OFFERING MEMORANDUM

dated 17 April 2024

Offering Series F Units and Series Z Units of

BAILLIE GIFFORD EMERGING MARKETS FUND

BAILLIE GIFFORD GLOBAL ALPHA FUND

BAILLIE GIFFORD INTERNATIONAL CONCENTRATED GROWTH FUND

BAILLIE GIFFORD LONG TERM GLOBAL GROWTH EQUITY FUND

BAILLIE GIFFORD OVERSEAS FUND

BAILLIE GIFFORD POSITIVE CHANGE EQUITY FUND

BAILLIE GIFFORD SUSTAINABLE GROWTH EQUITY FUND

This offering memorandum constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. ***No securities commission or similar regulatory authority in Canada has reviewed this offering memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *No prospectus has been filed with any such authority in connection with the securities offered hereunder. This offering memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or a public offering of these securities.*

There is no market for these securities, so that it may be difficult or even impossible for the holders to sell them. They may sell them only pursuant to an exemption prescribed by securities legislation of their particular province or jurisdiction or with a prospectus or with the granting of an exemption.

SUMMARY OF OFFERING

Funds and Investment Objectives	**Baillie Gifford Emerging Markets Fund**: The objective is to produce capital growth over the long term by investing primarily in emerging market equities. Performance will be measured against the MSCI Emerging Markets Index. **Baillie Gifford Global Alpha Fund**: The objective is to produce capital growth over the long term by investing primarily in global equities. Performance will be measured against the MSCI ACWI Index. **Baillie Gifford International Concentrated Growth Fund**: The objective is to produce capital growth over the long term by investing primarily in equities outside of the U.S. Performance will be measured against the MSCI ACWI ex U.S. Index. **Baillie Gifford Long Term Global Growth Equity Fund**: The objective is to produce capital growth over the very long term by investing primarily in global equities. Performance will be measured against the MSCI ACWI Index. **Baillie Gifford Overseas Fund**: The objective is to produce capital growth over the long term by investing primarily in equities outside of the U.S. and Canada. Performance will be measured against the MSCI EAFE Index. **Baillie Gifford Positive Change Equity Fund**: The objective is to produce capital growth over the long term by investing primarily in global equities. The Fund also aims to contribute towards a more sustainable and inclusive world by investing in companies that, in the opinion of the Manager, deliver positive change. Performance will be measured against the MSCI ACWI Index. **Baillie Gifford Sustainable Growth Equity Fund (formerly Baillie Gifford Global Stewardship Equity Fund, the current name being effective from 8 May 2023)**: The objective is to produce capital growth over the long term by investing primarily in global equities which, in the Manager's opinion, demonstrate long-term Sustainable Growth prospects (as defined in the Fund's Investment Policies). Performance will be measured against the MSCI ACWI Index.
Investment Policies	The Funds' assets will be invested in compliance with the standard investment restrictions and practices prescribed by Part 2 of National Instrument 81-102 Investment Funds. For further details please see "Investment Policies of the Funds."
Fees and Expenses	Each Fund is responsible for its own expenses and for the payment of a trustee fee to the Trustee, a custodial fee to the Custodian and a valuation and record keeping fee to the Valuator and Record Keeper. Each Fund pays a management fee to BG & Co Ltd in respect of the Series F Units of the Fund. Details are set out under "Fees". Participants holding Series Z Units pay a management fee directly to BG & Co Ltd. The Manager is responsible for its own expenses. In its discretion, the Manager may pay certain of the expenses of a Fund but any such payment shall not oblige the Manager to make similar future payments.
Eligibility for Investment	In order to participate in a Fund, an investor must be: 1. A "permitted client" as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Fund Managers; and 2. An "accredited investor" within the meaning of National Instrument 45-106 Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario).

	Persons who are "designated beneficiaries" under the *Tax Act* are not eligible to participate. The Manager may restrict the holding of Units by persons who are "financial institutions" under Section 142.2 of the *Tax Act*.
Qualified Investments	Units of the Funds are not qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, tax-free savings accounts and first home savings accounts and should not be acquired by such trusts.
Valuation Date	The Funds will be valued on each Business Day unless otherwise agreed by the Manager and the Trustee.
Minimum Investment	A minimum initial investment amount in a Fund may be imposed by the Manager at its discretion from time to time. There is no minimum subsequent investment amount in a Fund.
Subscription	A notice of subscription must be received by the Manager prior to the Valuation Time to be effective on that Valuation Date. Cleared funds must be received by the Trustee by the Valuation Time on the relevant settlement date. Once the notice of subscription is received by the Manager it is irrevocable and binding on the Participant. Units will be offered at the then applicable Series Net Asset Value per Unit.
Redemption	Units of a Fund may be redeemed at the Series Net Asset Value per Unit on any Valuation Date upon prior notice as set out in "Redemption of Units" below. Payment of redemption monies shall be made within two (2) Business Days of the relevant Valuation Date. In certain circumstances, the Manager may make redemptions in-kind or suspend redemptions.
Income Tax Considerations	In general, each Fund will distribute in each year sufficient net income and net realized capital gains so that it will not be liable for ordinary Canadian income tax. However, the Funds may be obliged to pay tax to the foreign jurisdictions in which investments are made. A Participant who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include, in computing income for a taxation year, the amount of the income (including any net realized capital gains) that is paid or becomes payable to the Participant by a Fund in that year (including such income that is reinvested or distributed in additional Units of the Fund). A Participant who disposes of a Unit of a Fund that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Participant of the Unit and any reasonable costs of disposition. **Each investor should satisfy themselves as to the tax consequences of an investment in Units of a Fund by obtaining advice from their own tax advisor.**
Distributions	In general, net income and net realized capital gains of each Fund are calculated and distributed at the end of each year. Distributions will be reinvested in additional Units of the Fund or, if a Participant requests, paid directly to the Participant.
Risks	Investment in a Fund involves certain risks and considerations which investors should evaluate before making a decision to acquire Units. Details are set out under "Risk Factors".
The Manager	Baillie Gifford Overseas Limited acting as agent for BG & Co Ltd (the AIFM and the signatory to the Trust Agreement).

The Trustee	CIBC Mellon Trust Company, or such other entity appointed as the trustee of the Funds from time to time.
The Custodian	CIBC Mellon Trust Company, or such other entity appointed as the custodian of the Funds from time to time.
The Valuator and Record Keeper	CIBC Mellon Global Securities Services Company, or such other entity appointed by the Manager as the valuator and record keeper of the Funds from time to time.

DEFINITIONS AND INTERPRETATION

"Affiliate"	shall have the meaning set forth in the Business Corporations Act (Ontario) ("**OBCA**") and any successor legislation thereto as amended and in effect from time to time; and additionally: (i) with respect to the Trustee, Affiliate shall be deemed, for the purposes of the Trust Agreement, to include each of The Bank of New York Mellon, Canadian Imperial Bank of Commerce and CIBC Mellon GSS, and each of their respective affiliates within the meaning of the OBCA; and (ii) with respect to BG & Co Ltd and the Manager, Affiliate shall be deemed, for the purposes of the Trust Agreement, to include Baillie Gifford & Co (the Scottish partnership), any body corporate controlled by Baillie Gifford & Co, and any subsidiary of any body corporate controlled by Baillie Gifford & Co (and "**subsidiary**" and "**controlled by**" shall have the meanings set out in the OCBA);
"AIFM"	alternative investment fund manager;
"**BG & Co Ltd**"	Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, the signatory to the Trust Agreement and the AIFM of the Funds;
"**Business Day**"	each day on which the Toronto Stock Exchange is open for business;
"**CRA**"	Canada Revenue Agency;
"CRS"	the Organization for Economic Co-operation and Development's Common Reporting Standard;
"Custodian"	CIBC Mellon Trust Company, or such other entity appointed as the custodian of the Funds from time to time;
"Custodian Agreement"	the custodial services agreement between BG & Co Ltd and the Custodian effective July 1, 2019, as amended from time to time;
"**Distribution Date**"	the last Valuation Date in each taxation year or such other frequency as may be determined by the Manager;
"**ESG**"	environmental, social and governance;
"**Funds**"	Baillie Gifford Emerging Markets Fund, Baillie Gifford Global Alpha Fund, Baillie Gifford International Concentrated Growth Fund, Baillie Gifford Long Term Global Growth Equity Fund, Baillie Gifford Overseas Fund, Baillie Gifford Positive Change Equity Fund and Baillie Gifford Sustainable Growth Equity Fund (each individually a "Fund");
"**Intra-Group Agreement**"	the intra-group agreement pursuant to which BG & Co Ltd has appointed the Manager as its agent to provide investment management and other services to the Funds dated September 16, 2014 as amended from time to time;
"**Manager**"	Baillie Gifford Overseas Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, acting wherever necessary as agent for BG & Co Ltd in relation to the Funds pursuant to the Intra-Group Agreement;

"**Net Asset Value**"	the fair market value of the assets of a Fund less the amount of its liabilities calculated in such manner as the Manager in its sole discretion shall determine from time to time, see "Valuation of the Funds and Units";
"**Non-Material Amendment**"	any amendment to the Trust Agreement which, in the opinion of counsel for either the Trustee or the Manager, does not constitute a material change and does not adversely affect the pecuniary value of the interest of any Participant in a Fund;
"**Norms-based Evaluation**"	is defined by the UN Principles for Responsible Investment (UN PRI) as an assessment which involves screening issuers against minimum standards of business practice based on international norms. International norms are generally accepted societal standards and useful frameworks and include United Nations treaties, Security Council sanctions, the United Nations Global Compact Principles for Business, the United Nations Human Rights Declaration and the OECD Guidelines for Multinational Enterprises;
"**OSC**"	Ontario Securities Commission;
"**Participant**"	a holder of one or more Units of a Fund;
"**Series**"	a series of Units of a Fund;
"Series Net Asset Value"	the portion of the Net Asset Value of a Fund attributed to a particular Series of a Fund, see "Valuation of the Funds and Units";
"**Series Net Asset Value per Unit**"	the quotient obtained by dividing the amount equal to the Series Net Asset Value of a Series by the total number of outstanding Units, including fractions of Units, of the Series, see "Valuation of the Funds and Units";
"**SDGs**"	the Sustainable Development Goals (SDGs) are made up of 17 goals defined in a list of 169 SDG targets designed to help steer the world onto a more sustainable path and agreed to by 193 countries in September 2015 as part of the United Nations 2030 Agenda for Sustainable Development. The SDGs aim to end poverty, to build peaceful and inclusive societies, to protect human rights and to ensure protection of the planet and are relevant to all stakeholders in society including governments, the private sector and civil society;
"**Subscription Agreement**"	the agreement between a Participant and the Manager which is required to be signed prior to the Participant's first investment in a Fund;
"**Tax Act**"	Income Tax Act (Canada) and the regulations issued thereunder, as the same may be amended from time to time;
"**Trust Agreement**"	the amended and restated trust agreement between BG & Co Ltd and the Trustee effective July 1, 2019, as amended from time to time;
"**Trustee**"	CIBC Mellon Trust Company, or such other entity appointed as the trustee of the Funds from time to time;
"**Unit**"	a unit of a Series of a Fund;

"**Valuation and Record Keeping Agreement**"	the fund administration services agreement between BG & Co Ltd, the Funds and the Valuator and Record Keeper effective July 1, 2019, as amended from time to time;
"**Valuation Date**"	each Business Day or such other day as agreed from time to time by the Manager and Trustee;
"**Valuation Time**"	the time at which the Toronto Stock Exchange closes on a Valuation Date or any other time agreed by the Manager and the Valuator and Record Keeper; and
"Valuator and Record Keeper"	CIBC Mellon Global Securities Services Company, or such other entity appointed as the valuator and record keeper of the Funds from time to time.

Any references in this Offering Memorandum to: (i) any statute, statutory instrument or other rule or regulation shall be deemed to include a reference to such statute, statutory instrument or other rule or regulation as from time to time amended and to any codification, consolidation or re-enactment thereof as from time to time in force; and (ii) any regulator or regulatory authority shall include any successor regulator or regulatory authority.

TABLE OF CONTENTS

DESCRIPTION

THE FUNDS

The Funds are open-ended investment trusts created under the laws of Ontario and governed by the Trust Agreement. The head office of the Funds and the Trustee is located at 1 York Street, Suite 900, Toronto, Ontario M5J 0B6. The Manager may at any time create additional open-ended investment trusts by amending certain schedules to the Trust Agreement. The Manager is the promoter of the Funds.

This Offering Memorandum may be updated from time to time by the Manager. The latest copy is available here: https://www.bailliegifford.com/en/canada/professional-investor/literature/

THE MANAGER

BG & Co Ltd is the signatory to the Trust Agreement. BG & Co Ltd provides services to Baillie Gifford funds designated as alternative investment funds under regulation which applies to United Kingdom fund managers. Pursuant to the Trust Agreement, BG & Co Ltd has the right to appoint an Affiliate to assist it in performing its obligations. BG & Co Ltd has accordingly appointed the Manager to provide investment fund management, investment management and other services to the Funds pursuant to the terms of the Intra-Group Agreement. The Manager is responsible for directing the day-to-day business, operations and affairs of the Funds, the investment management of the Funds and the distribution of the Units of the Funds.

The Manager was incorporated as a limited liability company registered in Scotland on September 29, 1983. BG & Co Ltd was incorporated as a limited liability company registered in Scotland on October 8, 1979. Both the Manager and BG & Co Ltd are wholly owned subsidiaries of Baillie Gifford & Co, an independent partnership founded in 1908. Under applicable securities law, the Funds are connected issuers to the Manager.

Both the Manager and BG & Co Ltd are registered as Portfolio Managers with the OSC, and the Manager is also registered as a Portfolio Manager with the securities regulators of Alberta, Manitoba, Newfoundland and Labrador, Quebec and Saskatchewan. The Manager is registered as an Exempt Market Dealer with the OSC and with the securities regulators of all other provinces and territories of Canada. In the United Kingdom, both the Manager and BG & Co Ltd are authorised and regulated by the Financial Conduct Authority.

Baillie Gifford's investment style has been developed and refined over many years with the basic objective of achieving attractive returns for clients over the long term. Baillie Gifford employs an active approach to investment management, applying a "bottom up", qualitative approach that results in relatively concentrated portfolios with a "growth" bias. Baillie Gifford's philosophy is to add value through active management by making long-term investments in companies that enjoy sustainable competitive advantages in their marketplace. Baillie Gifford's investment approach is based on the belief that share prices ultimately follow earnings. The objective is therefore to select companies that can sustain above-average growth in earnings and cash flow rather than predicting short-term price movements. Baillie Gifford's philosophy requires an in-depth knowledge of individual companies in order to develop a view on their future path and the path of their earnings. Baillie Gifford compares its view to that of the consensus, with any discrepancies being viewed as a potential opportunity to add value.

Each Fund pays a management fee to BG & Co Ltd in respect of the Series F Units. The Participants holding Series Z Units will pay a separately agreed management fee directly to BG & Co Ltd. Fees may vary among Participants holding Series Z Units depending on the size of the Participant's investment and the services rendered by the Manager or its Affiliates. The Manager or its Affiliates may reduce the fees payable by a Fund in respect of Series F Units or by a Participant holding Series Z Units from time to time without notice and/or increase the fees payable by a Fund in respect of Series F Units or by a Participant holding Series Z Units on sixty (60) days' notice to the affected Participants.

The Manager may, from time to time, (a) delegate certain of its duties to Affiliates or other parties; (b) employ agents or subcontractors to perform any administrative, dealing, settlements or ancillary services; and (c) perform its functions and services from multiple global locations. This may include delegation of investment management or sub-advisory duties, provided the delegate is appropriately registered or relying on an exemption from registration under applicable securities and other legislation. For a sub-adviser that is not located in Canada and that is not registered as an adviser in Canada, the Manager will agree to be responsible for any loss if the sub-adviser fails to meet the required standard of care in performing its services for a Fund.

The Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of each Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent professional portfolio manager would exercise in comparable circumstances. Except to the extent that the Manager has not complied with the foregoing standard of care, BG & Co Ltd shall not be liable for any act or omission in the course of, or connected to, the Trust Agreement. The Trust Agreement contains further provisions limiting the liability of BG & Co Ltd.

BG & Co Ltd may resign pursuant to the terms of the Trust Agreement upon ninety (90) days' notice in writing to the Trustee and to the Participants in which case the Intra-Group Agreement will automatically terminate. In these circumstances, BG & Co Ltd may appoint a successor manager. If the successor manager is not an Affiliate of BG & Co Ltd, such appointment must be consented to by the Participants in accordance with the Trust Agreement.

The Trust Agreement provides that each of the Funds shall severally indemnify and save harmless BG & Co Ltd, its Affiliates, subsidiaries and agents, and their respective directors, officers and employees (each defined in the Trust Agreement as an "Indemnified Management Party") from and against all costs, expenses (including reasonable costs of litigation and reasonable legal fees and expenses), damages, claims, actions, demands and liabilities to which the Indemnified Management Party may become subject as a result of any act or omission in connection with the Trust Agreement excluding any indirect, incidental, special or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill and except to the extent such costs, expenses, damages, claims, actions, demands or liabilities are incurred as a result of the negligence, wilful misconduct, fraud or lack of good faith of the Indemnified Management Party or the Indemnified Management Party's failure to comply with the applicable standard of care set out the Trust Agreement.

The Manager is or may become involved in the management of other trusts and the provision of services to other entities.

THE TRUSTEE

The Trustee acts as the trustee of the Funds pursuant to the provisions of the Trust Agreement.

Prior to July 1, 2019, the trustee of the Funds was RBC Investor Services Trust.

The Trust Agreement sets out the powers of the Trustee, the attributes of the Units, procedures for purchase and redemption of Units, calculation of the income of each Fund and other administrative procedures.

The Trustee's fee for providing trustee services to the Funds is paid by the Funds and will be as agreed between the Trustee and the Manager.

The Trustee shall exercise the powers and discharge the duties of its office honestly and in good faith and in connection therewith shall exercise the degree of care, diligence and skill that a professional provider of similar services would exercise in comparable circumstances. Except to the extent that the Trustee has not complied with the foregoing standard of care, the Trustee shall not be liable for any act or omission in the course of, or connected to, rendering services under the Trust Agreement. The Trust Agreement contains further provisions limiting the liability of the Trustee.

The Trustee may resign as trustee of one or more Funds upon ninety (90) days' notice to BG & Co Ltd, and the Manager shall notify Participants of any such resignation. Such resignation shall take effect on the date specified in the notice, unless at or prior to such date a successor trustee is appointed by BG & Co Ltd in which case such resignation shall take effect immediately upon the appointment of such successor trustee.

