

FINANCIAL PRODUCT WEBSITE DISCLOSURE

*TRANSPARENCY OF THE
PROMOTION OF ENVIRONMENTAL
OR SOCIAL CHARACTERISTICS*

Worldwide Sustainable Emerging Markets Bond Fund

BAILLIE GIFFORD

Finanzproduktspezifische Website-Angaben

Übersicht

Transparenz der Bewerbung von ökologischen und/oder sozialen Merkmalen

Dieses Dokument liefert dem Anleger detaillierte Informationen über den Fonds in Bezug auf die Offenlegungsverordnung (Sustainable Finance Disclosure Regulation, „SFDR“). Es handelt sich hierbei um ein im Rahmen der SFDR vorgeschriebenes Dokument. Die in diesem Dokument enthaltenen Informationen sollen dem Anleger helfen, die Nachhaltigkeitsmerkmale und/oder Ziele und Risiken dieses Fonds zu verstehen. Dieses Dokument sollte in Verbindung mit anderen relevanten aufsichtsrechtlichen Unterlagen gelesen werden, damit der Anleger eine fundierte Anlageentscheidung treffen kann.

Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund

SFDR-Klassifizierung	Dieses Finanzprodukt bewirbt ökologische und/oder soziale Merkmale, hat jedoch nicht das Ziel einer nachhaltigen Investition.
Ökologische und/oder soziale Merkmale	<p>Der Fonds bewirbt die folgenden ökologischen und/oder sozialen Merkmale:</p> <p>Staatsanleihen</p> <ol style="list-style-type: none"> 1. Mindestumwelt- und Sozialstandards durch Ausschluss von Regierungen, die (i) UN-Sanktionen unterliegen, (ii) auf der schwarzen Liste der OECD stehen und/oder (iii) das Pariser Klimaabkommen nicht ratifiziert haben. 2. Nachhaltige Ergebnisse durch Investitionen in Staaten, die nach einer qualitativen Bewertung nachhaltig oder auf einem nachhaltigen Pfad sind. <p>Unternehmensanleihen</p> <ol style="list-style-type: none"> 1. Verantwortungsvolle Geschäftspraktiken im Einklang mit den Prinzipien des United Nations Global Compact. 2. Mindestumwelt- und Sozialstandards, die durch den Ausschluss von Geschäftstätigkeiten erreicht werden, die der Anlageverwalter für umwelt- und sozialschädlich erachtet. 3. Nachhaltige Ergebnisse durch Investitionen in Unternehmen, die nach einer qualitativen Bewertung eine nachhaltige Zukunft schaffen.
Anlagestrategie	<p>Der Fonds wird aktiv verwaltet und bewirbt ökologische und soziale Merkmale durch Investitionen in (i) mindestens 60 % des Nettoinventarwerts des Fonds in Anleihen, die von staatlichen Emittenten aus Schwellenländern begeben werden, die als nachhaltig gelten oder sich auf einem nachhaltigen Pfad befinden, indem sie versuchen, Kapital produktiv einzusetzen, um nachhaltige Ergebnisse zu erzielen, und (ii) bis zu 40 % des Nettoinventarwerts des Fonds in Anleihen, die von Unternehmen begeben werden, die ihren Sitz in Schwellenländern haben oder dort tätig sind, wenn diese Unternehmen nach Ansicht des Anlageverwalters eine nachhaltige Zukunft schaffen. Der Fonds nutzt ein positives Screening über den firmeneigenen ESG-Rahmen des Anlageverwalters, eine normenbasierte Bewertung, auf der Geschäftstätigkeit basierende Ausschlüsse und eine aktive Beteiligung, um die Erreichung der beworbenen ökologischen und/oder sozialen Merkmale zu unterstützen. Der Anlageverwalter wendet Tests in Bezug auf eine gute Unternehmensführung in Bereichen wie solide Managementstrukturen, Beziehungen zu den Arbeitnehmern, Vergütung von Mitarbeitern und Einhaltung der Steuervorschriften an. Unternehmen, die diese Tests nicht bestehen, werden nicht im Fonds gehalten.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Anteil der Investitionen	<p>Um die vom Fonds beworbenen ökologischen und/oder sozialen Merkmale zu erfüllen, wird er vornehmlich in Anleihen von staatlichen und privaten Emittenten investieren, die an denselben Merkmalen ausgerichtet sind. Der verbleibende Teil der Investitionen dient der Liquidität und/oder einem effizienten Portfoliomanagement und umfasst keine der vom Fonds beworbenen ökologischen und/oder sozialen Merkmale.</p> <p>Weitere Informationen entnehmen Sie bitte der vollständigen Offenlegung.</p>
Überwachung von ökologischen und/oder sozialen Merkmalen	<p>Die ökologischen und/oder sozialen Merkmale werden intern auf verschiedene Weise überwacht. Der Fonds nutzt ein positives Screening über den firmeneigenen ESG-Rahmen des Anlageverwalters, eine normenbasierte Bewertung, auf der Geschäftstätigkeit basierende Ausschlüsse und eine aktive Beteiligung, um die Erreichung der beworbenen ökologischen und/oder sozialen Merkmale zu unterstützen, und diese werden kontinuierlich durch die laufende Einhaltung und Überwachung der verbindlichen Verpflichtungen umgesetzt.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>

