



## Form ADV Part 2A Brochure

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March 2022

This Brochure provides information about the qualifications and business practices of Baillie Gifford International LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 319-4633. 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 International LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Baillie Gifford International LLC is referred to throughout as 'BGI'.

BGI 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

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Baillie Gifford International LLC ('BGI') made the following changes to its brochure since our last annual update in June 2021:

### ***Wrap Fee Programs***

Additional detail was added throughout to describe the discretionary and non-discretionary wrap fee programs for which BGI provides – or intends to provide – advisory services.

### ***Private Companies Fund***

A description of the Baillie Gifford Private Companies Fund II L.P. ('Private Companies Fund'), for which BGI serves as the investment adviser was added. See 'Item 4(A): The firm' in order to review the Private Companies Fund structure chart and 'Item 4(B): Advisory services' for general information. For information related to fees and billing, see 'Item 5: Fees and Compensation'. A description of the investment strategy can be found in 'Appendix A'.

### ***Investment Strategies***

Descriptions of BGI's investment strategies was added in 'Appendix A'.

## Item 3 – Contents

01	Item 2 – Material Changes
02	Item 3 – Contents
03	Item 4 – Advisory Business
	<i>A. The Firm</i>
	<i>B. Advisory Services</i>
	<i>C. Tailoring Services to Client Needs</i>
	<i>D. Wrap Fee Programs</i>
	<i>E. Discretionary and Non-Discretionary Assets Under Management</i>
09	Item 5 – Fees and Compensation
	<i>A. Advisory Fees and Compensation</i>
	<i>B. Billing</i>
	<i>C. Other Fees and Expenses</i>
	<i>D. Advance Payment of Fees</i>
	<i>E. Compensation for the Sale of Securities or Other Investment Products</i>
011	Item 6 – Performance-Based Fees and Side-By-Side Management
011	Item 7 – Types of Clients
12	Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss
	<i>A. Methods of Analysis and Investment Strategies</i>
	<i>B. Material Risks of Significant Strategies and Significant Methods of Analysis</i>
	<i>C. Recommendations of Particular Types of Securities</i>
18	Item 9 – Disciplinary Information
19	Item 10 – Other Financial Industry Activities and Affiliations
	<i>A. Registration as a Broker-Dealer</i>
	<i>B. Registration as a Commodities Trading Adviser</i>
	<i>C. Affiliations and Conflicts of Interest</i>
	<i>D. Recommendation Fees</i>
21	Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
	<i>A. Code of Ethics</i>
	<i>B.– D. Potential Conflicts Relating to Advisory Activities</i>
25	Item 12 – Brokerage Practices
	<i>A. Broker-Dealer Selection Process</i>
	<i>B. Aggregation of Orders</i>
	<i>C. Trade Rotation</i>
	<i>D. ADR-Only Accounts</i>
	<i>E. Wrap Fee Programs</i>
28	Item 13 – Review of Accounts
29	Item 14 – Client Referrals and Other Compensation
29	Item 15 – Custody
30	Item 16 – Investment Discretion
30	Item 17 – Voting Client Securities
30	Item 18 – Financial Information
30	Item 19 – Requirements for State-Registered Advisers
31	Item 20 – Other Investment Information
	<i>A. Pricing and valuation</i>
	<i>B. Restrictions on our services</i>
	<i>C. Class Actions</i>
	<i>D. Control Over Use of Material, Non-Public Information</i>
	<i>E. Tax and Accounting Advice</i>
33	Appendix A – Investment Strategies

## Item 4 – Advisory business

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### A. The firm

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BGI is a limited liability company established in Delaware in 2005. It is a wholly owned subsidiary of Baillie Gifford Overseas Limited ('BGO'), a U.S. registered investment adviser based in Edinburgh, Scotland. BGI is indirectly owned by Baillie Gifford & Co., which is a privately-owned UK investment management firm that has been in operation since 1908. Together with its subsidiaries (collectively, 'Baillie Gifford'), Baillie Gifford has approximately 1,435 staff of which 300 are investment professionals. Two Directors of BGI are Partners of Baillie Gifford & Co, one of whom is also a Director of BGO. BGI is registered as an investment adviser with the SEC. It is based in New York, New York.

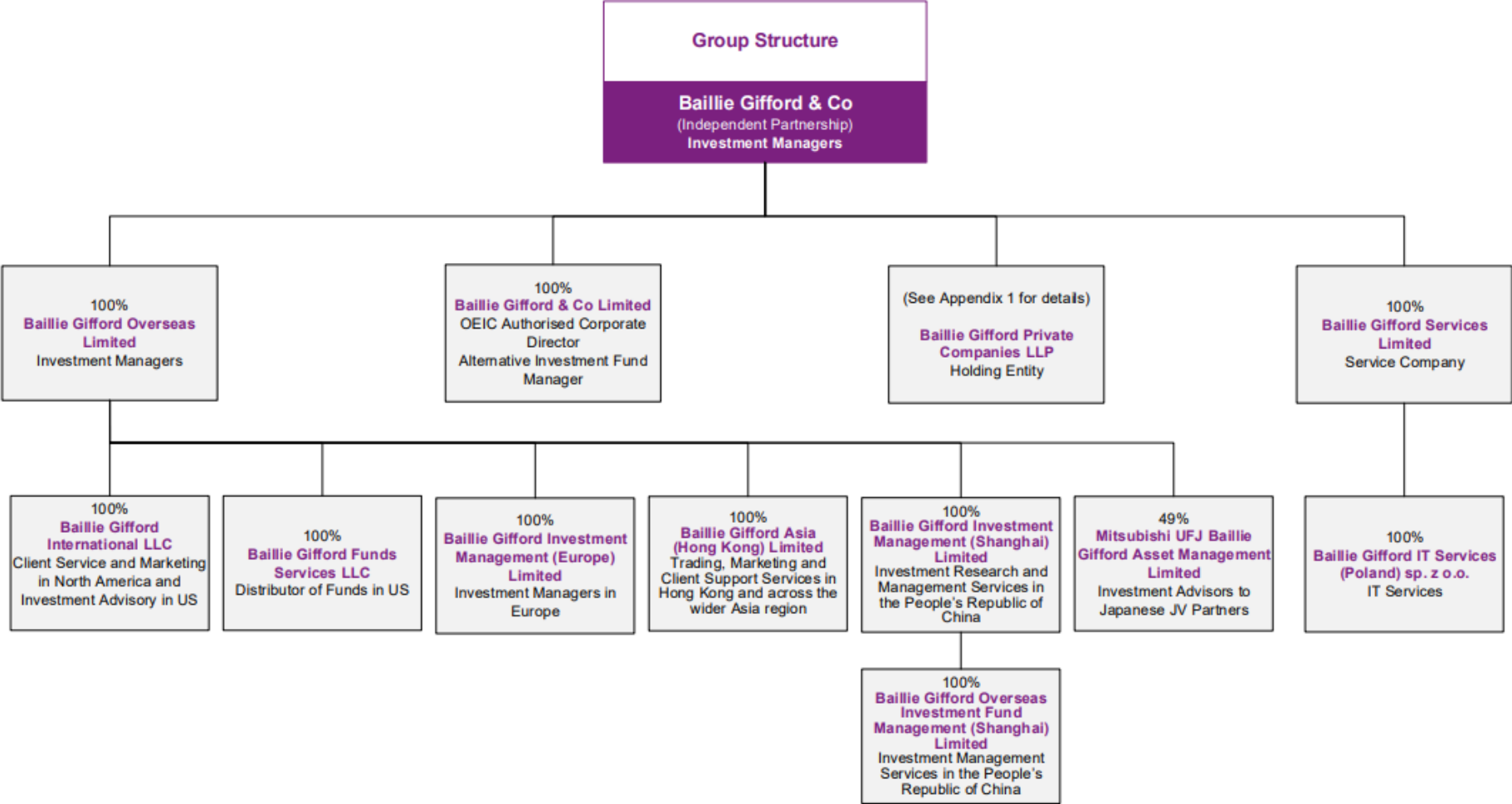
Baillie Gifford & Co is an independent partnership and is wholly owned and managed by its 47 working Partners, two of whom hold the title of Joint Senior Partner. The Partners believe that this aspect of direct personal involvement is valuable in maintaining the motivation, high standards and focus on risks and controls essential for modern financial firms.