The Trust Agreement provides that each of the Funds shall indemnify and save harmless the Trustee, its Affiliates, subsidiaries and agents, and their respective directors, officers, and employees (each defined in the Trust Agreement as an "Indemnified Party") from and against all costs, expenses (including reasonable costs of litigation and reasonable legal fees and expenses), damages, claims, actions, demands and liabilities to which the Indemnified Party may become subject as a result of any act or omission in connection with the Trust Agreement but excluding indirect, incidental, special or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill and except to the extent such costs, expenses, damages, claims, actions, demands or liabilities are incurred as a result of the negligence, wilful misconduct, fraud or lack of good faith of the Indemnified Party or the Indemnified Party's failure to comply with the applicable standard of care set out in the Trust Agreement. To the extent the applicable Fund is unable for any reason to indemnify the Trustee, BG & Co Ltd is obliged under the terms of the Trust Agreement to indemnify the Indemnified Party on the terms set out above.

DESCRIPTION OF UNITS

Each Fund is permitted to issue an unlimited number of Series, and an unlimited number of Units of each Series, and fractions thereof. The Manager has the sole discretion in determining the attributes attaching to each Series. Each Unit of a Series entitles the holder thereof to participate pro rata, in accordance with the provisions of the Trust Agreement, with respect to all distributions made to that Series and, upon liquidation of the Fund, to participate equally with the other Participants of that same Series in the Series Net Asset Value remaining after the satisfaction of outstanding liabilities of the Fund and the Series. Units are not transferable without the prior written consent of the Manager. Each Unit of a particular Series may be redesignated as a Unit of another Series of the same Fund based on the respective Series Net Asset Value per Unit for each of the two Series on the date of redesignation. This may be done by the Manager, or at the option of a Participant as set out below under "Changing Between Series". Units have voting rights only in the circumstances set out in the Trust Agreement. The Manager may offer additional Series of a Fund at any time in its discretion without notice to, or consent of, Participants.

To date, the Manager has designated Series Z Units and Series F Units, each of which is currently being offered by each of the Funds, with the following attributes:

Series F Units

Series F Units are available to all investors who meet any minimum investment criteria. Series F Units are charged a management fee at the Fund level.

Series Z Units

Series Z Units are available to all investors who meet any minimum investment criteria. Series Z Units are not charged a management fee at the Fund level. Participants holding Series Z Units pay separately agreed management fees directly to BG & Co Ltd.

FEES

BG & Co Ltd will be entitled to receive from each Fund a quarterly management fee (the "**Management Fee**") in respect of the **Series F Units** of the Fund, as of each Valuation Date that is the last Business Day of a calendar quarter. The Management Fee paid by each Fund is calculated and accrued daily on the basis of the annual rate noted below for the relevant Fund and expressed as a percentage of the Series Net Asset Value for Series F Units of the relevant Fund:

- Baillie Gifford Emerging Markets Fund: 0.72%
- Baillie Gifford Global Alpha Fund: 0.57%
- Baillie Gifford International Concentrated Growth Fund: 0.57%
- Baillie Gifford Long Term Global Growth Equity Fund: 0.62%
- Baillie Gifford Overseas Fund: 0.52%
- Baillie Gifford Positive Change Equity Fund: 0.50%
- Baillie Gifford Sustainable Growth Equity Fund: 0.50%

The Funds are required to pay goods and services tax ("**GST**") and/or harmonized sales tax ("**HST**") on Management Fees. GST/HST will be allocated to the Series F Units of the applicable Fund in the calculation of the Series Net Asset Value. The applicable GST/HST rate is calculated as a weighted average based on the value of Units held by Participants residing in each province and territory of Canada.

BG & Co Ltd and/or the Manager may from time to time waive any portion of the Management Fees otherwise payable to it and/or arrange to bear other expenses of the Funds, but no such waiver or arrangement shall affect its rights to receive Management Fees in respect of any subsequent period, and such waiver or arrangement, if commenced, may be discontinued at any time, in whole or in part, without the consent of, or notice to, Participants.

No Management Fee is payable by the Funds in respect of the **Series Z Units**. Participants holding Series Z Units pay a Management Fee directly to BG & Co Ltd. The rate of GST or HST, as applicable, on such Management Fee will be determined based on the Participant's place of residence.

FUND EXPENSES

In addition to the Management Fees described under "Fees" above, expenses incurred in the administration of a Fund, including but not limited to brokerage fees and other fees and disbursements relating to the execution of transactions for the Fund, taxes payable by the Fund, interest expenses, custody and safekeeping charges relating to the Fund's activities, costs of providing information to Participants including annual and interim financial reports, audit and legal fees of the Fund, costs of preparing and forwarding disclosure documents to Participants, costs of bookkeeping, Fund accounting, registry and transfer agent services, termination expenses, expenses of conducting Participant meetings, the cost of any credit facility, tax agent expenses, and legal, accounting and audit fees and fees and expenses of the Trustee which are incurred outside of the normal course of the Fund's activities, are paid by the Fund.

Common expenses will be allocated to each Series of each Fund, based on their respective Series Net Asset Values. Expenses specific to a Series will be allocated to and deducted from the applicable Series Net Asset Value only.

From time to time, the Manager, in its discretion, or any other person approved by the Manager, may pay some or all of the expenses of the Fund provided that any such payments shall not create an obligation on the Manager, or any other person, to make similar payments in the future and such payments, if commenced, may be discontinued at any time, in whole or in part, without the consent of, or notice to, Participants.

PARTICIPANTS

Any investor may participate in a Fund provided that such investor is (a) a "permitted client" as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers*, and (b) an "accredited investor" within the meaning of National Instrument 45-106 Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario). Persons who are "designated beneficiaries" under the Tax Act are not eligible to participate. The Manager may restrict the holding of Units by persons who are "financial institutions" under Section 142.2 of the Tax Act.

INVESTMENT OBJECTIVES OF THE FUNDS

The investment objective or objectives of each Fund is/are as follows:

Baillie Gifford Emerging Markets Fund: The objective is to produce capital growth over the long term by investing primarily in emerging market equities. Performance will be measured against the MSCI Emerging Markets Index.

Baillie Gifford Global Alpha Fund: The objective is to produce capital growth over the long term by investing primarily in global equities. Performance will be measured against the MSCI ACWI Index.

Baillie Gifford International Concentrated Growth Fund: The objective is to produce capital growth over the long term by investing primarily in equities outside of the U.S. Performance will be measured against the MSCI ACWI ex U.S. Index.

Baillie Gifford Long Term Global Growth Equity Fund: The objective is to produce capital growth over the very long term by investing primarily in global equities. Performance will be measured against the MSCI ACWI Index.

Baillie Gifford Overseas Fund: The objective is to produce capital growth over the long term by investing primarily in equities outside of the U.S. and Canada. Performance will be measured against the MSCI EAFE Index.

Baillie Gifford Positive Change Equity Fund: The objective is to produce capital growth over the long term by investing primarily in global equities. The Fund also aims to contribute towards a more sustainable and inclusive world by investing in companies that, in the opinion of the Manager, deliver positive change. Performance will be measured against the MSCI ACWI Index.

Baillie Gifford Sustainable Growth Equity Fund: The objective is to produce capital growth over the long term by investing primarily in global equities which, in the Manager's opinion, demonstrate long-term Sustainable Growth prospects (as defined in the Fund's Investment Policies). Performance will be measured against the MSCI ACWI Index.

INVESTMENT POLICIES OF THE FUNDS

The investment policies of each Fund are as follows:

1. The Fund's assets will be invested in compliance with the standard investment restrictions and practices prescribed by Part 2 of National Instrument 81-102 Investment Funds.
2. The Fund may invest in equity securities either directly or indirectly, such as through depositary receipts or participatory notes.
3. The Fund will not invest in unlisted securities. However, the Fund is permitted to invest in both listed and unlisted indirect investments to gain exposure to equity securities.
4. In normal market conditions, the Fund's maximum exposure to cash should not exceed 10%.
5. The Fund will not participate in short selling, stocklending, repurchase transactions or reverse repurchase agreements.
6. The Fund will not invest in derivative transactions of any type.
7. The Fund will invest in compliance with Schedule III to the Pension Benefits Standards Regulations, 1985 (Canada).
8. Baillie Gifford Emerging Markets Fund only: Emerging markets are any markets which, in the opinion of the Manager, are generally considered to be emerging, developing or frontier.
9. Baillie Gifford Overseas Fund only: The Manager shall use its own discretion to determine whether relevant equities are 'outside of the U.S. and Canada'. To the extent a security trades on a U.S. or Canadian exchange but the issuer of the security derives, in the opinion of the Manager, a material percentage of its revenue, profits or assets from markets outside of the U.S. or Canada it is a permissible investment.
10. Baillie Gifford International Concentrated Growth Fund only: At least 80% of the Fund shall be invested in equities outside of the U.S. The Manager shall use its own discretion to determine whether relevant equities are 'outside of the U.S.'.
11. Baillie Gifford Sustainable Growth Equity Fund only: The Fund will invest primarily in shares of companies which, in the Manager's opinion, demonstrate long-term Sustainable Growth prospects. The Manager defines "Sustainable Growth" as the potential a company has to (i) deliver enduring growth, being a decade or more of profitable growth, and (ii) make a positive difference to society, by, for example, producing products or services which have a clear positive influence, or promoting business practices that help shape industry standards and inspire wider change.

    The Manager's analysis typically focuses on how a company can make a positive difference in one of three areas:

    - **Planet** (including, but not limited to, climate and environment);
    - **People** (including, but not limited to, health and equality of opportunity); and
    - **Prosperity** (including, but not limited to, working conditions and a fairer economic system).

    Investments will be initially screened and selected by the Manager using its own research. The Manager applies a proprietary qualitative investment process to assess companies' Sustainable Growth prospects. This investment process evaluates, amongst other matters, a company's products ("Products"), business practices ("Practices"), its ambition and commitment to making a difference ("Ambition"), and the extent to which the quality and track record of its management team provide confidence that the company can and will execute on this opportunity ("Trust"). As part of this process the Manager will rate a company from 0 to 3 on these four aspects. The only companies that will be considered for inclusion in the portfolio are those which are assessed by the Manager using this framework to score 2 or 3 on Products or Practices, with no zero score in any other category. The Manager monitors Sustainable Growth prospects as part of its ongoing company research.

    In addition, the Manager applies a screening process to exclude investments based on revenue- and norms-based indicators. This is based on the Manager's own research and third-party data. In particular:

    (a) The Fund will not invest in companies that derive more than ten per cent of their annual revenues from (i) the production or sale of tobacco, alcohol, or adult entertainment, (ii) the production and/or sale of firearms and/or small arms ammunition for the civilian market, (iii) the production of military weapon systems and components, and provision of support systems and services for production of military weapon systems and components, (iv) fossil fuel extraction and/or production (meaning either (A) oil and/or gas extraction and/or production, or (B) thermal coal mining and/or sale), or (v) the provision of gambling services; and

(b) The Manager also assesses companies the Fund directly invests in using a Norms-based Evaluation based on factors including, but not limited to, human rights, labour rights, environmental safeguards and combatting bribery and corruption, and will comply with the Manager's policy on assessing breaches of the United Nations Global Compact. This policy is outlined in the Manager's ESG Principles and Guidelines which is available from the Manager on request.

The Manager monitors the revenue- and norms-based indicators as part of its ongoing company research and by using third-party data.

If an investment held by the Fund ceases to meet the revenue-based indicators after its initial purchase, and this position is expected to be sustained, it will be sold as soon as practically possible. In relation to the qualitative investment process and norms-based indicators, the assessment of investments will be reviewed and considered on a case-by-case basis. The preferred approach, where possible, is to use engagement in the first instance as part of the assessment and encouragement for improvement. Where an investment is then ultimately assessed as not having the potential to deliver Sustainable Growth, the Manager will sell the investment as soon as practicably possible.

For the avoidance of doubt, where the Fund gains exposure to a company through an indirect investment, the processes described above to assess long-term Sustainable Growth prospects and in respect of the revenue- and norms-based indicators shall be performed only in respect of the company itself, and not in respect of any issuer or counterparty of the indirect investment.

12. Baillie Gifford Positive Change Equity Fund only: In seeking to invest in businesses that deliver positive social and/or environmental impact, the Manager focuses on the ability of a company to deliver positive change in at least one of the following four areas:
    - **Social Inclusion and Education**: Companies that are contributing to a more inclusive society or are improving the quality or accessibility of education.
    - **Environment and Resource Needs**: Companies committed to improving resource efficiency and reducing the environmental impact of society's economic activities.
    - **Healthcare and Quality of Life**: Companies that are actively improving quality of life in developed and developing countries.
    - **Base of the Pyramid**: Companies that are addressing the basic and aspirational needs of the world's poorest populations.

    With respect to each area, the Manager pursues an active, positive approach; and investment decisions are generally not made on the basis of negative "screening" of companies viewed as socially irresponsible. The Manager may sell a holding if it determines that there has been a material deterioration in the issuer's potential for delivering positive change, or as otherwise appropriate (including a material deterioration in the investment case, to make other investments or to meet redemptions).

    For the avoidance of doubt, where the Fund gains exposure to a company through an indirect investment, the processes described above to assess ability to deliver positive change shall be performed only in respect of the company itself, and not in respect of any issuer or counterparty of the indirect investment.

    A positive change impact report is published annually and is available from the Manager. This report shows how each company in the portfolio is delivering positive change through its products and services. Key metrics for each individual company in relation to the contribution made by its products and services to the four impact themes and its contribution to the SDGs are included in the report.

Unless otherwise stated or required by applicable laws, all investment criteria or restrictions in the investment policies (including, without limitation, any percentage limitations on Fund investments or market capitalization criteria) will apply at the time an investment is made. A Fund will not be in breach of these criteria or restrictions unless an excess or deficiency occurs or exists immediately after, and as a result of, an investment being made.

The Manager may, in its discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to Participants. However, the Manager will not make or permit a change to the above investment objectives and policies that the Manager determines in good faith to be a material change, unless Participants are given not less than sixty (60) days' written notice prior to the effective date of the change.

ESG PRINCIPLES AND GUIDELINES

In connection with assessing the ability of a company to sustain financial growth over the long term, the Manager often looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and form a view of its long-term prospects. This includes the consideration of a range of factors, including material ESG issues or matters which affect the financial condition or operating performance of a company, which the Manager believes may positively or negatively influence long-term investment returns.

The Manager has articulated a set of ESG Principles and Guidelines (the "Guidelines"), which are available from the Manager on request. The Guidelines set out the Manager's stewardship approach and how it typically integrates ESG matters into its investment processes. The Manager defines "stewardship" as the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, which the Manager believes is consistent with positive outcomes for the economy, the environment and society. The Guidelines also describe certain core stewardship principles (relating to the central theme of long-term value creation) which help shape the Manager's interactions with companies. The Manager notes that these principles are not intended to be prescriptive and do not have to be positively reflected in each investment held.

The Guidelines also describe how the Manager typically integrates ESG matters into its investment process, particularly in the three main areas of investment research, proxy voting and engagement, and include the Manager's proxy voting and engagement guidelines. Furthermore, the Guidelines also set out the Manager's approach to certain key exclusions, including controversial weapons and cannabis.

The Guidelines are applicable to each Fund, including Funds that do not explicitly focus on ESG factors as part of their investment objectives or policies. Where a Fund does not explicitly focus on ESG factors as part of its investment objective or policies, the ESG matters referred to in the Guidelines contribute to but may not be determining factors in the Manager's decision-making, and are among a broader universe of factors considered by the Manager when assessing an investment.

While the general approach outlined in the Guidelines is valid across all Funds, there may be differences between the method used by each Fund's investment team to properly assess and weigh up ESG matters in its investment process. This may result in different decision making by different Funds' investment teams in respect of the same investment. Given the flexible nature of the Guidelines and the inherent subjectivity of investment decision making, there can be no assurance that this process will result either in superior investment returns, or in a positive outcome for the environment or society.

BROKERAGE ARRANGEMENTS

It is intended that there will be no principal broker for the purchase and sale of the investment portfolios of the Funds. Because the Funds will be investing largely in non-Canadian securities, they may be subject to brokerage and custodian expenses that may be higher than those of funds investing solely in domestic securities.

VALUATION OF THE FUNDS AND UNITS

The Net Asset Value of a Fund, the Series Net Asset Value and its Series Net Asset Value per Unit is computed by the Valuator and Record Keeper as at the Valuation Time on every Valuation Date. The Net Asset Value of a Fund shall be the fair market value of the assets of the Fund less the amount of its liabilities. The number of Units, the fair market value of the assets and the amount of the liabilities of each of the Funds shall be calculated by the Valuator and Record Keeper in accordance with the terms of the Trust Agreement which include the following:

(a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared on an ex-dividend basis and interest accrued and not yet received, shall be deemed to be the face amount thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the bid price on a Valuation Date at such times as the Valuator and Record Keeper, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security which is listed on any recognized exchange shall be determined by the closing sale price at the Valuation Time or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the Net Asset Value of the Fund and the Series Net Asset Value is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then the closing sale price on the last previous date on which such stock exchange was open for trading shall be used. Where directed by the Manager, the value shall take into account any factor provided to the Valuator and Record Keeper by a third party data provider;

(d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value;

(e) the value of any restricted security for which none of the above valuation procedures is applicable, shall be the fair value thereof as determined from time to time in such manner as the Manager, or its agent, may determine;

(f) all Fund property valued in a foreign currency and all liabilities and obligations of the Fund or Series payable by the Fund or Series in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Valuator and Record Keeper, including, but not limited to, the Trustee or any of its Affiliates; and

(g) all expenses or liabilities (including fees payable to BG & Co Ltd) of the Fund or Series shall be calculated on an accrual basis.

The value of any of a Fund's property to which, in the opinion of the Valuator and Record Keeper, the above valuation principles cannot be applied (because no price or yield equivalent quotations are available as provided above, or the current pricing option is not appropriate, or for any other reason), shall be the fair value as determined in such manner by or on behalf of the Valuator and Record Keeper provided that any change to the standard pricing principles as set out above, shall require prior consultation and written agreement with the Manager.

PURCHASE OF UNITS

Units are offered for purchase without sales commission. Except as otherwise disclosed herein, all monies invested will be invested in Units. All purchases must be made in Canadian dollars. The Manager reserves the right to reject any purchase order.

A minimum initial investment amount in a Fund may be imposed by the Manager at its discretion from time to time. There is no minimum subsequent investment amount in a Fund.

The Manager intends to offer Units on a continuous basis, although it retains the right not to make any additional offerings. Units are offered at the then applicable Series Net Asset Value per Unit.

