BAILLIE GIFFORD UK & BALANCED FUNDS ICVC

(*An investment company with variable capital incorporated with limited liability and registered in Scotland under number SI 000008 and operating as an umbrella fund with segregated liability between Funds*)

Important Information for Singapore Investors

This Singapore country supplement dated 13 March 2023 ("Supplement") forms part of and should be read in conjunction with the prospectus for Baillie Gifford UK & Balanced Funds ICVC (the "Company") dated 9 March 2023 (the "Prospectus"). All capitalised terms contained herein shall have the same meaning in this Supplement as in the Prospectus unless otherwise indicated.

The offer or invitation of the shares (the "**Shares**") of the following Fund(s):

- Baillie Gifford Managed Fund

which is the subject of the Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act 2001, as amended or modified (the "**SFA**") or recognised under section 287 of the SFA. The Funds are not authorised or recognised by the Monetary Authority of Singapore (the "**MAS**") and Shares are not allowed to be offered to the retail public. Each of the Prospectus, this Supplement and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. You should consider carefully whether the investment is suitable for you.

The Prospectus and this Supplement have not been registered as a prospectus with the MAS. Accordingly, the Prospectus, this Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) under Section 304 of the SFA, (ii) to a relevant person (as defined in Section 305(5) of the SFA) pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, and where applicable, the conditions specified in Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 except:

(1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 305A(5) of the SFA; or

(5) as specified in Regulation 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The Shares are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Company is an open-ended investment company with variable capital operating as an umbrella fund with segregated liability between sub-funds and incorporated and existing under the laws of Scotland with its registered office at Calton Square 1 Greenside Row, Edinburgh. The Company and its offer of Shares in the Fund(s) are regulated by the Financial Conduct Authority (the "**FCA**") pursuant to the OEIC Regulations and the COLL Rules.

The Bank of New York Mellon, London Branch (the "**Custodian**") is the custodian of the Company. It is a branch of a company incorporated under the laws of the United States and is regulated by the FCA.

Baillie Gifford & Co, a limited company incorporated in the United Kingdom, has been appointed as Investment Adviser of the Company and is regulated by the FCA.

The contact details of the FCA are as follows:

Financial Conduct Authority
Address: 12 Endeavour Square, London, E20 1JN.
Telephone No.: +44 (0)20 7066 1000

The Funds do not have any side letter policy and will not enter into any side letters with investors.

Past performance and information on the accounts of any of the Funds may be found in the fact sheets of the corresponding Funds, or obtained from the Investment Adviser upon request.

Investors should note that reference to any fund(s) other than the Fund(s), as defined herein, is not available to Singapore investors, and any offer of Shares is not and should not be construed as an offer of shares in such other sub-funds of the Company in Singapore.

Information relating to the fees and expenses payable by investors in each of the Funds is set out under the section headed “Charges and Expenses” in the Prospectus.

This document is the Prospectus of Baillie Gifford UK & Balanced Funds ICVC prepared in accordance with The Financial Conduct Authority's Collective Investment Schemes Sourcebook and is valid from the opening of business on 9 March 2023.

BAILLIE GIFFORD UK & BALANCED FUNDS ICVC

FCA Product Reference Number: 188428

PROSPECTUS

for

BAILLIE GIFFORD BRITISH SMALLER COMPANIES FUND

BAILLIE GIFFORD GLOBAL ALPHA GROWTH FUND

BAILLIE GIFFORD GLOBAL ALPHA PARIS-ALIGNED FUND

BAILLIE GIFFORD GLOBAL INCOME GROWTH FUND

BAILLIE GIFFORD INTERNATIONAL FUND

BAILLIE GIFFORD MANAGED FUND

BAILLIE GIFFORD RESPONSIBLE GLOBAL EQUITY INCOME FUND

BAILLIE GIFFORD UK EQUITY ALPHA FUND

BAILLIE GIFFORD UK AND WORLDWIDE EQUITY FUND

GLENFINLAS GLOBAL FUND

Contents

Important Notice to Readers

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR FINANCIAL ADVISER.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

Responsibilities of Baillie Gifford & Co Limited for this document

Baillie Gifford & Co Limited, the authorised corporate director of Baillie Gifford UK & Balanced Funds, is the person responsible for the information contained in this Prospectus and has approved the contents of this Prospectus for the purpose of Section 21 of the Financial Services and Markets Act 2000. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information set out below does not contain any untrue or misleading statement or omit any matters required by the COLL Rules to be included in it. Baillie Gifford & Co Limited accepts responsibility accordingly.

The Depositary is not a person responsible for information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Rules or otherwise.

Status of the Prospectus

This Prospectus is based on information, law and practice at the opening of business on 9 March 2023. Copies of this Prospectus have been sent to the FCA and the Depositary.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the ACD that this is the most recently published Prospectus.

This Prospectus contains details relevant to the legal jurisdictions in the United Kingdom. The distribution of this Prospectus and the offering of Shares in certain other jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, and without prejudice to the foregoing generality the offering of Shares is not directed at the United States of America or to persons resident or domiciled in the United States of America or to any nationals of either Russia or Belarus.

This document may be translated into other languages. Any such translation shall contain the same information and have the same meaning as the English language document. To the extent there is any inconsistency between the English language version and any translation, the English language version will prevail.

Target Market

The Target Market for each Sub-fund of the Company is set out in Appendix A.

Listing of Shares in the Company

Shares in the Company are not listed on any investment exchange.

Instrument of Incorporation

The provisions of the Instrument of Incorporation are binding on each of the Company's Shareholders (who are deemed to have notice of them). Copies of the Instrument of Incorporation may be obtained from, or inspected at, the Company's Head Office.

The Company and its Service Providers

An investment company with variable capital incorporated with limited liability and registered in Scotland under number SI 000008.

Head office:
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Authorised Corporate Director:
Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Investment Adviser:
Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Depositary:
NatWest Trustee and Depositary Services
House A, Floor 0
175 Glasgow Road
Gogarburn
Edinburgh
EH12 1HQ

Custodian:
The Bank of New York Mellon, London Branch
One Canada Square
London
E14 5AL

Registrar:
Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Auditors:
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Glossary

accumulation Shares	Shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the COLL Rules
AIF	an alternative investment fund as defined in the Alternative Investment Fund Managers Regulations 2013
the Authorised Corporate Director, the ACD or Registrar	Baillie Gifford & Co Limited
the Act	the Financial Services and Markets Act 2000
Annual Management Charge or AMC	the fee paid by the Company out of the Scheme Property to the ACD by way of remuneration for its services as detailed in Section 5.3.1 below
Anti-Money Laundering Rules	the laws, rules, regulations and guidance relating to anti money laundering that apply to the ACD, investment in a Sub-fund and to the ACD's dealings with persons in contemplation of such an investment or in connection with this Prospectus from time to time
Approved Security	a transferable security which is (i) admitted to or dealt in on an Eligible Securities Market, or (ii) recently issued and the terms of issue include an undertaking that application will be made to be admitted to an Eligible Securities Market and such admission is secured within a year of issue
Baillie Gifford	Baillie Gifford & Co, every company wholly owned by Baillie Gifford & Co and (in relation to each such company) any subsidiary or holding company of that company and any subsidiary of a holding company of that company
Benchmark Regulation	Regulation (EU) 2016/1011, as implemented in the UK, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
BGA(HK)	Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 is wholly owned by BGO and is a private limited liability company incorporated in Hong Kong and whose registered office is situated at Suites 2713-2715, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
BGO	Baillie Gifford Overseas Limited, wholly owned by Baillie Gifford & Co, which has its registered office at Calton Square, 1 Greenside Row, Edinburgh, EH3 8HA
Class or Classes	in relation to Shares, means (according to the context) a particular class of Share in issue from time to time relating to a single Sub-fund or in the Company or all of the Shares in issue from time to time relating to a single Sub-fund
CNH	offshore RMB currency traded outside of Mainland China
CNY	onshore RMB currency traded within mainland China only
the COLL Rules	the rules contained in the Collective Investment Schemes sourcebook (or COLL) published by the FCA as part of their Handbook of rules made under the Act, as amended or replaced from time to time, which shall, for the avoidance of doubt, not include

	guidance or evidential requirements contained in the said sourcebook
Company or Baillie Gifford UK & Balanced Funds	Baillie Gifford UK & Balanced Funds ICVC
Conversion	the conversion of Shares in one Class in a Sub-fund to Shares of another Class in the same Sub-fund and "**Convert**" and "**Conversions**" shall be construed accordingly
CTF Regulations	the Child Trust Fund Regulations 2004
Dealing Day	any day other than a Saturday, a Sunday or a bank holiday in England and Wales, as the context may require and subject always to the ACD's discretion
Depositary	NatWest Trustee and Depositary Services Limited, the depositary of the Company
Derivatives	includes but is not limited to futures, swaps, options and contracts for differences
EEA State	a member state of the European Union and any other state which is within the European Economic Area, currently Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Iceland, Norway and Liechtenstein (but please note that in the meantime, until certain issues relating to the relevant securities markets in Cyprus and Malta have been resolved to the satisfaction of the Depositary, Cyprus and Malta will not be treated as EEA States for the purposes of Eligible Derivatives Markets and Eligible Securities Markets in this Prospectus. In addition, Iceland is not currently treated as an EEA State for the purposes of Eligible Derivatives Markets and Eligible Securities Markets in this Prospectus)
Eligible Derivatives Market	(a) a market which is regulated, operates regularly, open to the public and in the United Kingdom or an EEA State; or (b) a regulated market as defined for the purposes of the COLL Rules; or (c) a market which the ACD, after consultation with and notification to the Depositary, has decided is appropriate for investment of, or dealing in, the property of the relevant Sub-fund. Such markets must be regulated, operate regularly, appropriately recognised by an overseas regulator, open to the public, adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors; and (d) a market identified as an eligible derivatives market for the relevant Sub-fund in Appendix D
Eligible Securities Market	(a) a market which is regulated, operates regularly, open to the public and in the United Kingdom or an EEA State; or (b) a regulated market as defined for the purposes of the COLL Rules; (c) a market which the ACD, after consultation with and notification to the Depositary, has decided is appropriate for investment of, or dealing in, the property of the relevant Sub-fund. Such markets must be regulated, operate regularly, appropriately recognised by an overseas regulator, open to the public,

	adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors; and (d) a market identified as an eligible securities market for the relevant Sub-fund in Appendix C
EPM	efficient portfolio management
ESMA Guidelines	the Guidelines on ETFs and other UCITS issues dated between 1 August 2014 (ESMA 2014/937) published by the European Securities and Markets Authority
the FCA	the Financial Conduct Authority, or any successor authority
FINRA	Financial Industry Regulatory Authority, Inc
GAPS or Government and public securities	transferable securities or approved money market instruments issued or guaranteed by (i) an EEA state; (ii) a local authority of an EEA state; (iii) a non-EEA state; or (iv) a public international body to which one or more EEA states belong
HMRC	HM Revenue and Customs
income Shares	Shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the COLL Rules
Instrument of Incorporation	the instrument of incorporation of the Company, as amended from time to time, registered by the Company in accordance with the Regulations
Investment Adviser	Baillie Gifford & Co, the investment adviser to the Company and the ACD
IOSCO	the International Organisation of Securities Commissions
KIID	Key Investor Information Document
NASD	National Association of Securities Dealers
Net Asset Value or NAV	the value of the Scheme Property of the Company (or, where the context requires, such part of the Scheme Property as is attributable to a particular Sub-fund) less all the liabilities of the Company (or such liabilities as are attributable to that Sub-fund as the case may be) as determined in accordance with the Instrument of Incorporation
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 frameworks, including United Nations treaties, Security Council sanctions, the United Nations Global Compact, the United Nations Human Rights Declaration and the OECD Guidelines for Multinational Enterprises
OCF	Ongoing Charges Figure
OECD	Organisation for Economic Co-operation and Development
the OEIC Regulations	the Open-Ended Investment Companies Regulations 2001
OTC	over the counter, i.e. off exchange
Permissible PRC Instruments	include the following PRC instruments that the relevant Fund may have exposure to via applicable China access channels:

