter	0.40%
	Emerging Markets Equities	First \$50m	0.80%
		Next \$50m	0.70%
		Thereafter	0.60%
Specialist	Emerging Markets Leading Companies	First \$50m	0.80%
		Next \$50m	0.70%
		Thereafter	0.60%
	Greater China Equities	Flat rate	1.00%

	Pan European Small Cap	First \$25m	0.60%
		Next \$75m	0.50%
		Thereafter	0.40%
	North American Equities	First \$50m	0.60%
		Next \$50m	0.50%
		Thereafter	0.40%

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. The market value of such shares or units shall be included in the market value of the assets in the segregated account for the purposes of management fee calculations

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.

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, fees are accrued daily or monthly and paid in arrears. Clients may elect to be billed in advance or arrears each calendar quarter or month-end, as the case may be. Clients may elect to be billed directly for fees or authorise their global custodians to make direct payment to BGO. Unless specifically stated in the investment management agreement, all management fees shall be prorated for each capital contribution and withdrawal made during the applicable period (with the exception of de minimis contributions and withdrawals). 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

Where a client elects to be billed in advance and the account is terminated prior to the end of a billing period a prorated fee will be charged and any unearned fees will be promptly refunded.

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 also create an incentive to favor 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 products to ensure that all clients within the product are treated fairly. BGO also operates trade allocation procedures which are designed to allocate all 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 not subject to a minimum account size, however, the minimum annual fee is normally between \$150,000 and \$400,000, depending on the strategy. For clients for whom the minimum fee is 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 using the same overarching framework. For investments under consideration, we analyse three aspects – the opportunity available to the company, its ability to execute on that opportunity, and the valuation of the business.

First, we assess a company's opportunity to deliver above-average returns by analysing the market in which it operates and whether the company possesses any clear and sustainable competitive advantages. Considerations include the growth rate of the industry, the structure of pricing, barriers to entry, the uniqueness or otherwise of products and any enduring cost advantages.

Second, we consider execution – the ability of the company to capitalise on the opportunity it has. We analyse the financial structure of the company, particularly whether it can fund growth from internally generated cash flow. We also look for tangible evidence that management run the business for shareholders, which includes their attitude to incremental capital expenditure, their willingness to exit poorly performing activities and their use or otherwise of techniques such as share buybacks to improve shareholder returns.

Third, we consider the valuation that the market has placed on the company's shares to determine the extent to which the market already appreciates these strengths, and, given the analysis above, to assess the time period over which a company must sustain its competitive advantage to justify its present value. While valuation measures will depend on the type of business being analysed, we aim to consider both relative and intrinsic value. Relative measures include price to earnings and price to cash flow, with particular interest in free cash flow measures. Intrinsic measures aim to separate valuation into steady state and future value components, and to consider replacement asset values.

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 proportion of of their time writing research. The research written at Baillie Gifford is generated internally, with the primary source of information being the companies themselves.

Buy/Sell discipline.

Buy decisions are made following analysis of individual companies, using the research framework outlined above. Stocks in the model portfolio are monitored and reviewed on a regular basis. While we like to retain holdings in successful businesses, excessive valuations can also lead us to reduce.

There are three broad situations when we consider selling a stock:

- An adverse change in the fundamentals of the business (e.g. deteriorating competitive advantage).
- A loss of confidence in management and their capital allocation (e.g. in the wake of an acquisition we consider misconceived, or a move into an inappropriate new market or business area).
- Valuation criteria (e.g. our view of the long term opportunity of a company becoming more widely recognised by the market).

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

Use of cash and average cash position.

For equity portfolios, we aim to be fully invested at all times. Cash accumulation is therefore a residual of our equity selection process and typically ranges between 0 and 5% of the portfolio.

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 portfolios are subject to risks inherent in equity 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 stocks than is typical for its sector and the effect of this, together with its long term approach to investment, could result in large movements in the share price.

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 OTC derivatives, since the clearing house, which is the counterparty to each exchange-traded 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 OTC derivatives, there is no similar clearing agency guarantee. Therefore, we consider the creditworthiness of each counterparty to an OTC derivative in evaluating potential credit risk.