A subscription must be by written notice in a prescribed form which is available on request from the Manager. Any notice of subscription must be received by the Manager prior to the Valuation Time to be effective on that Valuation Date. Any notice of subscription received after the Valuation Time shall be effective on the next succeeding Valuation Date. Once the notice of subscription has been received by the Manager, it is irrevocable and binding on the Participant, forms a legally binding contract between the Participant and the Manager and may be cancelled or modified only at the discretion of the Manager.

Participants are required to transmit cleared funds representing the subscription monies by wire transfer to the Trustee by the Valuation Time on the settlement date which is currently two (2) Business Days after the relevant Valuation Date (T+2). In certain circumstances, the Manager may deem it appropriate to require that cleared funds representing the subscription monies are received by the Trustee by the Valuation Time on the relevant Valuation Date. Where this is a requirement, Participants will be notified by the Manager in advance.

Participants accept full responsibility for and fully indemnify and hold harmless the Funds, the Trustee, the Manager, BG & Co Ltd and their respective delegates, duly authorised agents, associates and Affiliates (each a "**Fund Party**") on demand in respect of any claims, demands, proceedings, liabilities, damages, losses, costs, charges and expenses directly or indirectly suffered or incurred by the Fund Party, including without limitation: (i) those associated with the unwinding of transactions and any other remedial actions taken by the Fund Party in response to the circumstances contemplated in this paragraph (including but not limited to the cancellation of Units); (ii) those associated with the purchase and sale of securities and differences in market value between the purchase and sale prices of securities (including related transaction costs incurred); and (iii) overdraft, bank charges and/or interest (each a "**Loss**"), if such Loss is the result of either or both of the following: (a) cleared funds are not received from the Participant in the Manager's account with the Trustee by the Valuation Time on the settlement date and/or (b) the cleared funds received are less than the cleared funds expected in respect of the relevant subscription. Each Participant acknowledges and agrees that in the foregoing circumstances the Fund Parties are entitled to unwind transactions as soon as the Valuation

Time on the settlement date has passed and/or are entitled to redeem such number of Units held by that Participant as may be necessary to discharge any Loss that may arise.

Units shall be sold through the Manager as dealer. No initial sales commission shall be charged by the Manager.

The Manager may from time to time enter into side letters with Participants in a Fund provided that these side letters shall not adversely affect any other Participants in the Fund.

REDEMPTION OF UNITS

A Participant is entitled to require payment of the Series Net Asset Value per Unit of all or any of such Participant's Units by giving written notice to the Manager in such form as the Manager may prescribe. Redemption forms are available from the Manager on request.

Participants may redeem Units on a Valuation Date at the applicable Series Net Asset Value per Unit by giving written notice to the Manager, such notice to be received by the Manager:

- in respect of Baillie Gifford Emerging Markets Fund by the Valuation Time on the day which is at least five (5) Business Days prior to the Valuation Date on which the Units are to be redeemed; and

- in respect of all other Funds by the Valuation Time on the day which is at least two (2) Business Days prior to the Valuation Date on which the Units are to be redeemed.

The Manager may shorten any notice periods required for redemption from time to time at its sole discretion.

Once a redemption request has been received by the Manager, it is irrevocable and binding on the Participant, forms a legally binding contract between the Participant and the Manager and may be cancelled or modified only at the discretion of the Manager.

In certain situations, where a Participant redeems Units of a Fund, the Fund may distribute realized capital gains of the Fund to the Participant as part of the redemption price of the Units (referred to as the "**Redeemer's Gain**"). The taxable portion of the Redeemer's Gain must be included in the Participant's income, but the full amount of the Redeemer's Gain will be deducted from the Participant's proceeds of disposition of the Units redeemed.

All payments of redemption monies shall be made within two (2) Business Days of the relevant Valuation Date (T+2). Payment may also be made in-kind at the discretion of the Manager.

The Manager may, in its discretion, at any time and from time to time, require any Participant that is or becomes a "financial institution" under Section 142.2 of the Tax Act or a designated beneficiary under the Tax Act to redeem some or all of their Units if such holding has the potential to cause adverse regulatory or tax consequences for a Fund or other Participants. Any such redemption shall be processed at the applicable Series Net Asset Value per Unit at the Valuation Time on the Valuation Date of such redemption.

Notwithstanding the foregoing, if outstanding redemption requests from Participants on any Valuation Date total in aggregate 10% or more of all outstanding Units of a Fund, the Manager may refuse to redeem such number of Units of that Fund on that Valuation Date in excess of 10% of the Units outstanding as the Manager shall determine and may defer such excess redemption requests to a subsequent Valuation Date on which date such Units shall be redeemed rateably. Any deferred redemption requests shall be treated in priority to any redemption requests received for subsequent Valuation Dates.

Further, the Manager may suspend the right of Participants to require a Fund to redeem Units and the concurrent payment for Units of the Fund tendered for redemption and will so immediately advise the Trustee during any period: (i) when normal trading is suspended on any stock, options or other exchange or market, within or outside of Canada on which securities are listed and traded which represent more than 25% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities; and (ii) when the Manager determines that conditions exist which render impractical the sale of any of the Fund's property, which impair the ability to determine equitably the value of any of a Fund's Property or under which allowing redemptions would not be equitable for the other Participants of the Fund as a whole.

The suspension may, at the discretion of the Manager, apply to all requests for redemption received prior to the suspension and as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Participants making such requests shall (unless the suspension lasts for less than 48 hours) be advised by the Manager of the suspension and that the redemption will be effected on the basis of the applicable Series Net Asset Value per Unit determined on the first Valuation Date following the termination of the suspension. All such Participants shall have and shall (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw their requests for redemption.

The suspension shall terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over a Fund, any declaration of suspension made by the Manager shall be conclusive.

SHORT-TERM TRADING

The Funds do not knowingly permit excessive, short-term trading and other abusive trading practices, sometimes referred to as "market timing." These practices (together, "**Frequent Trading**"), may present risks to the Funds, including increased transaction costs, interference with the efficient management of the Funds, and dilution of investment returns.

The Manager has adopted procedures intended to discourage Frequent Trading (the "**Procedures**"). Under the Procedures, the Funds reserve the right to reject any purchase orders or redemption orders by any Participant engaging in Frequent Trading activities.

As a means to protect each Fund and its Participants:

- Participants' activities in the Funds are monitored and reviewed to identify trading that could adversely impact the Funds, in particular material "Round Trip" transactions as defined below;

- With respect to Funds that invest in securities that trade on foreign markets, pricing adjustments may be made based on information received from a third-party, multi-factor fair valuation pricing service;

- The Manager may from time to time consider whether it is necessary or appropriate for a Fund to impose a short-term trading fee not exceeding 2% that, in the Manager's judgment, is necessary or appropriate to recoup the costs and limit any dilution resulting from Frequent Trading. Any such short-term trading fee would be imposed only to manage the impact of ongoing Frequent Trading and would not be imposed retrospectively on historic trades; and

- If a Participant engages in Frequent Trading, the Manager may take certain remedial or preventive measures, including rejecting any purchase, in whole or in part. The Manager reserves the right to reject purchases by any person whose trading activity in Units is deemed harmful to the Funds.

Under the Procedures, material "Round Trip" transactions means a series of transactions within the same Fund and within a defined time period, consisting of either (a) a purchase, followed by a redemption, followed by a purchase; or (b) a redemption, followed by a purchase, followed by a redemption).

While the Funds attempt to discourage Frequent Trading, there can be no guarantee that they will be able to identify investors who are engaging in Frequent Trading or limit their trading practices. Additionally, frequent trades of small amounts may not be detected. The Manager recognizes that it may not always be able to detect or prevent Frequent Trading or other activity that may disadvantage the Funds or their Participants.

Participants in the Funds may include investment vehicles and institutional investors (including pension plans and segregated funds) with omnibus or other account types which require them to make daily purchase and/or redemption transactions representing aggregate transactions of underlying clients. The Manager has no visibility of those underlying transactions. It has typically been the Manager's practice to refrain from applying any short-term trading fee or other restrictions on such short-term trading activity by such entities, but the Manager retains discretion to do so where inappropriate trading patterns are identified.

CHANGING BETWEEN SERIES

Assuming a Participant meets the relevant eligibility criteria for investment in a particular Series (if any), such Participant may, at any time, change all or part of their investment in a Series of a Fund to another Series of the same Fund. A change between Series is subject to the approval of the Manager.

A change between Series occurs by redesignating a Participant's existing Units into Units of another Series of the same Fund. A change between Series of the same Fund is not considered a disposition for tax purposes.

There will be no fees charged by the Manager in connection with a change between Series.

COMPUTATION AND DISTRIBUTION OF INCOME AND GAINS

The "Distribution Date" for each Fund is the last Valuation Date in each taxation year or such other frequency as agreed to from time to time as may be determined by the Manager. The net income of each Fund is computed as of the Valuation Time on each Distribution Date in accordance with the following rules:

(a) interest is computed on an accrual basis;

(b) dividends on preferred and common shares are recorded on a cash basis;

(c) capital gains and capital losses are excluded;

(d) all other income of the Fund is computed in accordance with generally accepted accounting principles; and

(e) all expenses paid which are chargeable to income, if any, are deducted in computing net income.

The net realized capital gains of each Fund are computed as of the Valuation Time on each Distribution Date on the basis of capital gains net of capital losses from dispositions made during the period since the then preceding Distribution Date less net unapplied capital losses realized in and carried forward from prior periods.

Any net income and net realized capital gains payable are paid following each Distribution Date to the Participants and the amounts payable to each Participant shall not be included in the Fund property for the purposes of determining the Net Asset Value of a Fund on or after the Distribution Date. Each Series of a Fund is entitled to its share of the Fund's net income and net realized capital gains adjusted for the Series specific expenses relative to each Fund. Until the portions of the net income and net realized capital gains payable to the Participants are paid in cash or reinvested in additional Units of a Fund, such amounts shall be treated as liabilities of the Fund. Each Fund is required to distribute to the Participants an amount equal to the aggregate of the amount sufficient to reduce the ordinary taxable income of the Fund to nil for purposes of the Tax Act.

Any distribution is paid to Participants in cash or reinvested in additional Units or fractions of Units of the same Series of a Fund following the Distribution Date at the applicable Series Net Asset Value per Unit calculated on the Distribution Date on which such amount was first payable to the Participant. No sales charge or commission is payable by a Participant in connection with any such reinvestment.

Any distributions shall be accompanied by a statement advising the Participants of the source of the funds so distributed so that distributions of ordinary income, dividends, return of capital and capital gains will be clearly distinguished, or, if the source of funds so distributed has not been determined, the communication shall so state, in which event the statement of the source of funds shall be forwarded to Participants promptly after the close of the taxation year in which the distribution was made.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a brief summary of the principal Canadian federal income tax considerations under the Tax Act for the Funds.

This summary is based on the current provisions of the Tax Act and takes into account the current administrative practices and assessing policies of the CRA. This summary also takes into account proposed amendments (the "**Proposed Amendments**") to the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurances can be given that the Proposed Amendments will become law as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations, does not take into account provincial or foreign income tax legislation or considerations, which might differ from the Canadian federal considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action.

This summary assumes that each Fund is a resident in Canada within the meaning of the Tax Act. The Supreme Court of Canada has stated that the residence of a trust is determined by a "fact driven analysis" with the view to determining the place where the central management and control of the trust is actually exercised. This summary also assumes that none of the Funds will, at any time, have a Participant that is a "designated beneficiary" under the Tax Act and that none of the Funds will at any time have more than 50% of its Units held by one or more “financial institutions”, as defined under subsection 142.3(1) of the Tax Act.

This summary is of a general nature only and is not intended to be, nor should it be considered as, legal or tax advice to any particular Participant.

Taxation of the Funds

Each of the Funds must pay tax on its net income (including deemed income) and net realized taxable capital gains for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable (or deemed to be paid or payable) to its Participants in the calendar year in which the taxation year-end falls. An amount will be considered to be payable to a Participant in a calendar year if it is paid to the Participant in that year by the Fund or if the Participant is entitled in that year to enforce payment of the amount. The Trust Agreement requires that each of the Funds distribute its net income and net realized capital gains, if any, for each taxation year to Participant to such an extent that the Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses). However, to the extent that the expenses of a Fund exceed its net income other than realized capital gains, the Fund may be subject to alternative minimum tax. The 2023 Federal Budget proposed amendments to the alternative minimum tax (“**AMT**”) including to increase the tax rate, raise the exemption and broaden the base for taxation years that begin after 2023. On August 4, 2023, the Department of Finance (Canada) released draft legislative proposals that included updated Proposed Amendments to the AMT (the “**August 4 Proposals**”). The August 4 Proposals introduced new exclusions from the AMT regime under the Tax Act for certain trusts, including an exception for a trust that meets the definition of an “investment fund” for purposes of the “loss restriction event” rules in the Tax Act. See “Large Participant Risk” below. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. No assurances can be given that the Funds will meet or continue to meet the “investment fund” definition. If a Fund were not to meet the “investment fund” definition at any time, it will become subject to the AMT regime under the Tax Act for all future taxation years.

A Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. Consequently, the amount of income, gains and losses realized by a Fund may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar.

It is expected that most of the income and capital gains of each Fund will be derived from investments in countries other than Canada. Accordingly, the Funds may be liable to pay tax to such foreign jurisdictions. A Fund may designate a portion of its foreign source income in respect of a Participant so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Participant for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of Participants

EACH PROSPECTIVE PARTICIPANT SHOULD SEEK INDEPENDENT ADVICE REGARDING THE TAX CONSEQUENCES OF INVESTING IN UNITS OF THE FUNDS BASED UPON THE INVESTOR’S OWN PARTICULAR CIRCUMSTANCES.

ENHANCED TAX INFORMATION REPORTING

The Funds have due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively “**FATCA**”) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, “**CRS**”). Generally, Participants (or in the case of certain Participants that are entities, the “controlling persons” thereof) will be required by law to provide the Fund with information related to their citizenship and tax residence, including, if applicable, their foreign tax identification number(s). If a Participant (or, if applicable, any of its controlling persons) (i) is identified as a U.S. Person (including a U.S. resident or U.S. citizen), (ii) is identified as a tax resident of a country other than Canada or the U.S., or (iii) does not provide the required information and indicia of U.S. or non-Canada status is present, information about the Participant (or, if applicable, its controlling persons) and his, her or its investment in the Fund will generally be reported to the CRA. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS. The Manager may require Participants to redeem some or all of their Units in a Fund if their investment has the potential to cause regulatory or tax problems. For example, if a Participant does not provide a valid FATCA or CRS self-certification form or a valid taxpayer identification number, which could result in non-compliance penalty obligations for a Fund, the Manager may redeem the Participant's Units to make the Fund whole for the imposition of such penalties.

In addition to the circumstances outlined above, the Manager may report certain information about Participants to foreign tax authorities in order to meet tax filing requirements which are beneficial to the Funds provided such disclosure is permissible under Canadian law or regulation.

REPORTING AND FISCAL YEAR

The Valuator and Record Keeper furnishes to each Participant, at the time of investment in Units, a statement setting forth the number of Units of each Fund held by the Participant. In addition, Participants will be sent audited annual financial statements and unaudited semi-annual financial statements of each Fund in accordance with applicable securities laws. The fiscal year end of each Fund is December 31.

AMENDMENT OF TRUST AGREEMENT AND TERMINATION OF TRUST

Any provision of the Trust Agreement may be amended by BG & Co Ltd, with the approval of the Trustee, without approval by or notice to Participants if the amendment is a Non-Material Amendment.

Any amendment of the Trust Agreement other than a Non-Material Amendment shall be subject to the consent of the Manager and the Trustee and shall be notified to Participants. Any such amendment shall take effect on a date to be specified therein, which date shall be not less than sixty (60) days after notice of the amendment is given to Participants.

A Fund, or a Series of a Fund, will be terminated on the occurrence of certain events stipulated in the Trust Agreement. The termination of a Series may be effected by a change of such Series into another Series of that Fund. BG & Co Ltd may resign as manager under the terms of the Trust Agreement in which case the Intra-Group Agreement will automatically terminate. The Trustee may resign as trustee of one or more Funds. In either case, if no successor is appointed in accordance with the Trust Agreement, the Funds will be terminated. In addition, the Manager may at any time terminate and dissolve a Fund or Series by giving to the Trustee and each Participant written notice of its intention to terminate at least sixty (60) days before the date on which that Fund or Series is to be terminated. On termination, the Trustee will distribute the assets of the Fund or Series (where termination of a Series is not done by way of a change of such Series into another Series of that Fund) in cash in accordance with the Trust Agreement.

MATERIAL CONTRACTS

There are no material contracts other than the Trust Agreement, the Custodian Agreement and the Valuation and Record Keeping Agreement and amendments thereto. Copies of the Trust Agreement, the Custodian Agreement and the Valuation and Record Keeping Agreement, as may be amended from time to time, may be requested from the Manager.

THE CUSTODIAN

BG & Co Ltd appointed the Custodian to provide custodial services to the Funds pursuant to the terms of the Custodian Agreement. The Funds' domestic portfolio securities (if any) are held by CIBC Mellon Trust Company in Toronto, Ontario, and the Funds' foreign portfolio securities are held in foreign jurisdictions by sub-custodians and/or depositaries under arrangements made to the satisfaction and order of the Custodian.

The Custodian's fee for providing custodial services to the Funds is paid by the Funds and will be as agreed between the Custodian and the Manager.

The Custodian shall exercise the same degree of care, diligence and skill in the safekeeping of the Funds' assets that a professional provider of similar services would exercise in the circumstances, or if higher, the degree of care, diligence and skill that the Custodian uses in respect of its own property of a similar nature in its custody.

The Custodian Agreement provides that the Custodian and its respective officers, directors, employees and agents (the "**Indemnified Custodian Party**") shall be indemnified and held harmless by each of the Funds, and to the extent not paid by the applicable Fund, by BG & Co Ltd, from any and all taxes and losses of any kind, including reasonable legal and expert's fees and expenses (but excluding consequential losses) arising out of the performance of the Custodian's obligations, as applicable, under the Custodian Agreement, except to the extent of any negligence, wilful misconduct, fraud or lack of good faith by the Custodian or breach of the Custodian's standard of care.

The Manager or the Custodian may terminate the Custodian Agreement upon 90 days' notice to the other party. The Custodian Agreement may also be terminated immediately by either party under certain circumstances, including bankruptcy or insolvency of the other party.

THE VALUATOR AND RECORD KEEPER

BG & Co Ltd appointed the Valuator and Record Keeper to provide services to the Funds pursuant to the terms of the Valuation and Record Keeping Agreement. The Valuator and Record Keeper's fee for providing services to the Funds is paid by the Funds and will be as agreed between the Valuator and Record Keeper and the Manager.