	(i) Renminbi-denominated PRC securities which are permitted for investment through the QFI Scheme and/or Stock Connect; (ii) Renminbi-denominated PRC bonds and other debt instruments traded on the PRC exchanges that are permitted for investment through the QFI Scheme and/or Bond Connect; and/or other PRC instruments which are permitted for investment through the QFI Scheme, Stock Connect and/or Bond Connect
the PRA	the Prudential Regulation Authority, or any successor authority
PRC or China	People's Republic of China, excluding Hong Kong, Macau and Taiwan
Prospectus	the current Prospectus of the Company
QFI	a qualified foreign investor under the QFI Scheme
QFI Scheme	includes the qualified foreign institutional investor ("**QFII**") scheme and the RMB qualified foreign institutional investor ("**RQFII**") scheme, which have been merged into one unified programme based on recent PRC regulatory developments to allow qualified foreign institutional investors to invest in eligible PRC securities and other instruments under applicable PRC laws
Register	the register of Shareholders of the Company
the Regulations	as the context requires may be reference to: (a) the Act; (b) the OEIC Regulations; (c) the COLL Rules; (d) the UCITS Directive, as implemented in the UK; or (e) the UCITS V Level 2 Regulation
RMB or Renminbi	the lawful currency of the People's Republic of China
Scheme Property	the property of the Company to be given for safekeeping to the Depositary in accordance with the COLL Rule
Securities Financing Transactions Regulation	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2915 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as implemented in the UK
Share or Shares	a share or shares in the Company (including larger denomination shares and smaller denomination shares)
Shareholder	holder(s) of registered Shares in the Company
Shares in or of a Sub-fund	Shares relating to a particular Sub-fund
Sub-fund	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company are allocated and which is invested in accordance with the investment objective and policy applicable to such sub-fund
Supplementary Information Document	the current supplementary information document issued by the ACD in relation to investment in the Company

Switch	the exchange of Shares of one Sub-fund for Shares of another Sub-fund and "**Switching**" and "**Switches**" shall be construed accordingly
unit	in relation to a collective investment scheme means the right or interest (however described) of the participants in that scheme (this includes, in relation to an authorised unit trust ("**AUT**"), a unit representing the rights or interests of the unitholders in the AUT and, in relation to an investment company with variable capital ("**ICVC**"), a share in the ICVC)
UCITS	(i) an undertaking for collective investment in transferable securities established in an EEA State in accordance with the UCITS Directive or (ii) a UK UCITS
UCITS V Level 2 Regulation	Commission delegated regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to the obligations of depositaries, as implemented in the UK
UK UCITS	In accordance with sections 236A and 237 of the Act, subject to (4) below, an undertaking which may consist of several sub-funds and:

1) is an AUT, an ACS or an ICVC:

    (a) with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets specified in paragraph (2), and operating on the principle of risk-spreading;

    (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (see also paragraph (3)); and

    (c) which (in accordance with the rules in Chapter 4.2 of the COLL Rules) has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA.

2) The transferable securities or other liquid financial assets specified for the purposes of paragraph (1)(a) are those which are permitted by Chapter 5.2 of the COLL Rules.

3) For the purposes of paragraph (1)(b), action taken by the undertaking to ensure that the price of its units on an investment exchange do not significantly vary from their net asset value is to be regarded as equivalent to such repurchase or redemption.

4) The following undertakings are not a UK UCITS:

    (a) a collective investment undertaking of the closed-ended type;

    (b) a collective investment undertaking which raises capital without promoting the sale of its units to the public in the UK;

    (c) an open-ended investment company, or other collective investment undertaking, the units of which, under the fund rules or the instruments of incorporation of the investment company, may be sold only to the public in countries or territories outside the UK.

valuation point	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled, sold, or redeemed
VAT	Value Added Tax
£/pound	pounds sterling of the United Kingdom

Subject to the foregoing, words and expressions which are defined in, or for the purposes of, the Act, the COLL Rules or the OEIC Regulations have the same meaning when they are used in this Prospectus (except where inconsistent with the context) and any references in this Prospectus to any statute or statutory instrument or other rule or regulation shall be deemed to include a reference to such statute or 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.

PART 1: THE COMPANY

1.1 General

1.1.1 The Company

Baillie Gifford UK & Balanced Funds as described in this Prospectus is an investment company with variable capital, incorporated in Scotland under the OEIC Regulations, and is an umbrella company as defined in the OEIC Regulations. It is governed by the OEIC Regulations, the COLL Rules and its Instrument of Incorporation.

The Company is a collective investment scheme as defined in the Act. It is authorised by the FCA. The Company is a UK UCITS scheme in terms of the COLL Rules.

The Company was authorised by the Financial Services Authority, the predecessor of the FCA. Its FCA Product Reference Number ("**PRN**") is 188428. The Company has an unlimited duration.

1.1.2 Object of the Company

The object of the Company is to invest the Scheme Property in transferable securities, money market instruments, deposits, units in collective investment schemes, derivative instruments and forward transactions in accordance with the COLL Rules applicable to the Company and each Sub-fund, according to the type of authorisation of the Company, with the aim of spreading investment risk and giving its Shareholders the benefit of the results of the management of that property. The Shareholders have no interest in the Scheme Property, and are not liable for the debts of the Company.

1.1.3 Address of the Company and service and provision of documents

The address of the head office of the Company is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. This is also the address where notices, or other documents, can be served. Various documents, including copies of this Prospectus, the Instrument of Incorporation and long annual and half yearly reports, may be inspected at, and are available from, this address. A charge of £10 will be levied for each copy of the Instrument of Incorporation supplied.

1.1.4 Issued Share Capital

The maximum size of the Company's issued share capital is £50,000,000,000. The minimum size of the Company's issued share capital is £1.

Shares in the Company have no par value. The share capital of the Company at all times equals the Net Asset Value of the Company.

1.1.5 Base Currency

The base currency of the Company and of each Sub-fund is pounds sterling.

1.1.6 Directors

The sole director of the Company is Baillie Gifford & Co Limited, which acts as the authorised corporate director. It is not the present intention of the ACD that other directors will be appointed.

1.1.7 Shareholders

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the purchase price of the Shares.

1.1.8 Reports

Half yearly long reports of the Company and each Sub-fund will normally be published on or before 30 September in each year and annual long reports of the Company and each Sub-fund will normally be published on or before 31 March in each year. Copies of the long reports (half yearly and annual) are available on request and at https://www.bailliegifford.com.

1.2 The Structure of the Company and its Sub-funds

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Sub-fund or Class, a revised Prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and policy applicable to that Sub-fund.

Each Sub-fund represents a segregated portfolio of assets and accordingly the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body including any other Sub-fund and shall not be available for any such purpose.

Each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which is fair to the Shareholders of the Company generally, although they will normally be allocated to all of the Sub-funds pro rata to the value of the net assets of the respective Sub-funds.

The Sub-funds currently available are detailed in Appendix A. Each will be invested as a UK UCITS scheme, as defined for the purposes of the COLL Rules. Further Sub-funds may be added over time.

1.3 Shares

1.3.1 Classes of Share within the Sub-funds

Several Classes of Share may be issued in respect of each Sub-fund. The Classes of Shares currently available in respect of each Sub-fund are set out in Appendix A.

All Classes of Shares are gross paying Shares meaning that income shall be distributed (in the case of income Shares) or credited to capital (in the case of accumulation Shares) without any income tax being deducted or accounted for by the Company.

Holders of income Shares are entitled to be paid the income attributed to such Shares of the appropriate Class on or before the interim and annual income allocation dates applying to the relevant Sub-fund.

Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital property of the relevant Sub-fund at the end of the relevant accounting period and is reflected in the price of an accumulation Share. Where income Shares are in issue in respect of the Sub-fund during that accounting period, this requires an adjustment in the proportion of the value of the Scheme Property attributed to the Sub-fund to which the accumulation Shares are related.

Where a Sub-fund has different Classes of Share, each may attract different charges and expenses, so that monies may be deducted from the assets attributable to each of those Classes in unequal proportions. In these circumstances the proportionate interests of the Classes of Share in a Sub-fund will be adjusted accordingly, in accordance with the terms of issue of Shares of those Classes.

Also, each Class of Shares may have its own investment minima or other features, such as (in the case of the second or any further Class of Shares in a Sub-fund) restricted access, at the discretion of the ACD. Any such differences or features are set out in Appendix A in relation to the Classes of Share that are currently in issue in respect of each of the Sub-funds.

1.3.2 The Characteristics of Shares in the Company

Details of each Class of Shares that is currently available (including any restrictions on availability) and the rights attached to it in so far as they vary from the rights attached to other Classes of Share are in Appendix A, which also sets out details of the Sub-funds to which the Classes of Share relate.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Sub-fund for Shares of the same or another Class within a different Sub-fund. Details of this Switching facility and the applicable restrictions are in Section 4.3.9 below. Shareholders are also entitled (subject to certain restrictions) to Convert all or part of their Shares in a Class for Shares in another Class within the same Sub-fund. Details of this Conversion facility are set out in Section 4.3.10 below.

Title to Shares in the Company is evidenced by an entry on the Register and certificates are not issued to Shareholders. Details of a Shareholder's entry on the Register are available from the ACD on request by that Shareholder (subject to such proof of identity as the ACD may reasonably require and any applicable charge). A statement of shareholding ("**periodic statement**") in respect of Shares will be sent to each Shareholder at least once a year in such form as the ACD may decide. Where the Shareholder uses the services of an authorised intermediary, the ACD will send a copy of the statement to that intermediary. A periodic statement shall not constitute a document of title to the Shares to which it refers.

The ACD may impose a charge of up to £25 for the account of the ACD on the person requesting its issue for issuing any document evidencing title to Shares or for recording any entry on the Register, except in circumstances constituting a purchase, sale, issue or cancellation of Shares.