Methoden	<p>Die folgenden Nachhaltigkeitsindikatoren werden zur Messung der Erreichung der beworbenen ökologischen und/oder sozialen Merkmale herangezogen:</p> <p>Staatsanleihen</p> <ol style="list-style-type: none"> 1. Der Prozentsatz der von Staaten begebenen Anleihen, die mit den auf internationalen Verhaltensstandards basierenden Ausschlüssen konform sind. 2. Der Prozentsatz der von Staaten begebenen Anleihen, die nach einer qualitativen Bewertung nachhaltig sind oder sich auf einem nachhaltigen Pfad befinden in dem Bestreben, Kapital produktiv einzusetzen, um nachhaltige Ergebnisse zu erzielen. <p>Unternehmensanleihen</p> <ol style="list-style-type: none"> 3. Der Prozentsatz der von Unternehmen begebenen Anleihen, die mit der Politik des Anlageverwalters zur Bewertung von Verstößen gegen die Prinzipien des United Nations Global Compact konform sind. 4. Der Prozentsatz der von Unternehmen begebenen Anleihen, die mit den auf der Geschäftstätigkeit basierenden Ausschlüssen konform sind. 5. Der Prozentsatz der Anleihen von Unternehmen, die nach einer qualitativen Bewertung eine nachhaltige Zukunft schaffen. <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Datenquellen und -verarbeitung	<p>Der Anlageverwalter nutzt eine Kombination aus internem Research (auf der Grundlage von öffentlich zugänglichen Quellen, die von den Unternehmen, in die investiert wird, offengelegt werden) und externen Datenquellen, um jedes der vom Fonds beworbenen ökologischen und/oder sozialen Merkmale zu erreichen.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Beschränkung in Bezug auf Methoden und Daten	<p>Die ESG-Datenlandschaft entwickelt sich rasant, und die Datenqualität und -methodik stehen derzeit vor branchenweiten Herausforderungen, wie z. B. dem Mangel an Unternehmensangaben und sich entwickelnden regulatorischen Anforderungen.</p> <p>Diese Beschränkungen werden in erster Linie durch das interne Research des Anlageverwalters und die aktive Kommunikation mit Unternehmen sowie durch den Abgleich der wichtigsten Kennzahlen mit verschiedenen Datenanbietern gemildert. Aufgrund dieser Abhilfemaßnahmen ist der Anlageverwalter der Ansicht, dass die Bewertung der ökologischen und/oder sozialen Merkmale nicht nennenswert beeinträchtigt wird.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Due Diligence	<p>Der Ausgangspunkt für alle Baillie Gifford-Strategien ist Bottom-up-Fundamentalresearch. Dieser Prozess konzentriert sich darauf, jedes Unternehmen, den Sektor, in dem es tätig ist, und seinen Ansatz in Bezug auf wesentliche oder wahrscheinlich wesentliche Angelegenheiten zu verstehen.</p> <p>Zugang zu externen Daten von unabhängigen Anbietern trägt dazu bei, die einzelnen Positionen noch besser zu verstehen, und es wird großen Wert darauf gelegt, die Perspektiven und Erkenntnisse externer Experten und Analysten einzuholen, um den Ansatz des Fonds zu untermauern.</p> <p>Außerhalb des Fonds führt der Anlageverwalter im gesamten Unternehmen laufende Due-Diligence-Prüfungen durch, um die eingegangenen Verpflichtungen zu überwachen, wie im Abschnitt „Überwachung“ beschrieben, wobei die Beaufsichtigung durch einen nominierten Ausschuss erfolgt.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Engagement-Richtlinien	<p>Das Engagement in Bezug auf die Investitionen, die der Anlageverwalter im Namen von Kunden tätigt, und deren Überwachung ist ein integraler Bestandteil des Anlageprozesses und ein zentrales Element, mit dem der Anlageverwalter seiner Stewardship-Verantwortung nachkommt. Alle Anlageverwalter, Investmentanalysten und ESG-Analysten sind an diesem Prozess beteiligt. Er trifft sich mit der Geschäftsleitung und anderen Führungskräften, Spartenleitern und nicht geschäftsführenden Vorstandsmitgliedern.</p> <p>Auf jährlicher Basis werden Investitionen offengelegt, die Gegenstand eines formellen Engagement- und Überwachungsprozesses im Rahmen der Politik des Anlageverwalters zur Bewertung von Verstößen gegen die Prinzipien des United Nations Global Compact sind.</p> <p>Weitere Informationen zur Engagement-Richtlinie des Anlageverwalters finden Sie im Dokument „ESG Principles and Guidelines“ von Baillie Gifford, das auf der Website des Unternehmens öffentlich zugänglich ist.</p> <p>Weitere Einzelheiten entnehmen Sie bitte der vollständigen Offenlegung.</p>
Festgelegter Referenzwert	<p>Es wurde kein Index als Referenzwert für die Erreichung der ökologischen und/oder sozialen Merkmale des Produkts festgelegt.</p>