In performing its duties under the Valuation and Record Keeping Agreement, the Valuator and Record Keeper shall exercise the same degree of care, diligence and skill that a competent and professional service provider/fund valuator would exercise in similar circumstances.

Any liability of the Valuator and Record Keeper under the Valuation and Record Keeping Agreement shall be limited to the fund valuation and fund administration fees payable under the Valuation and Record Keeping Agreement in the preceding twelve months from the date on which the error occurred.

The Valuation and Record Keeping Agreement provides that the Valuator and Record Keeper, and its officers, directors and employees (each, an "Indemnified Valuator Party") shall be indemnified and held harmless by the applicable Fund, and to the extent not paid by the applicable Fund, by BG & Co Ltd, from any loss, liability, damage or expense, including reasonable legal fees and expenses, arising in connection with the Valuation and Recordkeeping Agreement (except to the extent caused by the negligence, wilful misconduct, fraud or lack of good faith of the Valuator and Record Keeper or breach of the Valuator and Record Keeper's standard of care).

The Manager or the Valuator and Record Keeper may terminate the Valuation and Record Keeping Agreement upon sixty (60) days' notice to the other party. The Valuation and Record Keeping Agreement may also be terminated immediately by either party under certain circumstances, including bankruptcy or insolvency of the other party.

AUDITORS

The auditors of the Funds are Ernst & Young LLP, Toronto, Canada.

RISK FACTORS

An investment in the Units of each Fund should only be made after consulting with independent and qualified sources of investment and tax advice.

An investment in Units of each Fund is considered speculative due to the nature of each Fund's business and involves certain risk factors. Although it is the intention of the Manager, there is no guarantee that an investment in Units will earn any positive return in the short or long term and investors must be able to bear the risk of investment loss.

Investment in Units involves certain risk factors, including risks associated with each Fund's investment policies. The following risks should be carefully evaluated by prospective investors.

The chart below identifies the principal risks that apply to each Fund, and the risks are more fully described below in this section, in alphabetical order and not in the order of importance or potential exposure. Each Fund may be subject to additional risks other than those identified below because the types of investments made by each Fund can change over time.

Risk	Baillie Gifford Emerging Markets Fund	Baillie Gifford Global Alpha Fund	Baillie Gifford International Concentrated Growth Fund	Baillie Gifford Long Term Global Growth Equity Fund	Baillie Gifford Overseas Fund	Baillie Gifford Positive Change Equity Fund	Baillie Gifford Sustainable Growth Equity Fund
Concentration Risk			•	•		•	
Conflicts of Interest Risk	•	•	•	•	•	•	•
Currency Risk	•	•	•	•	•	•	•
Emerging Markets Risk	•	•	•	•	•	•	•
Equity Securities Risk	•	•	•	•	•	•	•
ESG Risk	•	•	•	•	•	•	•
Focused Investment Risk	•	•	•	•	•	•	•
Foreign Investment Risk	•	•	•	•	•	•	•
Frontier Markets Risk	•					•	
Geographic Focus Risk	•		•		•		
Government and Regulatory Risk	•	•	•	•	•	•	•
Growth Stock Risk	•	•	•	•	•	•	•
Impact Risk						•	
Information Technology Risk	•	•	•	•	•	•	•
Initial Public Offering Risk	•	•	•	•	•	•	•
Investment Style Risk	•	•	•	•	•	•	•
Japan Risk					•		•
Large-Capitalization Securities Risk	•	•	•	•	•	•	•
Large Participant Risk	•	•	•	•	•	•	•
Legal and Regulatory Risk	•	•	•	•	•	•	•
Liquidity Risk	•	•	•	•	•	•	•
Long-Term Investment Strategy Risk	•	•	•	•	•	•	•
Market Capitalization Risk	•	•	•	•	•	•	•
Market Disruption and Geopolitical Risk	•	•	•	•	•	•	•
Market Risk	•	•	•	•	•	•	•
Multiple Series Risk	•	•	•	•	•	•	•
Net Zero Asset Managers initiative (‘NZAM’) Risk				•		•	•
New and Smaller Sized Funds Risk			•				•
Restricted Securities Risk	•	•	•	•	•	•	•

Risk	Baillie Gifford Emerging Markets Fund	Baillie Gifford Global Alpha Fund	Baillie Gifford International Concentrated Growth Fund	Baillie Gifford Long Term Global Growth Equity Fund	Baillie Gifford Overseas Fund	Baillie Gifford Positive Change Equity Fund	Baillie Gifford Sustainable Growth Equity Fund
Sector Risk	•	•	•	•	•	•	•
Service Provider Risk	•	•	•	•	•	•	•
Settlement Risk	•	•	•	•	•	•	•
Small- and Medium-Capitalization Securities Risk	•	•	•	•	•	•	•
Socially Responsible Investing Risk						•	•
Valuation Risk	•	•	•	•	•	•	•
Warrants Risk	•	•	•	•	•	•	•

Concentration Risk

A Fund may hold a smaller number of portfolio securities, with larger positions in each security it holds, than other pooled funds. To the extent a Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers. The value of such a Fund's Units may be more volatile than the values of units of more diversified funds. See also "Focused Investment Risk" below.

Conflicts of Interest Risk

The following does not purport to be a comprehensive list or complete explanation of all potential conflicts of interests which may affect a Fund. A Fund may encounter circumstances, or enter into transactions, in which conflicts of interest may arise that are not listed or discussed below.

An investment in a Fund may be subject to a number of actual or potential conflicts of interest. For example, the Manager's Affiliates may provide services to a Fund, such as administrative, bookkeeping, and accounting services, transfer agency and Participant servicing, securities brokerage services, trade execution, and other services for which the Fund would compensate the Manager and/or such Affiliates. A Fund may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with the Manager. There is no assurance that the rates at which a Fund pays fees or expenses to the Manager or its Affiliates, or the terms on which it enters into transactions with the Manager or its Affiliates will be the most favourable available in the market generally or as favourable as the rates the Manager makes available to other clients. Because of its financial interest, the Manager may have an incentive to enter into transactions or arrangements on behalf of a Fund with itself or its Affiliates in circumstances where it might not have done so in the absence of that interest.

The Manager and its Affiliates serve as investment manager or adviser to various other clients. Some of these clients may pursue strategies that are substantially similar or nearly identical to investment strategies pursued by a Fund. Other clients may pursue strategies that differ from a Fund's but which involve investments in many of the same securities. This "side-by-side" management gives rise to various potential or actual conflicts of interest. For example, one client may be seeking to invest in (or divest from) the same securities at the same time as a Fund; the Manager or its Affiliates may make investment decisions for another client that may be different from those that will be made by the Manager on behalf of a Fund; or the Manager or its Affiliates may invest for clients in various securities that are senior, *pari passu* or junior to, or have interests different from or adverse to, the securities that are owned by a Fund. In addition, the Manager may invest on behalf of other clients in a company's securities issued prior to an Initial Public Offering ("**IPO"**). Those client accounts may maintain their holdings, increase their holdings or sell their holdings in connection with the company's IPO. Since the Fund would generally invest only at the time of, or after, an IPO, the Manager could be subject to conflicts in connection with the Fund's later investment in the company. The Manager or its Affiliates, in connection with its other business activities, may acquire material non-public confidential information that may restrict the Manager from purchasing securities or selling securities for itself or its clients (including a Fund) or otherwise using such information for the benefit of its clients or itself. While the Manager maintains procedures to mitigate such conflicts, including procedures for the fair allocation of trades among its clients, it may have an incentive to favour some clients over others, particularly where the Manager is acting for a client account whose management fee depends on the performance of the account.

Subject to compliance oversight by the Manager, investment personnel may hold board or other non-executive positions in companies outside of Baillie Gifford ("**External Organizations**"), which could expose those individuals to material non-public information ("**MNPI**"). Any MNPI known could be imputed to the entire Baillie Gifford organization, including the Manager, which could impact trading across all Baillie Gifford strategies and limit the ability of the Manager to execute trades on behalf of a Fund. In addition to impacting a Fund's ability to trade in the External Organization, the possession of MNPI could also restrict the Manager's ability to trade the securities of public companies in which the External Organization also invests alongside the Fund. While the Manager has implemented compliance measures to mitigate the impact of this risk, exposure to MNPI cannot be completely prevented. Because a Fund might not be able to buy or sell a company's securities during times when the Manager is deemed to be in possession of MNPI, its performance could be negatively impacted. In addition, where a portfolio manager of a Fund holds an External Organization position, he or she may be restricted from participating in deliberations concerning certain investments related to that External Organization.

Currency Risk

If a Fund trades in securities quoted or denominated in currencies other than the Canadian dollar, or receives income in a non-Canadian currency, and that currency declines in value relative to the Canadian dollar, the return to the Fund will be reduced. A Fund may invest without limitation in securities quoted or denominated in currencies other than the Canadian dollar and may hold such currencies directly.

Fluctuations in currency exchange rates and currency devaluations, if any, will also affect the Canadian dollar value of a Fund's portfolio securities as well as the Series Net Asset Value per Unit of a Fund's Units. Any transaction by a Fund in foreign currencies may give rise to ordinary income or loss from fluctuations in the value of the foreign currency concerned.

The values of non-Canadian currencies may fluctuate relative to the Canadian dollar in response to, among other factors, changes in supply and demand in the currency exchange markets, trade balances, actual or perceived interest rate changes, long-term opportunities for investment and capital appreciation, intervention (or failure to intervene) by national governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, and other political or regulatory developments. For further information, please see "Market Disruption and Geopolitical Risk" below.

If a Fund trades in securities quoted or denominated in currencies other than the Canadian dollar, or receives income in a non-Canadian currency, and that currency becomes illiquid, such Fund may not be able to convert that non-Canadian currency into Canadian dollars. As a result, the Manager may decide to purchase Canadian dollars in a parallel market in which the exchange rate is materially and adversely different. This will add to the cost of trading. For further information, please see "Liquidity Risk" below. Exchange rates for many currencies (e.g., some emerging country currencies) are particularly affected by exchange control regulations.

Emerging Markets Risk

Investments in emerging markets are generally subject to a greater risk of loss than investments in more developed markets.

Emerging market economies may experience greater volatility, lower trading volume and therefore lower liquidity, greater risk of expropriation, nationalization, and social, political and economic instability than more established markets. Emerging market economies may also have less developed accounting, legal and regulatory systems, higher levels of inflation, deflation or currency devaluation, greater risk of market shut down, and more significant governmental limitations on investment policy when compared with typical developed markets. Settlement and asset custody practices for transactions in emerging markets may differ from those in developed markets. Such differences may include delays in settlement and certain settlement practices, such as delivery of securities prior to receipt of payment, which increase the likelihood of a "failed settlement." Failed settlements can result in losses. Similarly, the reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in problems realizing investments. See “Foreign Investment Risk” below.

In addition, issuers (including governments) in emerging market countries may have less financial stability than in other countries. There is also the potential for unfavourable action such as expropriation, nationalization, embargo, and acts of war. As a result, there will tend to be an increased risk of price volatility in investments in emerging market countries, which may be magnified by currency fluctuations relative to the Canadian dollar.

The securities of emerging market companies may trade less frequently and in smaller volumes than more widely held securities. They may also be reliant on a few industries, international trade or revenue from particular commodities. The existence of overburdened infrastructure and obsolete financial systems also present risks in certain countries, as do environmental problems.

Market disruptions or substantial market corrections may limit very significantly the liquidity of securities of certain companies in a particular country or geographic region, or of all companies in the country or region. A Fund may be unable to liquidate its positions in such securities at any time, or at a favourable price, in order to meet such Fund’s obligations. For example, restrictive investment quota controls and other dealing limitations may apply.

For these and other reasons, investments in emerging markets are often considered speculative. A Fund, by investing in emerging markets will be subject to all of the general risks described in this Offering Memorandum as well as special risks that may affect the region where such Fund invests. More details of specific emerging markets risks are set out below.

- ***Less Developed Economies Risk***

The securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of Canada, the U.S. and other developed foreign countries, and disclosure and regulatory standards in many respects are less stringent.

The economies of individual countries may differ favourably or unfavourably and significantly from the Canadian or U.S. economy in such respects as growth of gross domestic product (**“GDP”**) or gross national product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency, structural unemployment and balance of payments position.

The domestic economies of emerging market countries are generally not as diversified as those of Canada, the U.S and certain Western European countries. A significant portion of many of such countries’ national GDPs are represented by one commodity, such as oil, or groups of commodities. World fluctuations in the prices of certain commodities, such as the price of oil, may significantly affect the economy involved.

Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on such countries’ economies and securities markets.

Emerging market economies may also be dependent on international aid or development assistance, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates.

Due to the differences in the nature and quality of financial information of issuers of emerging market securities, including auditing and financial reporting standards, financial information and disclosures about such issuers may be unavailable or, if made available, may be considerably less reliable than publicly available information about other foreign securities. Investors in foreign countries often have limited rights and few practical remedies to pursue shareholder claims, including class actions or fraud claims, and the ability of Canadian authorities to bring and enforce actions against foreign issuers or foreign persons is limited. As such, there is likely less recourse in the event of investor harm, and a Fund may not be able to protect its interests with respect to investments in emerging markets countries.

- ***Governmental & Political Risk***

In addition, the securities markets of emerging market countries may be subject to a lower level of monitoring and regulation.

Government enforcement of existing securities regulations may be limited, and any such enforcements are typically arbitrary and the results may be difficult to predict. In addition, reporting requirements of emerging market countries with respect to the ownership of securities are more likely to be subject to interpretation or changes without prior notice to investors than more developed countries.

In many cases, governments of emerging market countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of creditors in those countries to make payments on their debt obligations, regardless of their financial condition. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult or impossible at times. Consequently, securities of issuers located in countries with emerging markets may have limited marketability and may be subject to more abrupt or erratic price movements. In addition, investor sentiment toward companies in otherwise unrelated markets may be influenced by adverse events in other foreign markets. Also, such local markets typically offer less regulatory protections for investors.

Furthermore, U.S. government actions and policies, such as those preventing certain investments, requiring disinvestment of certain holdings, or restricting economic transactions, may adversely impact the economic conditions in emerging market countries. Political change or instability, including the risks of war or terrorism, may also adversely affect the economies and securities markets of such countries. Expropriation, nationalization or other confiscation due to political change could result in a Fund's loss of its entire investment in the country involved. The possibility or reality of nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, widespread corruption, political or social instability or diplomatic developments could affect adversely the economies of countries and the value of a Fund's investments in those countries.

- ***Liquidity Risk***

Lack of liquidity and efficiency and/or government imposed quotas in certain of the stock markets or foreign exchange markets in certain emerging market countries may mean that from time to time the Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market. Restrictions on day trading, manual trading, block trading and/or off-exchange trading may mean that a Fund's investment options will be limited.

The financial markets in emerging market countries are also undergoing rapid growth and changes. This may lead to increased trading and pricing volatility, suspension risk and difficulties in settlement of securities.

- ***Custody Risk***

The custodial systems in countries with emerging markets may also not be fully developed.

There may be limited regulatory oversight of certain foreign subcustodians that hold foreign securities subject to the supervision of a Fund's primary Canadian-based custodian, CIBC Mellon Trust Company. A Fund may be limited in its ability to recover assets if a foreign sub-custodian becomes bankrupt or otherwise unable or unwilling to return assets of the Fund, which may expose such Fund to risk, especially in circumstances where the Fund's primary custodian may not be contractually obligated to make the Fund whole for the particular loss.

Investments in emerging markets may also carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. Prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) may expose a Fund to credit and other risks. Similarly, the reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets which may result in problems in realizing investments.

- ***Currency Risk***

Emerging market countries periodically experience increases in market volatility and declines in foreign currency exchange rates. Currency fluctuations affect the value of securities because the prices of these securities are generally denominated or quoted in currencies other than the Canadian dollar. Fluctuations in currency exchange rates can also affect a country's or company's ability to service its debt.

Special Risks of Investing in Asian Securities

In addition to the risks of foreign investments and emerging market countries investments described above, investments in Asia are subject to other risks. The economies of Asian countries are at varying levels of development. Markets of countries whose economies are in the early stages of development may exhibit a high concentration of market capitalization and have less trading volume, lower liquidity, and more volatility than more developed markets. Some Asian countries depend heavily on foreign trade. The economies of some Asian countries are not diversified and are based on only a few commodities or industries.

Investments in Asia also are susceptible to social, political, legal, and operational risks. Some countries have authoritarian or relatively unstable governments. Some governments in the region provide less supervision and regulation of their financial markets and in some countries less financial information is available than is typical of more developed markets. Some Asian countries restrict direct foreign investment in securities markets, and investments in securities traded on those markets may be made, if at all, only indirectly (e.g., through depositary receipts).

Asian countries periodically experience increases in market volatility and declines in foreign currency exchange rates. Currency fluctuations affect the value of securities because the prices of these securities are generally denominated or quoted in currencies other than the Canadian dollar. Fluctuations in currency exchange rates can also affect a country's or company's ability to service its debt.

The political and economic prospects of one Asian country or group of Asian countries can affect other countries in the region. For example, the economies of some Asian countries are directly affected by Japanese capital investment in the region and by Japanese consumer demands. In addition, a recession, a debt crisis, or a decline in currency valuation in one Asian country may spread to other Asian countries.

Special Risks of Investing in China

In this section, "China" or "PRC" means the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Investing in securities or other financial instruments of Chinese issuers, including by investing in China "A" Shares ("**A Shares**" or "**China A Shares**"), involves certain risks and considerations not typically associated with investing in securities or other financial instruments of Canadian issuers, including, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers, resulting in a lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalization or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) potentially higher rates of inflation, (viii) the unreliability of some economic data, (ix) the relatively small size and absence of operating history of many Chinese companies, (x) accounting, auditing and financial reporting standards in China are different from Canadian standards and, therefore, disclosure of certain material information may not be available, (xi) greater political, economic, social, legal and tax-related uncertainty, (xii) higher market volatility caused by any potential regional territorial conflicts or natural disasters, (xiii) higher dependence on exports and international trade, (xiv) the risk of increased trade tariffs, sanctions, embargoes and other trade limitations, (xv) restrictions on foreign ownership, (xvi) restrictions on the size of permissible positions in individual Chinese issuers, (xvii) custody risks associated with investing through the qualified foreign investor program or other programs to access Chinese securities and other financial instruments, (xviii) sanctions or other investment restrictions with respect to Chinese issuers which could preclude a Fund from making certain investments or cause a Fund to sell investments at a disadvantageous time, (xix) risks associated with investments in variable interest entities, and (xx) potential adverse tax consequences. Significant portions of the Chinese securities markets may become rapidly illiquid, as Chinese issuers have the ability to suspend the trading of their equity securities, and have shown a willingness to exercise that option in response to market volatility and other events. The liquidity of Chinese securities may shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, whether or not accurate.