It is not possible under the Regulations to have fractions of a Share linked to a Sub-fund. Accordingly, the rights attached to Shares of each Class are expressed in two denominations - smaller denomination and larger denomination. Each smaller denomination Share represents one 1000th of a larger denomination Share and therefore, in practice, represents a fraction of a whole Share (being a larger denomination Share). The ACD shall, whenever not less than 1,000 smaller denomination Shares of any Class are included in any registered holding, consolidate 1,000 of such Shares into a larger denomination Share of the same Class, but may at any time for the purpose of effecting a transaction in Shares with a Shareholder replace that Shareholder's entitlement to one or more larger denomination Shares with an entitlement to the corresponding number of smaller denomination Shares of the same Class.

PART 2: THE SERVICE PROVIDERS

2.1 The Authorised Corporate Director

2.1.1 Baillie Gifford & Co Limited

The authorised corporate director is Baillie Gifford & Co Limited, whose registered office is at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, as is its head office. The ACD is a private limited company with an issued share capital of £50,000 which is fully paid up. The ACD was incorporated in Scotland on 8th October 1979 and is wholly owned by Baillie Gifford & Co, a partnership constituted under the law of Scotland and domiciled in Scotland. The directors of the ACD are K B M Bolsover, D R Buckley, E Delaney, C M Fraser, L B S Haddow, D S McGowan, A J Telfer, and M J C Wylie (Chairman) and the Secretary is G Allan. Three directors of the ACD, namely, E Delaney, A J Telfer and M J C Wylie, are Partners in Baillie Gifford & Co. K B M Bolsover and D R Buckley are non-executive directors. The significant business activities that are not connected with the business of the Company of those of the directors who are such Partners are their activities as such Partners.

The ACD is responsible for managing and administering the affairs of the Company (including portfolio management and risk management) in compliance with the Regulations. The ACD must act honestly, fairly, professionally, independently and in the interest of the Company and Shareholders in carrying out its role. The ACD outsources all aspects of the management and administration of the affairs of the Company, other than risk management functions and the maintenance of the Register (see Section 2.4 below), to Baillie Gifford & Co. The drawing up of marketing literature and the distribution thereof is also delegated by the ACD to Baillie Gifford & Co.

The ACD is authorised and regulated by the FCA.

The ACD also manages or operates other regulated collective schemes. Appendix E gives the names of these schemes and the capacity in which the ACD acts in relation to them.

The ACD acts as Registrar of the Company. The Register is maintained at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN where it may be inspected during normal business hours, without charge, by any Shareholder or any Shareholder's duly authorised agent.

The Register is prima facie evidence of entitlement to Shares. No notice of any trust shall be entered on the Register.

The ACD's fee for acting as Registrar is included in the Annual Management Charge.

2.1.2 Terms of Appointment

In terms of an agreement between the Company and the ACD (the "**ACD Agreement**"), the ACD is responsible for managing and administering the affairs of the Company in compliance with the Regulations. The ACD is entitled to the fees, charges and expenses detailed in Part 5 and elsewhere in this Prospectus. The Company will indemnify the ACD against any liability incurred by it (1) in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by it as a Director of the Company and in which judgement is given in its favour or it is acquitted or (2) in connection with any application under Regulation 63 of the OEIC Regulations pursuant to which relief is granted to it by the Court. It will also exempt the ACD from liability in certain circumstances (but not from any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it may be guilty in relation to the Company). Subject to the Regulations, the ACD Agreement will terminate with immediate effect in certain circumstances, including the removal of the ACD by an ordinary resolution of the Company. The ACD will not be entitled to any compensation for loss of office. The Company and the ACD have also entered into an agreement supplementary to the ACD Agreement (the "**Supplementary ACD Agreement**"), dated 16 February 2015 as amended and restated from time to time, containing additional provisions relating to permitted derivatives and contingent liability investments trading. The Supplementary ACD Agreement will terminate on the earlier of the termination of (i) the ACD Agreement or (ii) the relevant trading arrangements. The Company and the ACD have also entered into a second agreement supplementary to the ACD Agreement (the "**Second Supplementary ACD Agreement**") containing additional provisions relating to permitted OTC derivatives trading. The Second Supplementary ACD Agreement will terminate on the termination of the ACD Agreement. The Company and the ACD have also entered into a variation agreement amending the ACD Agreement and Supplementary ACD Agreement to ensure compliance with certain data protection laws applicable in the United Kingdom.

The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re issue of Shares or cancellation of Shares which it has redeemed.

Subject to the OEIC Regulations, under the Instrument of Incorporation Shareholders may by ordinary resolution, remove the ACD. Such a removal cannot take effect until the FCA has approved the change of director.

2.2 The ACD's Remuneration Policy

In accordance with the Regulations, the ACD is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of any UCITS and AIFs that it manages ("**Code Staff**").

The ACD has adopted a remuneration policy (the "**Remuneration Policy**") that is designed to be in line with the ACD's business strategy, objectives, values and long term interests of the ACD and the UCITS and AIFs that it manages and includes measures to avoid conflicts of interest. The Remuneration Policy:

(a) is consistent with and promotes sound and effective risk management;

(b) does not encourage risk taking which is inconsistent with the risk profiles or instruments constituting the UCITS and AIFs that the ACD manages;

(c) does not impair the ACD's compliance with its duty to act in the best interests of the UCITS and AIFs that the ACD manages;

(d) remuneration is made up of fixed and variable amounts and includes deferral arrangements to align to Baillie Gifford's long-term approach;

(e) has mechanisms to make risk adjustments and individual awards can be adjusted via the annual appraisal process; and

(f) links variable pay to performance.

Remuneration for all Code Staff is approved by the Baillie Gifford Management Committee (the "**Management Committee**").

Details of the current Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated, and the identity of the persons responsible for awarding remuneration and benefits including the composition of the Management Committee, is available at https://www.bailliegifford.com.

A paper copy is made available free of charge upon request at the ACD's registered office.

2.3 The Depositary

2.3.1 NatWest Trustee and Depositary Services Limited

The Depositary is NatWest Trustee and Depositary Services Limited. The Depositary is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London, EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.

The principal business activity of the Depositary is the provision of trustee and depositary services.

The Depositary is authorised and regulated by the FCA.

2.3.2 Duties of the Depositary

The Depositary is responsible for the safekeeping of the Company's property, monitoring cash flows of the Company, and ensuring that certain processes carried out by the ACD are performed in accordance with the Regulations and scheme documents.

2.3.3 Conflicts of Interest

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients. Nevertheless, the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian (as defined below). As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the Shareholders or the ACD and the Depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub delegate, will be made available to Shareholders on request.

2.3.4 Delegation of Safekeeping Functions

Subject to the Regulations, the Depositary is permitted to delegate (and authorise its delegate to sub delegate) the safekeeping of Company property.

The Depositary has delegated safekeeping of the Company's Property to Bank of New York Mellon, London Branch (the "**Custodian**"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Company may invest to various sub delegates ("**sub custodians**"). A list of sub custodians is given in Appendix F. Shareholders should note that the list of sub custodians is updated only at each Prospectus review.

2.3.5 Terms of Appointment

The Depositary was appointed under a Depositary Agreement (as amended from time to time) between the ACD, the Company and the Depositary (the "**Depositary Agreement**").

Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the Regulations.

Under the Depositary Agreement the Depositary will be liable to the Company for any loss of Financial Instruments held in custody or for any liabilities incurred by the Company as a result of the Depositary's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 180 days' notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party to the Depositary Agreement. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in Part 5.

Shareholders may request up to date information from the ACD regarding the information set out above.

2.4 The Investment Adviser

2.4.1 Baillie Gifford & Co

The Investment Adviser is Baillie Gifford & Co. As stated earlier, the ACD is wholly owned by Baillie Gifford & Co.

The principal activity of the Investment Adviser is investment management and it provides investment management services to a number of collective investment schemes and segregated accounts.

The Investment Adviser is authorised and regulated by the FCA.

2.4.2 Terms of Appointment

The Investment Adviser is retained by, and at the expense of, the ACD under an investment management agreement (the "**Investment Management Agreement**") which may be terminated by either party on one month's notice and by the ACD with immediate effect when this is in the interests of the Shareholders of the Company. The Investment Adviser has full authority to make all investment decisions on behalf of the ACD concerning the property of the Sub-funds. However, such decisions must be consistent with the investment objective and policy of each Sub-fund, the COLL Rules and this Prospectus. The ACD has agreed to indemnify the Investment Adviser against all losses and liabilities incurred in acting as investment manager of the Sub-funds other than where there has been negligence, wilful default, breach of duty or breach of trust on the part of the Investment Adviser. However, the Company is not liable for the fees, charges and expenses payable to the Investment Adviser under the Investment Management Agreement.

The ACD will discharge, at its own expense, the fees, charges and expenses payable to the Investment Adviser under the Investment Management Agreement.

2.5 The Auditors

The auditors to the Company are PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

2.6 The Custodian

The Depositary has retained the services of The Bank of New York Mellon, London Branch to assist the Depositary to perform its function of custodian of documents of title or documents evidencing title to the Scheme Property of the Company. The relevant arrangements prohibit The Bank of New York Mellon, London Branch as such custodian from releasing the documents into the possession of a third party without the consent of the Depositary.

2.7 Conflicts of Interest

From time to time, there may be situations that give rise to a material interest or conflict of interest. Such interests can arise between the interests of the ACD, the Investment Adviser, other persons associated with them and the interests of the Sub-funds and their Shareholders. A material interest or a conflict of interest can also arise between the interests of different Shareholders. In such circumstances the ACD will put in place effective organisational and administrative arrangements to manage and monitor the material interest or conflict of interest in a way that ensures Shareholders are treated fairly, or where it is impractical to manage the conflict, it will be disclosed.

The ACD, the Investment Adviser and other persons associated with them may, from time to time, act as authorised corporate directors, investment managers or advisers to other persons, companies or funds which follow similar investment objectives to the Sub-funds. It is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund. Each of the ACD and the Investment Adviser will, however, have regard in such event to, amongst other things, its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment where potential conflicts of interest may arise. The Depositary may, from time to time, act as the depositary or trustee of other companies or funds.

Full details of the ACD's conflicts of interest policy can be inspected at the offices of the ACD at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN during normal business hours.

From time to time, conflicts of interest may arise from the appointment by the Depositary of its delegates. For example, the Depositary may place the Company's cash on deposit with a bank which is an associate of the Depositary. It is therefore possible that a conflict of interest could arise. The Custodian and any other delegates are required to manage any such conflict having regard to the Regulations and its duties to the Depositary as more particularly set out at 2.3.3.

PART 3: THE COMPANY'S INVESTMENT AND BORROWING POWERS

3.1 The Investment Objectives and Policies

The investment objectives and policies of each Sub-fund are set out in Appendix A.