BGI strives to deliver good performance and service for its clients within a framework of the highest standards of business professionalism and personal integrity.

Baillie Gifford & Co has four 100% owned active subsidiaries, which are private limited companies registered in Scotland and one limited liability Scottish partnership. It also has one 100% owned subsidiary which, having ceased trading, has been placed in members' voluntary liquidation. It also has five indirectly owned 100% subsidiaries through BGO, one indirectly owned 100% subsidiary through Baillie Gifford Services Limited, one indirectly owned 100% subsidiary through Baillie Gifford Investment Management (Shanghai) Limited, as well as one joint venture through BGO. No one person or entity owns 25% or more of Baillie Gifford & Co.

An organizational chart is provided on the following pages.

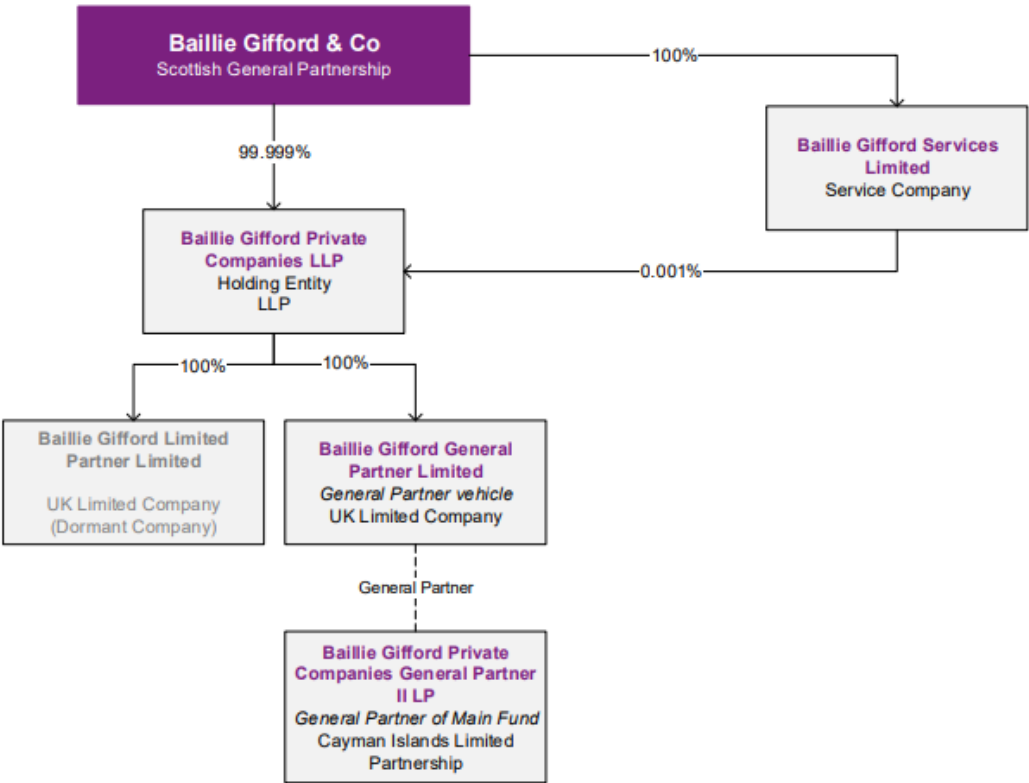
Group Structure Chart



N.B. Additionally Baillie Gifford Life Limited, a 100% owned subsidiary of Baillie Gifford & Co, entered into a members' voluntary liquidation on 28 January 2019. It is no longer carrying out insurance business and all its regulatory permissions have been cancelled.

Key:  
—— Ownership  
----- Control

Group Structure Chart: Appendix 1 – Baillie Gifford Private Companies Fund II Structure



Key:

— Ownership

----- Control

## **B. Advisory services**

BGI provides discretionary and non-discretionary investment advice through certain investment advisory programs sponsored by third parties. BGI has entered into a participating affiliate agreement with its affiliate, BGO, allowing the entities to share resources with respect to these investment advisory programs. These programs are described in further detail below under 'Item 4(D): Wrap fee programs'.

Additionally, BGI is the investment manager to the Baillie Gifford Group Trust (the 'Group Trust'). The Group Trust is an Illinois trust and is only available by private placement to a limited number of qualified and governmental retirement plans. BGI has engaged its affiliate, BGO, to act as sub-adviser with respect to the Group Trust. Under this sub-advisory arrangement, BGI delegates substantially all investment and trading responsibilities to BGO.

BGI also serves as the investment manager to the Baillie Gifford Private Companies Fund II L.P. ('Private Companies Fund'), a Cayman Islands exempted limited partnership (the "Cayman Partnership") that is offered to investors in various jurisdictions but in the United States is available only by private placement to sophisticated institutional investors that qualify as "accredited investors" under the Securities Act of 1933 (the "1933 Act") and as "qualified purchasers" under the Investment Company Act of 1940 (the "1940 Act"). BGO acts as sub-adviser with respect to Private Companies Fund, under which BGI retains direct oversight of risk but delegates substantially all investment and trading responsibilities to BGO.

Descriptions in this Brochure of BGI's investment advisory and trading activities should be read to include the activities of BGO acting on behalf of BGI pursuant to the aforementioned sub-advisory and participating affiliate arrangements (the 'inter-company arrangements'). Please refer to BGO's Form ADV for further details of the advisory services it provides.

BGI also provides client servicing and institutional marketing services for BGO. BGI acts as agent 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. In performing client servicing activities on behalf of BGO, BGI may from time to time discuss investment portfolio holdings with existing clients of BGO.

## **C. Tailoring services to client needs**

BGI generally operates on a model portfolio basis for the investment strategies that it offers directly to clients. Once a strategy has been selected, clients may set investment restrictions and guidelines to the extent that the restrictions and guidelines are practicable and consistent with the intended investment strategy. The investment restrictions and guidelines form a part of the agreement with a client and BGI manages its recommendations within these parameters.

Certain restrictions can limit BGI's 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 programs

BGI provides both discretionary and non-discretionary investment advisory services to wrap fee programs ('Wrap Programs') sponsored by other organizations. Sponsors include various broker-dealers, investment advisers, consultants, or other organizations (collectively, 'Sponsors'). In these Wrap Programs, the Sponsors typically provide a package of services to their clients, which include assistance in determining investment objectives, choosing participating investment managers, trade execution and custodial services, performance monitoring, periodic reporting, and other related services. A client or customer of the Sponsor, with the assistance and/or advice of the Sponsor, selects one or more investment advisers, such as BGI, from a list of Sponsor-approved advisers to provide investment management services for all or a portion of their assets allocated to their Wrap Program accounts (see below for additional detail on the types of Wrap Programs in which BGI participates). A Wrap Program client pays the Sponsor one bundled or "wrapped" fee for these services and BGI receives a portion of that fee. The fee is generally a percentage of the Wrap Program client's assets under management.