- ***Investing in China through the Stock Connect Programs and QFI Program***

China A Shares are common stocks and other equity securities of issuers located in China that are listed or traded on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or any other stock exchange in China and which are quoted in renminbi ("**RMB**"). The Funds may access China A Shares through the Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Stock Connect program (together the "**Stock Connect programs**") or through the Manager's qualified foreign investor ("**QFI**") licence. Historically, investments in securities, bonds, and warrants listed and traded on a mainland Chinese stock exchange, investment funds, and other financial instruments (collectively referred to as "**China Securities**") approved by the China Securities Regulatory Commission ("**CSRC**") were limited for investment by non-Chinese investors. The CSRC has granted the Manager a QFI licence allowing the Manager to invest in eligible China Securities through the QFI program ("**the QFI program**") and the Funds now have access to the Stock Connect programs. The Funds may also access eligible China Securities through other eligible access channels which may become available in the future.

- ***Stock Connect Investing Risk***

The Funds may invest in A Shares listed and traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange through the Stock Connect programs, or on such other stock exchanges in China which participate in the Stock Connect programs from time to time. The Stock Connect programs are securities trading and clearing link programs that enable international investors to invest in China A Shares. A Fund's investments in A Shares are generally subject to Chinese securities regulations and listing rules, among other restrictions that may affect the Fund's investments and returns, including daily limits on net purchases across the whole Stock Connect system and transfer restrictions. Trading under the Stock Connect programs is subject to an aggregate daily quota, which limits the maximum net buy value of crossboundary trades under each of the Stock Connect programs each day. This is monitored by the Stock Exchange of Hong Kong on a real-time basis and reset every day. If the daily quota drops to zero or is exceeded, no further buy orders will be accepted for the remainder of that day (although sales of China A Shares are permitted regardless of the daily quota). The daily quota is not specific to any one particular investor. In addition, a Fund's trading under the Stock Connect programs may be subject to certain risk factors including, without limitation, those relating to trading, clearance and settlement procedures. While overseas investors currently are exempt from paying capital gains or value added taxes on income and gains from investments in A Shares, these Chinese tax rules could be changed, which could result in unexpected tax liabilities for the Fund.

Under the Stock Connect programs, Hong Kong Securities Clearing Company ("**HKSCC**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited, will be responsible for the clearing and settlement and for the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. HKSCC holds the China A Shares, as the nominee holder, through an onshore omnibus securities account in its own name. However, the exact methods to enforce the rights and interests of the Funds as beneficial owners of the China A Shares are untested in practice. Because of such uncertainty, in the unlikely event that the HKSCC becomes subject to wind-up proceedings in Hong Kong, there is a risk that the China A Shares may not be regarded as held for the beneficial ownership of the Funds.

The Stock Connect programs will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when a Fund may be subject to the risk of price fluctuations of A Shares during the time when the Stock Connect programs are not trading. Because of the way in which China A Shares are held in Stock Connect, a Fund may not be able to exercise the rights of a shareholder and may be limited in its ability to pursue claims against the issuer of a security, and may suffer losses in the event the depository of the Shanghai or Shenzhen Stock Exchange becomes insolvent. Only certain China A Shares are eligible to be accessed through the Stock Connect programs. Such securities may lose their eligibility at any time, in which case they presumably could be sold but could no longer be purchased through the Stock Connect programs. The Stock Connect programs are relatively new. Further developments are likely and there can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect a Fund's investments or returns. In addition, the application and interpretation of the laws and regulations of Hong Kong and China, and the rules, policies or guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect programs are uncertain, and they may have a detrimental effect on a Fund's investments and returns.

- ***QFI Investing Risk***

The Funds may access eligible China Securities through the Manager's QFI licence. Investing in eligible China Securities through the QFI program presents additional risks. Under the QFI program, there are certain regulatory restrictions relating to, among other things, investment scope (including restrictions on the types of instruments available for purchase by the licence holder), repatriation of funds (including the ability of the licence holder to repatriate funds), foreign shareholding limits, and account structure (including the structure of custodial and brokerage accounts for trading in Chinese securities), which could change at any time and adversely affect a Fund's investments.

The Manager as a QFI licence holder is required to appoint a Chinese custodian in respect of the eligible China Securities held by a Fund in China under the QFI Program, and cash may be deposited with the Chinese custodian as banker from time to time. A Fund will not have proprietary rights to the cash deposited and therefore may be limited in its ability to recover cash if the Chinese custodian becomes insolvent and may suffer losses as a result.

Additionally, there are ongoing uncertainties regarding how recent changes to the QFI program will be implemented. Although the relevant QFI regulations have recently been revised to relax regulatory restrictions on the onshore capital management by QFI licence holders (including removing investment quota limits and simplifying routine repatriation of investment proceeds), it is a new development and therefore subject to uncertainties as to how well it will be implemented in practice, especially at the early stage.

- ***Cross-Exchange Trading Risk***

Trades do not cross between the Shanghai and Shenzhen Stock Exchanges and a separate broker is assigned for each exchange. If a Fund rebalances across both exchanges, the Fund must trade out of stocks listed on one exchange with a broker and trade into stocks on the other exchange with a separate broker. As a result, the Fund may incur additional fees.

- ***Chinese Currency and Repatriation Risk***

The Chinese government heavily regulates the domestic exchange of foreign currencies within China. Chinese law requires that all domestic transactions must be settled in RMB, which places significant restrictions on the remittance of foreign currencies and strictly regulates currency exchange from RMB. There is no assurance that there will always be sufficient amounts of RMB for a Fund to remain fully invested. Any restrictions on repatriation of a Fund's portfolio investments may have an adverse effect on a Fund's ability to meet redemption requests or achieve its investment objective.

- ***China A Shares Tax Risk***

Investments in A Shares could result in unexpected tax liabilities for a Fund. Chinese law imposes withholding taxes on dividends and interest paid to foreign investors by companies listed in China, as well as capital gains realized by such investors, subject to certain temporary exemptions applicable to capital gains and value-added tax on gains realized from investments in A Shares. Application of these rules, including as a result of revocation of any temporary exemptions, could result in tax liabilities for a Fund, which could negatively affect investment returns for Participants.

- ***ChiNext and Science and Technology Innovation Boards***

A Fund may, either through the Stock Connect Programs or the Manager's QFI licence, access certain subsidiary boards of various Chinese stock exchanges (such boards, the "**Chinese Boards**"), such as the ChiNext Board, a subsidiary of the Shenzhen Stock Exchange, or the Science and Technology Innovation Board, a subsidiary of the Shanghai Stock Exchange. Companies listed on the Chinese Boards are typically smaller capitalization companies with shorter operating histories and therefore their securities may be more vulnerable to market risks and market volatility than larger companies listed on the main boards of Shenzhen Stock Exchange or Shanghai Stock Exchange. Additionally, as the Chinese Boards have different listing processes and standards than those of the main boards of the Shenzhen Stock Exchange or Shanghai Stock Exchange, a Fund may be subject to a greater risk that a company it buys through the Chinese Boards is eventually delisted. If such a situation were to occur, a Fund may lose its ability to trade the delisted shares and may lose its invested capital in a company.

- ***Variable Interest Entity Risk***

Certain Funds may also gain investment exposure to certain Chinese companies through variable interest entity ("**VIE**") structures. Such investments are subject to the investment risks associated with the Chinese-based company. The VIE structure enables foreign investors, such as the Funds, to obtain investment exposure to a Chinese company in situations in which the Chinese government has limited or prohibited the non-Chinese ownership of such company. The VIE structure does not involve direct equity ownership in a China-based company, but instead establishes claims to the China based company's profits and control of the company's assets through contractual arrangements. A Fund will typically have little or no ability to influence VIE through proxy voting or other means because it is not a VIE owner/shareholder. Recently, China has proposed the adoption of rules which would affirm that VIE-structured overseas listings are legally permissible. If, however, the Chinese government were to determine that the contractual arrangements establishing the VIE structure did not comply with Chinese law or regulations, the Chinese operating company could be subject to penalties, revocation of its business and operating license, or forfeiture of ownership interests. Further intervention by the Chinese government with respect to any existing VIE structures could significantly affect the relevant Chinese operating company's performance and thus, the value of the Fund's investment through a VIE structure, as well as the enforceability of the contractual arrangements of the VIE structure. It remains unclear whether any new laws, rules or regulations relating to VIE structures will be adopted or, if adopted, what impact they would have on the interests of foreign shareholders. Control over a VIE may also be jeopardized if a natural person who holds the equity interest in the VIE breaches the terms of the contractual arrangements, is subject to legal proceedings, or if any physical instruments such as seals are used without authorization. In the event of such an occurrence, a Fund, as a foreign investor, may have little or no legal recourse. In addition to the risk of government intervention, investments through a VIE structure are subject to the risk that the China-based company (or its officers, directors, or Chinese equity owners) may breach the contractual arrangements, or Chinese law changes in a way that adversely affects the enforceability of the arrangements, or the contracts are otherwise not enforceable under Chinese law, in which case a Fund may suffer significant losses on its investments through a VIE structure with little or no recourse available.

Special Risks of Investing in India

Only entities and persons that comply with certain statutory conditions and that are registered as foreign portfolio investors ("**FPIs**") with the Securities and Exchange Board of India ("**SEBI**") under the SEBI (FPI) Regulations, 2019 ("**FPI Regulations**") are permitted to make direct investments in exchange-traded and certain other Indian securities. Certain of the Funds are registered as FPIs. As an FPI, a Fund and any other FPIs belonging to the same "investor group" as the Fund (which may occur as a result of common majority ownership and/or common control, and which can include FPIs managed by an external third party) can only hold up to 10% of the paid-up capital, or 10% of the paid-up value of each series of convertible debentures or preference shares or share warrants of an Indian company on an aggregate basis (the "**10% Threshold**"). In addition to the 10% Threshold, FPI investment in Indian companies may not exceed any sectoral cap on ownership by an FPI that applies to a particular company and/or the aggregate cap on FPI investments in a company.

Compliance with FPI Regulations may limit a Fund's ability to invest in certain companies which may negatively impact a Fund's investment performance. Additionally, a Fund may have to sell portfolio holdings to maintain compliance with the regulatory limits in order to continue to hold those investments as an FPI. Investments held in excess of the limits would be reclassified as Foreign Direct Investment, which would restrict further investment and may lead to adverse tax implications for a Fund.

Details of those Funds which currently hold FPI Registration are available from the Manager.

Special Risks of Investing in Latin American Securities

Although there have been significant improvements in recent years, the Latin American economies continue to experience significant problems.

Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain Latin American countries.

The emergence of the Latin American economies and securities markets will require continued economic and fiscal discipline which has been lacking at times in the past, as well as stable political and social conditions. There is no assurance that economic initiatives will be successful. Recovery may also be influenced by international economic conditions, particularly those in the U.S., and by world prices for oil and other commodities.

Special Risks of Investing in Eastern European Securities

Specific risks vary greatly between the various Eastern European markets, but they include, among others, corporate governance, fiscal stability, banking regulations, European Union accession and continued membership, global commodity prices, political stability and market liquidity.

For example, in February 2022, Russia commenced a military invasion of Ukraine. The outbreak of hostilities could result in more widespread conflict and has had an adverse effect on the region and the markets for securities , as well as ramifications beyond just Russia and Ukraine. Russia's invasion of Ukraine has led to, and may lead to additional, sanctions being levied by Canada, United States, the European Union and other countries and organizations against Russia and Belarus. These sanctions froze certain Russian assets and prohibited, among other things, trading in certain Russian securities and doing business with specific Russian corporate entities, large financial institutions, officials and oligarchs. The sanctions also included the removal of some Russian banks from the Society for Worldwide Interbank Financial Telecommunications (SWIFT), an electronic network that connects banks globally, and imposed restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Russia's invasion and the resulting sanctions have affected and could continue to affect global energy, commodity and financial markets, and thus have affected and could in future affect the value of the Funds' investments. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial, and may put significant pressure on global financial systems, including on banks and custodians. The market capitalizations of many Russian companies have already experienced significant declines, and Russia closed its securities markets for an extended period of time, before reopening with limited trading, though in the most part to Russian investors only. These market disruptions have and may continue to result in the decline in the value and liquidity of Russian securities, extreme volatility in the Russian currency, a downgrade in Russia's credit rating, the inability to freely trade sanctioned companies (either due to the sanctions imposed or related operational issues) and/or other impacts on the Russian economy, any of which could negatively impact a Fund's investments in Russian securities. Sanctions could result in the immediate freeze of Russian securities, impairing the ability of a Fund to buy, sell, receive or deliver those securities. Both the current and potential future sanctions and other government actions against Russia also could result in Russia taking counter measures or retaliatory actions, which may impair further the value or liquidity of Russian securities and negatively impact a Fund or the broader global markets. Any or all of these potential results could lead Russian and other economic regions into a recession. A number of large corporations and U.S. states have also announced plans to divest interests or otherwise curtail business dealings with certain Russian businesses. These sanctions and any additional sanctions or other intergovernmental actions that may be undertaken against Russia or other countries that support Russia's military invasion in the future may result in the devaluation of Russian or other affected currencies, a downgrade in the sanctioned country's credit rating, and a decline in the value and liquidity of Russian securities and securities of issuers in other countries that support the invasion.

In addition, beyond the effects of the Russian invasion of Ukraine and the related sanctions, the social, political, legal, and operational risks of investing in Russian issuers, and of having assets held in custody within Russia, may be particularly pronounced relative to investments in more developed countries. Russia's system of share registration and custody creates certain risks of loss (including the risk of total loss) that are not normally associated with investments in other securities markets.

Equity Securities Risk

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. In addition to common stocks, equity securities include, without limitation, preferred stocks, convertible securities and warrants. Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy and/or insolvency of the issuer. A Fund may invest in, and gain exposure to, common stocks and other equity securities through purchasing depositary receipts as described under "Depositary Receipts" below.

Equity securities may experience significant price volatility, and the market prices of equity securities can decline in a rapid or unpredictable manner.

The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions or actions taken by its management or employees, which could include fraud or a criminal act, or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or in a number of different industries, such as increases in production costs.

The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates, investor confidence, market conditions, adverse circumstances involving the credit markets, or announcements of economic, political, or financial information. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. The market prices of equity securities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equity securities trading at lower multiples.

A Fund may invest in the equity securities of issuers with smaller to medium-sized market capitalizations. See “Small- and Medium-Capitalization Securities Risk” below.

- ***Depositary Receipts***

A Fund may invest in depositary receipts, including American Depositary Receipts (“**ADRs**”), European Depositary Receipts (“**EDRs**”) and Global Depositary Receipts (“**GDRs**”). ADRs are U.S. dollar-denominated receipts issued generally by U.S. domestic banks and representing the deposit with the bank of a security of a non-U.S. issuer, and are publicly traded on exchanges or over-the-counter in the United States. EDRs are receipts similar to ADRs and are issued and traded in Europe. GDRs may be offered privately in Canada and also traded in public or private markets in other countries. Investments in non-Canadian issuers through ADRs, GDRs, EDRs, and other types of depositary receipts generally involve risks applicable to other types of investments in non-Canadian issuers, including political, regulatory, and economic risks because the value of a depositary receipt is dependent upon the market price of an underlying security. Investments in depositary receipts may similarly be less liquid and more volatile than the underlying securities in their primary trading market.

The values of depositary receipts may decline for a number of reasons relating to the issuers or sponsors of the depositary receipts, including, but not limited to, insolvency of the issuer or sponsor. Investing in these instruments exposes a Fund to credit and counterparty risk with respect to the issuer of the ADR, EDR or GDR, in addition to the risks of the underlying investment. There may be less publicly available information regarding the issuer of the securities underlying a depositary receipt than if those securities were traded directly in securities markets. If a depositary receipt is denominated in a different currency than its underlying securities, a Fund will be subject to the currency risk of both the investment in the depositary receipt and the underlying security. Holders of depositary receipts may also have limited or no rights to take action with respect to the underlying securities or to compel the issuer of the receipts to take action. In addition, a depositary or issuer may unwind its depositary receipt program, or the relevant exchange may require depositary receipts to be delisted, which could require a Fund to sell its depositary receipts (potentially at disadvantageous prices) or to convert them into shares of the underlying security (which could adversely affect their value or liquidity). Depositary receipts also may be subject to illiquidity risk, and trading in depositary receipts may be suspended by the relevant exchange.

Depositary receipts may be sponsored or unsponsored. Although the two types of depositary receipt facilities are similar, there are differences regarding a holder’s rights and obligations and the practices of market participants. With sponsored facilities, the underlying issuer typically bears some of the costs of the depositary receipts (such as dividend payment fees of the depositary), although most sponsored depositary receipt holders may bear costs such as deposit and redemption fees. Depositaries of most sponsored depositary receipts agree to distribute notices of shareholder meetings, voting instructions, and other shareholder communications and financial information to the depositary receipt holders at the underlying issuer’s request. Holders of unsponsored depositary receipts generally bear all the costs of the facility. The depositary usually charges fees upon the deposit and redemption of the underlying securities, the conversion of dividends into U.S. dollars or other currency, the disposition of non-cash distributions, and the performance of other services. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the underlying issuer or to pass through voting rights with respect to the underlying securities to depositary receipt holders.

- ***Convertible Securities***

Convertible securities are generally bonds, debentures, notes, preferred stocks, synthetic convertible securities and other securities or investments that may be converted or exchanged (by the holder or issuer) into equity securities of the issuer (or cash or securities of equivalent value). A convertible security may be called for redemption or conversion by the issuer after a particular date and under certain circumstances (including a specified price) established upon issue. If a convertible security held by a Fund is called for redemption or conversion, such Fund could be required to tender it for redemption, convert it into the underlying common stock or sell it to a third party. A convertible security will normally also provide income and is subject to interest rate risk.

Convertible securities typically provide yields lower than comparable non-convertible securities. Their values may be more volatile than those of non-convertible securities, reflecting changes in the values of the securities into which they are convertible. Convertible securities may also be subordinate to other debt securities issued by the same issuer. Issuers of convertible securities are often not as strong financially as issuers with higher credit ratings.