FINANCIAL PRODUCT WEBSITE DISCLOSURE

SCOPE

This document provides the investor with detailed information about the fund in relation to the Sustainable Finance Disclosure Regulation ('SFDR'). This is a regulatory document required under SFDR. The information contained in this document is to help the investor understand the sustainability characteristics and/or objectives and risks of this fund. This document should be read in conjunction with other relevant regulatory documentation so the investor can make an informed decision to invest.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes the following environmental and/or social characteristics:

Government bonds

- Minimum environmental and social standards achieved through exclusion of governments that (i) are subject to UN sanctions (ii) are included in OECD blacklist and/or (iii) have not ratified the Paris Climate Agreement.
- Sustainable outcomes through investment in sovereigns that have been qualitatively assessed as being sustainable or on a sustainable trajectory.

Corporate bonds

- Responsible business practices in accordance with the United Nations Global Compact Principles for Business.
- Minimum environmental and social standards achieved through exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society.
- Sustainable outcomes through investment in corporates that have been qualitatively assessed as creating a sustainable future.

INVESTMENT STRATEGY

The investment strategy of the Fund is to invest in bonds denominated in any currency issued by one or more of the following types of issuer: government, local authorities, Supranational Organisations, public sector bodies and corporates with the aim of achieving a high level of total return by lending responsibly to countries and companies which show evidence of creating a sustainable future. The assessment of sustainability is significantly integrated into the Investment Manager's stock research framework.

Countries are assessed using a proprietary ESG framework, which is aligned with the objectives of the Paris Climate Agreement on climate change particularly the Paris Aligned Investment Initiative Net Zero Framework for governments and monitors several indicators that quantify each country's progress towards the UN Sustainable Development Goals (UN SDGs).

Corporates are assessed through a proprietary ESG framework, which is underpinned by the sustainability dimensions (a set of sustainability issues likely to have a material impact) as outlined by SASB (Sustainability Accounting Standards Board).

The Fund will not invest in bonds issued by issuers which demonstrate poor outcomes and no appetite for sustainable change. The Fund will not invest in governments that: (a) are subject to UN sanctions (b) are included in OECD blacklist and/or (c) have not ratified the Paris Climate Agreement. The Fund will exclude the following corporate investments: firstly, companies which, in the Investment Manager's judgement, are inconsistent with the ten principles of the United Nations Global Compact Principles for Business as outlined in the Investment Manager's ESG Principles and Guidelines document. On an annual basis, investments that are subject to formal engagement and monitoring process will be disclosed; secondly, companies which are operating in breach of UN sanctions; thirdly, companies with any of the following revenue breakdowns: 10% or more of revenues from the production or sale of armaments; 5% or more of revenues from tobacco production; 10% or more of revenues from the production and/or distribution of coal.

