

This document is issued by Baillie Gifford & Co Limited (the 'Manager') in order to make certain particular information available to investors in the Alternative Investment Fund (the 'Company') noted below before they invest, in accordance with the requirements of the Financial Conduct Authority's Rules implementing the Alternative Investment Fund Managers Directive in the United Kingdom. It is made available to investors by being available at scottishmortgageit.com. The Manager is authorised and regulated by the Financial Conduct Authority.

Potential investors in the Company's shares may wish to consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Scottish Mortgage Investment Trust PLC

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

Scottish Mortgage Investment Trust PLC ('Scottish Mortgage') is an AIF for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (as it forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018, the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 or as otherwise adopted under, or given effect to in, UK legislation or the UK regulatory regime) (the 'AIFM Directive').

The Company's shares are listed on the premium segment of the Official List of the Financial Conduct Authority and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to its articles of association, the Listing Rules, the Disclosure and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2006. The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

The provisions of the Company's articles of association are binding on the Company and its shareholders. The articles of association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association. The Company's articles of association are governed by Scots law.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

No advice

The Company and its Directors are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Investors' rights

The Company is reliant on the performance of third party service providers, including the AIFM, the Depositary and the Registrar. Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in the Company's shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of any overseas territory. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into any overseas territory. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

The Company is deemed to be a 'corpus of Foreign Portfolio Investors' under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, and therefore, Indian Institutional Investors are not permitted to invest in the Company.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

THE COMPANY

Investment Objective and Policy

The objective is to maximise total return from a portfolio of long term investments chosen on a global basis, enabling the Company to provide capital and dividend growth.

Investment is predominantly in equities. The number of equity holdings will typically range between 50 and 100 and the portfolio can be relatively concentrated. Achieving diversification is a requirement when selecting investments but an unconstrained approach is adopted and there are no fixed limits set as to geographical, industry and sector exposure. Portfolio concentration and levels of diversity are monitored by the Board on a regular basis. The maximum investment in any one holding is limited to 8% of total assets at the time of purchase.

A long term investment horizon is observed and little attention is paid to short term market trends when deciding strategy. This patient approach allows market volatility to be exploited to shareholders' long term advantage. An average holding period for investments of five years or more is targeted.

The major part of the portfolio will be held in quoted equities with good liquidity. Investment may also be made in fixed interest securities, convertible securities, funds, unquoted entities and other assets based on the individual investment case. The maximum amount which may be invested in companies not listed on a public market shall not exceed 30 per cent of the total assets of the Company, measured at the time of purchase.

With prior approval of the Board, the Company may use derivatives for the purpose of efficient portfolio management (for the purpose of reducing, transferring or eliminating investment risk in its investment portfolio, including protection against currency risk) and for investment purposes. The maximum permitted investment in other UK listed investment companies in aggregate is 15% of gross assets.

The Company aims to achieve a greater return than the FTSE All-World Index (in sterling terms) over a five year rolling period or longer. This benchmark is a reference point for considering performance and emphatically is not a portfolio construction tool. The portfolio does not set out to reproduce the index and there will be periods when performance diverges significantly from the benchmark.

Borrowings are invested in equity markets when it is believed that long term investment considerations merit the Company taking a geared position. Apart from in exceptional market conditions the Company will not take out additional borrowings if, at the time of borrowing, this takes the level of gearing beyond 30% calculated in accordance with the Association of Investment Companies (AIC) guidelines. In any event, the Company will not exceed the limit on borrowings set out in its Articles of Association, which provide that the amount of all the Company's borrowings shall not, without the previous sanction of an ordinary resolution of shareholders, exceed one half of the aggregate issued and fully paid share capital and capital reserves of the Company and, in addition, that the Company may from time to time borrow for temporary purposes sums not exceeding 20% of the Company's issued and fully paid share capital.

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the Listing Rules, the Company is required to obtain the prior approval of its shareholders to any material change to its published investment policy. Accordingly, the

Company will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service.

Any change in investment strategy or investment policy which does not amount to a material change to our published investment policy may be made by the Company without shareholder approval.

Leverage

As explained above, Scottish Mortgage may employ borrowings and derivatives as leverage.

The maximum level of leverage which the Alternative Investment Fund Manager ('AIFM') is entitled to employ on behalf of the Company is 250% under the gross method and 200% under the commitment method. In accordance with the investment management agreement, any changes to these limits will be agreed in advance between the AIFM and the Company.

The amount of leverage employed by the Company will be disclosed in the Company's Annual Report and Financial Statements.