- ***Participatory Notes***

From time to time, a Fund may use participatory notes ("P-Notes") to gain exposure to securities in certain foreign markets. P-Notes involve risks that are in addition to those normally associated with a direct investment in the foreign securities the P-Notes seek to replicate. P-Notes are generally traded over-the-counter and constitute general unsecured contractual obligations of the banks or broker-dealers that issue them. Generally, banks and broker-dealers associated with non-Canada based brokerage firms buy securities listed on certain foreign exchanges and then issue P-Notes which are designed to replicate the performance of the securities and markets. The performance results of P-Notes will not replicate exactly the performance of the securities or markets that the notes seek to replicate due to transaction costs and other expenses. The return on a P-Note that is linked to a particular underlying security generally is increased to the extent of any dividends paid in connection with the underlying security. However, the holder of a P-Note typically does not receive voting or other rights as it would if it directly owned the underlying security. Additionally, P-Notes entail the risks that the counterparty or issuer of the P-Note (i.e. the issuing bank or broker dealer), which is the only responsible party under such notes, may not be able or refuses to fulfill its obligations, that the holder and counterparty or issuer may disagree as to the meaning or application of contractual terms, or that the instrument may not perform as expected. If the counterparty or issuer of a P-Note becomes insolvent, a Fund could lose the total value of its investment in the P-Note. Additionally, while P-Notes may be listed on an exchange, there is no guarantee that a liquid market will exist, that the trading price of a P-Note will equal the value of the underlying securities it seeks to replicate, or that the counterparty or issuer of a P-Note will be willing to repurchase such instrument when a Fund wishes to sell it. For further information about some of the risks, please see "Emerging Markets Risk," "Liquidity Risk," "Market Disruption and Geopolitical Risk," and "Foreign Investment Risk" in this section.

- ***Preferred Securities***

Preferred stocks (or "preferred securities") represent equity interests in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred securities may pay fixed or adjustable rates of return and are subject to issuer-specific risks.

Dividends for preferred securities are typically paid after payments to debt and bond holders. Unlike debt securities, dividend payments on a preferred security typically must be declared by the issuer's board of directors. An issuer's board of directors is generally under no obligation to pay dividends. A preferred security may therefore lose substantial value if the board of directors of the issuer decides not to pay dividends. Further, because many preferred securities pay dividends at a fixed rate, their market price can be sensitive to changes in interest rates. If a Fund owns a preferred security that is deferring its distribution, it may also be required to recognize income for tax purposes despite the fact that it is not receiving current distributions with respect to this position.

Preferred security holders commonly have no or limited voting rights with respect to the issuing company, which will limit the ability of a Fund to influence the issuer.

Many preferred securities allow holders to convert the preferred securities into common stock of the issuer. Consequently, their market price can be sensitive to changes in the value of the issuer's common stock. Declining common stock values may also cause the value of a Fund's investments to decline.

Preferred securities often have call features which allow the issuer to redeem the security at its discretion. The redemption of a preferred security having a higher than average yield may cause a decrease in a Fund's yield.

Preferred securities may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities, and government securities.

ESG Risk

To the extent that the Manager incorporates environmental, social and/or governance considerations ("**ESG Factors**") into a Fund's investment process as a part of the Fund's long-term investment approach, the Fund is subject to the risk that it may underperform funds that do not take ESG Factors into account. In general, use of ESG Factors in the securities selection process may affect a Fund's exposure to certain issuers, industries, sectors, regions, and countries; may lead to a smaller universe of investments than other funds that do not incorporate ESG Factor analysis; and may negatively impact the relative performance of the Fund over the short, medium or even long term depending on how successfully those ESG Factors are incorporated and whether such investments are in or out of favour. Additionally, the consideration of ESG Factors may prioritize long term rather than short term returns, and therefore may negatively impact the relative performance of a Fund over shorter periods.

In considering ESG Factors, the Manager may be dependent upon information and data obtained through voluntary reporting by issuers or third-party research that may be incomplete, inaccurate or unavailable, which could impact the Manager's assessment of related risks and opportunities. Certain issuers may emphasize only one or two ESG Factors, or a particular aspect of one or more factors, as part of their ESG practices. Successful incorporation of ESG Factors into a Fund's overall investment strategy will depend on the Manager's ability to identify and analyze financially material ESG issues, and there can be no assurance that the strategy or techniques employed will be successful. See also "Long-Term Investment Strategy Risk".

Focused Investment Risk

A Fund whose investments are focused in related, or a limited number of, countries, regions, sectors, companies or industries (e.g., different industries within broad sectors, such as technology or financial services), or in securities from issuers with high positive correlations to one another, is subject to greater overall risk than a Fund whose investments are more diversified.

A Fund that invests in the securities of a limited number of issuers is particularly exposed to adverse developments affecting those issuers. In such cases, a decline in the market price of a particular security held by the Fund is likely to affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers.

To the extent that a Fund focuses its investments in securities denominated in a particular foreign currency or in investments tied economically to (or related to) a narrowly defined geographic area, it will be subject to increased risks, when compared with more diversified funds. The political and economic prospects of one country or group of countries within the same geographic region may affect other countries in that region. Similarly, a recession, debt crisis or decline in currency valuation in one country can spread to other countries. Furthermore, companies in a particular geographic region or country may be sensitive to the same events, such as weather, natural disasters, public health crises or events affecting other companies in that region or country because of common characteristics, risk exposures and regulatory burdens. Issuers in the same area may also react similarly to specific economic, market, political or other developments. See also "Foreign Investment Risk" below.

A Fund that focuses its investments in a certain type of issuer will be particularly vulnerable to events affecting such type of issuer. Also, a Fund may have greater risk to the extent it invests a substantial portion of its assets in a group of related industries (or a "sector"). For example, the market prices of investments in the software, internet and semiconductor industries tend to fluctuate in response to investor sentiment regarding the broader technology sector. The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly defined geographic area outside Canada may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments.

See also "Sector Risk" below.

- ***Special Risks of Focused Investments in Growth Companies***

As discussed herein, a Fund may take on significant exposure to a small number of growth stock issuers, or to a broader portfolio consisting predominantly of growth companies, which can create outsize risk. This is, in part, because, historically, growth companies are disproportionately prevalent in certain industries (such as those relating to the Internet, software and semiconductors), which tend to be particularly prone to loss and wide fluctuation in price. Furthermore, growth companies in these types of industries may have a tendency periodically to decrease in price at roughly the same time, which can further hinder the ability of portfolio managers to diversify risks of loss.

Foreign Investment Risk

Investing in foreign securities (i.e., those which are not primarily traded on a United States or Canadian securities exchange) involves additional and more varied risks than those typically resulting from investing in U.S. or Canadian markets. Similar risks may apply to securities traded on a U.S. or Canadian securities exchange that are issued by companies with significant exposure to foreign countries.

The laws of some foreign countries may limit a Fund's ability to invest in securities of certain issuers located in those countries.

The securities of some foreign governments, companies, and securities markets are less liquid, and at times more volatile, than comparable U.S. or Canadian securities and securities markets. For example, the securities markets of many foreign countries include securities of only a limited number of companies in a limited number of industries. As a result, the market prices of many of those securities fluctuate more than those of U.S. or Canadian securities.

In addition, there may be a possibility of nationalization or expropriation of assets, imposition of currency exchange controls, confiscatory taxation, and diplomatic developments that could adversely affect the values of a Fund's investments in certain foreign countries. There may be a greater risk of political events (civil unrest, national elections, changes in political conditions and foreign relations, imposition of exchange controls and repatriation restrictions), social and economic events (labor strikes, rising inflation) and natural disasters, causing a Fund's investments in that country to experience gains or losses. The securities of some non-Canadian or non-U.S. entities could also become subject to sanctions or embargoes that adversely affect a Fund's investment.

Issuers of foreign securities are subject to different, and often less comprehensive, accounting, reporting, custody, auditing and disclosure requirements than domestic issuers. There may be less information publicly available about a foreign entity than about a U.S. or Canadian entity. Moreover, in certain foreign countries, legal remedies available to investors may be more limited than those available with regard to U.S. or Canadian investments. It may be difficult to obtain and enforce judgments against foreign entities. In addition, some jurisdictions may limit a Fund's ability to profit from short-term trading (as defined in the relevant jurisdiction).

Foreign transaction costs, such as brokerage commissions and custody costs may be higher than in the U.S. or Canada. In some foreign markets, custody arrangements for securities provide significantly less protection than custody arrangements in U.S. or Canadian markets. Prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) could similarly expose a Fund to credit and other risks it does not have in the U.S. or Canada with respect to participating brokers, custodians, clearing banks or other clearing agents, escrow agents, and issuers.

Foreign securities are normally denominated and traded in currencies other than the Canadian dollar. Consequently, the value of a Fund's assets may be affected favourably or unfavourably by currency exchange rates, exchange control regulations, and restrictions or prohibitions on the repatriation of non-Canadian currencies. See "Currency Risk" above.

Foreign countries may also have additional requirements with respect to the ownership of securities. For example, many foreign countries have additional reporting requirements that may be subject to interpretation or change without prior notice to investors. While a Fund makes reasonable efforts to stay informed of foreign reporting requirements relating to the Fund's foreign portfolio securities, no assurance can be given that such Fund will satisfy applicable foreign reporting requirements at all times. There are also special tax considerations which apply to securities of foreign issuers and securities principally traded overseas.

In addition, investment income received by a Fund from sources within foreign countries may be subject to foreign income tax withheld at source. Any foreign withholding taxes could reduce a Fund's distributions paid to you. Canada has entered into tax treaties with certain foreign countries which that may entitle investment funds to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as Participant information); therefore, the Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by a Fund on sale or disposition of certain securities to taxation in that country.

Additionally, a license is required for an overseas investor to invest directly in many foreign markets. These licenses are often subject to limitations, including maximum investment amounts. Once a license is obtained, a Fund's ability to continue to invest directly is subject to the risk that the license will be terminated or suspended. If a license is terminated or suspended, to obtain exposure to the market, the Fund may be required to purchase ADRs, GDRs, shares of other funds that are licensed to invest directly, or derivative instruments. The receipt of a foreign license by one of the Manager's clients may preclude other clients, including a Fund, from obtaining a similar license, and this could limit the Fund's investment opportunities. In addition, the activities of another of the Manager's clients could cause the suspension or revocation of a license and thereby limit the Funds' investment opportunities.

Frontier Markets Risk

Frontier markets are those emerging markets that are considered to be among the smallest, least mature and least liquid and, as a result, may be more volatile and less liquid than investments in more developed markets or in other emerging market countries. Some of these markets may have unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many frontier markets do not have well-developed regulatory systems and disclosure standards may be less stringent than those of more developed markets. The risks of expropriation, nationalization, and social, political, and economic instability are greater in frontier markets than in more developed markets. These risks, which are characteristic of many emerging markets generally, may be especially heightened in frontier markets, due to political, economic, financial, or other factors.

Geographic Focus Risk

A Fund that focuses its investments in a limited number of countries or geographic regions will not offer the same level of diversification of risks as a more broadly diversified global fund because it will be exposed to a smaller geographic area. The performance of a Fund that is less diversified across countries or geographic regions will be closely tied to market, currency, economic, political, environmental, or regulatory conditions and developments in the countries or regions in which the Fund invests, and may be more volatile than the performance of a more geographically-diversified portfolio.

Government and Regulatory Risk

Governmental and regulatory authorities in some countries, have taken, and may in the future take, actions intervening in the markets in which a Fund invests and in the economy more generally. Governmental and regulatory authorities may also act to increase the scope or burden of regulations applicable to a Fund or to the companies in which a Fund invests. The effects of these actions on the markets generally, and a Fund’s investment program in particular, can be uncertain and could restrict the ability of a Fund to fully implement its investment strategies, either generally, or with respect to certain securities, industries, or countries. For example, sanctions or other investment restrictions imposed by governments could preclude a Fund from investing in certain issuers or cause a Fund to sell investments at a disadvantageous time; new anti-trust regulations could adversely affect the value of certain growth stocks held by a Fund; and new regulations promulgated by securities regulators could increase the costs of investing in a Fund by increasing expenses borne by the Fund in order to comply with such regulations.

By contrast, markets in other countries historically have been subject to little regulation or oversight by governmental or regulatory authorities, which could heighten the risk of loss due to fraud or market failures in those countries. For example, a foreign government’s decision not to subject companies to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those applicable to Canadian-based companies could increase the risk that accounting fraud goes undetected. The lack of government-enforced oversight may result in investors having limited rights and few practical remedies to pursue shareholder claims.

Furthermore, governments, agencies, or other regulatory bodies may adopt or change laws or regulations that could adversely affect a Fund or the market value of an instrument held by a Fund. The Manager cannot predict the effects of any new laws or regulation that may be implemented, and there can be no assurance that any new laws or regulations will not adversely affect a Fund’s ability to achieve its investment objective. For example, financial entities, such as investment companies or funds and investment managers, are generally subject to extensive government regulation which may change frequently and have significant adverse consequences on a Fund. Similarly, investments in certain industries, sectors, or countries may also be subject to extensive regulation. Economic downturns and political changes can trigger economic, legal, budgetary, tax, and other regulatory changes. Regulatory changes may impact the way a Fund is regulated or the way a Fund’s investments are regulated, affect the expenses incurred directly by a Fund and the value of its investments, and limit and/or preclude a Fund’s ability to pursue its investment strategy or achieve its investment objective.

Growth Stock Risk

The prices of growth stocks may be based largely on expectations of future earnings, and can decline rapidly and significantly in reaction to negative news about various factors, such as earnings, revenues, the economy, political developments, or other news. Growth stocks, such as those of many internet and software companies, may underperform stocks in other broad style categories (and the stock market as a whole) over any period of time. Growth stocks may shift in and out of favour with investors generally, sometimes rapidly, depending on changes in market, economic, and other factors. As a result, at times when it holds investments in growth stocks, a Fund may underperform other investment funds that favour different investment styles. Because growth companies typically reinvest their earnings, growth stocks typically do not pay dividends at levels associated with other types of stocks, if at all.

Impact Risk

A Fund with an objective of supporting companies that deliver positive change may not be successful in assessing and identifying companies that have or will have a positive impact or support a given position, and could invest in companies that ultimately have a negative impact, or no impact, on addressing a global challenge, or on ESG matters. A company's position or ability to have a positive impact (or the Manager's assessment of a company's position or potential impact may change over time), which could cause such a Fund to temporarily hold securities that are not consistent with the Fund's investment principles. In evaluating a company, the Manager is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause the Manager to incorrectly assess a company's social or environmental performance or position. Successful implementation of such a Fund's investment strategy will depend on the Manager's skill in appropriately identifying and analyzing material impact and ESG factors, and these factors may be evaluated differently by different managers, and may mean different things to different people. See also "Socially Responsible Investing Risk."

Information Technology Risk

The Funds, their service providers, and other market participants increasingly depend on complex information technology and communications systems. These systems are subject to a number of different threats or risks that could adversely affect each Fund and its Participants, despite the efforts of the Funds and their service providers to adopt technologies, processes, and practices intended to mitigate these risks.

Unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of a Fund, the Fund's service providers, counterparties, or other market participants or data within those systems (each, a "**cyber-attack**"). Successful cyber-attacks against, or security breakdowns of, a Fund, the Manager, or a custodian, transfer agent, or other affiliated or third-party service provider may adversely affect the Fund or its Participants. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Power or communications outages, acts of god, information technology equipment malfunctions, operational errors, and inaccuracies within software or data processing systems may also disrupt business operations or impact critical data. Continuing use of work-from-home arrangements following the novel coronavirus ("**COVID-19**") pandemic may make the Funds and their service providers more susceptible to cyber-attacks, in part due to the increase in cyber-attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber-attacks, and other technical issues may interfere with the processing of Participant or other transactions, affect a Fund's ability to calculate its Net Asset Value, cause the release of private Participant information or confidential Fund information, impede trading, cause reputational damage, and subject a Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. They may render records of Fund assets and transactions, Participant ownership of Fund Units, and other data integral to the functioning of a Fund inaccessible or inaccurate or incomplete. There is also a risk that cyber-attacks may not be detected.

Market events may also occur at a pace that overloads current information technology and communication systems and processes of a Fund, a Fund's service providers, or other market participants, affecting their ability to conduct the Fund's operations.

Similar types of information technology risks are present for issuers of securities or other instruments in which a Fund invests, which could result in material adverse consequences for such issuers, and may cause a Fund's investments to lose value. Furthermore, as a result of cyber-attacks, technological disruptions, malfunctions or failures, an exchange or market may close or suspend trading in specific securities or the entire market, which could prevent a Fund from, among other things, buying or selling the securities or accurately pricing its securities.

Each Fund and its service providers have established business continuity and other plans and processes to address the possibility of cyber-attacks, disruptions, or failures. However, there are inherent limitations in such plans and processes, including that they do not apply to third parties, the possibility that risks may not have been identified or new risks may emerge in the future. A Fund also cannot directly control any information security plans and systems put in place by its service providers, counterparties, issuers in which the Fund invests, or securities markets and exchanges. In addition, such third parties may have limited indemnification obligations to the Manager or the Funds.

Any problems relating to the performance and effectiveness of security procedures used by a Fund or its service providers to protect a Fund's assets, such as algorithms, codes, passwords, multiple signature systems, encryption and telephone call-backs, may have an adverse impact on an investment in a Fund.

Initial Public Offering Risk

A Fund may purchase securities in Initial Public Offerings ("**IPOs**"). These securities are subject to many of the same risks of investing in companies with smaller market capitalizations. Securities issued in IPOs have no trading history, and the length of the period for which information about the companies is available may be very limited. In addition, the prices of securities sold in IPOs may be highly volatile. At any particular time or from time to time a Fund may not be able to invest in securities issued in IPOs, or invest to the extent desired because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to such Fund. In addition, under certain market conditions a relatively small number of companies may issue securities in IPOs. Similarly, as the number of funds to which IPO securities are allocated increases, the number of securities issued to any one Fund, if any, may decrease. The investment performance of a Fund during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when such Fund is able to do so. In addition, as a Fund increases in size, the impact of IPOs on such Fund's performance will generally decrease.

A Fund may agree to be a cornerstone investor in an IPO. A cornerstone investment typically involves committing to subscribe for a fixed monetary amount of shares in an IPO in advance of the book-building process. This may involve a lock-up period preventing sale of the shares for a set period following the IPO. In certain markets, there may be specific requirements for disclosure of the identity of cornerstone investors and the amount of shares that they have committed to buy.

Investment Style Risk

The Manager actively makes investment decisions for the Funds through bottom-up stock selection. Accordingly, each Fund will have risk characteristics that differ from its benchmark index. The Manager's judgments about the attractiveness, relative value, or potential appreciation of a particular stock may prove to be incorrect and cause the Fund to lose money or underperform compared to its benchmark index. There can be no assurance that the Manager's investment decisions will produce the desired results. There can also be no assurances that the Manager is able to identify a sufficient number of potential investments to meet a Fund's investment strategy. This risk is heightened for Funds with more focused investment strategies that rely on identifying a small number of companies the Manager believes present truly outstanding investment opportunities.