3.2 The Investment and Borrowing Powers

All the investment and borrowing powers which apply to a UK UCITS scheme, as set out in the COLL Rules, apply to each Sub-fund, subject to each Sub-fund's investment objective and policy and any particular restrictions referred to below. The ACD must ensure that, taking account of each Sub-fund's investment objective and policy, the Scheme Property attributed to each Sub-fund aims to provide a prudent spread of risk.

3.2.1 Investment Powers applying to each Sub-fund

The main investment powers which apply to each Sub-fund, based on the net value (determined in accordance with the COLL Rules, after deducting any outstanding borrowings) of the Scheme Property attributed to the Sub-fund, can be summarised as follows:

Subject to its investment objective and policy a Sub-fund must only consist of any or all of:

(a) transferable securities (including warrants);

(b) approved money market instruments;

(c) derivatives and forward transactions;

(d) deposits and (in accordance with Regulation 5.5.3 of the COLL Rules) cash and near cash; and

(e) units in collective investment schemes,

in each case subject to certain criteria.

(a) *Transferable securities*

A Sub-fund may invest in transferable securities but not more than 10% of a Sub-fund is to consist of transferable securities which are not Approved Securities.

The ACD does not intend to invest any of the Sub-funds in transferable securities which are warrants except for limited purposes which are consistent with the relevant Sub-fund's investment objective and policy; accordingly not more than 5% of any Sub-fund will consist of transferable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction.

(b) *Approved money market instruments*

Sub-fund may invest in approved money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, provided that (except as mentioned below):

(i) the approved money market instrument is, as appropriate, admitted to or dealt in on an Eligible Securities Market or an Eligible Derivatives Market, or

(ii) the issue or issuer of the approved money market instrument is regulated for the purpose of protecting investors and the money market instrument is (a) issued or guaranteed by a central, regional or local authority of the United Kingdom or an EEA State, a central bank of an EEA State, the Bank of England, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the United Kingdom or one or more EEA States belong; or (b) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or Community Law or an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or Community Law, or (c) issued by a body, any securities of which are dealt in on an Eligible Securities Market or an Eligible Derivatives Market; or

(iii) it is another money market instrument with a regulated issuer and the FCA has given its express consent in the form of a waiver for a Sub-fund to invest in it.

Not more than 10% of a Sub-fund may consist of money market instruments which do not fall within (ii)(a) or (ii)(b) above.

The ACD does not, however, intend to invest any of the Sub-funds in money market instruments. This is, however, without prejudice to each Sub-fund's ability to hold cash and near cash in accordance with Regulation 5.5.3 of the COLL Rules.

(c) Derivatives

Derivatives may be used by certain Sub-funds of the Company, as specified in the Sub-fund's investment objective and policy, as set out in Appendix A for the purposes of either (i) hedging (which includes efficient portfolio management) or (ii) hedging and meeting the Sub-fund's investment objective and policy. The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of any Sub-fund of the Company.

Subject to certain detailed restrictions, a transaction in a derivative or a forward transaction may be effected for a Sub-fund if:

(i) it is a permitted transaction. Transactions in approved derivatives are permitted, i.e. transactions effected on or under the rules of an Eligible Derivatives Market. In addition, subject to restrictions, certain OTC transactions in derivatives are permitted, provided that:

- those transactions are with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank (each as defined for the purposes of the COLL Rules); a person whose permission (including any requirements or limitations), as published in the Financial Services Register permits it to enter into the transaction as principal off exchange; a CCP (as defined for the purposes of the COLL Rules) that is authorised in that capacity for the purposes of EMIR (as defined for the purposes of the COLL Rules); a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered, a CCP supervised in a jurisdiction that (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019);

- those transactions are on approved terms; the terms of the transaction in derivatives are approved only if the ACD carries out at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty;
- the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- those transactions are capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable; or, if that value is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- those transactions are subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

Any transaction in a derivative must have the underlying consisting of any one or more of the types of property to which the relevant Sub-fund is dedicated, for example, transferable securities and units in collective investment schemes. A transaction in a derivative must not be entered into if the intended effect is to create the potential for what, for the purposes of the COLL Rules, would be regarded as an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives. Any forward transactions must be with an eligible institution or an approved bank as defined for the purposes of the COLL Rules. A derivatives or forward transaction which would or could lead to delivery of property for the account of the Company may be entered into only if such property can be held for the account of the Company, and the ACD has taken reasonable care to determine that delivery of the property under the transaction will not occur or will not lead to a breach of the COLL Rules; and

(ii) the transaction is covered. Investment in derivatives and forward transactions may be made as long as the exposure to which the Sub-funds are committed by that transaction itself is suitably covered from within the scheme property of the relevant Sub-fund. Each Sub-fund is required to hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Sub-fund is committed. In other words, the exposure must be covered "**globally**". The ACD must calculate global exposure on at least a daily basis, taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate positions.

The Company may use derivatives from time to time in keeping with the investment objective of Baillie Gifford Managed Fund with the intention of either hedging (which includes efficient portfolio management) and for the purposes of meeting the Sub-fund's investment objectives. The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of Baillie Gifford Managed Fund. The strategies which may be used include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies. In addition, derivatives and forwards may be used for the purposes of efficient portfolio management, which is explained further in Section 3.3 below, for any Sub-fund. The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of any Sub-fund. The ACD intends to make use of these strategies as and when it considers it appropriate to do so. Any such derivative investments (which may be exchange traded and/or off exchange) will be undertaken on a covered basis and the types of asset which will underlie the derivative contract will be appropriate for the context of the relevant Sub-fund. Additional strategies may be adopted in the future, subject to the risk management process being reviewed and amended as necessary to allow the ACD to monitor and control risk.

Certain requirements regarding counterparties and collateral shall be applied.

Use of one or more separate counterparties will be made to undertake derivative transactions on behalf of any Sub-fund and collateral may be required to pledge or transfer collateral paid from within the assets of that Sub-fund to secure such contracts.

The ACD's Risk Management Policy ("**RMP**"), which is available on request, details how risks are managed in relation to counterparties and collateral. The RMP requires compliance with a Counterparty Risk Policy ("**CRP**"), which is subject to change and regular review. The ACD's CRP defines "**eligible**" collateral including any applicable haircuts. Collateral will generally be of high quality and liquid (i.e. cash and government securities).

All collateral used to reduce counterparty risk will comply with the following criteria at all times:

- it must be highly liquid and traded on a regulated market;
- it must be valued at least daily;
- it must be of high quality;
- it will not be highly correlated with the performance of the counterparty;
- it will be sufficiently diversified in terms of country, markets and issuers;
- it will be held by the depositary or a third-party custodian subject to prudential supervision who is unrelated to the provider of the collateral; and
- it will be capable of being fully enforced by the ACD and/or the Company at any time without reference or approval from the counterparty.

Permitted collateral includes (subject to the rules on stock lending under COLL 5.4 of the Regulations):

- cash;
- GAPS;
- certificates of deposit issued by "**relevant institutions**"; and
- bonds or commercial paper issued by "**relevant institutions**".

Non-cash collateral will not be sold, re invested or pledged.

Cash collateral will only be:

- placed on deposit;
- invested in high quality government bonds;
- used for the purpose of reverse repo transactions with credit institutions that are subject to prudential supervision (and on terms that permit the ACD or the Company to recall at any time the full amount of cash on an accrued basis); or
- invested in short term money market funds (as referred to in the ESMA Guidelines).

Where cash collateral is reinvested it will be diversified in accordance with the ESMA Guidelines.

The ACD's CRP may from time to time include any additional restrictions which the ACD considers appropriate.

The exposure to any one counterparty in an OTC transaction must not exceed 5% in value of the property of a Sub-fund; this limit being raised to 10% where the counterparty is an approved bank (as defined for the purposes of the COLL Rules). Counterparty risk exposures will be aggregated across both financial derivative instruments and efficient portfolio management techniques.

(d) *Investments in Deposits*

A Sub-fund may invest in deposits only if:

(i) it is with an approved bank;

(ii) is:

- repayable on demand; or
- has the right to be withdrawn; and

(iii) matures in no more than 12 months.

(e) *Collective investment schemes*

A Sub-fund may invest in units in collective investment schemes subject to the following restrictions:

(i) not more than 30% of the value of a Sub-fund may be invested in collective investment schemes which are not schemes which satisfy the conditions necessary for them to enjoy the rights conferred by the UCITS Directive;

(ii) each scheme in which a Sub-fund invests must be a scheme which:

- is a UK UCITS, or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- is a recognised scheme for the purposes of the COLL Rules that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided that the requirements of Regulation 5.2.13AR of the COLL Rules are met); or
- is authorised as a non-UCITS retail scheme (provided the requirements of Regulation 5.2.13AR(1), (3) and (4) of the COLL Rules are met); or
- is authorised in an EEA State (provided the requirements of Regulation 5.2.13AR of the COLL Rules are met); or
- is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
  - signed the IOSCO Multilateral Memorandum of Understanding; and
  - approved the scheme's management company, rules and depositary/custody arrangements;

  (provided the requirements of Regulation 5.2.13AR of the COLL Rules are met);

and must:

- comply where relevant with Regulation 5.2.15R of the COLL Rules on investment in associated collective investment schemes and Regulation 5.2.16R of the COLL Rules relating to investment in other group schemes; and

- have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes;

(iii) a Sub-fund may invest in units in other collective investment schemes which are managed or operated by (or, if it they are ICVCs, whose authorised corporate director is) the ACD or an associate of the ACD provided that certain provisions in the COLL Rules designed to prevent double charging are complied with;

(iv) a Sub-fund may invest in the Shares of another Sub-fund (the "**Second Sub-fund**") provided that:

- the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
- the requirements set out at paragraph (e)(iii) above are complied with; and
- the investing or disposing Sub-fund is not a "**feeder UCITS**" (as defined for the purposes of the COLL Rules) of the Second Sub-fund;

(v) in any event, no more than 10% in value of the property of any of, Baillie Gifford British Smaller Companies Fund; Baillie Gifford Global Alpha Growth Fund; Baillie Gifford Global Income Growth Fund; Baillie Gifford International Fund; Baillie Gifford Responsible Global Equity Income Fund; and Baillie Gifford UK Equity Alpha Fund will be invested in units of other collective investment schemes;

(vi) None of the property of Glenfinlas Global Fund will be invested in other units of other collective investment schemes.