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. For example, although the seller under a repurchase agreement will be required to maintain the value of the securities subject to the agreement in an amount exceeding the repurchase price, default by the seller would expose a Portfolio to possible loss due to adverse market action or delay in connection with the disposal of the underlying obligations. 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.

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. Countries' currency rates 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. The currencies of emerging markets are generally more volatile than the currency markets of developed countries. Governments of emerging market countries may intervene and affect the exchange rate of an emerging markets currency.

In addition, the exchange rates for emerging markets currencies may be particularly affected by exchange control regulations.

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. A Portfolio may, but it is not required to, seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments.

Custody Risk

Securities held by custodians may not be as well protected from other claims made on behalf of the general creditors of the custodian where there is a failure, except in the case where losses have been incurred due to insolvency, negligence, fraud or wilful misconduct.

Clients are responsible for selecting and appointing their own independent qualified custodians.

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 may 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 may 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.

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 initially obtained could be inaccurate.

Management Risk

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.

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 companies, their industries, or the economy and equity markets generally. The market price of securities owned by a Portfolio may go up or down, sometimes rapidly or unpredictably.

C. Recommendations of particular types of securities

BGO primarily recommends equity securities. 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

Neither BGO nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Registration as a Commodities Trading Adviser

Neither BGO nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

C. Affiliations and Conflicts of Interest

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 our business 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 may engage 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.

Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

BGO acts as investment adviser to Baillie Gifford Funds under the terms of investment advisory agreements. Baillie Gifford Funds is an open-ended, diversified investment management company consisting of six series offering portfolios with different objectives and strategies. Baillie Gifford Funds is a registered management investment company (SEC File No 811-10145).

BGO serves as sub-sub-adviser to the RS China Fund, the RS Emerging Markets Fund, the RS International Growth Fund and the RS Global Growth Fund, each a series of the RS Investment Trust, and the RS International Growth VIP Series and RS Emerging Markets VIP Series, each a series of the RS Variable Products Trust. The sub-adviser to these funds is Guardian Baillie Gifford Limited, a registered investment adviser and a joint venture between BGO and The Guardian Insurance and Annuity Company, Inc. The RS Investment Trust and the RS Variable Products Trust are investment companies registered under the Investment Company Act of 1940.

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.

BGO acts as investment adviser to Baillie Gifford Funds (Ireland) plc under the terms of an investment advisory agreement. Baillie Gifford Funds (Ireland) plc is an investment company with variable capital established as an umbrella fund with one sub-fund, The Global Opportunities Fund.

Other investment adviser or financial planner

BGO acts as sub-adviser, on a non-discretionary basis, to various entities of the Mitsubishi UFJ group, a Japanese based financial group. The adviser to these funds is Mitsubishi UFJ Baillie Gifford Asset Management Limited, a joint venture between BGO and Mitsubishi UFJ Trust and Banking Corporation. The joint venture is not registered in the US.

BGO has an arrangement with Baillie Gifford International LLC (“BGI”), a wholly-owned subsidiary of BGO and an SEC-registered investment adviser. 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. Additional information regarding BGI is described in BGI’s Form ADV, available on the SEC’s website at www.adviserinfo.sec.gov.

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 staff 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, insider trading, trading for clients, proxy voting, record keeping, valuation, privacy, anti-money laundering, 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', 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 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 employee or Director. Although the Code of Ethics permits access persons to trade in securities for their own accounts, 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 employees to report their personal securities transactions and holdings annually to BGO's Chief Compliance Officer, and requires the Chief Compliance Officer to review these reports. Furthermore, the Code of Ethics requires supervised persons to (a) seek approval prior to the use of any brokerage account for personal trading (b) receive advance approval prior to entering into personal securities transactions, (c) provide copies of the contract note from the broker to the Chief Compliance Officer, (d) annually certify that the list of holdings and securities accounts that they provide to the Chief Compliance Officer is accurate and that they have complied with the Code of Ethics during that year, and (d) report any violations of the Code of Ethics promptly to the 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.

B. – D. Potential Conflicts Relating to Advisory Activities

BGO has a duty to act in the best interests of our clients and to treat them fairly 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 partners and employees, 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 to ensure that reasonable steps are taken 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 fee or commission, 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 which would not be in compliance with the general duty to act in accordance with the best interests of our clients. BGO 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 Partner and employee 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 may 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 may occasionally remove their order from the aggregated order, to be dealt separately with the specified broker to fulfil the instruction.