Wrap Program Sponsors and the client (or the client's financial adviser and the client) are primarily responsible for determining whether a particular Wrap Program is suitable or advisable for each client. Certain Sponsors may make limited information concerning Wrap Program clients available to BGI in order for BGI to confirm such information aligns with the selected strategy and to confirm whether BGI can implement "reasonable restrictions" requested by the client. Because BGI does not have a contractual arrangement with Wrap Program clients, BGI is unable to confirm the accuracy of the information provided to it by the Sponsor. BGI is responsible for managing the account in accordance with the selected investment strategy and any "reasonable restrictions" imposed by the Wrap Program client, as discussed below.

Wrap Programs are not suitable or advisable for all clients. Suitability depends on a number of factors, including, but not limited to: the applicable wrap fee, account size, anticipated account trading activity, the client's financial needs, circumstances and objectives, and the value of the services provided. Wrap Program clients should consider that, depending on the level of wrap fee charged by the Sponsor, the overall cost of a Wrap Program fee arrangement may be higher than the cost they would otherwise pay if they engaged BGI for investment advisory services directly and negotiated transaction costs and any other services (e.g., custody, recordkeeping, reporting, etc.) through a broker-dealer. All Wrap Program clients and prospective Wrap

Program clients should carefully review the terms of the agreement with the Sponsor and the relevant Wrap Program brochure or other disclosure document to understand the terms, services, minimum account size, and any additional fees or expenses that may be associated with a Wrap Program account. Clients are encouraged to consult with their own financial advisers and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager for a particular strategy and participating in a Wrap Program.

BGI has engaged a third-party service provider to provide operational support in maintaining the Wrap Program accounts managed by BGI. This third-party provider, and not BGI, is responsible for performing functions such as new account setup and maintenance, trade order generation and routing, confirmation and settlements, client account asset cash reconciliation, client-imposed guideline monitoring and recordkeeping, among other related services.

The services provided by BGI to Wrap Program accounts may differ from the services provided to other clients who do not participate in Wrap Programs. The investment strategies BGI uses in managing Wrap Program accounts are similar to those offered to its other clients but may differ based on different account sizes and less ability for customization. Additionally, any Wrap Program strategies are offered in an ADR-only format. ADR-only accounts, which are limited in their access to certain investments and may subject them to disadvantages in comparison to other accounts in the same strategy. As a result, ADR accounts may achieve comparatively lower returns than other accounts in the same strategy.

In general, BGI does not communicate directly with Wrap Program clients. Client communications, including those related to changes to a Wrap Program client's investment objectives or restrictions, should be directed to the Sponsor.

### SINGLE CONTRACT MANAGER TRADED SEPARATELY MANAGED ACCOUNTS

Wrap Programs come in different forms. One sub-category of Wrap Program is called a Manager Traded Separately Managed Account ('Manager Traded SMA'). For Manager Traded SMA accounts, the Wrap Program client has a contract with the Sponsor and BGI enters into a management agreement with the Sponsor to provide discretionary investment advisory services to the Sponsor's clients. The Sponsor then pays BGI a portion of the wrap fee paid to the Sponsor by the client.

For the Manager Traded SMA accounts, BGI typically directs trades to the Sponsor or its affiliate for



execution to ensure the Wrap Program client is not charged a commission on the trades. Some Wrap Program Sponsors will also charge additional fees for any trades that are stepped out to another broker-dealer. These additional fees may cause us to determine that better execution (in terms of price, for example) may be obtained by executing trades through the Wrap Program Sponsor or its affiliate.

BGI seeks to commence management of an account as soon as practicable after review of the account documentation, acceptance of its appointment as adviser and contribution of assets to the client's account. The time required to commence management varies depending on the time required to complete these steps, and the efficiency of the Wrap Program Sponsor and/or other third parties.

The timing required to fully invest an account depends on multiple factors, including the particular strategy and guidelines; market conditions; availability of desirable securities; the amount of cash versus legacy securities used to fund a new account; and if legacy securities are used, the characteristics of such legacy securities, among others. As a result, some accounts may become fully invested more quickly than other accounts, and in some cases a new account may become fully invested more quickly than an older account.

#### NON-DISCRETIONARY UNIFIED MANAGED ACCOUNTS

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A second sub-category of Wrap Program is known as a Unified Managed Account ('UMA'), where BGI provides non-discretionary or model portfolio investment services and recommendations to Sponsors or their designee through the provision of model portfolios. The Sponsors may use BGI's model portfolios along with model portfolios provided by other investment advisers to manage the accounts of their Wrap Program clients. In UMA Wrap Programs, the Sponsor retains investment discretion over the accounts and BGI is responsible only for providing the model portfolios. The Sponsor pays BGI a portion of the wrap fee paid to the Sponsor by the client.

Where BGI participates in a UMA Wrap Program, the Sponsor is generally responsible for investment decisions and performing other services and functions typically handled by BGI in a traditional discretionary managed account program. Because a UMA Wrap Program Sponsor exercises investment discretion and brokerage discretion, performance and other information relating to BGI's services for which it exercises investment and/or brokerage discretion is generally provided for informational purposes only and may not be representative of UMA Wrap Program client results or experience. BGI is not responsible for overseeing the provision of services by a UMA Wrap Program Sponsor and cannot assure the quality of its services.

See 'Item 12: Brokerage practices: Wrap fee programs' for additional information.

#### **E. Discretionary and non-discretionary assets under management**

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As of March 31, 2021, BGI managed \$235 million of client assets under management on a discretionary basis.

## Item 5 – Fees and compensation

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### A. Advisory Fees and Compensation

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#### General information

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BGI's fees for providing discretionary and non-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 BGI. Fees are generally based upon a percentage of the market value of assets under management. These arrangements are described below.

#### Wrap program fees

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Wrap Program Sponsors typically charge an all-inclusive fee, a "wrap fee", based on the value of their underlying clients' Wrap Program accounts. The Sponsors pay BGI for its discretionary and non-discretionary investment advice at negotiated rates based on the assets in their client accounts that include a BGI strategy.

Depending on the level of wrap fee charged by a Wrap Program Sponsor, the amount of portfolio activity in a client's account, the value of the custodial and other services that are provided under a wrap arrangement and other factors, a Wrap Program client should consider whether the wrap fee would exceed the aggregate cost of such services if they were to be provided separately.

If you are considering a Wrap Program to which BGI provides investment advice, you should review the Sponsor's disclosures regarding fees it charges to participating accounts and the business arrangement between BGI and the Sponsor, which can be found in the Sponsor's Form ADV Part 2A Appendix 1, fee brochure.

#### Group Trust fees

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BGI is compensated for its investment management services through fees paid by each investing retirement plan. The amount of any fees is determined based on the assets under management in the fund operated through the Group Trust and in accordance with a fee schedule agreed to by both BGI and each investing retirement plan. This fee may be billed directly to each investing retirement plan.

### Private Companies Fund fees

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For certain management and other services for the Private Companies Fund, BGI is compensated by the Cayman Partnership an initial annual management fee of one percent (1%) of the net invested capital during both the investment period and recycling period, currently anticipated to be the first ten (10) years of the Private Companies Fund, and eight tenths of one percent (0.08%) of the net invested capital for the remainder of the Private Companies Fund lifespan.

The Private Companies Fund will not bear any incremental management fee for the advisory services provided by any affiliate appointed by BGI to the Fund.