(f) *Spread*

There are limitations on the proportion of a Sub-fund which may be held in certain forms of investment. The general spread requirements are as follows (for the purposes of (i) to (vii) below companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards are regarded as a single body):

(i) not more than 20% of a Sub-fund is to consist of deposits with a single body;

(ii) not more than 5% of a Sub-fund is to consist of transferable securities or money market instruments issued by a single body, except that (a) the 5% limit is increased to 10% in respect of up to 40% of the Sub-fund and (b) the figure of 5% may be increased to 25% in respect of covered bonds provided that when a Sub-fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% of the value of the Sub-fund (and in applying these limits certificates representing certain securities are to be treated as equivalent to the underlying security). The ACD does not intend to invest any of the Sub-funds in covered bonds;

(iii) the exposure to any one counterparty in an OTC derivative transaction must not exceed 5% of a Sub-fund although this limit is raised to 10% where the counterparty is an approved bank and it should be noted that Regulation 5.2.11B of the COLL Rules allows such exposure to be collateralised, and OTC derivatives positions with the same counterparty to be netted, in certain circumstances;

(iv) not more than 20% of a Sub-fund is to consist of transferable securities and money market instruments issued by the same group (as referred to above);

(v) not more than 20% of a Sub-fund is to consist of units in any one collective investment scheme. For the purposes of this spread requirement, if investment is made in sub funds of an umbrella scheme, each sub fund is treated as if it were a separate scheme;

(vi) in applying the limits in (i), (ii), and (iii) in relation to a single body (and subject to (ii) (b) above), not more than 20% of a Sub-fund is to consist of any combination of two or more of the following:

- transferable securities or approved money market instruments issued by that body; or
- deposits made with that body; or
- exposure (c.f. Regulation 5.2.11 of the COLL Rules) from OTC derivatives transactions made with that body.

Notwithstanding (vii) below and subject to (viii) and (ix) below in applying this 20% limit with respect to a single body, GAPS issued or guaranteed by that body shall be taken into account;

(vii) the above restrictions do not apply to GAPS;

(viii) normally a maximum of 35% of each Sub-fund may be invested in GAPS issued or guaranteed by any one body. Apart from this, there is no limit on the amount that can be invested in such securities or in any one issue or guarantee; and

(ix) if the Instrument of Incorporation and Appendix A so provide, up to 100% of a Sub-fund may be invested in GAPS issued or guaranteed by one body. If more than 35% of a Sub-fund is invested in GAPS issued or guaranteed by any one body, up to 30% of that Sub-fund may consist of GAPS of any one issue or guarantee and the Scheme Property attributed to that Sub-fund must include at least six different issues or guarantees of GAPS whether of that body or another body.

(g) *Nil and partly paid securities*

A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid at the time when payment is required without contravening Chapter 5 of the COLL Rules.

(h) *General power to accept or underwrite placings*

Underwriting, sub underwriting and placing agreements or understandings may be entered into, subject to certain conditions set out in the COLL Rules.

(i) *Cash and near cash*

In accordance with Regulation 5.5.3 of the COLL Rules, the Scheme Property attributed to a Sub-fund may consist of cash and near cash where this may reasonably be regarded as necessary to enable:

(i) the pursuit of the Sub-fund's investment objectives (although, without prejudice to each Sub-fund's ability to hold deposits as described above, this is not permitted for any of the existing Sub-funds); or

(ii) the redemption of Shares in the Sub-fund; or

(iii) efficient management of the Sub-fund in accordance with its investment objectives; or

(iv) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Sub-fund including the use of liquidity in certain market conditions where the ACD believes it is appropriate that the Sub-fund not be fully invested. In other words, the ACD's investment policy for a Sub-fund may mean that at times, where it is considered appropriate, the Sub-fund will not be fully invested and prudent levels of liquidity will be maintained. Such liquidity will not normally exceed 25% of a Sub-fund.

(j) *Lending or Mortgaging of Scheme Property*

Subject to the COLL Rules, money in the Scheme Property attributed to a Sub-fund must not be lent. Not included in this is the acquiring of a debenture or the placing of money on deposit or in a current account.

Subject again to the COLL Rules, and, in the case of lending, without prejudice to the stock lending powers explained in Section 3.4 below and, in either case, without prejudice to the ability of the Company or the Depositary at the request of the Company to lend, deposit, pledge or charge Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company or a Sub-fund (as appropriate) in accordance with Chapter 5 of the COLL Rules, such lending, depositing, pledging or charging of Scheme Property being permissible in relation to any Sub-fund:

(i) property other than money in the Scheme Property must not be lent; and

(ii) the Scheme Property must not be mortgaged.

(k) *Guarantees and Indemnities*

Subject to the COLL Rules, the Company must not provide any guarantee or indemnity in respect of the obligation of any person and none of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. This does not, however, apply to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with Chapter 5 of the COLL Rules, such indemnities, guarantees and use of Scheme Property being permissible, or to certain other permissible indemnities specified in the COLL Rules, which include the indemnities referred to in Sections 2.1.2 and 2.3.5 above.

3.2.2 Investment Powers applying to the Company as a Whole

The main investment powers which apply to the Company as a whole, based on the net value (determined in accordance with the COLL Rules, after deducting any outstanding borrowings) of the Scheme Property, are:

(a) Concentration: the Company may not hold:

(i) transferable securities (other than debt securities) which (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them and (b) represent more than 10% of those securities issued by that body corporate; or

(ii) more than 10% of the debt securities issued by any single body; or

(iii) more than 25% of the units of a collective investment scheme (and in this context the ACD will interpret "**collective investment scheme**" to mean an individual Sub-fund of an umbrella collective investment scheme); or

(iv) more than 10% of the approved money market instruments issued by any single body;

but need not comply with the limits in (ii), (iii) and (iv) if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

(b) Significant influence: the Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if: (i) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate, or (ii) the acquisition gives the Company that power. For this purpose, the Company shall be taken to have power significantly to influence the conduct of the business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the securities of that body corporate).

A potential breach of any of the investment limits which apply to each Sub-fund or the Company as a whole, whether referred to in Sections 3.2.1 and 3.2.2 or not, does not prevent the exercise of rights conferred by investments held by the Company in certain circumstances but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with such investment limits as soon as is reasonably practicable having regard to the interests of the Shareholders and in any event within the applicable period specified in the COLL Rules.

3.3 Efficient Portfolio Management

The Company may use its property to enter into transactions for the purposes of EPM.

3.3.1 Powers to enter into EPM Derivative Transactions

Permitted EPM derivative transactions (excluding stock lending transactions) are:

(a) permitted transactions in derivatives that are in approved derivatives or in off exchange futures, swaps, options or contracts for differences resembling options or in synthetic futures; or

(b) permitted forward currency transactions.

3.3.2 Limitations on use of EPM Transactions

There is no limit on the amount of the Scheme Property which may be used for EPM. Briefly, transactions for the purposes of EPM must satisfy three broadly based requirements:

(a) an EPM transaction must be economically appropriate (in that it is realised in a cost-effective way) to the efficient portfolio management of the relevant Sub-fund. EPM may not include speculative transactions;

(b) the purpose of an EPM transaction must be to achieve one or more of the following in respect of the relevant Sub-fund:

(i) reduction of risk;

(ii) reduction of cost; or

(iii) the generation of additional capital or income with a level of risk which is consistent with the risk profile of the relevant Sub-fund.

The generation of additional capital or income may arise out of taking advantage of pricing imperfections or from the receipt of a premium for the writing of covered call or covered put options (even if the benefit is obtained at the expense of surrendering the chance of yet greater benefit) or pursuant to stock lending as permitted by the COLL Rules.

The relevant purpose must relate to Scheme Property attributed to the relevant Sub-fund; property (whether precisely identified or not) which is to be or is proposed to be acquired for the relevant Sub-fund; and anticipated cash receipts of the relevant Sub-fund, if due to be received at some time and likely to be received within one month; and

(c) each EPM derivative transaction must be fully covered "**individually**" by Scheme Property attributed to the relevant Sub-fund of the right kind (i.e. in the case of exposure in terms of property, sufficient transferable securities or other property, and, in the case of exposure in terms of money, sufficient cash, "**near cash**", permitted borrowed cash or transferable securities which can be sold to realise sufficient cash). It must also be covered "**globally**" (i.e. after providing cover for existing EPM derivative transactions there must be adequate cover for the fresh transaction from within the Scheme Property attributed to the relevant Sub-fund). Scheme Property attributed to the relevant Sub-fund, including cash, can be used only once for cover. The lending transaction in "**back to back**" borrowing for currency hedging purposes does not require cover.

3.4 Stock Lending

This Section 3.4 does not currently apply to any of the Sub-funds.

The Company (or the Depositary in accordance with the instructions of the ACD) may enter into certain repo contracts or stock lending transactions of the kind described in Section 263B of the Taxation of Chargeable Gains Act 1992 and permitted under the Regulations and if such arrangement is for the account or benefit of the Sub-fund and in the interests of Shareholders. Such arrangements are not in the interest of Shareholders unless in respect of a Sub-fund it reasonably appears to the Company or the ACD to be appropriate to do so with a view to generating additional income for the relevant Sub-fund with an acceptable degree of risk. Briefly, such transactions are those where the Company or the Depositary delivers securities which are the subject of the transaction to the borrower in return for which it is agreed that those securities or securities of the same type and amount should be redelivered to the Company or the Depositary by the borrower at a later date. The Company or the Depositary at the time of delivery receives collateral to cover the Company against the risk of the future redelivery not being completed. The collateral obtained to secure the obligations of the counterparty must be high quality and liquid and acceptable to the Depositary. It should also be adequate in terms of the Regulations and sufficiently immediate. There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions. The counterparty to any such arrangement must be acceptable in accordance with the Regulations.

3.5 Borrowing Powers

The Company may, subject to the COLL Rules, borrow money for the use of a Sub-fund from an eligible institution or an approved bank (each as defined for the purposes of the COLL Rules) on terms that the borrowing is to be repayable out of the Scheme Property. Borrowing must be on a temporary basis, must not be persistent and in any event must not exceed 3 months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis only. The ACD must ensure that the borrowing (as defined for that purpose in the COLL Rules) of any Sub-fund does not, on any business day, exceed 10% of the value of the Scheme Property attributed to that Sub-fund. These borrowing restrictions do not apply to "**back to back**" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

The policy in relation to the exercise of borrowing powers is that the Company and each Sub-fund may use its borrowing powers as and when the ACD considers the circumstances which then exist make it appropriate to do so.

3.6 Immovable and Tangible Movable Property

The Company will not have any interest in any immovable property (e.g. an office) or tangible movable property (e.g. office equipment) for the direct pursuit of the Company's business.

3.7 Global Exposure

(a) The ACD must calculate global exposure on at least a daily basis. Global exposure must be calculated taking into account the current value of a Sub-fund's underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

(b) The ACD must calculate the global exposure of any Sub-fund it manages either as:

(i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (included embedded derivatives as referred to in COLL 5.2.19R(3A), which may not exceed 100% of the net value of the scheme property of that Sub-fund; or

(ii) the market risk of the scheme property of that Sub-fund.

(c) The ACD must calculate the global exposure of a Sub-fund by using:

(i) the commitment approach; or

(ii) the value at risk ("**VaR**") approach.

(d) The ACD must ensure that the method selected in (c) above is appropriate, taking into account:

(i) the investment strategy pursued by the Sub-fund;

(ii) the types and complexities of the derivatives and forward transactions; and

(iii) the proportion of the scheme property of the Sub-fund comprising derivatives and forwards.