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 pro-rated 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 Regulatory Risk 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 may 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.

Non-Discretionary Advisory Services

BGO may provide 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 may 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.

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 may 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 may be 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. 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. The amount constituted by the in-kind element of any purchase premium or redemption fee will be waived.

Item 12 – Brokerage Practices

A. Broker-Dealer Selection Process

An important element of our discretionary investment management services includes the selection of broker-dealers. Baillie Gifford & Co has relationships worldwide with a large number of broker-dealers. Our Business Risk & Internal Audit Department maintains a central list of approved broker-dealers with whom orders can be placed. Broker-dealer firms are placed on this list subject to an authorisation process, which looks to verify the level of service provided by the broker, its financial position and its ability to trade effectively on our clients' behalf. Limits on counterparty risk are also set for individual broker-dealers, and our Business Risk & Internal Audit Department monitors these limits. Broker-dealer selection for trading is determined by the requirement to achieve best execution for our clients – we are not affiliated with any broker-dealer or bank, allowing us flexibility to select trading agents or venues on the basis of best execution. We see the following factors as being relevant to any trading decision on how to achieve best execution for our clients: price, size, speed of execution, costs, likelihood of completion of the order, ability to retain anonymity and the prevention of market leakage. The relative importance of each factor is unique to the particular circumstances surrounding an individual trade. That said, however, liquidity - the particular combination of price, costs and size – is usually the most considered factor when setting a strategy that will minimise market impact.

1. - Research and Soft Dollars.

It is BGO's policy to seek to obtain the best price and execution on all client transactions. Broker-dealers receive commissions, generated by our clients' trading (often referred to as "soft dollars" or "soft dollar credits"), as compensation for services they provide, including both execution and other services not directly related to execution, such as research, which are often referred to as "soft dollar" benefits. BGO's clients pay for brokerage services under a bundled rate of commission, and as such BGO receives a benefit because it does not have to produce or pay for the research or execution services it receives. As permitted under Section 28(e) (the "safe harbor") of the Securities Exchange Act of 1934, BGO may cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits that provide us with lawful and appropriate assistance in the investment decision-making or trade execution processes. We generally do not seek soft dollar benefits that are not subject to the safe harbor.

Occasionally BGO will participate in a transaction where the broker is acting in a principal capacity rather than as an agent, such as in the case of initial public offerings ("IPOs"), where no commission is paid but a service is being received. We use specific criteria to identify the companies that we believe will generate above average returns for our clients and we aim to maximize the potential of these investments by running relatively concentrated portfolios. We apply the same investment criteria to IPOs and sub-underwriting, and as a result our participation in both is limited. We will only take part in an IPO or an underwriting if we believe that this represents a good investment opportunity. Gaining access to IPOs and underwriting is therefore not an important factor for us and we do not favour brokers who concentrate overly on either to the detriment of ongoing analysis. IPOs and underwriting do not have a significant impact on our trading patterns. With IPO's and with certain other investment opportunities expected to be in very limited supply, when it is not practicable to allocate the opportunity across all similarly-managed eligible accounts, our portfolio managers use various methods, such as sequencing, to allocate such limited opportunities fairly over time.

We allocate soft dollar credits internally between research and execution using formulas that we have adopted for each broker in each region, depending on factors including the quality of service. This split between execution and research commissions is reported to our clients as part of their quarterly reports.

The execution component of the soft dollar credits we use includes the costs of access to each global market, the broker's ability to source liquidity, the use of alternative trading venues, the provision of risk capital, the capabilities of individual sales traders, and the provision of proprietary technology for trading programs and algorithms.

We allocate the remaining portion of soft dollars to non-execution services, including research. Our portfolio managers make use of external research from a large number of brokerage firms, and a smaller number of independent third party providers. Generally, research includes access to companies' management, research conferences or industry seminars, access to written material, as well as meetings or conversations with a number of external research analysts who specialise in particular companies or industries around the world. We use these as a complement to our own in-house research, to broaden and deepen our knowledge in particular areas, or for testing our own forecasts, assumptions or conclusions. We believe that using these sources can contribute to the quality and rigour of our investment research; this then results in better investment decisions to the benefit of our clients. When we agree to receive

research services from a third-party that does not also offer a competent trade execution service, Baillie Gifford & Co pays directly for these services.