#### Limited negotiability of advisory fees

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While BGI has established fee schedule(s) and pricing structures, we retain the discretion to negotiate alternative fees on a client-by-client or investor-by-investor basis. Client/ investors' facts, circumstances and needs are considered in determining the fee schedule. Relevant factors in pricing decisions include, but are not limited to, the complexity of the client/investor, assets to be placed under management, anticipated future additional assets, related accounts from the client/ investor or persons related to the client/investor, portfolio style, account composition, and reports required by the client/investor, among other factors.

The specific annual fee schedule charged by BGI will be reflected in the agreement between BGI and each client, and/ or the governing documents and/ or side letters of the Private Companies Fund or Wrap Program Sponsor, as applicable. Once BGI enters into an Investment Management Agreement with a client or investor, BGI will only modify its fee as permitted under that agreement and applicable law.

### B. Billing

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Retirement plans invested in the Group Trust are billed directly for fees each quarter, unless otherwise agreed. These fees may by agreement be charged by deduction from plan assets or by separate fees charged to the plan sponsor. For any time period less than full quarter, the fee shall be calculated on a pro rata basis.

The Private Companies Fund's management fee is billed quarterly in arrears on the basis of the Fund's net invested capital.

### C. Other fees and expenses

Clients participating in Wrap Programs, including Manager Traded SMA and UMA programs, will be charged various program fees by the program Sponsor in addition to the advisory fee charged by BGI. In a wrap fee arrangement, clients typically pay a single fee for advisory, brokerage and custodial services. Such fees will include the investment advisory fees of the independent advisers, such as BGI, which will be charged as part of the wrap fee arrangement. Client portfolio transactions may be executed by the Wrap Program Sponsor without a commission charge in a wrap fee arrangement.

Clients that invest in the Private Companies Fund will pay their pro rata share of the Fund's operating and other expenditures including without limitation, legal expenses, administrator fees, all fees of professional and similar services in connection with the Fund's operation (including legal, accounting, consulting, marketing, audit, actuarial, investment banking, reporting, valuation (including fees and expenses paid to third-party valuation agents for valuations, appraisals and pricing services), tax preparation, research and other information gathering, risk management, due diligence, administrator services and expert networks), all fees associated with regulatory compliance, information technology (including any research or other services that may be deemed to be bundled for the benefit of the Cayman Partnership), all fees and expenses of maintaining requisite books and records, and all filing and similar fees paid on behalf of the Cayman Partnership, in each case including reimbursements of any fees and expenses to advisers, service providers, agents, industry-matter experts and other third parties, all fees and expenses relating to compliance with tax, securities law or other applicable legal or regulatory requirements (including expenses incurred in connection with the preparation and filing of Form PF and registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in the Cayman Partnership in any jurisdiction, or from managing compliance with applicable anti-money laundering laws and regulations (but excluding any routine, ordinary expenses of BGI relating to its registration as an investment adviser with the SEC that are not specifically related to the Cayman Partnership), expenses relating to insurance (including directors' and officers' insurance, errors and omissions insurance, and other similar policies), all extraordinary expenses (including litigation and indemnification costs, judgments and settlements) and other similar expenses relating to the Fund, each as further described in each private placement offering memorandum.

For Baillie Gifford Group Trust clients, BGI's fees are exclusive of investment expenses (e.g., brokerage commissions, transaction fees, and other related transaction costs and expenses which shall be incurred by the client).

Item 12, 'Brokerage Practices' further describes the factors that BGI 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

In the normal course of business, BGI does not permit advance payment of fees.

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

Our financial professionals are paid a fixed base salary and may be eligible for a bonus for the performance of their professional responsibilities. The financial professionals who are also Partners of the firm are paid a fixed base salary as well as a profit share amount based on seniority. They are not compensated based on the amount of client assets they service; the time and complexity required to meet a client's needs; the product sold (*i.e.*, differential compensation); product sales commissions; or revenue the firm earns from the financial professional's advisory services or recommendations.

See Item 14 'Client referrals and other compensation' for details of an arrangement where BGI provides client servicing and institutional marketing services to BGO for a fee.

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

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While most of its fees are asset-based, BGI 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 Advisers Act. Item 11, ‘Code of Ethics, participation or interest in client transactions and personal trading’ describes the conflicts arising from this.

Where BGI has entered into performance fee arrangements with qualified clients, fees are subject to individual negotiation with each such client. BGI structures all performance or incentive fee arrangements 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, BGI shall include realized and unrealized capital gains and losses. Performance-based fee arrangements can create an incentive for BGI to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements can also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. BGI has implemented procedures to ensure all clients are treated fairly, and to prevent this conflict from influencing how investment opportunities are allocated among clients. Among these procedures, BGI has standard portfolio models for strategies to ensure that all clients within the model are treated fairly. BGI also follows trade allocation procedures designed to allocate investment opportunities for similarly situated clients 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

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BGI provides investment advisory services to Sponsors of Wrap Programs including broker-dealers, investment advisers, and consultants. The underlying clients of the Wrap Programs may include individuals and institutional investors, such as pension plans, trusts, foundations, other financial institutions, corporations, state and municipal entities, among others.

BGI is the investment manager for pooled investment vehicles, including the Group Trust and Private Companies Fund. The Group Trust is available by private placement to a limited number of qualified and governmental retirement plans. Private Companies Fund is offered to investors in various jurisdictions but in the United States is available only by private placement to sophisticated institutional investors that qualify as “accredited investors” under the 1933 Act and as “qualified purchasers” under the 1940 Act. . With respect to pooled fund clients, please review the disclosure contained in each fund’s private placement offering memorandum, or equivalent, for information on initial and/or additional subscription minimums.

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

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### A. Methods of analysis and investment strategies

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#### Methods of analysis

Stock research at Baillie Gifford is typically carried out on a fundamental, bottom-up basis. We consider and analyze various aspects of each investment, such as a company's potential opportunities (e.g., *What is the outlook for growth in the market in which the company operates? Does the company possess any clear and sustainable competitive advantages?*), its ability to execute on that opportunity (e.g., *Does the financial structure allow the growth to be funded by internal cash-flows? Does management run the business for shareholders?*) and valuation (e.g., *To what extent does the market already appreciate these strengths?*).

Baillie Gifford places great emphasis on the communication of ideas across all research teams. It is important to note that the 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 one of the many sources of information being the companies themselves.

#### 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. The Firm may consider selling a stock when there is an adverse change in the fundamentals of the business or when the valuation becomes less attractive.

Baillie Gifford aims to be a long-term holder of equity investments, typically exhibiting an investment holding period horizon in excess of three to five years.

#### Use of cash and average cash position

For the majority of equity portfolios, Baillie Gifford aims 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

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BGI's investment strategies are described in Appendix A.

Descriptions of strategies are qualified in their entirety by the information that can be found in the relevant offering materials.

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

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Investment portfolios are subject to inherent market risks. Specifically, investors should recognize 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 Baillie Gifford's significant strategies and our methods of analysis.

### ADR risk

Currently, BGI offers strategies for UMAs and Manager Traded SMAs in an ADR-only format. ADR-only accounts are limited in their access to certain investments, which may subject them to disadvantages in comparison to other accounts in the same strategy. While BGI aims to mitigate these risks through careful construction of the ADR-only model and management of the trade execution process, ADR securities may not perform the same as the underlying securities and ADR-only accounts may achieve comparatively lower returns than other accounts in the same strategy.