(e) The ACD currently employs the commitment approach for all Sub-Funds.

(f) Where the ACD uses the commitment approach for the calculation of global exposure, it must:

(i) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in COLL 5.2.19R (3A) (Derivatives: general)), whether used as part of the Sub-fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and

(ii) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

(g) The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

(h) The ACD may take account of netting and hedging arrangements when calculating global exposure of a Sub-Fund, where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

(i) Where the use of derivatives or forward transactions does not generate incremental exposure for the Sub-Fund, the underlying exposure need not be included in the commitment calculation.

(j) Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Sub-Fund in accordance with COLL 5.5.4R (General power to borrow) need not form part of the global exposure calculation.

PART 4: VALUATIONS, PRICING AND DEALING

4.1 Valuations

4.1.1 Valuation Point

The price of a Share in the Company is calculated by reference to the Net Asset Value (or the relevant proportion of the Net Asset Value) of the Sub-fund to which it relates. Each of the Sub-funds will have a regular valuation point at 10 a.m. on each Dealing Day. The ACD may create an additional valuation point for any Sub-fund at any time.

At each valuation point of a Sub-fund the Scheme Property attributed to the Sub-fund will be valued and the proportion of the Net Asset Value attributable to each Class of Shares in that Sub-fund determined, for the purpose of calculating the price of each Class of Shares in the Sub-fund.

The value of the Scheme Property attributed to the Sub-fund will be the value of its assets less the value of its liabilities. All the Scheme Property attributed to the Sub-fund will be included in each valuation. All instructions to issue or cancel Shares given for a prior valuation point shall be assumed to have been carried out (and any cash paid or received).

4.1.2 Valuation Basis

The valuation will be based on the following:

(a) Cash and amounts held in current, deposit and margin accounts and in other time related deposits will be valued at their nominal value. For this purpose, foreign currency balances will be converted into base currency at prevailing foreign exchange rates.

(b) Except in the case of units in an authorised unit trust or units in other collective investment schemes, all transferable securities will be valued:

(i) if a single price for buying and selling the security is quoted, at that price;

(ii) if separate buying and selling prices are quoted, at the average of the two prices; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable.

(c) Units in an authorised unit trust or other collective investment scheme will be valued:

(i) if a single price for buying and selling units is quoted, at that price;

(ii) if separate buying and selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable.

(d) Money market instruments which have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk, shall be valued on an amortised basis.

(e) Exchange traded derivative contracts shall be valued:

(i) if a single price for buying and selling the exchange traded derivative is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices.

(f) Over the counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary.

(g) All other Scheme Property will be priced at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

(h) If there are any outstanding agreements to purchase or sell any of the Scheme Property attributed to the Sub-fund which are uncompleted, then the valuation will assume completion of the agreement. However, agreements made shortly before the valuation point need not be taken into account if, in the opinion of the ACD, their omission will not materially affect the valuation. Not included in this paragraph are any futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options.

(i) Added to the valuation (to the extent that they are attributable to the Sub-fund) will be:

(ii) an estimated amount for accrued claims for tax of whatever nature which may be recoverable;

(iii) any other credits or amounts due to be paid into the Scheme Property; and

(iv) a sum representing any interest or any income accrued due or deemed to have accrued but not received. Income on fixed interest securities is calculated on an Effective Yield basis. The Effective Yield basis includes any premiums or discounts arising on the purchase of fixed income securities, amortised to their maturity, within the calculation of income accrued.

(i) Deducted from the valuation (to the extent that they are attributable to the Sub-fund) will be:

(i) an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty and stamp duty reserve tax;

(ii) an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day; and

(iii) the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

Amounts which are de minimis may be omitted from the valuation.

Where there are difficulties regarding obtaining or processing data on securities or other relevant data, then the ACD may utilise validated market indices for pricing and connected purposes. Such indexation would be utilised in the pricing of the relevant Sub-fund until such time as the ACD is reasonably satisfied that the difficulties in obtaining or processing data have been resolved.

Please also note the ACD's Fair Value Pricing Policy as explained in Section 4.3.12 below.

4.1.3 Calculation of Dilution Adjustment

As explained in Section 4.3.2 below, the ACD may make a dilution adjustment when calculating the price of a Share. In deciding whether to make a dilution adjustment the ACD must use the following bases of valuations:

(a) When by reference to any valuation point the aggregate value of the Shares of all Classes in the Sub-fund issued exceeds the aggregate value of Shares of all Classes cancelled, any adjustment must be upwards; and

(b) The dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the Scheme Property attributable to that Sub-fund had been valued on the best available market offer basis plus dealing costs; or

(c) When by reference to any valuation point the aggregate value of the Shares of all Classes in the Sub-fund cancelled exceeds the aggregate value of Shares of all Classes issued, any adjustment must be downwards; and

(d) The dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the Scheme Property attributable to that Sub-fund had been valued on the best available market bid basis less dealing costs.

4.2 Price of Shares and Publication of Prices

There must be only a single price for any Share as determined from time to time by reference to a particular valuation point. The price of Shares of each Class in each Sub-fund will be calculated by reference to the value of the Scheme Property of the relevant Sub-fund (excluding the distribution account and the unclaimed payments account) calculated at the relevant valuation point as in Section 4.1.1 above. The price of a Share of any Class is calculated by:

(a) taking the proportion of that value (as specified in the paragraph above) attributable to the Shares of the relevant Class; and

(b) dividing the result by the number of Shares of the relevant Class in issue immediately before the valuation concerned.

The most recent prices of Class B Shares for each Sub-fund are published daily on the Baillie Gifford website (www.bailliegifford.com). The most recent prices for all Share Classes in issue for each Sub-fund may be obtained by calling the ACD free on 0800 917 2113, alternatively they may also be available on other selected websites. The ACD issues and redeems Shares on a forward pricing basis, and not on the basis of the published prices. Accordingly, the prices published will not be the prices at which Shares will be issued and redeemed at the next valuation point.

4.3 Dealing in Shares

4.3.1 Dealing Prices

Shares may normally be dealt in with the ACD between 9 a.m. and 5 p.m. on any Dealing Day (or other times at the ACD's discretion). Typically, the ACD will trade as principal in respect of trades, however if requested the ACD may deal as agent for the Company, such as when processing in specie transactions.

Subject to the Regulations, dealing will normally be on a forward basis. In other words, the ACD will normally issue and redeem Shares at forward prices, that is, at a price calculated by reference to the next valuation following receipt of the application to buy/instruction to sell Shares.

When buying Shares, an investor pays the price of the Shares calculated on the basis set out in Section 4.2, subject to any dilution adjustment (if applicable – see Section 4.3.2), to which price may be added any preliminary charge or, if applicable, Switching charge (see Section 5.1), subject to any applicable discount on either charge. When selling Shares, a Shareholder receives the price of the Shares calculated on the basis set out in Section 4.2, subject to any dilution adjustment (if applicable – see Section 4.3.2), from which price may be deducted the aggregate of any redemption charge (see Section 5.2) permitted by the COLL Rules to be retained by the ACD and (where applicable and at the ACD's discretion) the cost of remitting the sum abroad.

4.3.2 Dilution Adjustment

A Sub-fund suffers dilution (reduction) in the value of the Scheme Property attributable to it because the actual costs of buying or selling investments for the Sub-fund deviate from the mid-market values generally used in calculating the price of Shares in the Sub-fund. Such deviation may occur as a result of the costs (which may include dealing charges and taxes) incurred in dealing in such investments and of any spread between the buying and selling prices of such investments. It is not possible to predict accurately whether dilution is likely to occur.

The COLL Rules allow the cost of dilution to be (1) met directly from the Scheme Property attributable to the Sub-fund or (2) addressed by the imposition on investors of a dilution levy on the issue by the Company, sale by the ACD, cancellation by the Company or redemption by the ACD of Shares in the Sub-fund or (3) dealt with by means of a dilution adjustment, which is the policy which has been adopted by the ACD in relation to the Sub-funds of the Company. With a view to mitigating the effects of dilution, the ACD therefore reserves the right, at its sole discretion, to make a dilution adjustment in the calculation of the dealing price, and thereby swing the dealing price, of Shares in any Sub-fund of the Company if in its opinion the existing Shareholders (for net purchases of Shares) or remaining Shareholders (for net redemptions of Shares) might otherwise be adversely affected. By "**purchases**" of Shares we mean issues by the Company and sales by the ACD and by "**redemptions**" of Shares we mean cancellations by the Company and redemptions by the ACD.

The COLL Rules acknowledge that the need to make a dilution adjustment may depend on the volume of purchases of Shares or redemptions of Shares. Accordingly, the ACD reserves the right at its sole discretion to impose a dilution adjustment in the following circumstances:

(a) If the Sub-fund is experiencing steady decline (net outflow of investment).

(b) If the Sub-fund is experiencing steady growth (net inflow of investment).

(c) If the Sub-fund is experiencing large levels of net purchases or net redemptions relative to its size.

(d) Where the Sub-fund experiences net purchases or net redemptions on any Dealing Day exceeding a particular value or a particular percentage of the value of the Sub-fund.

(e) In any other circumstances where the ACD believes it will be in the interests of Shareholders to make a dilution adjustment.

The ACD is currently of the opinion that it is in the best interests of Shareholders in the Company to make a dilution adjustment whenever dealings in the Shares of any Sub-fund result in Shares in that Sub-fund being issued or cancelled by the Company. The ACD believes that this policy should result in no significant dilution occurring. The adjustment will take account of any spread between the buying and selling prices of the relevant Sub-fund's investments and the costs (which may include dealing charges and taxes) of acquiring or disposing of such investments, as the case may be.

The level of the dilution adjustment is set by the ACD based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's investments results in significant movement in the prices of these investments the ACD may adjust the level of the dilution adjustment to protect the interests of the ongoing investors in a Sub-fund. The ACD has thresholds for the Sub-funds for daily net inflows or outflows of cash into or out of the Sub-funds. Above these thresholds, which vary by Sub-fund and according to market conditions, the ACD will increase the dilution adjustment to reflect the increased dealing costs incurred by the Sub-funds as a result of larger inflows and outflows. A consequence of this policy is, however, that smaller transactions made on any day that the relevant threshold is exceeded will also trade at the price incorporating the higher adjustment and this may lead to increased dealing costs. Whether an adjustment may be necessary will depend upon the net movement into or out of a Sub-fund on any given day and on the underlying market conditions on that day and it is therefore not possible to predict when an adjustment may be made.

On any Dealing Day when the Company neither issues nor cancels Shares in a Sub-fund the price of Shares in that Sub-fund will not contain any dilution adjustment.

This policy to swing the dealing price will be subject to regular review and may change. The ACD's decision on whether or not to make a dilution adjustment, and on what level of adjustment to make in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the relevant Sub-fund and decrease the dealing price when there are net outflows. The dealing price of each Class of Share in a Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of Shares of each Class identically.