Our investment teams monitor and assess the quality and usefulness of external research, taking into consideration a number of factors, which may include the quality of written research, access to analysts, their willingness to show independence of view from corporate banking considerations, new insights, original thought and meaningful conclusions based on intellectual rigour. Another important element of a broker's service is the access that can be provided to company management teams, and in our review process we consider factors such as the quantity and quality of meetings arranged, including conferences, and the seniority of management involved.

We currently do not have research arrangements with brokers where soft dollar credits are explicitly calculated by the broker or applied to purchase specific services. We do not currently participate in any commission sharing arrangements with brokers.

The non-execution services we obtain through soft dollars may benefit clients other than those whose trades generated the brokerage. Pursuant to relevant regulatory and industry requirements, we have developed a framework to establish and report the allocation of any soft dollar credits between execution and non-execution services, as described above. Furthermore, non-execution costs form only a small part of the overall commission budget because they represent only a small part of the overall service brokers supply to us.

Conflicts of interest can arise from the fact that when trading, asset managers may often be purchasing two sets of services, one directly related to the execution of trades and a second set which is not. Conflicts of interest might manifest itself in the choice of trading counterparty or execution venue, the volume of trading, and the cost of trading. BGO may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other execution services, rather than on its clients' interest in receiving the most favorable execution. When BGO trades on behalf of our clients we are, indeed, usually also purchasing research services. However, we choose our broker-dealers based on our aim to achieve best execution and such determinations are not driven by the value of non-execution services. As explained above, best execution is our number one priority when selecting a broker-dealer. However, when more than one broker-dealer can deliver best execution, other factors may be taken into consideration, such as the value of non-execution services or client preference.

Commission allocation for the firm as a whole is monitored by Baillie Gifford's Broker Review Committee, the Head of our Trading Department and senior representatives from our equity Investment Departments. The committee meets on a periodic basis to monitor the firm's relationships with broker-dealers, with particular attention to costs, efficiency and whether the research element of our clients' commission bill represents good value for the services we have received.

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.

3. Client-Directed Brokerage

We may accept client directed brokerage arrangements to broker-dealers of the client's choice, so long as the broker-dealers in question are on our list of approved broker-dealers. BGO may override a client's instruction for directed brokerage if it is clearly not in the client's best interest to trade with the broker-dealer in question. When meeting these requests, a client who has requested directed brokerage may not always be able to participate in block or aggregated trades, which may adversely impact the price or the commission a client pays. Additionally, higher levels of direction potentially affect the ability to negotiate the best commission rates and may 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 Institutional Clients Department also works closely with the portfolio management teams to make sure each client's guidelines are implemented, where applicable.

Investment strategy and oversight

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

- The Investment Management Group ("IMG") - chaired by the Chief of Investment Staff, responsible for operational and staff matters.
- The Investment Advisory Group ("IAG") formerly the Investment Policy Committee - chaired by the Chief Investment Officer, responsible for investment strategy.

Both of these groups meet monthly and provide a forum for discussion of emergent and common issues within the Investment Teams. They 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 will also participate in managing lower risk or more benchmark-constrained mandates managed 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 (usually a Partner of Baillie Gifford & Co) is responsible for ensuring the appropriate management and controls are in place, subject to occasional review as appropriate by the IMG, IAG, the Institutional Clients Department ("ICD") and the Investment Risk Committee. These teams include the Global Alpha, Global Opportunities and Long Term Global Growth Teams.

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. A member of the IAG and representatives from the ICD 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 – Institutional Clients Department

Client service directors in the ICD are responsible for determining the effect of policy decisions on specific investment/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 directors 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 directors will make the portfolio construction groups 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 directors 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 details on investment policy, a portfolio valuation, details of income received, investment performance versus the relevant index and details of transactions during the quarter. Proxy voting reports and commentary are also included and we provide clients with a breakdown of the trading costs incurred by their portfolio, including an estimate of non-execution costs (including research) associated with trades.

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

Baillie Gifford's Client Extranet makes available more of what lies behind our thinking and decisions. Clients who have requested passwords may get access to information about their portfolios and to some of our more recent research, commentary and policy decisions. Information about our people, process and portfolio data is also available to them.