Investment Strategy and Techniques

There are around 80 equity investments in the portfolio chosen from around the world for their long-term potential. The portfolio bears little resemblance to the benchmark index which is only used for performance measurement over at least a five year rolling period. Achieving adequate diversification is a requirement but an unconstrained approach is taken with no fixed limits on geographical and sector exposures.

Companies are analysed using questions that aim to assess: strength of management, competitive position, customer perspective, prospects for sales and margins, current and potential valuation, how the market and our view differs and what will happen after five years.

Scottish Mortgage is only a suitable investment for those who share a long-term perspective and who are not looking for an index-like investment; there will be periods of under-performance as well as out-performance.

Changes to Objective, Investment Policy, Investment Strategy or Maximum Leverage

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the Listing Rules, the Company is required to obtain the prior approval of its shareholders to any material change to its published objective and investment policy (as set out above). Accordingly, the Company will not make any material change to its published objective and investment policy without the approval of its Shareholders by ordinary resolution. The Company will announce any such change via the London Stock Exchange.

Any change in investment strategy or investment policy which does not amount to a material change to its published investment policy may be made by the Company without shareholder approval.

Any changes to the maximum level of leverage which may be employed by the Company will be communicated to shareholders.

Baillie Gifford & Co Limited will update this document, as soon as reasonably practicable, to take account of material changes. Such changes will also be disclosed to existing shareholders in the following Annual Report and Financial Statements.

Any changes in information shall be deemed material if there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM and Company Secretary

Baillie Gifford & Co Limited is the authorised Alternative Investment Fund Manager ('AIFM') and Company Secretary of Scottish Mortgage. The annual management fee payable to the AIFM is 0.30% on the first £4 billion of total assets less current liabilities (excluding short term borrowings for investment purposes) and 0.25% thereafter. Although holdings in collective investment schemes ('OEICs') managed by Baillie Gifford & Co are subject to this fee the OEIC Share class held by the Company does not itself attract a fee, thereby avoiding any duplication of fees. Management fees are calculated and payable on a quarterly basis.

There is no additional secretarial fee. The provision of secretarial and administrative services is included in the management fee.

Baillie Gifford & Co Limited has delegated certain portfolio and risk management services to Baillie Gifford & Co and Baillie Gifford Overseas Limited. Baillie Gifford & Co Limited is a wholly-owned subsidiary of Baillie Gifford & Co. Baillie Gifford & Co Limited has consented to the sub-delegation by Baillie Gifford & Co of some of its duties in relation to investment management to Baillie Gifford Overseas Limited in the United States of America. Baillie Gifford Overseas Limited is authorised and regulated by the FCA. Baillie Gifford Overseas Limited is also registered with the Securities & Exchange Commission in the United States of America and is licensed with the Financial Sector Conduct Authority in South Africa as a Financial Services Provider. It is intended that Baillie Gifford Overseas Limited will produce investment research and will take part in the investment decision-making together with Baillie Gifford & Co. Baillie Gifford & Co Limited has also consented to sub-delegation by Baillie Gifford & Co of dealing activities and transaction reporting to Baillie Gifford Overseas Limited, and to the further delegation of the same to Baillie Gifford Asia (Hong Kong) Limited. The principal activities of Baillie Gifford Asia (Hong Kong) Limited are to provide marketing and distribution services to professional investors in Hong Kong on behalf of Baillie Gifford Overseas Limited. In addition Baillie Gifford & Co and Baillie Gifford Overseas Limited have appointed Baillie Gifford Asia (Singapore) Private Limited to provide them with investment advice, with analysts based in Singapore providing inputs into portfolio construction and exercising influence over the Company, where appropriate, in relation to ESG matters, but will not make individual decisions in relation to the Company. The AIFM believes that any such delegation would not give rise to any conflicts of interest.

Baillie Gifford & Co, Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited have the necessary regulatory permissions in place to perform the activities delegated to them.

The Depositary

The Bank of New York Mellon (International) Limited has been appointed as the Company's Depositary. The Depositary is responsible for the safekeeping of the Company's assets, monitoring the cash flows of the Company and must ensure that certain processes carried out by the AIFM are performed in accordance with the applicable rules and the constitutive documents of the Company. The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Bank of New York Mellon (International) Limited is also responsible for the safekeeping of the assets of the Company (the "Global Sub-Custodian"). The Global Sub-Custodian may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates.