On the occasions when no dilution adjustment is made there may be an adverse impact on the value of the Scheme Property attributable to the relevant Sub-fund. Maximum dilution adjustments applicable to purchases and redemptions for each Sub-fund and the number of days on which a dilution adjustment was applied during the relevant period are specified in Appendix I.

More information about the application of the dilution adjustment is provided in Appendix I.

4.3.3 Buying Shares

In order to meet the ACD's obligations under the Regulations to provide investors with certain information before they invest, the following documents are required to be made available to investors before they invest (which includes one off top ups to existing investments and instructions to "**Switch**" and "**Convert**" (see Sections 4.3.9 and 4.3.10 below):

(a) the KIID; and

(b) the Supplementary Information Document

The KIID is a document designed to help potential investors make an informed decision about their investments. It summarises the key features of a Sub-fund, including the investment objectives and policy, past performance, fees and risk/reward profile. The Supplementary Information Document is a document which contains important information that is relevant to investing in Sub-fund(s) of the Company and should be read together with the KIID.

The KIIDs for each Class of Share currently in issue and the current Supplementary Information Document can be obtained directly from the ACD on 0800 917 2113 or at www.bailliegifford.com or if potential investors are receiving advice, from financial advisers and other distributors of the Sub-funds.

Shares may be bought through intermediaries or direct from the ACD typically acting as principal except in limited circumstances where the ACD acts as agent for the Company such as when processing in specie transactions.

Instructions for the purchase of Shares up to the value of £25,000 may be given in writing (including by email to oeic.dealing@bailliegifford.com) or, at the ACD's discretion, by telephone to the ACD's dealing department on 0800 917 4751 on any Dealing Day. Instructions in writing must be accompanied by a completed application form. Payment for the purchase of Shares, if this has not already been made, will be due not later than the third business day after the valuation point by reference to which the price of the Shares was determined.

Telephone calls may be recorded.

Any individual wishing to invest over £25,000 should transfer funds by telegraphic transfer to the ACD's bank account prior to the deal being struck. Further details are available on request by contacting the ACD on the above telephone number.

For fax instructions, please see Section 4.3.6 headed "**Fax and Email Instructions**" below.

Investment criteria (which include minimum investment amounts and restrictions on availability) for each Class of Shares that is currently available in each Sub-fund, any of which may be waived at the ACD's discretion in any particular case or generally, are given in Appendix A.

A contract note confirming the transaction will be dispatched by the close of business on the first business day after the valuation point at which the transaction was priced.

Applications, once made, are irrevocable. However, subject to its obligations under the COLL Rules, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or in part, and in this event the ACD will return any monies sent, or the balance of such monies, at the risk of the applicant.

Certain private investors may have the right to cancel their lump sum investment in a Sub-fund. However, such rights do not apply in the case of a private investor who is not relying on the ACD or their independent financial adviser to advise them on, or exercise any judgement on their behalf about, the merits of or suitability for them of that investment. Nor do they apply where a private investor has not had face to face contact with the ACD or his independent financial adviser, or where the investment is made pursuant to a customer agreement between a private investor and the ACD or their independent financial adviser under which the investor has waived the right to cancel.

If a private investor has the right to cancel their lump sum investment in a Sub-fund, they may exercise those rights during the two week period after they have received notice from the ACD of their right to cancel (which will usually be sent with the contract note relating to the purchase of the relevant Shares). Such notice will describe in more detail the investor's cancellation rights (including when they begin and end and how to exercise them). An investor who exercises their cancellation rights will be refunded their investment although, if the price of the Shares representing the investment to be cancelled has fallen before the cancellation notice is received by the ACD, an amount equal to such fall (known as the "**shortfall**") will be deducted from the refund.

When an investor submits an order to buy Shares, the Register is updated to reflect their instruction at the next valuation point following the ACD's receipt of their instruction, however the investor is due to pay for such Shares not later than the third business day after the relevant valuation point. In accordance with COLL 6.4.4 R (6) (e) where a Shareholder defaults on paying for Shares the ACD must make an alteration to the Register or deletion from the Register to compensate for such default. Accordingly, entitlement to Shares does not fully transfer to the Shareholder until the Shareholder has paid in full for their Shares.

4.3.4 Selling Shares

Instructions for the sale of Shares may be given in writing or, at the ACD's discretion, by telephone to the ACD's dealing department (Tel. 0800 917 4751) or by email to oeic.dealing@bailliegifford.com, on any Dealing Day. Telephone calls may be recorded. Typically, the ACD will act as principal, except in limited circumstances where the ACD acts as agent for the Company such as when processing in specie transactions.

When a Shareholder instructs the sale of their Shares the register will be updated at the next valuation point following the ACD's receipt of their instructions, and subject to the COLL Rules, the redemption proceeds of a sale of Shares (net of any permitted deductions) will be paid not later than the close of business on the third business day after the later of the valuation point immediately following receipt by the ACD of the redemption request and the ACD receiving all duly executed instruments and authorisations to effect (or enable the ACD to effect) transfer of title to the Shares (for example, the ACD reserves the right, at all times, to require a form of renunciation to be completed - if this is necessary, it will be issued with the contract note).

Redemption proceeds are normally payable only to one or more of the registered Shareholders and the ACD reserves the right to send redemption proceeds by cheque to the registered address.

Where the redemption proceeds are paid by cheque, no interest will be payable in respect of the period between the cheque being issued and it being presented for payment.

A contract note confirming the transaction will be dispatched by the close of business on the first business day after the valuation point at which the transaction was priced.

Instructions to redeem Shares, once given, are irrevocable, but neither the Company nor the ACD shall be required to make payment in respect of any redemption of Shares where the money due on the earlier issue or sale of those Shares has not yet been received.

For fax instructions, please see Section 4.3.6 headed "**Fax and Email Instructions**" below.

Investment criteria (which include minimum redemption amounts) for each Class of Shares that is currently available in each Sub-fund, any of which may be waived at the ACD's discretion in any particular case or generally, are given in Appendix A.

Any Shares transferred directly to the Company, with the ACD acting as agent, will be cancelled.

4.3.5 Delivery versus Payment Exemption

In order to facilitate trades the ACD uses a delivery versus payment exemption that is available under the FCA Client Asset Sourcebook, under this exemption the ACD is not required to treat money received as client money until the close of the business day following receipt. Accordingly, under the exemption when investors are buying Shares the ACD will protect investor money in a client money account if it does not pass the investor's money onto the Depositary by the close of the business day following receipt. Similarly, when Shareholders sell shares in the ICVC, the ACD will protect their money in a client money account if it does not pass their money to them by the close of the business day following receipt from the Depositary.

4.3.6 Fax and Email Instructions

The ACD will accept instructions by fax or by email subject to the following conditions:

(a) by sending instructions by fax or by email, the sender authorises the ACD to accept instructions by fax or by email;

(b) the onus is on the sender to ensure that such instructions are complete and received in legible form;

(c) the sender accepts that fax communications and communications sent by email are inherently insecure and are sent at the sender's risk;

(d) the sender's proof of sending a fax or an email, return receipt or transmission report does not establish the ACD's receipt, and fax communications and communications by email are only deemed to have been duly received by the ACD when the sender contacts the ACD by telephone to obtain confirmation of receipt;

(e) the ACD will not automatically confirm receipt of any fax or any email and the sender must contact the ACD to confirm receipt;

(f) the ACD accepts no liability for any damages, costs and losses arising as a result of the use of fax or email as a means of transmitting communications, including by reason of a failure or an error during transmission or receipt, incomplete or inaccurate instructions, abuse or fraudulent use; and

(g) the sender will be liable to the ACD on demand against all costs, losses, claims and expenses which may be incurred by the ACD or made against the ACD in consequence of the ACD acting upon instructions given by fax or email.

4.3.7 Issue of Shares in Exchange for In Specie Assets

The ACD may, by special arrangement and at its discretion, arrange for the Company to issue Shares in exchange for assets other than cash but will only do so where the Depositary is satisfied that the acquisition by the Company of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The ACD will, by the close of business on the third business day next after the issue of any Shares in exchange for assets as above, ensure transfer to the Depositary of the assets to be taken in exchange and will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the relevant Shares, even if legal ownership is not then transferred to the Depositary.

The ACD will not arrange the issue of Shares in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

4.3.8 In Specie Redemptions and Cancellations of Shares

Where a Shareholder requests redemption or cancellation of Shares, the ACD may, at its discretion, give written notice to the Shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the Company will transfer to that holder property attributable to the relevant Sub-fund having the appropriate value.

The ACD shall, at its discretion, be entitled to charge for its own account an administration fee of up to £50 for each investment (other than cash) transferred which shall be deducted from the cash balance due.

The selection of the property to be transferred will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation of his Shares than to continuing Shareholders.

4.3.9 Switching Shares

A Shareholder in a Sub-fund may at any time Switch all or some of his Shares of one Sub-fund (the "**Original Shares**") for Shares of another Sub-fund (the "**New Shares**"), subject always to any applicable restrictions on the redemption and issue of Shares contemplated in the Regulations and any restrictions on the availability of any Class of Shares as specified in Appendix A.

A Shareholder wishing to Switch Shares should contact the ACD in writing, or at the ACD's discretion, telephone the ACD's dealing department (Tel. 0800 917 4751) on any Dealing Day. Telephone calls may be recorded. In general the procedures relating to a redemption of Shares will apply equally to a Switch of Shares but the Switch will be priced at the first valuation point after the Switching instructions are received or at such other valuation point as the ACD, at the request of the Shareholder, may agree. Switching instructions will be irrevocable and in no circumstances will a Shareholder who Switches Shares in one Sub-fund for Shares in another Sub-fund be given a right by law to withdraw from or cancel the transaction. Written confirmation of the Switch, and of any Switching charge which may be levied (see Section 5.1), will be dispatched by the close of business on the first business day after the valuation point at which the Switch was priced.

If a Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class of Shares concerned, the ACD may, if it thinks fit, Switch the whole of the applicant's holding of Original Shares for New Shares (and deem the applicant's instructions to be amended accordingly) or refuse to effect any Switch of the Original Shares. No Switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any Switching charge together with any other charges or levies in respect of the issue or sale of the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to the COLL Rules.

Please note that a Switch of Shares in one Sub-fund for Shares in any other Sub-fund is treated as a redemption and sale and therefore will, for persons subject to United Kingdom taxation, be a disposal for the purposes of Capital Gains Taxation (see Part 8).

4.3.10 Share Conversions

The ACD may, upon appropriate notice to affected Shareholders, effect a compulsory Conversion of Shares in one Class of a Sub-fund for another Class of the same Sub-fund. Such compulsory Conversion shall be conducted as described above in this section. A compulsory Conversion will only be undertaken where the ACD reasonably considers it is in the best interests of affected Shareholders. By way of example, the ACD may effect a compulsory Conversion where the ACD reasonably believes it is in the best interests of Shareholders to reduce the number of available Classes.