The valuation of securities included within these reports and other accounting conventions are derived from Baillie Gifford's in-house 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 and 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, an affiliated SEC-registered investment adviser, 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. The arrangement between BGO and BGI commenced on 1 January 2006.

For details regarding economic benefits provided to BGO by non-clients, including a description of related 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" and Item 12 "Brokerage Practices" above.

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 may 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 takes steps to avoid having custody of client funds and securities. Clients with separate managed accounts engage custodians to maintain custody of their funds and securities and BGO's authority with respect to such funds and securities is limited to issuing instructions to the client's custodian to effect or to settle trades.

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

Each client should receive at least quarterly statements from the nominated qualified custodian that holds and maintains the client's investment assets. BGO urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. 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 favor 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 Co-operation and Development, which BGO believes are appropriate for most markets. BGO recognizes, 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 Administration

Baillie Gifford’s Corporate Governance Team develops and administers the Guidelines. The Corporate Governance Team sits alongside the investment teams and is supported by personnel dedicated to the voting of proxies. Corporate Governance reports to a senior investment manager. In evaluating each proxy, the Corporate Governance 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 Corporate Governance 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 may exist when voting a proxy solicited by a company with whom Baillie Gifford has a material business or personal relationship. The Head of Corporate Governance is responsible for monitoring possible material conflicts of interest with respect to proxy voting. Application of the Guidelines to vote proxies will, in most instances, adequately address any possible conflicts of interest. However, as noted above, BGO takes a pragmatic view and does not rigidly apply the Guidelines as proxies may relate to matters not specifically addressed

in the Guidelines. For proxy votes that involve a potential conflict of interest or, that are inconsistent with (or not covered by) the Guidelines, Baillie Gifford has an internal process to review the proposed voting rationale. It would consider whether business relationships between Baillie Gifford and the company have influenced the proposed vote and decide the course of action to be taken in the best interests of its clients.

We recognise the importance of managing potential conflicts of interest that may exist when we vote a proxy solicited by a company with whom we have a material business or personal relationship. The Corporate Governance Team is responsible for monitoring and managing possible material conflicts of interest with respect to proxy voting.

If BGO invests on behalf of its advisory clients in pooled vehicles advised by Baillie Gifford (in-house pooled funds), it will provide such clients with the opportunity to direct how their units in these funds should be voted on non-routine matters.

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 Dutch and Italian 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 may obtain a copy of the Guidelines and information on how BGO has voted their shares by contacting their usual client contact at BGO. The Guidelines are also available 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.

Item 19 – Requirements for State-Registered Advisers

Not applicable.

Appendix A – Investment Strategies

BGO's investment philosophy is to add value through active management by making long-term investments in well-researched and well managed, quality businesses that enjoy sustainable, competitive advantages in their marketplace.

We are growth managers and portfolios are built from the bottom up; sector and country allocations are residual of individual stock-picking.

At BGO, we select stocks for the portfolio by assessing the characteristics of the business. We usually invest in companies that we believe enjoy sustainable competitive advantages in their industries and which we believe will grow earnings and cash flows at above average rates over time.

We offer a range of portfolios and overviews of each of the strategies follow.

BAILLIE GIFFORD ACWI EX US ALPHA PRODUCT

The aim of the ACWI ex US Alpha investment process is to produce above average long term performance by combining the specialised knowledge of Baillie Gifford's investment teams with the experience of our most senior investors. This combination allows the firm to produce what we believe is a committed portfolio, which is sufficiently different from its benchmark, the MSCI ACWI ex US Index, that it should add considerable value over time.

BAILLIE GIFFORD INTERNATIONAL FOCUS STRATEGY (ACWI ex US Focus)

International Focus portfolios are constructed on a bottom-up basis: we select investments by analysing their business fundamentals. We aim to combine the specialist knowledge of Baillie Gifford's investment teams in a way that emphasises the importance of thinking about the portfolio as a whole.