### 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. BGI 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. The effect of this investment concentration, together with a long-term approach to investments, could result in large movements in 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. Client's lending of securities also involves risks of delay in receiving additional collateral or in recovering the securities loaned and the potential of 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 in which financial services firms are exposed to systemic risks. 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, 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. Baillie Gifford arranges for the execution of foreign exchange trades to implement these stock investments. Foreign exchange restrictions in certain markets may mean that we are unable to trade in these currencies for clients, as local requirements may dictate that any foreign exchange trade or related income 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 that are traded in such markets and that 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.



### Cybersecurity risk

Baillie Gifford 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.

Baillie Gifford employs 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, Baillie Gifford expects that from time to time we will encounter systems flaws and that some of the data that we use may contain inaccuracies. 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 Baillie Gifford, its service providers and their respective operations to potential risks from cyber-security attacks or incidents (collectively, 'cyber-events'). Cyber-events may include unauthorized access to systems, networks or devices (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 (for example, the inadvertent release of confidential information). Any cyber-event could adversely impact Baillie Gifford 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 Baillie Gifford, or its service providers to lose proprietary information, suffer data corruption, lose operational capacity (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, unauthorized monitoring and failures in the physical infrastructure or operating systems that support Baillie Gifford and its service providers. In addition, cyber-events affecting issuers in which a fund invests could cause the fund's investments to lose value.

### 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.

### IPO risk

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 utilizing foreign currency forward contracts involve both risks and opportunities not typically associated with investing in securities of the U.S. government or U.S. 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 U.S., 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 BGI 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 that 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.

No warranty, assurance or undertaking is given by Baillie Gifford as to the performance, returns, increase in or retention of value or profitability of a client's account (or any part of it) or that the investment objectives or targets shall be successfully achieved, whether in whole or in part.

### Investment style risk

Different types of securities such as growth style or value style securities tend to shift into and out of favor 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 calculating the fair market value of a portfolio's holding. Portfolio managers may utilize pricing services or valuation sources in calculating such fair market values, however values so obtained could be inaccurate.

### Market disruption and geopolitical risk

Geopolitical, environmental and other events may disrupt securities markets and adversely affect global economies and markets. These disruptions could restrict the ability to implement investment strategies and achieve investment objectives. Given the increasing interdependence among global economies and markets, conditions in one country, market or region might adversely affect markets, issuers and/or foreign exchange rates in other countries, including the U.S.

War, terrorism and related geopolitical events, such as civil unrest, sanctions, tariffs, trade disputes, the imposition of exchange controls or other cross-border trade barriers, restrictions on the transfer of capital have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Terrorism in the U.S. and around the world has had a similar global impact and has increased geopolitical risk.

Natural and environmental disasters, such as earthquakes and tsunamis, can be highly disruptive to economies and markets, adversely affecting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of investments.

Communicable diseases, including those that result in pandemics or epidemics, may pose significant threats to human health and may be highly disruptive to global economies and markets. Socioeconomic, environmental and behavioral factors, as well as international travel and migration, may foster and increase the spread of communicable diseases. Significant public health crises, including those triggered by the transmission of a communicable disease and efforts to contain it may result in, among other things, border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and customer activity, lower consumer demand for goods and services, event cancellations, reductions and other changes, significant challenges in healthcare service preparation and delivery, and prolonged quarantines, as well as general concern and uncertainty. All of these disruptive effects were present, for example, during the COVID-19 global pandemic. The effects of any disease outbreak may be greater in countries with less developed disease prevention and control programs and may also exacerbate other pre-existing political, social, economic, market and financial risks. A pandemic and its effects may be short term or may last for an extended period of time, and in either case can result in significant market volatility, exchange trading suspensions and closures, declines in global financial markets, high default rates, and a substantial economic downturn or recession. Economic and market disruptions caused by communicable diseases could restrict the ability to implement investment strategies and achieve investment objectives.

### 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.

### Private equity securities risk

The Private Companies Fund II invests in the registered and unregistered equity and debt of a limited portfolio of companies and has a higher degree of risk due to their illiquidity and lack of diversification. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity could have an adverse impact on market price and BGI's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities generally make it more difficult to obtain market quotations based on actual trades for the purpose of valuing a portfolio.

### C. Recommendations of particular types of securities

BGI manages active equity and private equity strategies. Please see 'Material Risks of Significant Strategies and Significant Methods of Analysis' above for further detail about the material risks involved in each of these strategies.

## Item 9 – Disciplinary information

There are no legal or disciplinary events, settled or pending, that BGI 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

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### A. Registration as a broker-dealer

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

Both BGI and BGO are registered in Canada as exempt market dealers ('EMD') with the Ontario Securities Commission. The EMD license is passported across all Canadian provinces and territories.

### B. Registration as a commodity pool operator

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BGI's parent, BGO, is registered with the National Futures Association as a commodity pool operator.

### C. Affiliations and conflicts of interest

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Baillie Gifford's primary business activity is investment management, where the Firm acts as agent, in a fiduciary capacity for our clients. BGI and its affiliates do not undertake any proprietary trading (except in very limited circumstances where we trade on our own accounts to provide initial seeding for new funds or new share classes), deposit-taking activities, or provide any credit facilities to clients.

BGI 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 Baillie Gifford's clients. Nevertheless, there may be circumstances where clients' interests may conflict with BGI'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. The Firm has policies and procedures that are designed to ensure that we are always acting in the best interests of our clients.

BGI is affiliated with various U.S. and non-U.S. investment advisers and pooled investment vehicles described in this section and in Item 4 'Advisory Business'.

From time to time, BGI 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. BGI provides advice for a number of clients. The Firm may advise some clients or take actions for them that differ from recommendations or actions taken for other clients. BGI 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 BGI 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'.

Subject to compliance oversight, Baillie Gifford's investment personnel may hold positions in companies outside of Baillie Gifford ('External Organizations') that Baillie Gifford may also invest in on behalf of clients. Information regarding potential conflicts of interest arising from investment personnel holding positions in External Organizations 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 one of BGI's affiliates may be purchased on behalf of clients, this is disclosed in the management agreement. The management agreement will set forth what rebates, if any, the client is entitled to receive for fees paid with respect to such investments.

BGI is the investment manager to the Group Trust. The Group Trust is an Illinois trust and is only available by private placement to a limited number of qualified and governmental retirement plans. The Group Trust is the only client that BGI has custody of under Rule 206-4 (2) of 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 is the qualified custodian for the Group Trust.

**Other investment adviser or financial planner**

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As mentioned previously in Item 4(B), BGI has an arrangement with its parent, BGO, under which BGI provides client servicing and institutional marketing services to BGO for a fee. Through the previously mentioned inter-company arrangements between the entities, there are a number of delegated responsibilities and shared services between the entities related to the Group Trust, Private Companies Fund and Wrap Program accounts. Please see Item 14 'Client referrals and other compensation' below for further information regarding BGI's arrangement with BGO.

**D. Recommendation fees**

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BGI 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 BGI, 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

BGI has adopted a Code of Ethics in compliance with Rule 204A–1 of the Advisers Act and Rule 17j–1, of the 1940 Act, which establishes standards of conduct for BGI’s and its affiliates’ Partners, Directors, employees and contractors (collectively, ‘Supervised Persons’). 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 U.S. The Code of Ethics includes general requirements to ensure that BGI’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, outside business interests, personal associations and conflicts of interest. The outside business interests and personal associations of Baillie Gifford’s Partners, Directors, employees can create potential personal conflicts of interest and these are addressed in the Firm’s Code of Ethics. Members of staff must ensure that they do not engage in any activities that would detract or divert from or conflict with the proper performance of their Baillie Gifford employment, or that would conflict with the interests of the Firm or our clients. To ensure that we comply with the requirements of global regulators, Baillie Gifford requires Partners, Directors, employees and contractors to inform the Compliance Department of any external interests at any time during their employment. Any business-related external directorships, non-executive directorships or other external board/ committee appointments require prior approval from the Compliance Director. In addition, all Partners and Chief Executive Officers of Baillie Gifford subsidiary companies must obtain prior

approval from the joint Senior Partners prior to accepting external appointments.