Japan Risk

Investing in Japan may involve greater geopolitical, economic, and environmental risk than investing in Canada, the United States or other developed economies. For example, despite Japan's recent economic growth and emerging economic relationships with neighboring Southeast Asian countries, the growth of the Japanese economy has been behind that of other major developed economies. Part of the reason for this is that Japan, like many Asian countries, is still heavily dependent upon international trade, such as oil imports, and thus susceptible to the adverse effects of trade barriers, exchange controls, and other measures imposed or negotiated by the countries with which they trade. One trading partner in particular is China, whose political relationship with Japan has, at times, been stressed. Such political tensions could adversely affect the Japanese economy and destabilize the region.

The value of Japan's currency, the yen, has been susceptible to fluctuations. Increases in its value may cause a decline in exports that could weaken the Japanese economy. Japan has in the past, countered drastic shifts in its currency by intervening in the currency markets in an attempt to maintain or reduce the value of the yen. This intervention in the currency markets could cause the value of the yen to swing sharply and unpredictably and could cause losses to investors.

Japan has an aging population and a significant population decline, which has resulted in a shrinking workforce. Its labor market appears to be undergoing fundamental structural changes, as it has shifted from a labor market familiar with lifetime employment to a market adjusted to meet the need for increased labor mobility. This change in the labor market may adversely affect Japan's economic competitiveness. Furthermore, natural disasters, such as earthquakes, volcanoes, typhoons, and tsunamis have and may continue to pose negative effects on the Japanese economy.

Large-Capitalization Securities Risk

Securities issued by large-capitalization companies may present risks not present in smaller companies. For example, larger companies may be unable to respond as quickly as smaller and mid-sized companies to competitive challenges or to changes in business, product, financial, or other market conditions. Larger companies may not be able to maintain growth at the high rates that may be achieved by smaller companies, especially during strong economic periods. Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies.

Large Participant Risk

To the extent that a significant portion of a Fund's Units are held by a limited number of Participants or their Affiliates, there is a risk that the subscription and redemption activities of these Participants with regard to the Fund's Units could disrupt the Fund's investment policies, which could have adverse consequences for such Fund and other Participants. Such subscriptions could cause the Fund to maintain larger-than-expected cash positions pending acquisition of investments. A redemption by a large Participant could require the Fund to sell investments, including at inopportune times, and could result in the Fund incurring costs and/or recognizing significant capital gains, including short-term capital gains, that would be distributed to Participants. In addition, institutional separate accounts managed by the Manager may invest in a Fund and, therefore, the Manager at times may have discretionary authority over redemption decisions by a significant portion of the investor base holding Units of the Fund. In such instances, the Manager's decision to make changes to or rebalance its client's allocations in the separate accounts may impact the Fund's performance.

A Fund will generally become subject to the loss restriction event rules in the Tax Act at any time when a person or partnership (counted together with affiliates), or a group of persons, becomes a holder of Units representing more than 50% of the fair market value of the Fund. Under these rules, the taxation year of the Fund will be deemed to end. Participants may receive an unscheduled distribution of income and capital gains from the Fund at such year end. These distributions must be included in the calculation of Participants' income for tax purposes. Additionally, the amount of distributions paid by a Fund after a loss restriction event may be larger than they otherwise would have been because the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the loss restriction event. A Fund is not subject to the application of the loss restriction event rules if the Fund has at all times met the "investment fund" definition for purposes of the loss restriction event rules. As described above under "Certain Canadian Federal Income Tax Considerations", no assurances can be given that the Funds will meet or continue to meet the investment fund definition.

Legal and Regulatory Risk

The regulatory environment for pooled funds is evolving and changes to it may adversely affect a Fund. To the extent that regulators adopt practices of regulatory oversight in the area of pooled funds that create additional compliance, transaction, disclosure or other costs for pooled funds, returns of a Fund may be negatively affected.

Liquidity Risk

Liquidity risk is the risk that a Fund may not be able to dispose of securities readily at a favourable time or price (or at all) or at a price approximating that at which the Fund currently values them. For example, certain investments may be subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Such investments may also be particularly susceptible to valuation risk. See "Valuation Risk" below.

Liquidity risk may be magnified during periods of changing interest rates, significant Participant redemptions, or market turmoil. Additionally, liquidity risk may be amplified in situations where foreign countries close their securities markets for extended periods of time due to scheduled holidays, such as the week-long closure of Chinese securities markets that occurs annually in October.

Each Fund is subject to the risk that low trading volume, lack of a market maker, large positions in securities of particular issuers, or legal restrictions (including daily price fluctuation limits or 'circuit breakers') could make any investment illiquid. The market for certain investments may also become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer.

An inability to sell a portfolio position can adversely affect a Fund's value or prevent a Fund from being able to take advantage of other investment opportunities. In addition, it may be difficult for a Fund to value illiquid investments accurately. Securities of issuers in emerging markets and frontier markets may be particularly susceptible to this risk. See "Emerging Markets Risk" and "Frontier Markets Risk" above.

Illiquid investments may also trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. Illiquid investments are more susceptible than other investments to price declines when market prices decline generally.

Furthermore, disposal of illiquid investments may entail registration expenses and other transaction costs that are higher than those for liquid investments. For example, a Fund may hold restricted securities and there can be no assurance that a trading market will exist at any time for any particular restricted security. Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent a Fund from disposing of them promptly at reasonable prices. A Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration.

If a Fund holds illiquid investments it may be forced to sell other securities or instruments that are more liquid, but at an unfavourable price or time , or under other unfavourable conditions, in order to meet redemption requests. A Fund may seek to borrow money to meet its obligations (including, among other things, redemption obligations) if it is unable to dispose of illiquid investments, resulting in borrowing expenses and possible leveraging of such Fund. In some cases, due to unanticipated levels of illiquidity, a Fund may choose to meet its redemption obligations wholly or in part by distributions of assets in-kind.

Funds with investment policies that involve securities of companies with smaller market capitalizations, foreign securities or securities with substantial market or credit risk tend to have the greatest exposure to liquidity risk.

Long-Term Investment Strategy Risk

The Funds pursue a long-term investment approach, typically seeking returns over a period of several years, which can comprise a full market cycle or more. This investment style may cause a Fund to lose money or underperform compared to its benchmark index or other funds over extended periods of time, and a Fund may not perform as expected in the long term. The market price of a Fund's investments will fluctuate daily due to economic and other events that affect particular companies and other issuers or the market as a whole, and market developments may not align with the Manager's assessment for growth in the shorter- or longer-terms. Short- and medium-term price fluctuations may be especially pronounced in less developed markets or in companies with lower market capitalizations. A Fund that integrates ESG Factors into its long-term investment approach is also subject to the risks described above. Additionally, where a Fund's long-term investment approach integrates ESG Factors, a Fund may forego some market opportunities available to funds that do not integrate ESG Factors into their investment process, which may negatively impact the relative performance of a Fund over shorter periods.

Investments in certain industries or markets may be subject to wider variations in performance as a result of special risks common to such markets or industries. For example, information technology companies may have limited product lines, markets or financial resources and may be affected by worldwide technological developments and their products and services may quickly become outdated. Similarly, emerging market economies may experience lower trading volume and lower liquidity, greater risk of expropriation, nationalization, and social, political and economic instability than more developed markets, which may result in greater volatility and significant short- or medium-term price fluctuations.

An investment in the Funds may be more suitable for long-term investors who can bear the risk of short- or medium-term fluctuations in the value of a Fund's portfolio, including short- or medium-term losses.

Market Capitalization Risk

Stocks generally fall into three broad market capitalization categories – large, medium, and small. Investing primarily in one category carries the risk that due to current market conditions that category may be out of favour with investors, or that market, economic, or other factors may have a significant adverse effect on companies in that category. By focusing its investments in companies within a particular range of market capitalizations, a Fund may perform less well than many other investment vehicles during times when companies within that range are out of favour with investors or generally underperform as compared to other types of investments.

Market Disruption and Geopolitical Risk

Geopolitical, environmental and other events may disrupt securities markets and adversely affect global economies and markets. These disruptions could prevent a Fund from implementing its investment policies and achieving its investment objective, and increase a Fund's exposure to the other risks detailed in this Offering Memorandum. 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 Canada.

War, terrorism, public health crises, and other geopolitical events, such as sanctions, tariffs, trade disputes, the imposition of exchange controls or other cross-border trade barriers, have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on North American and world economies and markets generally. For instance, the 2022 Russian invasion of Ukraine and the sanctions that followed had immediate negative effects on global financial markets, sovereign debt and the markets for certain securities and commodities, such as oil and natural gas, and reduced the liquidity and value of Russian securities to zero or near zero. Continuing hostility and the potential for future political or economic disturbances between China and Taiwan may have an adverse impact on the values of investments in either China or Taiwan, or make investments in China and/or Taiwan impractical or impossible. Any escalation of hostility between China and Taiwan would likely distort Taiwan's capital accounts, as well as have a significant adverse impact on the value of a Fund's investments in both countries, and in other countries in the region, and elsewhere in the world. Further, terrorism in North America and around the world has resulted in increased geopolitical risk.

Natural and environmental disasters, such as earthquakes and tsunamis, can be highly disruptive to economies and markets, adversely impacting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of a Fund's investments. Similarly, dramatic disruptions can be caused by communicable diseases, epidemics, pandemics, plagues and other public health crises.

Communicable diseases, including those that result in pandemics or epidemics, may pose significant threats to human health, and such diseases, along with any efforts to contain their spread, may be highly disruptive to both global and local economies and markets, with significant negative impact on individual issuers, sectors, industries, and asset classes. Significant public health crises, including those triggered by the transmission of a communicable disease and prolonged quarantines or other 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 and restrictions, service cancellations, reductions and other changes, and significant challenges in healthcare service preparation and delivery, as well as general concern and uncertainty. An outbreak of a respiratory disease caused by **COVID-19** first detected in China in December 2019 has resulted in a global pandemic and major disruptions to economies and markets around the world. Financial markets experienced and may continue to experience extreme volatility and severe losses, and trading in many instruments was and may continue to be disrupted as a result. Liquidity for many instruments was and could be greatly reduced for periods of time. Governments and central banks have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, will not be known for some time. Other epidemics or pandemics that arise in the future may cause similar disruptions and require similar interventions. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to a Fund by its service providers.

Certain locations and industries may be particularly susceptible to this risk, and other risks may be heightened by such events. See, for example, Emerging Markets Risk, Frontier Markets Risk, Information Technology Risk, Japan Risk, Liquidity Risk, Service Provider Risk, and Valuation Risk.

Securities and financial markets may be susceptible to market manipulation or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or adversely affect the values of investments traded in these markets, including investments held by a Fund.

Market disruptions, including sudden government interventions (e.g., currency controls), can also prevent a Fund from implementing their investment policies efficiently and achieving their investment objectives. For example, a market disruption may adversely affect the orderly functioning of the securities markets.

While the U.S. government has honoured its credit obligations continuously for more than 200 years, it remains possible that the U.S. could default on its obligations. While it is impossible to predict the consequences of such an unprecedented event, it is likely that a default by the U.S. would be highly disruptive to the U.S. and global securities markets and could significantly impair the value of the Funds' investments. Similarly, political events within the U.S. can result in the shutdown of government services, which could negatively affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other securities markets.

Uncertainties regarding the viability of the European Union ("**EU**") have disrupted and may continue to disrupt markets around the world. If one or more countries leave the EU or the EU dissolves, the world's securities markets would likely be significantly disrupted and the Manager's business may be adversely affected. The United Kingdom formally left the European Union on January 31, 2020. The U.K. entered into a transition period where it remained subject to EU rules but had no role in the EU law-making process. During this transition period, U.K. and EU representatives negotiated the terms of their future relationship. The transition period concluded on December 31, 2020 and the U.K. left the EU single market and customs union under the terms of a new trade agreement. The agreement governs the new relationship between the U.K. and the EU with respect to trading goods and services but critical aspects of the relationship remain unresolved and subject to further negotiation and agreement. There is still considerable uncertainty relating to the potential consequences associated with the exit, how the negotiations for new trade agreements will be conducted, and whether the U.K.'s exit will increase the likelihood of other countries also departing the EU Brexit may have a significant impact on the U.K., Europe, and global economies, which may result in increased volatility and illiquidity, new legal, political, economic and regulatory uncertainties and potentially lower economic growth for these economies that could potentially have an adverse effect on the value of a Fund's investments. Any further exits from the EU, or the possibility of such exits, or the abandonment of the euro, may cause additional market disruption globally and introduce new legal and regulatory uncertainties.

Further, continuing uncertainty as to the status of the European Economic and Monetary Union ("EMU") and the potential for certain countries to withdraw from the institution has created significant volatility in currency and financial markets generally. If one or more EMU countries were to stop using the euro as its primary currency, a Fund's investments in such countries may be redenominated into a different or newly adopted currency. As a result, the value of those investments could decline significantly and unpredictably. In addition, securities or other investments that are redenominated may be subject to liquidity risk and the risk that a Fund may not be able to value investments accurately to a greater extent than similar investments currently denominated in euros. To the extent a currency used for redenomination purposes is not specified in respect of certain EMU related investments, or should the euro cease to be used entirely, the currency in which such investments are denominated may be unclear, making such investments particularly difficult to value or dispose of. A Fund may incur additional expenses to the extent it is required to seek judicial or other clarification of the denomination or value of such securities.

Because of the current U.S.-China trade and policy disputes, there is a heightened risk that events occurring after the close of Chinese markets may have a material impact on the value of Chinese securities held by a Fund. The likelihood of such an occurrence and impact of such events may be difficult to assess before the Fund's Valuation Time on the same day, which may impact the accuracy of the Series Net Asset Value per Unit calculated by a Fund on a given day. The Funds maintain policies and procedures intended to mitigate this risk.

Market Risk

Market risk is the risk of unfavourable market-induced changes in the value of securities owned by a Fund.

Market prices of investments held by a Fund are volatile and will go up or down, sometimes rapidly or unpredictably. The prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest or currency rates, changes in actual or perceived creditworthiness of issuers, adverse investor sentiment generally, market liquidity, real or perceived adverse market conditions and the risks inherent in investment in securities markets.

Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the values of a Fund's assets can decline. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy (or expectations that domestic or global economic policies will change), and the Fund's investments may not keep pace with inflation, which may result in losses to Fund investors or adversely affect the real value of Participants' investments in the Fund.

The total return of a Fund may consequently fluctuate within a wide range, so you could lose money over short or even long periods. Even if economic conditions do not change, the value of an investment in a Fund could decline if the particular industries, sectors or companies in which a Fund invests do not perform well or are adversely affected by certain events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

An example of this variability of market risk over different time periods, and in response to diverse external factors, relates to certain risks associated with climate change. Fund performance can be adversely affected (directly or indirectly) by "transitional" factors (i.e., factors informed by market shifts in response to, or in anticipation of, climate change), as well as by the physical consequences of climate change itself. The transitional risks associated with climate change, including new policies, regulations, and/or technologies, may influence markets and portfolio company performance more immediately, while, over the longer term, companies may be more susceptible to a range of "physical" risks such as those stemming from chronic changes to climate patterns, sea level rise, or more acute severe weather events. Both of these transitional and physical risks may impact Fund holdings differently over short, medium or long timeframes and are likely to vary considerably under different predictive scenarios mapping the potential changes in the composition of global emissions and the course of climate change. The relative contributions of transitional and physical risks to the overall portfolio may vary across markets and time horizons and may negatively affect the value of a Fund's investments differently across various time horizons. See also "ESG Risk" for further discussion of investment risks relating to environmental factors.

Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

Multiple Series Risk

Units of the Funds are offered under a "multi series" structure where each Series is charged, as a separate Series, the expenses attributable to that particular Series. There is risk, however, that the expenses of one Series may affect the value of another Series when one Series is unable to pay its expenses. In this case, the other Series is responsible for making up the difference. This is because a Fund as a whole is legally responsible for the financial obligations of all its Series. This could lower the investment returns of the other Series.

Each Series of a Fund derives its value from the same portfolio and shares the same investment objective and policies, but may charge different fees and incur different expenses. Due to the different fees and expenses, each Series of a Fund has a different Series Net Asset Value per Unit.

Net Zero Asset Managers initiative ('NZAM') Risk

The Manager has joined the **Net Zero Asset Managers initiative (NZAM)** as part of its commitment to support the goal of net zero greenhouse gas ('GHG') emissions by 2050, in line with global efforts to limit warming to 1.5°C ('net zero emissions by 2050 or sooner'). This commitment includes supporting investing aligned with net zero emissions by 2050 or sooner. Within the NZAM framework, assets being managed for such alignment must fulfil a number of key elements, including (i) an interim target for 2030 that is consistent with a fair share of the 50% global reduction in GHGs, alongside the prioritisation of real economy impacts; (ii) the facilitation of investment in climate solutions; (iii) a commitment to active engagement; and (iv) transparency in reporting. Baillie Gifford Long Term Global Growth Equity Fund, Baillie Gifford Positive Change Equity Fund and Baillie Gifford Sustainable Growth Equity Fund are now managed in line with these climate commitments and therefore contribute towards Baillie Gifford's overall net zero commitments.

As a long term investor, the Manager's investment process takes into account the long term prospects (including long term sustainability) of an investment, accordingly taking into account NZAM and sustainability are inherently aligned to the Manager's process.

New and Smaller Sized Funds Risk

New Funds and smaller-sized Funds (including Funds that are thinly capitalized or that have lost significant assets through market declines or redemptions) will be subject to greater liquidity risk due to their smaller asset bases. A large Participant redemption from a small Fund could require the Fund to sell securities at disadvantageous times or prices or to delay payment of redemption proceeds to a redeeming Participant. In addition, in order to mitigate liquidity risk, new or smaller-sized Funds may be more likely to hold a proportionally higher percentage of their assets in cash to meet Participant redemptions (which could hamper performance).

A Fund that has been recently formed will have limited or no performance history for investors to evaluate. There can be no assurance that a new Fund will reach or maintain a sufficient asset size to effectively implement its investment policies. In addition, a Fund's gross expense ratio may fluctuate during its initial operating period because of the Fund's relatively smaller asset size and, until the Fund achieves sufficient scale, a Participant may experience proportionally higher Fund expenses than would be experienced by Participants of a Fund with a larger asset base.