BAILLIE GIFFORD EAFE ALPHA PRODUCT

The EAFE Alpha portfolio aims to produce good long term performance by investing in a committed portfolio of international growth stocks. We manage genuinely active portfolios, which typically have less than 20% overlap with the benchmark, the MSCI EAFE Index. As growth investors, we invest in companies that have the potential to grow substantially more quickly than the market. We conduct our research with a five-year time horizon and have a correspondingly low rate of portfolio turnover, around 20% per annum.

BAILLIE GIFFORD INTERNATIONAL FOCUS STRATEGY (EAFE Focus)

International Focus portfolios are constructed on a bottom-up basis: we select investments by analysing their business fundamentals. We aim to combine the specialist knowledge of Baillie Gifford's investment teams in a way that emphasises the importance of thinking about the portfolio as a whole.

BAILLIE GIFFORD LONG TERM GLOBAL GROWTH PRODUCT

In your portfolio we have a time horizon of five years and beyond. We invest in equities of a small number of companies (30-60 worldwide) that we think have the best long term prospects, and construct the portfolio without reference to any benchmark – we buy stocks that meet our investment criteria regardless of their size, domicile or weight in a given index.

BAILLIE GIFFORD GLOBAL ALPHA PRODUCT

The aim of the Global Alpha investment process is to produce above average long term performance by combining the specialised knowledge of Baillie Gifford's investment teams with the experience of senior investors. This combination allows the firm to produce what we believe is a committed portfolio which is sufficiently different from its benchmark, the MSCI All Countries World Index (ACWI), that it should add considerable value over time.

BAILLIE GIFFORD GLOBAL OPPORTUNITIES STRATEGY

Global Opportunities is a global equities portfolio with the ability to invest up to 20% in other asset classes . In the long run, we believe equities have and will continue to produce the best total returns. This strategy will always be more than 80% invested in global equities. However, sometimes, good investment ideas can only be accessed through instruments other than equities: sometimes, the best way to invest in a good business may not be through its shares.

The idea behind the portfolio is that flexibility and opportunism are necessary to produce positive returns. The historic assumptions that growth is widely available and that asset prices always tend to rise have been unreliable and are likely to remain so. Good opportunities will continue to arise but may not appear in the usual places. We invest for long-term growth or taking advantage of short-term changes in value. We do not distinguish between capital gains and income. Our investments do not have any fixed time horizon: we run our winners and are intolerant of positions which are not working. Our aim is to produce good real returns from a wide range of assets.

BAILLIE GIFFORD DEVELOPED ASIA EQUITY PRODUCT (MSCI PACIFIC) (ASIA PACIFIC INC JAPAN)

The aim of the Develop Asia Equity investment process is to produce above average long term performance by capitalizing on the specialized knowledge of our Developed Asia investment team, and of our Emerging Market and Specialist Japanese Equity teams as appropriate. Off-benchmark investments in Asian countries in addition to those included in clients' benchmarks are permitted.

BAILLIE GIFFORD EMERGING MARKETS EQUITIES PRODUCT and BAILLIE GIFFORD EMERGING MARKETS LEADING COMPANIES PRODUCT

These portfolios are constructed on a bottom-up basis: we select investments by analysing their business fundamentals. We believe we manage portfolios of the most attractive available stocks. Our aim is to identify companies where the market is underestimating the prospects for growth and returns. In general, we believe that growing businesses offer the best opportunities but holdings are not limited to investments of this nature.

BAILLIE GIFFORD GREATER CHINA PRODUCT

The aim of the Greater China investment process is to produce above average long term performance by combining the specialised knowledge the members of an experienced investment team. This allows the firm to produce a committed portfolio, which is sufficiently different from its benchmark that it should add considerable value over time.

BAILLIE GIFFORD PAN EUROPEAN SMALL CAP PRODUCT

The aim of the Pan European Small Cap strategy is to maximize total return through investment in small and medium sized company equities in the UK and Europe. In a large and under researched investment universe we believe that there are many attractive investment opportunities. Our core strategy therefore is to identify those companies that offer the best long term returns to shareholders through an investment process based on fundamental research.

BAILLIE GIFFORD NORTH AMERICAN EQUITIES PRODUCT

The aim of the North American Equities strategy is to maximize total return through investment in American and Canadian Equities. We believe the North American equity markets offer active managers a broad selection of attractive companies capable of delivering superior growth. Our core strategy is to identify these companies through fundamental research and build concentrated Portfolios for our clients.