SFDR requires that products promoting environmental and/or social characteristics do not invest in companies who do not follow good governance practices. As such, the Investment Manager has adopted a policy to apply 'good governance tests' on areas covering sound management structures, employee relations, remuneration of staff and tax compliance. Companies that do not pass these tests will not be held in the Fund.

The Investment Manager believes that good governance works best when there are diverse skillsets and perspectives, paired with an inclusive culture and strong independent representation to assist, advise and constructively challenge the thinking of management. However, the Investment Manager also believes that there is no fixed formula to create a constructive and purposeful board but it expects that boards have the resources, information, cognitive and experiential diversity they need to fulfil its responsibilities. More detail on the Investment Manager's policy to assess good governance practices of investee companies can be found in Baillie Gifford's ESG Principles and Guidelines document, which is publicly available on its website.

PROPORTION OF INVESTMENT

To meet the environmental and/or social characteristics promoted, the Fund will primarily invest in bonds issued by sovereigns and corporates that are aligned with these same characteristics. The remaining proportion of the investments are primarily cash and cash equivalents but may also include investments used for efficient portfolio management purposes (e.g. currency forwards to reduce currency risk). Cash is a residual element of the investment process and as such, it does not affect the promoted environmental and/or social characteristics of the Fund. The assessment of counterparties and issuers for cash management (including cash and cash equivalents) focuses on creditworthiness of these parties, which can be impacted by sustainability risks.

MONITORING OF ENVIRONMENTAL/SOCIAL CHARACTERISTICS

The environmental and/or social characteristics are monitored internally in a variety of ways. The Fund uses positive screening through the Investment Manager's proprietary ESG framework, norms-based evaluation, business activity-based exclusions and active ownership to support the attainment of the promoted environmental and/or social characteristics and these are implemented on a continuous basis through ongoing compliance with, and monitoring of, the binding commitments. A nominated committee has overall responsibility for ensuring compliance with the environmental and/or social characteristics the Fund is promoting, and exceptions-based reporting is sent to this committee quarterly for challenge and oversight.

Regarding government bonds:

- The dedicated investment restrictions team monitors compliance with the exclusion of bonds from governments that (i) are subject to UN sanctions (ii) are included in OECD blacklist and/or (iii) have not ratified the Paris Climate Agreement, working in conjunction with ESG analysts and/or the investment managers and using third-party data feeds, supplemented by internal research.
- Ongoing compliance with the qualitative assessment of sovereigns as being sustainable or on a sustainable trajectory is reviewed at the point of purchase and then monitored on a quarterly basis, in addition to weekly team meetings to discuss relevant updates.

Regarding corporate bonds:

- The dedicated investment restrictions team monitors compliance with the policy on assessing breaches of United Nations Global Compact Principles for Business (norms-based evaluation), working in conjunction with ESG analysts and/or the investment managers and using a third-party data feed (which is updated quarterly), supplemented by internal research.
- Exclusion of business activities deemed harmful to the environment and society (business activity-based exclusions) is monitored by the designated investment restrictions team on a daily basis, working in conjunction with ESG analysts and/or the investment managers and using a live third-party data feed, supplemented by internal research.
- Ongoing compliance with the qualitative assessment of corporates which are creating a sustainable future is reviewed at the point of purchase and then monitored on a quarterly basis, in addition to weekly team meetings to discuss relevant updates.

METHODOLOGIES

The following sustainability indicators are used to measure the attainment of the promoted environmental and/or social characteristics:

Government bonds

- The % of bonds issued by sovereigns that comply with the exclusions based on international standards of conduct.
- The % of bonds issued by sovereigns that have been qualitatively assessed as being sustainable or on a sustainable trajectory in seeking to deploy capital productively to achieve sustainable outcomes.

Corporate bonds

- The % of bonds issued by corporates that comply with the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business.
- The % of bonds issued by corporates that comply with the business activity-based exclusions.
- The % of bonds issued by corporates that have been qualitatively assessed as creating a sustainable future.