The Code of Ethics covers personal investment transactions of all Supervised Persons of BGI and its affiliates as well as their ‘connected persons’, which includes most persons sharing the same household as the supervised persons (collectively, ‘Access Persons’).

BGI’s Chief Compliance Officer (‘CCO’) monitors the administration of the Code of Ethics and training of BGI’s Supervised Persons.

The Code of Ethics permits Access Persons to trade in securities for their own accounts, including the same securities that may be purchased or sold for Wrap Program and other client accounts, subject to strict adherence to the procedures set out in the Code of Ethics. These procedures are designed to prevent Access Persons from engaging in personal securities transactions that may compete or interfere materially with trading of Wrap Program and other client accounts. The Code of Ethics requires all Access Persons to: (a) seek approval prior to the use of any brokerage account for personal trading; (b) ensure that their broker provides copies of contract notes for any personal trading directly to the Compliance Department; (c) receive advance approval via the Firm’s Code of Ethics System prior to entering into personal securities transactions (see below for further details); (d) annually certify via the Firm’s Code of Ethics System that the list of holdings and brokerage accounts provided 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 Department and BGI’s CCO.

No Access Person 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 subject to a black-out period during which they are not permitted to trade for their own account in the seven-calendar day period before/after a fund/strategy that they are involved with has traded the same security. Further, the Code of Ethics does not permit trading in securities on a short-term basis (currently defined as 60 days), nor if the Firm is in possession of material non-public information related to the security.

Baillie Gifford has the following controls in place to prevent the potential conflict of personal trading in close proximity to client orders in the same security: Prior to undertaking a personal trade, Access Persons must submit an electronic pre-clearance request using the Firm's Code of Ethics System (the 'System'). The System will deny requests for pre-clearance if there is a conflict with a client order, the security is on the Firm's restricted list or if the transaction would potentially breach the 60-day short-term holding rule. An approved trade request must be executed before the close of the following business day; otherwise, the approval expires and must be resubmitted. As an additional control, Access Persons are required to obtain permission to use their desired broker and must ensure that duplicate copies of trade confirmations for all personal securities transactions are sent directly to the Firm's Compliance Department'). The Compliance Department receiving trade confirmations directly from brokers acts as a detective control as it identifies instances of any staff trading where pre-clearance was not obtained. This allows the Compliance Department to investigate and record a Code of Ethics violation, if required. The Compliance Department conducts an active monitoring program of all personal trading and reporting to ensure compliance with the Code of Ethics requirements.

Any Access Person who materially violates the Code of Ethics 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 and business entertainment, and other non-monetary benefits to or from third parties that could constitute some form of inducement. Additionally, the Code of Ethics requires certain employees obtain prior consent before serving on the boards of publicly traded companies. All Access Persons receive notification of any amendments made to the Code of Ethics. Clients and prospective clients may obtain a complete copy of BGI's Code of Ethics by contacting BGI.

**B–D. Potential conflicts relating to advisory activities**

BGI has a duty to act in the best interests of clients and to treat them fairly when providing investment services. From time to time, there may be situations that give rise to a conflict of interest. A conflict can arise between the interests of BGI and its affiliates, the Partners of Baillie Gifford & Co and employees. Similarly, a conflict of interest can arise between the interests of the External Organizations in which investment personnel hold positions and Baillie Gifford or its clients. In such circumstances, BGI has effective organizational and administrative arrangements to ensure that all reasonable steps are taken to prevent the conflict of interest from adversely affecting the interests of its clients.

Baillie Gifford Group, which includes Baillie Gifford & Co and all subsidiary entities, maintains a firm-wide Conflicts of Interest Policy and Matrix that identifies conflicts and potential conflicts of interest that exist within the group as well as the procedures and controls that have been adopted to prevent or manage these conflicts. The Conflicts of Interest Policy is reviewed by Baillie Gifford Group's Compliance Committee, which consists of a cross section of senior management. The Matrix is subject to review and approval by the Board of BGI. Each Partner of Baillie Gifford & Co and employee is responsible for the identification of conflicts through adherence to the Firm's Code of Ethics.

BGI 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, BGI 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 BGI's business.

*Trade aggregation and allocation process*

The overriding objective of Baillie Gifford's Trade Allocation Policy is to achieve fair and equitable treatment of client accounts and to ensure trade allocations are timely. Certain investments identified may be appropriate for multiple clients. Investment recommendations for these clients are made by BGI in its best judgment, but in its sole discretion, taking account of those factors BGI 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. BGI generally is

not under any obligation to share any investment idea or strategy with clients. Decisions to buy or sell investments for each client advised by BGI are made 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 levels of fees to BGI.

For client cash flow orders, the manner in which a broker concurrently processes program trades for multiple clients may result in very minor intra-day price differences. All such instances are reviewed by Compliance for materiality and to ensure fair treatment of clients.

Under Baillie Gifford's procedures, unless client-specific circumstances dictate otherwise, for example, where clients instruct us in the use of minority brokerage, Baillie Gifford's investment teams normally implement transactions in individual stocks for all clients with similar mandates at the same time. This aggregation of individual transactions may operate to the advantage or disadvantage of the clients involved in that order.

From time to time, aggregation of an order across all applicable accounts may not be possible because a security is thinly traded or otherwise not able to be aggregated. Additionally, 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. In instances where we are required to sell down a holding in order to comply with company ownership restriction limits, our general approach will be to do so on a pro-rata basis. However, there may be instances where, in order to ensure the fair treatment of all clients, a 'last in, first out' approach will be adopted.



Although allocating orders among clients can create potential conflicts of interest because BGI may receive greater fees or compensation from some clients than other clients, or because Baillie Gifford may be affiliated or have other relationships with certain clients, the Firm will not make allocation decisions based on such interests, greater fees or compensation. Baillie Gifford's policies and procedures, applicable to BGI, require that investment decisions are made in the best interests of clients and without consideration of BGI'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, Baillie Gifford looks to prioritize client cash flows over orders in any funds wholly seeded by BGI or its affiliates.

#### *Clients, service providers and suppliers that issue securities*

BGI and its affiliates provide services to a wide variety of clients, including those that may be issuers of securities that BGI 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 BGI or its affiliates may recommend for purchase or sale to clients. In both cases, it is BGI's policy not to take into account that an issuer is our client, service provider or supplier when making investment decisions. BGI believes it would not be in the interests of clients generally to exclude such issuers from client portfolios unless a client instructs BGI or its affiliates to the contrary.

BGI also provides client servicing and institutional marketing services for BGO. BGI acts as agent 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. In performing client servicing activities on behalf of BGO, BGI may from time to time communicate investment advice determined by BGO to existing clients of BGO.

#### *Availability of proprietary information*

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

#### *Investment personnel holding positions in external organizations*

As noted above, Baillie Gifford's investment personnel may, subject to compliance oversight, hold positions in External Organizations. These positions could expose those individuals to material, non-public information, which could be imputed to the entire Baillie Gifford organization and impact trading across all investment strategies, as described in more detail below under the heading 'Material non-public information'. In addition, when investment personnel hold an External Organization position, they will be restricted from participating in deliberations concerning all investments related to that External Organization.