Restricted Securities Risk

Restricted securities may be less liquid than securities registered for sale to the general public. The liquidity of a restricted security may be affected by a number of factors, including, among others: (i) the creditworthiness of the issuer; (ii) the frequency of trades and quotes for the security; (iii) the number of dealers willing to purchase or sell the security and the number of other potential purchasers; (iv) dealer undertakings to make a market in the security; (v) the nature of any legal restrictions governing trading in the security; and (vi) the nature of the security and the nature of marketplace trades. There can be no assurance that a liquid trading market will exist at any time for any particular restricted security. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility.

Sector Risk

Each Fund is not limited in its ability to invest in issuers in a variety of industries or "sectors." A Fund may establish or terminate a focus in a particular sector or group of sectors and may invest a substantial portion of its assets within one or more economic sectors or industries, which may change from time to time. When a Fund focuses its investments in a particular industry or sector, financial, economic, business, and other developments affecting issuers in that industry, market, or economic sector will have a greater effect on the Fund than if it had not focused its assets in that industry, market, or economic sector, which may increase the volatility of such Fund. Any such investment focus may also limit the liquidity of a Fund. In addition, investors may buy or sell substantial amounts of a Fund's Units in response to factors affecting or expected to affect an industry, market, or economic sector in which the Fund focuses its investments, resulting in extreme inflows or outflows of cash into and out of the Fund. Such extreme cash inflows or outflows might affect management of the Fund adversely. A Fund may establish or terminate a focus in an industry or sector at any time in the Manager's discretion and without notice to investors.

- ***Banking Sector Risk***

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. There can be no certainty that the actions taken by the U.S. government to strengthen public confidence in the U.S. banking system will be effective in mitigating the effects of financial institution failures on the economy and restoring public confidence in the U.S. banking system. Other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, may reduce liquidity in the market generally or have other adverse effects on the economy, a Fund or issuers in which the Funds invest. In addition, the Funds (and issuers in which a Fund invests) may not be able to identify all potential solvency or stress concerns with respect to a financial institution or to transfer assets from one bank or financial institution to another in a timely manner in the event such bank or financial institution comes under stress or fails.

Service Provider Risk

Each Fund is subject to the risk that the Manager will apply techniques and analyses to the Fund's investment practices that are not as successful as the techniques and analyses used by other investment advisers. There is no guarantee that the Manager will be able to enhance the returns of a Fund or preserve a Fund's assets. The Manager's judgments about the attractiveness, relative value, or potential appreciation of a particular sector, security, commodity or investment policy may prove to be incorrect, and may cause a Fund to incur losses.

There can be no assurance that key personnel of the Manager will continue to be employed by the Manager. The loss of their services could have an adverse impact on the Manager's ability to achieve a Fund's investment objectives. A change in laws or regulations due to political or economic events, such as Brexit, may impact the Manager's ability to retain its portfolio managers and other key personnel. For additional information on Brexit see "Market Disruption and Geopolitical Risk" above.

Each Fund is also subject to the risk of loss as a result of other services provided by the Manager and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency, and other services. The Funds currently utilize CIBC Mellon Trust Company ("CIBC") and/or entities affiliated with it to serve as Trustee, Custodian and Valuator and Recordkeeper. This arrangement could magnify losses resulting from a systems failure affecting CIBC. Loss may be caused by inadequate procedures and controls, human error, system failures, negligence, misfeasance or fraud by a service provider or insolvency of a service provider. For example, trading delays or errors (both human and systematic) could prevent a Fund from benefiting from potential investment gains or avoiding losses on the security.

Settlement Risk

Markets in different countries have different clearance and settlement procedures. Certain markets may from time to time be unable to keep pace with the volume of transactions. Delays in settlement may increase credit risk to a Fund or limit the ability of a Fund to reinvest the proceeds of a sale of securities. Delays in settlement may also subject a Fund to penalties for its failure to settle transactions in a timely manner.

Delays in the settlement of securities purchased by a Fund may also limit the ability of a Fund to sell those securities at times and prices it considers desirable, and may subject the Fund to losses and costs due to its own inability to settle with subsequent purchasers of the securities from it. A Fund may be required to borrow monies it had otherwise expected to receive in connection with the settlement of securities it has sold, in order to meet its obligations to others.

Limits on the ability of a Fund to purchase or sell securities due to settlement delays could increase any variance between the Fund's performance and that of its benchmark index.

Small- and Medium-Capitalization Securities Risk

Returns on investments in securities of small- and medium-capitalization companies could trail the returns on investments in securities of larger companies.

The securities of small- and medium-capitalization companies may be more volatile and may involve more risk than the securities of larger companies. These companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger companies, and may depend on a few key employees. In addition, these companies may have been recently organized and may have little or no track record of success. Similarly, the securities of small- and medium-sized companies may trade less frequently and in smaller volumes than securities of larger companies. The prices of these securities may consequently fluctuate more sharply than those of other securities, and a Fund may experience difficulty in establishing or closing out positions in these securities at prevailing market prices. Moreover, there may be less publicly available information about the issuers of these securities or less market interest in these securities than in the case of larger companies, both of which can cause significant price volatility.

Some securities of small- and medium-sized issuers may also be illiquid or may be restricted as to resale. A Fund may therefore be unable to liquidate its positions in such securities at any time, or at a favourable price, in order to meet the Fund's obligations.

Socially Responsible Investing Risk

In addition to ESG Risk, a Fund's focus on socially-responsible investing may cause it to make different investments than funds that have a similar investment universe and/or investment style but that do not incorporate such considerations in their investment strategy or processes. As a result, such a Fund may forego opportunities to buy certain securities when it might otherwise be financially advantageous for it to do so, or sell securities when it might be otherwise financially disadvantageous for it to do so. For instance, a Fund's exclusion of investments in companies with significant fossil fuel exposure may adversely affect the Fund's relative performance at times when such investments are performing well.

The adoption of a socially responsible investment process by a Fund may also affect the Fund's exposure to certain sectors or types of investments, which may impact the Fund's relative investment performance depending on whether such sectors or investments are in or out of favour with the market. In addition, a Fund's investments in certain companies may be susceptible to various factors that may impact their businesses or operations, including costs associated with government budgetary constraints that impact publicly funded projects and clean energy initiatives, the effects of general economic conditions throughout the world, increased competition from other providers of services, unfavourable tax laws or accounting policies and high leverage.

A Fund's portfolio managers are dependent on available information to assist in any social evaluation process, and, because there are few generally accepted standards to use in the evaluation of social factors, the process employed for a Fund may differ from processes employed for other funds. Successful application of a Fund's ESG investing strategy and engagement efforts will depend on its portfolio managers' ability to identify and analyze material ESG issues, and there can be no assurance that the strategy or techniques employed will be successful.

A Fund may seek to identify companies that it believes may have a positive societal impact, but investors may differ in their views of what constitutes positive or negative societal impact outcomes. As a result, a Fund may invest in companies that do not reflect the beliefs and values of any particular investor.

Valuation Risk

In certain circumstances, some of a Fund's portfolio holdings may be valued on the basis of factors other than market quotations by employing fair value procedures adopted in relation to the Funds. This may occur more often in times of market turmoil or reduced liquidity. The Manager's role with respect to fair valuation may present certain conflicts of interest given the impact valuations can have on Fund performance and the Manager's asset-based fees. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. Technological issues or other service disruption issues involving third-party service providers may cause a Fund to value its investments incorrectly. In addition, there is no assurance that a Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that a Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by a Fund at that time. Investors who purchase or redeem Units on days when a Fund is holding fair-valued investments may receive fewer or more Units or lower or higher redemption proceeds than they would have received if the Fund had not fair-valued the holding(s) or had used a different valuation methodology.

Warrants Risk

Warrants may lack a liquid secondary market for resale. The prices of warrants may fluctuate as a result of changes in the value of the underlying security or obligation or due to speculation in the market for the warrants or other factors. Prices of warrants do not necessarily move in tandem with the prices of their underlying securities; their prices may have significant volatility and it is possible that a Fund will lose its entire investment in a warrant. A Fund's failure to exercise a warrant or subscription right to purchase common shares in an issuer might result in the dilution of the Fund's interest in the issuing company.

ANTI-TERRORISM AND ANTI-MONEY LAUNDERING LEGISLATION

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities ("**Anti-Money Laundering Laws**"). In furtherance of those efforts, a subscriber for Units will be required to provide certain information and documentation and make a number of representations to the Manager. The Subscription Agreement contains detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement.

A Participant will be required to promptly notify the Manager if there is a material change to any of its representations with respect to Anti-Money Laundering Laws. If at any time it is discovered that a Participant's representations with respect to Anti-Money Laundering Laws are incorrect, or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Manager is in compliance with all such Anti-Money Laundering Laws. The Manager may release confidential information about a Participant and, if applicable, any underlying beneficial owner(s), to governmental authorities.

PURCHASERS' RIGHTS

Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces and territories of Canada provides Participants or requires Participants to be provided with a remedy for rescission or damages where an offering memorandum and any amendment to it contain a Misrepresentation. As used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Offering Memorandum not misleading in light of the circumstances in which it was made. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the Participant within the time limit prescribed by the applicable securities legislation.

Each Participant should refer to provisions of the applicable securities legislation for the particulars of these rights or consult with a legal adviser. These rights are in addition to any other right that a Participant may have at law.

Pursuant to the Trust Agreement, each Fund shall be indemnified and saved harmless by BG & Co Ltd against any costs, charges, claims, expenses, actions, suits or proceedings in respect of which a claim is made as a result of a misrepresentation contained in this Offering Memorandum unless in an action brought against BG & Co Ltd, it has achieved complete and substantial success as a defendant.

Rights for Participants in Ontario

If this Offering Memorandum, together with any amendment or supplement to this Offering Memorandum, delivered to a Participant resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such Participant, the Participant will have, without regard to whether the Participant relied on such Misrepresentation, a right of action against the applicable Fund for damages or, while still the owner of the Units purchased by that Participant, for rescission, in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages against the Fund, provided that:

(a) the Fund shall not be held liable pursuant to either right of action if the Fund proves the Participant purchased the Units with knowledge of the Misrepresentation;

(b) in an action for damages, the Fund is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the Participant as a result of the Misrepresentation relied upon;

(c) the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:

    (i) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

    (ii) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;

(d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired; and

(e) no action may be commenced to enforce such right of action more than:

    (i) in the case of an action for rescission 180 days after the date of the purchase of the Units; or

    (ii) in the case of an action for damages, the earlier of:

        (A) 180 days after the Participant first had knowledge of the facts giving rise to the cause of action, or

        (B) three years after the date of the purchase of the Units.

The foregoing rights do not apply if the Participant purchased Units of the Fund using the “accredited investor” exemption and is:

(a) a Canadian financial institution (as defined in Ontario Securities Commission Rule 45-501) or a Schedule III bank;

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Participants in Saskatchewan

If this Offering Memorandum together with any amendment hereto or advertising or sales literature used in connection herewith delivered to a Participant resident in Saskatchewan contains a Misrepresentation, the Participant has, without regard to whether the Participant relied on the Misrepresentation, a right of action for damages against the applicable Fund, every person acting in a capacity with respect to the Fund which is similar to that of a director or promoter of the Fund, and every person who or company that sells the Units on behalf of the Fund under this Offering Memorandum or amendment thereto, or, alternatively, a Participant may elect to exercise a right of rescission against the Fund, provided that among other limitations:

(a) no person or company is liable, nor does a right of rescission exist, where the person or company proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on;

(c) in no case shall the amount recoverable exceed the price at which the Units were sold to the Participant; and

(d) no action shall be commenced to enforce these rights more than:

(i) in the case of an action for rescission, 180 days after the date of the purchase of the Units; or

(ii) in the case of any action, other than an action for rescission, the earlier of one year after the Participant first had knowledge of the facts giving rise to the cause of action or six years after the date of the purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

(a) this Offering Memorandum contains, proximate to that information:

(i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for Participants in Manitoba

If this Offering Memorandum delivered to a Participant resident in Manitoba contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such Participant, the Participant will be deemed to have relied on such Misrepresentation and will have a right of action against the applicable Fund and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, for damages or against the Fund for rescission, in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages against the Fund, provided that among other limitations:

(a) the Fund will not be liable if it proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;

(c) other than with respect to the applicable Fund, no person or company is liable if the person or company proves:

  (i) that this Offering Memorandum was sent to the Participant without the person's or company's knowledge or consent; and

  (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;

(d) other than with respect to the Fund, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;

(e) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:

  (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or

  (ii) believed there had been a Misrepresentation;

(f) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the Participant; and

(g) the right of action for rescission or damages will be exercisable only if the Participant commences an action to enforce such right, not later than:

  (i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or

  (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the Participant first had knowledge of the facts giving rise to the cause of action, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

(a) this Offering Memorandum contains, proximate to that information:

  (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

  (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

Rights for Participants in New Brunswick

Where this Offering Memorandum, or any amendment hereto, contains a Misrepresentation, a Participant resident in New Brunswick to whom this Offering Memorandum has been delivered and who purchases Units shall be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase, and the Participant has a right of action for damages against the applicable Fund or the Participant may elect to exercise a right of rescission against the Fund (in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages), provided that, among other limitations:

(a) in an action for rescission or damages, the Fund will not be liable if it proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation;

(c) in no case will the amount recoverable exceed the price at which the Units were sold to the Participant;

(d) a person is not liable in an action for a Misrepresentation in forward-looking information if the person proves that:

(i) this Offering Memorandum contains, proximate to that information,

(A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

(B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and

(ii) that the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and

(e) no action shall be commenced to enforce these statutory rights of action more than:

(i) in an action for rescission, 180 days from the date of purchase of Units; or

(ii) in an action for damages, the earlier of: (i) one year after the Participant first had knowledge of the Misrepresentation, or (ii) six years after the date of purchase of Units.

Rights for Participants in Nova Scotia

Where this Offering Memorandum or any amendment hereto contains a Misrepresentation, a Participant resident in Nova Scotia to whom this Offering Memorandum has been sent or delivered and who purchases the Units is deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and the Participant has a right of action for damages against the applicable Fund and, subject to certain additional defences, against every person acting in a capacity with respect to the Fund which is similar to that of a director of a company, or alternatively, may elect to exercise a right of rescission against the Fund (in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages), provided that, among other limitations:

(a) in an action for rescission or damages, a person will not be liable if it proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) no person other than the Fund is liable if the person proves that:

(i) this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered to the Participant without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent;

(ii) after delivery of this Offering Memorandum or the amendment to this Offering Memorandum and before the purchase of the Units by the Participant, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment to this Offering Memorandum, the person withdrew the person's consent to this Offering Memorandum, or the amendment to this Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or (B) believed that there had been a Misrepresentation;

(c) in an action for damages, a person is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;

(d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered;

(e) a person is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following things:

(i) this Offering Memorandum contains, proximate to that information:

(A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and

(f) no action may be commenced to enforce a right of action more than 120 days:

(i) after the date on which payment was made for the Units; or

(ii) after the date on which the initial payment was made for Units where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Offering Memorandum or an amendment to this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum or an amendment to this Offering Memorandum.

Rights for Participants in Prince Edward Island

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a Participant resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the Participant has, without regard to whether the Participant relied on the Misrepresentation, a right of action for damages against the applicable Fund, and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of this Offering Memorandum, or, alternatively, while still the owner of the Units, for rescission against the Fund (in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages), provided that:

(a) no person will be liable if the person proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) no person (other than the Fund) will be liable if it proves that (i) the Offering Memorandum was sent to the Participant without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge or consent, or (ii) on becoming aware of the Misrepresentation in the Offering Memorandum, the person had withdrawn the person's consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;

(c) no person (other than the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation;

(d) a person is not liable in an action for a Misrepresentation in forward-looking information if:

  (i) this Offering Memorandum contains, proximate to that information:

    (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

    (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

  (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;

(f) in no case shall the amount recoverable exceed the price at which the Units were offered to the Participant under this Offering Memorandum; and

(g) no action shall be commenced to enforce the foregoing rights:

  (i) in the case of an action for rescission, more than 180 days after the date of the purchase of Units; or

  (ii) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the Participant first had knowledge of the Misrepresentation, or (ii) three years after the date of the purchase of Units.

Rights for Participants in Newfoundland and Labrador

If this Offering Memorandum, together with any amendment to this Offering Memorandum or any record incorporated by reference in, or considered to be incorporated into this Offering Memorandum contains a Misrepresentation and it was a Misrepresentation at the time of purchase, a Participant in the Province of Newfoundland and Labrador has, in addition to any other right that the Participant may have under law and without regard to whether the Participant relied on the Misrepresentation, a right of action for damages against the applicable Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of this Offering Memorandum, for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund (in which case the Participant will cease to have a right of action for damages), provided that:

1. no action shall be commenced to enforce the foregoing rights:

  (A) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

  (B) in the case of any action, other than an action for rescission, the earlier of: (I) 180 days after the Participant first had knowledge of the facts giving rise to the cause of the action; or (II) three years after the date of the transaction that gave rise to the cause of the action;

2. no person or company will be liable if the person or company proves that the Participant purchased the Units with knowledge of the Misrepresentation;

3. no person or company (other than the Fund) will be liable:

(A) if the person or company proves that this Offering Memorandum was sent to the Participant without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company; and

(B) if the person or company proves that the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal to the Fund and the reason for it;

4. in an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation; and

5. in no case shall the amount recoverable exceed the price at which the Units were offered to the Participant under this Offering Memorandum.

Rights for Participants in Yukon, Northwest Territories and Nunavut

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a Participant resident in Yukon, Northwest Territories or Nunavut contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the Participant will have, without regard to whether the Participant relied on the Misrepresentation, a right of action for damages against the applicable Fund and against every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a corporation at the date of this Offering Memorandum or, alternatively, while still the owner of the Units, for rescission against the Fund (in which case, if the Participant elects to exercise the right of rescission, the Participant will have no right of action for damages), provided that:

(a) no person or company will be liable if the person or company proves that the Participant purchased the Units with knowledge of the Misrepresentation;

(b) no person (other than the Fund) will be liable if the person proves that (i) the Offering Memorandum was delivered to the Participant without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it was sent without the person's knowledge or consent, and (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;

(c) no person (other than the Fund) will be liable with respect to any part of the Offering Memorandum unless the person (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation;

(d) no person will be liable for a Misrepresentation in forward-looking information if:

(i) this Offering Memorandum contains, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (B) a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;

(f) in no case shall the amount recoverable exceed the price at which the Units were sold to the Participant; and

(g) no action shall be commenced to enforce the foregoing rights:

  (i) in the case of an action for rescission, more than 180 days after the date of the purchase of the Units; or

  (ii) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the Participant first had knowledge of the Misrepresentation, or (ii) three years after the date of the purchase of Units.

General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the Participant may have at law.