The Depositary has not entered into any arrangement contractually to discharge itself of liability in accordance with Article 21(13). We will notify shareholders of any changes with respect to the discharge by the Depositary of its liability in accordance with Article 21(13) through a Regulatory Information Service. The Depositary must not re-use any: (i) financial instruments of the Company; or (ii) assets, other than financial instruments or cash, which are held in custody by the Depositary (or a delegate thereof) for the Company, in either case except with the prior consent of the Company or the AIFM on its behalf and provided all applicable English laws, rules and regulations (other than the AIFM Directive and the UK Alternative Investment Fund Managers Regulations 2013) are complied with.

The annual fee payable to the Depositary in respect of UK depositary services is 0.009 per cent. on the first £7.5bn of the Company's total assets, 0.0075 per cent. on assets between £7.5bn and £15bn, 0.006 per cent. on assets between £15bn and £30bn and 0.0045 per cent. on assets between £30bn and £40bn, subject to a minimum annual fee of £10,000 (exclusive of VAT).

The Auditor

PricewaterhouseCoopers LLP provides audit services to the Company. The fees charged by the Auditor are computed inter alia on the time spent by the Auditor on the affairs of the Company.

The Registrar

Computershare Investor Services PLC has been appointed as the Company's Registrar. The Registrar's duties include the maintenance of the Company's registers of shareholders and debentures and the processing of any transfer of shares or debentures.

Fees are based on the number of holders on the registers and number of transfers each year

Ongoing Expenses

Ongoing expenses can be found in the Key Information Document on the Company's website. Investors should note that some expenses are inherently unpredictable and, depending on circumstances, ongoing expenses will fluctuate.

Conflicts of interest may arise as a result of the delegation of functions by the AIFM and/or the Depositary

The AIFM, the Depositary and their respective delegates have undertaken to take all reasonable steps to avoid conflicts of interest in relation to the Company and its investors. If such conflicts of interest cannot be avoided, the AIFM, the Depositary and their respective delegates shall take all reasonable steps to identify, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Company and its investors, and to ensure that the Company is fairly treated.

SHAREHOLDER INFORMATION

Annual Report and Financial Statements

Copies of the Company's latest annual and interim reports may be accessed at scottishmortgageit.com

Publication of net asset values

The latest net asset value of the Company may be accessed at scottishmortgageit.com

Valuation Policy

Investments are valued at their fair value. The fair value of listed investments is bid price or, in the case of FTSE 100 constituents or holdings in certain recognised overseas exchanges, last traded prices. Open Ended Investment Companies ('OEICs') authorised in the UK are valued at closing price.

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies techniques consistent with the International Private Equity and Venture Capital Valuation Guidelines 2018 ('IPEV'). The techniques applied are predominantly market-based approaches. The market-based approaches available under IPEV are set out below and are followed by an explanation of how they are applied to the Company's unlisted portfolio:

Multiples;

Industry Valuation Benchmarks; and

Available Market Prices.

The nature of the unlisted portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation.

Additionally, the background to the transaction must be considered. As a result, various multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the Industry Valuation Benchmarks technique and an absence of observable prices may preclude the Available Market Prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

The unlisted investments are valued according to a three monthly cycle of measurement dates. The fair value of the unlisted investments will be reviewed before the next scheduled three monthly measurement date on the following occasions:
at the year end and half year end of the Company; and where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's Annual Report and Financial Statements and monthly factsheets, which are available at scottishmortgageit.com

Investors should note that past performance of the Company is not indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange.

The Company has authority to issue shares from treasury at a premium to net asset value per share on the basis of debt valued at fair value. The Company's shares are not redeemable.

While the Company will typically have shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Company.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

The shares rank *Pari Passu*.

Share Capital

The Company has only one class of shares in issue, which are ordinary shares. The ISIN number for the Company's shares is GB00BLDYK618 and the SEDOL is BLDYK61.

Legal ownership of the Company's shares is evidenced by entry on the register of shareholders, and each registered shareholder is entitled to the rights set out in the Company's articles of association. These include the right to attend meetings and to vote on resolutions, to receive any dividends and to receive a pro rata share of the net assets of the Company in the event of winding up.

RISK FACTORS

Past performance is not a guide to future performance.

Scottish Mortgage is listed on the London Stock Exchange. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.

Scottish Mortgage has a significant exposure to private companies. The risk could be increased as these assets may be more difficult to buy or sell, so changes in their prices may be greater.

Scottish Mortgage invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Scottish Mortgage invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

Scottish Mortgage has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any borrowings will increase the amount of this loss.