#### *Material non-public information*

BGI may come into possession of material, non-public information which might affect an investor's decision to buy, sell or hold a security. Accordingly, in situations where we come into possession of material, non-public information it is BGI's policy to place that issuer and any related securities on a restricted list and for all trading in those securities for clients and employees and Partners to be prohibited for so long as BGI holds the non-public information. Other than in exceptional circumstances, a client's account will 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, the Firm's compliance policies and procedures and a client's investment guidelines, Baillie Gifford may engage in 'cross trades' where, as investment manager to a client account, Baillie Gifford 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 Baillie Gifford represents the interests of both the selling account and the buying account in the same transaction.

The Firm will only perform a cross trade when we believe it is in the best interests of both the selling and buying client. Our internal policy requires cross trades to be executed 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, BGI may recommend for client accounts interests in mutual funds or other registered and unregistered funds or vehicles that are offered by BGI or its affiliates when we believe it is in the relevant client's best interest to do so.

## Item 12 – Brokerage practices

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### A. Broker-dealer selection process

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*Wrap fee programs*

The fees charged to clients of both Manager Traded SMA and UMA Wrap Programs include the cost of executing brokerage transactions. Trades for UMA Wrap Programs are executed by the Wrap Program Sponsor.

In the case of Manager Traded SMA Wrap Programs, BGI typically directs trades to the Sponsor or its affiliate to ensure the Wrap Program client is not charged a commission on the trades. Some Wrap Program Sponsors will also charge additional fees for any trades that are stepped out to another broker-dealer. These additional fees may cause us to determine that better execution may be obtained by executing trades through the Wrap Program Sponsor or its affiliate. Sponsors providing execution services under a wrap fee are responsible for providing best price and best execution for trades.

*Group Trust*

For the Group Trust, BGO executes the trades. A central list of approved brokers with whom orders can be placed is maintained. Brokerage firms placed on this list are subject to an authorization and ongoing monitoring process conducted by BGO which includes, but is not limited to, reviewing the broker's credit worthiness and financial stability, the performance of execution services provided by the broker, and the broker's ability to trade effectively on its client's behalf. BGO also sets limits on counterparty risk for individual brokers and reviews and monitors exposures against these limits on a daily basis. Broker selection for trading is determined entirely by the requirement to achieve best execution for clients. An evaluation of our primary brokers' services is regularly conducted by members of Baillie Gifford's trading team who also meet with each of the main brokers on a regular basis. During these meetings any specific service issues that have been encountered during the period are discussed.

### Broker-dealer compensation

Baillie Gifford utilizes execution-only commission rates to compensate brokers for trading, as opposed to a 'bundled' format; therefore, client commissions do not include 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 Baillie Gifford to negotiate lower, execution only, commission rates with 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.

### Brokerage for client referrals

Occasionally, broker-dealers that are on the Firm's approved list of counterparties for trading may also operate as a consultant and offer advisory services relating to client referral. Baillie Gifford does 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.

### Directed brokerage

Baillie Gifford 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. We 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.

### C. Trade rotation

Baillie Gifford seeks to instruct trades in a fair, orderly, and equitable manner. To achieve this, trades are instructed in a two-phase trade rotation. The first phase consists of client accounts where we have full investment and trading discretion. Trades for the first phase may be aggregated as described in Item 11(B-D). The second phase consists of all other client accounts including Wrap Program accounts.

For each investment decision that leads to transactions in client accounts, the accounts in phase one will typically trade first. This is to prevent these clients from being disadvantaged as a result of the specialized requirements of other clients. Client accounts in phase two are placed in one of two groups: Wrap Program accounts, and all remaining phase two accounts. The trades for Wrap Program accounts are typically directed to the Sponsors for execution.

Following the commencement of trading for accounts in phase one, trade notification for phase two accounts is typically provided on a rotational basis (i.e., the group at the end of the last cycle moves to the beginning of the next trade notification cycle). Blocks of accounts within each group are traded on a random basis. This procedure is designed to ensure that no one client, or group of clients, within phase two has an unfair advantage over another client, or group of clients, within phase two.

Because phase two usually trades after phase one, trades for accounts in phase two are subject to potential adverse price movements, particularly if they follow large block trades, involve illiquid securities, or occur in volatile markets. This risk is heightened by the fact that trading for accounts in phase two may take several days, weeks, or months to complete, following the start of trading for accounts in phase one. Consequently, accounts in phase two may receive prices/executions that are less favorable than those obtained for accounts in phase one. While Baillie Gifford aims to mitigate this risk by careful management of the trade execution and notification process, and attention to market impacts, accounts in phase two may achieve comparatively lower returns than accounts in phase one.

Additionally, an account may trade outside its assigned phase or position in the trade rotation due to client-specific requirements, client trading strategies and/or client-directed events (e.g., cash flow, tax-harvesting or liquidation request). As a result, client-specific circumstances may cause an account to receive less favorable execution or achieve comparatively lower returns than it would otherwise receive or achieve.

#### **D. ADR-only accounts**

As described previously in Item 8, strategies for UMA and Manager Traded SMA Wrap Programs are currently offered in an ADR-only format. ADR-only accounts are limited in their access to certain investments, which may subject them to disadvantages in comparison to other accounts in the same strategy. As a result, ADR accounts may achieve comparatively lower returns than other accounts in the same strategy.

#### **E. Wrap fee programs**

As previously described in Item 4(D), BGI participates in Wrap Programs offered by Sponsors to underlying clients. Brokerage commissions for the execution of transactions in Wrap Program clients' accounts typically are not negotiated by BGI.

Charges for securities transactions for Wrap Program accounts are covered under a wrap fee arrangement and are typically effected by the Sponsor without a commission, as a portion of the wrap fee is generally considered to be in lieu of commissions. Trades are generally executed only through the Wrap Program Sponsor with which the Wrap Program client has entered into the wrap fee arrangement; therefore, Baillie Gifford generally satisfies its best execution obligations by placing trades with the Sponsor and will not seek to place transactions with other brokers or dealers. We monitor the costs of trades executed through the Wrap Program Sponsor, raising any concerns directly with the Sponsor. However, consistent with our obligation to seek best execution, we reserve the right to execute trades for Wrap Program clients with another broker-dealer. If we execute trade orders with another broker-dealer, the Wrap Program client would be expected to incur trading costs in addition to the fees charged to participate in the Wrap Program.

Wrap Program clients should also consider that, depending on the level of the wrap fee charged by the Sponsor, the services provided thereunder as well as other factors, the wrap fee may exceed the aggregate cost of such services if they were provided separately and if Baillie Gifford were free to negotiate commissions and seek best price and execution of transactions for the client's account. Wrap Program accounts are subject to many of the potential disadvantages described above in 'Item 12(A): Client-directed brokerage'.

For trade errors that occur in Wrap Program accounts, BGI generally does not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and the resolution thereof will be governed by the Wrap Program Sponsor's policies and procedures.

See 'Item 4(D): Wrap fee programs' of this brochure for additional information.

## Item 13 – Review of accounts

Baillie Gifford looks to ensure compliance with a client's investment guidelines in line with its fiduciary responsibilities. Accordingly, we utilize 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. Baillie Gifford'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 Firm's Equity Leadership Group ('ELG'), which is responsible for overseeing the developments in equity investment teams and investment processes as well as considering the implications for clients.

The ELG's focus is on ongoing operational review of equity investment strategies and teams from an investment perspective. This includes a focus on strategies' ambitions and issues, including staffing and marketing, over a three to five-year timeframe and looking for ways in which it can help.