The methodologies in relation to these indicators are outlined below:

Ethical Exclusions – Norms- and Business Activity-Based Exclusions

The Fund minimises the existence of adverse impacts by formally excluding companies from its investable universe by applying ethical screens: a norms-based evaluation of investee companies, and business activity-based exclusions. Initial negative screening is done using a variety of third-party data sources (such as Sustainalytics and MSCI), supplemented by additional research from ESG analysts and/or investment managers as required.

See the Investment Strategy section for further details on the business activity-based and international standards of conduct-based screening applied to the Fund. Holdings which are inconsistent with these exclusions will be excluded.

Norms-based evaluation: The Fund will assess equities using a norms-based evaluation which is based on the ten principles of the United Nations Global Compact, which cover areas including human rights, labour rights, environmental safeguards and combating bribery and corruption. If a holding is identified as having breached the Principles, based on the Investment Manager's judgement, supported by internal research alongside data feeds from third-party sources, a formal engagement and monitoring process will be implemented. Material improvement is expected within a reasonable timeframe (a maximum of three years), and should a company fail to demonstrate progress then the Fund will divest.

ESG-focused investment research

The Fund's aim is to deliver excellent returns for our clients by lending to countries and companies contributing to a more sustainable future. It is our core belief that countries which invest in their natural, human and institutional capital and companies which make a positive social contribution are more likely to prosper in the long run.

The Fund's team draws on quantitative and qualitative research from a wide range of external providers such as multilateral institutions or non-governmental organisations wherever we find it to be relevant.

Country analysis

Each country's performance relative to the United Nations' Sustainable Development Goals (UN SDGs) is analysed to form an assessment of the administration's success in building a sustainable future for its citizens. In emerging markets it is especially important to understand both the starting point and the direction of travel towards the SDGs. Countries need to meet two thresholds using our own proprietary scoring framework to be considered: (1) climate action and (2) social outcomes and governance standards.

- **Climate action** The Fund follows the Paris Climate Agreement Net Zero Framework and assesses the country's performance towards the Paris Agreement Goals. Current levels of greenhouse gas emissions and their expected path over the coming decades are considered. The Fund analyses the Nationally Determined Contribution (NDC) plan and other policies and legislation to assess the government's commitment and ability to reduce national emissions intensity and meet Paris Agreement targets.
- **Social outcomes and governance standards** The Fund assesses each country's likely future progress towards the UN SDGs. The quality of life for citizens of the country is changing, from the scale and inclusiveness of economic opportunity to the provision of healthcare and environmental quality, is analysed. When considering these factors progress is compared to peers with similar levels of economic development. There is particular emphasis given to SDG 16, "Peace, Justice and Strong Institutions", considering how the country is governed and how the interests of different groups within the society are balanced.

Company analysis

The Fund aims to invest in companies whose products and services contribute towards a more sustainable future (as outlined by UN SDGs). How a company treats its stakeholders is assessed using a proprietary ESG scoring framework, which is underpinned by the Sustainability Accounting Standards Board's (SASB's) sustainability dimensions for corporate issuers, requiring that each company meets a minimum score based on environmental, social and governance indicators.

Environmental impact is assessed by looking at greenhouse gas emissions, ecological impacts and the management of water and waste. Social factors include the impact of the company's products on society, as well as its respect for human rights, labour practices, and employee health and safety. Finally, in governance, the company's business ethics and compliance with the legal environment is assessed.

DATA SOURCES AND PROCESSING

The Investment Manager uses a combination of internal research (informed by publicly available sources disclosed by investee companies) and third-party data sources to attain each of the environmental and/or social characteristics promoted by the Fund. The environmental and/or social characteristics promoted by the Fund are listed below as well as the data sources.

Government bonds in compliance with exclusions based on international standards of conduct.	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Government bonds qualitatively assessed as being sustainable or on a sustainable trajectory	Internal proprietary research, public disclosures, Sustainalytics, MSCI, Sustainable Development Solutions Network, Climate Action Tracker, World Bank, Freedom House and Transparency International
Corporate bonds in compliance with the UN Global Compact policy	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Corporate bonds excluded via business activity-based screens	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Corporate bonds qualitatively assessed as creating a sustainable future	Internal proprietary research, public disclosures

Where data is extracted from third party providers, the Investment Manager evaluates their methodology and coverage at the outset (initial due diligence) and then carries out spot checks of the data each month, escalating issues to the third-party provider where necessary. A dedicated team is tasked with ensuring effective relationships and operational interactions with key third-party providers, recognising that effective use of third-party vendors can support client service and stewardship activities. The level of oversight depends on the nature of the services provided. Providers of critical or important services and those that have access to sensitive data are subject to a vendor management framework.