Share prices may either be below (at a discount) or above (at a premium) the net asset value (NAV). Scottish Mortgage may issue shares when the price is at a premium which may reduce the share price. Shares bought at a premium may have a greater risk of loss than those bought at a discount.

Scottish Mortgage can buy back its own shares. The risks from borrowing, referred to above, are increased when a Company buys back its shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

Scottish Mortgage can make use of derivatives which may impact on its performance.

Scottish Mortgage Investment Trust is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at scottishmortgageit.com, or by calling Baillie Gifford on 0800 917 2112.

The staff of Baillie Gifford and the Directors of Scottish Mortgage may hold shares in Scottish Mortgage and may buy or sell such shares from time to time.

RISK MANAGEMENT

Risk profile

The Company will periodically disclose the current risk profile of the Company to investors. The Company will make this disclosure at scottishmortgageit.com at the same time as it makes its Annual Report and Financial Statements available to investors or more frequently at its discretion.

Assets consist mainly of listed securities and therefore the risk profile of the AIF incorporates market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk, credit risk and operational risk factors. Other factors which contribute to the risk profile relate to the ability of the AIF to borrow money to make further investments (leverage).

Limits are set for market risk and are monitored daily. Market risk stress testing comprises a number of market related scenarios and events relevant to the AIF's objectives and time horizon to analyse the impact on market risk limits. Limits are also in place for liquidity risk, credit risk and operational risk, with periodic stress testing performed as appropriate.

Further detail in relation to the nature and extent of the principal risks of the Company are described in the Scottish Mortgage Annual Report and Financial Statements.

No risk limits set by the AIFM have been exceeded in the period since 1 July 2014 or are likely to be exceeded.

Risk management systems

The Company will periodically disclose to investors the risk management systems which it employs to manage the risks which are most relevant to it. The Company will make this disclosure at scottishmortgageit.com at the same time as it makes its Annual Report and Financial Statements available to investors or more frequently at its discretion.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk policy which covers the risks associated with the AIF, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

For each relevant risk area, risk limits are set by the AIFM which take into account the objectives, strategy and risk profile of the AIF. These limits are monitored daily, and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables to the AIF. Exceptions from limits monitoring and stress testing are escalated to the AIFM along with remedial measures being taken.

Liquidity risk management

The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations. This policy involves an assessment by the AIFM of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors.

Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the Company's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Company's investments; and
- the possible need to repay borrowings at short notice, which would require to be met by the sale of assets.

The liquidity management policy requires the AIFM to identify and monitor its investment in asset classes which are considered to be relatively illiquid. The majority of the Company's portfolio is invested in liquid equities and the portfolio is monitored on an ongoing basis to ensure that it is adequately diversified.

The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Investors will be notified, by way of a disclosure at scottishmortgageit.com in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.

The Company will periodically disclose to investors the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature. The Company will make this disclosure at scottishmortgageit.com at the same time as it makes its Annual Report and Financial Statements and accounts available to investors or more frequently at its discretion.

Professional negligence liability risks

The requirement to cover potential liability risks arising from professional negligence is covered by the AIFM's own funds. Sufficient capital above the regulatory limit is held which is monitored by the Board of Baillie Gifford & Co Limited.

Brokerage Practices and Use of Dealing Commission

Baillie Gifford & Co Limited appoints its affiliate Baillie Gifford & Co to conduct portfolio management services on behalf of the Company. Baillie Gifford & Co in turn delegates the investment dealing aspects of those services and transmits orders to its affiliate Baillie Gifford Overseas Limited for execution. An important element of Baillie Gifford Overseas Limited's investment dealing services includes the selection of brokers with whom orders can be placed to execute investment decisions on behalf of the Company.

Baillie Gifford Overseas Limited trades with brokers using execution-only commission rates. The execution-only commission includes the costs of access to each global market, the broker's ability to source liquidity, the use of alternative trading venues, the provision of risk capital, the capabilities of individual sales traders and the provision of proprietary technology for trading programmes and algorithms.

Where Baillie Gifford & Co supports its portfolio management activities by procuring external research services, it pays directly for such services under separate agreements.

Sustainability Risks

The AIFM has adopted Baillie Gifford & Co's Stewardship Approach – ESG Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture, and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within its Objective & Policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on Baillie Gifford's approach to sustainability can be found in its Stewardship Approach – ESG Principles and Guidelines document, available publicly at bailliegifford.com/en/uk/about-us/esg/.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Key Information Document

A Key Information Document is available by contacting us on 0800 917 2112 or by visiting bailliegifford.com

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