### 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.

#### 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 of Baillie Gifford.

#### Portfolio construction groups ('PCGs')

Baillie Gifford uses PCGs to manage a number of strategies. PCGs include a combination of investors from regional teams, specialist global investors and investors who are based on a specific PCG's strategy desk. 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\*

*\*As previously described in Item 4(D), due to BGI's rare and limited communication with Wrap Program clients, the client service described below does not apply to Wrap Program clients.*

Client service staff in Baillie Gifford's 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 coordinating 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. In addition to written reports, the client service staff will usually be available to report to clients or their agents in person.

### Accounting and reporting\*

*\*BGI does not provide accounting and reporting as described below for Wrap Program clients. See Item 17: 'Voting client securities' for information on how Wrap Program clients can obtain proxy voting records.*

Baillie Gifford's Client Reporting System provides a tailored reporting service for separate account clients who receive a comprehensive written quarterly report. Pooled fund clients receive or have access to pooled fund-level reporting.

Quarterly reporting typically includes investment commentary, a portfolio valuation for separate account clients, portfolio holdings, investment performance versus the relevant index and details of transactions during the quarter. Proxy voting reports are also included.

Through Baillie Gifford's Client Extranet, clients have access to information about their portfolio, monthly and quarterly reports and intellectual capital such as white papers and thought pieces that explore topics of relevance.

The valuation of securities included within these reports and other accounting conventions are derived from Baillie Gifford's valuation policies and procedures.

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 a client is invested in a pooled fund managed by BGI, the valuation generated by the administrator of that pooled fund. For more information, see Item 15 'Custody'.

Some pooled fund clients are reliant on fund-level reporting and/or reporting provided by their custodian/recordkeeper.

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'.

BGI, 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 in BGO's Form ADV.

## Item 15 – Custody

Except with regards to certain accounts as disclosed in Item 10 above, BGI acts in an agency capacity and does not have custody of client funds and securities. For the one client that BGI is deemed to have custody of, BGI will send within 120 days of the fiscal year end audited financial statements. Any clients receiving account statements from broker-dealers, banks, or other qualified custodians should carefully review those statements. All clients who receive account statements from BGI are urged to compare the account statements received from BGI with any account statements received from other parties.

BGO provides investment advisory services of managing global, regional, and international equities. See Item 15 'Custody' of BGO's Form ADV Part 2A Brochure for information on Custody arrangements for clients of BGO.



## Item 16 – Investment discretion

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At the outset of an advisory relationship with its discretionary clients and Wrap Program Sponsors, BGI usually receives authority from the client/Sponsor to select the identity and amount of securities to be bought or sold. Clients/Sponsors enter into a written investment advisory agreement with BGI, which sets forth the parties' responsibilities and the scope of BGI's authority over the client's account. In all cases where BGI has discretion, BGI 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. Investment guidelines and restrictions for discretionary clients must be provided to BGI in writing.

When selecting securities and determining amounts, BGI observes the investment policies, limitations, and restrictions of its advisory clients.

For Manager Traded SMA Wrap Programs, BGI is appointed to act as an investment adviser through a process generally documented and administered by the Wrap Program Sponsor. Clients participating in a Wrap Program, generally with assistance from the Sponsor, may select BGI to provide investment advisory services for their account (or a portion thereof) in a particular strategy. BGI provides investment advisory services based upon the particular needs of the client as reflected in the information provided to BGI by the Sponsor and will generally make itself available for consultations as reasonably requested by clients and/ or Sponsors. Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a Wrap Program. In the course of providing services to Wrap Program clients who have financial advisors, BGI generally relies on information or directions communicated by the financial advisor acting with apparent authority on behalf of its client.

In general, BGI does not communicate directly with Wrap Program clients. Client communications, including those related to changes to a Wrap Program client's investment objectives or restrictions, should be directed to the Sponsor.

## Item 17 – Voting client securities

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BGI does not vote client securities. Where BGI has voting discretion, BGI delegates the voting responsibility to BGO. See Item 17 'Voting client securities' of BGO's Form ADV Part 2A Brochure for information on how BGO votes client securities.

A copy of BGO's Governance and Sustainability Principles and Guidelines, which includes proxy voting policies and procedures, and Baillie Gifford's full voting record is available publicly on Baillie Gifford's website, at [www.bailliegifford.com](http://www.bailliegifford.com). A client may obtain a copy of BGO's proxy voting policies and procedures upon request by contacting their usual client contact at BGI.

## Item 18 – Financial information

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BGI 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.

BGI does not require or solicit prepayment of fees.

## Item 19 – Requirements for state-registered advisers

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Not applicable.

## Item 20 – Other Investment Information

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### A. Pricing and valuation

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BGI 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.

BGI does 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.

The Private Companies Fund's assets are valued at least quarterly and at such other times as outlined in the Limited Partnership Agreement or determined by Baillie Gifford Private Companies General Partner II L.P. (the "General Partner"). All assets are valued by the General Partner in accordance with U.S. generally accepted accounting principles as in effect from time to time, except with respect to securities that are publicly traded.

### B. Restrictions on our services

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#### Availability of our services

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BGI 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 that may compete with each other. We may refuse to accept a prospective client or investment mandate for any reason.

BGI 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

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Baillie Gifford frequently holds 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 clients' decisions to terminate our services and the majority of our client assets are managed under contracts with short notice periods.

### Liquidation of client accounts

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Baillie Gifford 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

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#### U.S. securities class actions

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Clients, supported by their custodians and other legal advisors, are responsible for deciding whether to participate in any securities litigation, including class actions. Upon request, Baillie Gifford will provide transactional information required to allow the client, or custodian to file or raise a claim, but Baillie Gifford will not take action independently of clients.

In successful U.S. securities class actions (sometimes referred to as opt-in class actions) the rights of all class members are automatically settled unless that security holder has actively withdrawn from the class. Absent class members (being security holders who are deemed to have been part of the class but did not actively participate in the making of the claim) are given the opportunity to make a filing after the settlement to receive a share of the award.



### International securities class actions

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International securities law group actions (sometimes referred to as opt-in class actions) vary from country to country depending on the relevant jurisdiction's legal system. Security holder participation in international actions is likely to be prior to settlement with potential litigation involvement from an early stage. Clients, with support from their own legal counsel, as need be, are responsible for deciding whether to participate in international class actions and for making the relevant filings. Upon request, Baillie Gifford will provide transactional information required to allow clients and/or their legal counsel to evaluate any such action and to file accordingly.

### D. Control over use of material, non-public information

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As an integral part of Baillie Gifford'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 like those described above, or from a client with publicly traded securities. When this occurs, in accordance with our Market Abuse and Insider Dealing Policy, Baillie Gifford will take such measures designed to protect the group 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 group 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.

### E. Tax and accounting advice

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Clients shall remain responsible for the management of their affairs for tax and accounting purposes. Baillie Gifford shall not provide clients with tax advice or accounting advice or services. Clients acknowledge that Baillie Gifford is under no obligation to take into account tax issues when managing assets and/or when exercising its discretion when making any investment decisions. Baillie Gifford is under no obligation to report to clients on the tax consequences resulting from its management of assets or from any such investment decision it takes.

## Appendix A – Investment Strategies

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### **Baillie Gifford Private Companies strategy**

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Baillie Gifford invests in high-growth, predominantly late-stage private companies across sectors and around the globe, building on our extensive background and experience in both public and private markets. Our investment philosophy seeks to maximize and compound potential returns by reinvesting in companies through multiple rounds of financing, both before and after an initial public offering, based on increasing levels of conviction.

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

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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 International Alpha strategy**

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The aim of the International Alpha investment strategy is to produce above average long-term capital appreciation through investments in a committed international portfolio of equity securities.