The Investment Manager is regularly adding more automated quality checking of third-party data. Data metrics required for reporting are currently calculated in house in line with recognised guidance and regulations. The Investment Manager is actively improving data processing, introducing automation where possible and looking for ways to receive and ingest data from a wider set of data providers. However, there is sometimes a reliance on estimated data when it comes to the business activity-based exclusions. Third party-providers occasionally make estimates of revenue exposures relating to business activity-based exclusions where disclosure is lacking; proportionally, less data is estimated than not.

Due to this the Investment Manager is wary of using third-party data sources as the sole input. Third-party data sources are used to flag any potential issues and to focus work on companies or issues that warrant further attention, at which point thorough analysis is conducted to ensure there is a detailed understanding of the company's current position and its direction of travel towards necessary improvements.

LIMITATION TO METHODOLOGIES AND DATA

The ESG data landscape is rapidly developing, and data quality and methodology currently face industry-wide challenges such as lack of corporate disclosures and evolving regulatory requirements. Specifically, the data used in the Fund may be provided by third-party sources and is based on backward-looking analysis, while the subjective nature of ESG criteria means a wide variety of outcomes are possible. There is a risk that the data provided may not adequately address the underlying detail around material ESG considerations. The analysis is also dependent on companies disclosing relevant data and the availability of data can be limited.

These limitations are mitigated primarily through the Investment Manager's own in-house research and active engagement with companies, as well as cross-referencing key metrics against different data providers. Due to this mitigation, the Investment Manager believes that the promotion of the environmental and social characteristics is not appreciably altered.

DUE DILIGENCE

The starting point for all Baillie Gifford strategies is bottom-up fundamental stock research. This process focuses on understanding each company, the sector it operates in and their approach to material or likely to be material issues. Investment ideas for inclusion in the strategy will undergo a critical assessment in the form of a question framework that will seek to capture the pertinent investment considerations. Supporting this are bespoke pieces of investment and ESG research that allows the investment managers to easily compare and contrast potential new purchases with competing ideas and existing holdings.

The Fund's investment management approach is focussed on stock-level research and analysis, with the assistance of dedicated sustainability, governance and risk specialists working across the firm. Access to external data from independent providers helps add further detail to understanding each holding, and great value is placed on seeking the perspectives and insights of external experts and researchers to help inform the Fund's approach. This information is used primarily as an aid to engage with companies to ascertain how they are mitigating risks and maximising opportunities. If it is felt that companies are not making enough progress in mitigating risks, then the option of exercising voting rights in shareholder resolutions and ultimately divesting holdings is retained.

External to the Fund, ongoing due diligence is carried out by the Investment Manager across the business to monitor the commitments being made, as specified in the Monitoring section, with oversight provided by a nominated committee.

ENGAGEMENT POLICIES

Engaging with and monitoring investments the Investment Manager makes on behalf of clients is an integral element of the investment process and core to how the Investment Manager discharges its stewardship responsibilities. All investment managers, investment analysts and ESG analysts are involved in this process. It meets with management and other executive staff, heads of divisions and non-executive board members.

As a patient, active owner, the Investment Manager aims to engage with the companies in which it invests on behalf of its clients, encouraging a long-term focus and meaningful change when needed. Engagement is preferable to divestment, which is typically the tool of last resort. There are four primary reasons for engaging with a company: to fact find, to assess progress, to support the management team and to influence.

It is important to note that influence is only one of these four aims. The Investment Manager firmly believes in taking time to understand companies and making its own, long-term agenda known to management. This is an important foundation of being responsible holders and over time makes it easier to advocate for changes, as both sides have a better understanding of and appreciation for what the other party is trying to achieve.

On an annual basis, investments that are subject to formal engagement and monitoring processes under the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business will be disclosed.

More information on the Investment Manager's engagement policy can be found within Baillie Gifford's ESG Principles and Guidelines document, which is publicly available on its website.

DESIGNATED REFERENCE BENCHMARK

No index has been designated as a reference benchmark to attain the environmental and/or social characteristics promoted by the product.

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