Shareholders are permitted to Convert their Shares subject to any restrictions on the availability of Shares as specified in Appendix A.

Conversions will be effected by the ACD recording the change of Class on the Register.

A Shareholder wishing to Convert Shares should apply to the ACD in the same manner as for a Switch as set out in Section 4.3.9 above.

Conversions will be effected by the ACD at the next valuation point following receipt of instructions to Convert from a Shareholder.

Conversions are not treated as redemptions or sales and therefore will not be treated as a disposal for the purposes of Capital Gains Taxation (see Part 8).

4.3.11 Anti-Money Laundering

Persons conducting investment business, such as the ACD, must comply with Anti Money Laundering Rules. The ACD can ask for proof of identity from any person or legal entity applying for Shares, the Shareholder or any other person (for example, someone providing monies for investment on behalf of another person) at any time, in order to comply with its duties under Anti Money Laundering Rules. The ACD can also use electronic checking services, which may keep a record of those checks, in order to satisfy its anti-money laundering requirements at any time. For individuals, the ACD will normally rely on a bank cheque, building society cheque or banker's draft, provided that the ACD can confirm from the cheque or draft that the payment is from a UK bank or building society account in the name (including joint names) of the Shareholder. (Banks and building societies may be able to print the necessary details onto the cheque or draft).

In other circumstances, please contact the ACD to establish the necessary verification steps.

If the ACD cannot satisfactorily complete its anti-money laundering procedures then:

(a) the ACD will reject the relevant application; or

(b) the ACD, the Company, the Depositary and the Registrar will refuse to accept additional investments and delay payments and transfers (including direct debits).

No interest is payable in those circumstances.

If required, the ACD will provide the current anti money laundering leaflet to Shareholders (or potential Shareholders) to help explain why certain documents are required to be delivered to the ACD to verify identities of Shareholders and potential Shareholders. Where documents are sent to the ACD by the Shareholder (or potential Shareholder) or returned by the ACD to the Shareholder (or potential Shareholder) it will be at the Shareholder or potential Shareholder's own risk and the ACD does not accept any liability for any lost documents.

4.3.12 Fair Value Pricing and Market Timing

Where a Sub-fund invests in markets that are closed for trading at the Sub-fund's valuation point, there is a danger that the calculated price of the Sub-fund does not reflect its Net Asset Value at the valuation point because of developments since the markets closed. Such developments may relate to a particular investment or to the whole market. This potentially causes losses or gains to the Sub-fund and opens a window of opportunity for investors to buy or sell Shares at prices calculated on stale (i.e. out of date) asset prices. Such transactions, particularly if they are relatively large, can be detrimental to the continuing investors in a Sub-fund.

The COLL Rules provide that Fair Value Pricing ("**FVP**") may be used where the ACD has reasonable grounds to believe that no reliable price exists for a particular security at a valuation point, or that the most recent price available does not reflect the ACD's best estimate of the value of the security at the valuation point. In these circumstances the ACD should value the investment at what, in its opinion, is a fair and reasonable price. The ACD will consider the use of FVP in the following circumstances, and any others the ACD may deem appropriate: war, natural disasters, terrorist activities, political instability, failure of a pricing provider, local holidays and unexpected market closures.

The term market timing generally covers two activities, arbitrage and short-term trading. Arbitrage can occur when an investor is aware that the prices upon which a Sub-fund's dealing price is calculated do not take account of the most recently available market information. Short term trading is when investors take short term trading positions based upon their own independent views, often resulting from quantitative analysis as to future market directions. Both arbitrage and short-term trading can be disruptive to the management of the Sub-fund and can cause dilution in the Sub-fund to the detriment of continuing investors.

The ACD is required to ensure that the Sub-funds are being protected from the activities of market timers and has taken a number of steps to reduce the attractiveness of the Sub-funds to market timers, including the use of swinging single pricing and the adoption of an FVP policy as noted above. Further the ACD reviews trading patterns and reserves the right to refuse to deal with a suspected Market Timer.

4.3.13 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer in any usual or common form or in any other form as may be approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD. The transfer must be in writing unless the ACD decides otherwise. The signature on the instrument of transfer may be affixed manually or electronically and may be an actual signature or a facsimile signature. For fax instructions please see Section 4.3.6 headed "**Fax Instructions**" above. The ACD need not enquire as to the genuineness of any signature however should the ACD be provided with an authorised signatory list, the ACD can, at its discretion, undertake to check that those individuals instructing transfer are listed on the latest authorised signatory list supplied. No instrument of transfer may be given in respect of more than one Class. In the case of a transfer to joint holders, the number of joint holders to whom a Share is to be transferred may not exceed four. Unless the ACD in its discretion decides otherwise, no transfer may result in either the transferor or the transferee holding fewer Shares of the Class concerned or Shares having a lesser aggregate value than any number or value as is stated in the Prospectus as the minimum which may be held.

4.3.14 Restrictions and Compulsory Transfer and Redemption

Shares in the Company may not be acquired or held by any person in circumstances ("**relevant circumstances**") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would (or would if other Shares were acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory). In this connection, the ACD may, inter alia, reject at its discretion any application for the purchase, sale, transfer, Switching or Conversion of Shares.

If it comes to the notice of the ACD that any Shares ("**affected Shares**") have been acquired or are being held, beneficially or otherwise, in any relevant circumstances or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such Shares in accordance with the COLL Rules. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them give such a request or establish to the satisfaction of the ACD (whose judgement is final and binding) that he (and if any the beneficial owner) is qualified and entitled to own the affected Shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares pursuant to the COLL Rules.

A person who becomes aware that he is holding or owns affected Shares in any relevant circumstances, shall forthwith, unless he has already received a notice as aforesaid, either transfer all his affected Shares to a person qualified to own them or give a request in writing for the redemption or cancellation of all his affected Shares pursuant to the COLL Rules.

When the holder of any Shares fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of Shares in a manner, in terms of the Company making or not making any deduction of United Kingdom tax prior to the distribution or allocation to the holder, as is envisaged for such Shares, he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such notice, treat the Shareholder concerned as if he had served on the Company a switching notice or notices requesting a Switch or a Conversion (as the case may be) of all of the relevant Shares owned by such holder for Shares which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Shares being Switched or Converted by that Shareholder.

If at any time the Company or the ACD becomes aware that the holder of any Shares, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Company, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such Shares without deduction of United Kingdom tax, then the Company shall, without delay, treat the Shareholder concerned as if he had served on the Company a switching notice or notices requesting a Switch or a Conversion (as the case may be) of all of the relevant Shares owned by such holder for Shares which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Shares held by that Shareholder.

An amount equal to any tax charge incurred by the Company or for which the Company may be held liable as a result of a Switch pursuant to this Section 4.3.14 shall be recoverable from the Shareholder concerned and may be accounted for in any adjustment made of the number of new Shares to be issued pursuant to the Switch.

If at any time the ACD is not entitled to receive distributions or have income allocations made in respect of Shares held by it without deduction of United Kingdom tax and has redeemed, pursuant to the COLL Rules, any Shares that make distributions or allocations without any tax being deducted or accounted for by the Company, the ACD shall forthwith following such redemption arrange for the Company to cancel any such Shares or (at its discretion) the ACD shall forthwith sell such Shares to a person who is (or appears to the ACD to be) entitled to hold the same.

4.3.15 Suspension of Dealings in the Company

The ACD may, at any time, with prior agreement of the Depositary, or shall without delay if the Depositary so requires, suspend the issue, cancellation, sale and redemption of Shares temporarily where due to exceptional circumstances it is in the interests of all Shareholders. At the time of suspension the ACD, or the Depositary if it has required the ACD to suspend dealings in Shares, must inform the FCA immediately stating the reason for its actions and, as soon as is practicable, give the FCA written confirmation of the suspension and the reasons for it.

The ACD must also notify Shareholders of the suspension as soon as is practicable after it commences, explaining the exceptional circumstances justifying the suspension and giving details of how to find further information about the suspension.

The suspension may be restricted to any single Sub-fund, or Class of Shares within that Sub-fund. During any such period of suspension, the ACD may agree to issue, redeem or Switch Shares at prices calculated by reference to the first valuation point after the end of the suspension. Any deals outstanding prior to the suspension shall be undertaken at a price calculated by reference to the first valuation point after the suspension.

Where such suspension takes place, the ACD will publish details on its website or by other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of the review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

4.3.16 ACD holding Shares as principal

The ACD does not generally seek to hold Shares as principal (commonly known as running a manager's box) but may from time to time hold Shares on its own account. Such holding of Shares is at the ACD's risk and is not detrimental to Shareholders' interests. The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit or loss it may make on the re issue or cancellation of such Shares.

4.3.17 Governing Law, Recognition and Enforcement of Judgments

All deals in Shares are governed by the law of Scotland.

Subject to local legal or regulatory requirements and the circumstances of a particular claim, holders residing outside of the UK may be able to bring a claim before their local court and have that judgment enforced in the UK.

4.3.18 Electronic Communications

The ACD will accept instructions to transfer title to Shares on the basis of an authority communicated by electronic means and delivered on behalf of the shareholder by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

(a) prior agreement between the ACD and the person making the communication as to:

   (i) the electronic media by which such communications may be delivered; and

   (ii) how such communications will be identified as conveying the necessary authority; and

(b) assurance from the person that they will have obtained the required appointment in writing from the shareholder.

PART 5: CHARGES AND EXPENSES

5.1 The ACD's Preliminary and Switching Charges

The ACD may, at its sole discretion in any particular case or generally, make (and retain) a preliminary charge on the sale or issue of Shares. The level of the preliminary charge varies for different Classes of Share, and is expressed as a percentage of the price of the Shares being acquired and is added to the price of those Shares.

Subject to Regulation 6.7.9 of the COLL Rules, the ACD may also, at its sole discretion in any particular case or generally, make (and retain) a charge on Switches between Shares of one Sub-fund and Shares of another Sub-fund. Again, the level of this charge varies for different Classes of Share, and is expressed as a percentage of the price of the Shares being Switched. There is no charge on Conversions.

The current preliminary and Switching charges for those Classes of Shares that are currently available are given in Appendix A.

5.2 The ACD's Redemption Charge

The ACD may, at its sole discretion in any particular case or generally, make a charge on the redemption of Class A Shares of any Sub-fund. At present no redemption charge is levied on such Shares.

Any redemption charge introduced will apply only to Class A Shares sold or issued since its introduction and, for the purpose of the imposition of such charge, where a Shareholder has acquired Class A Shares at different times and is redeeming part only of their holding, they shall be deemed to be redeeming the Shares which they have held longest.

5.3 Payments by the Company to the ACD

5.3.1 The Annual Management Charge

A fee, known as the Annual Management Charge or AMC (previously called the ACD's annual fee), is paid by the Company out of the Scheme Property to the ACD by way of remuneration for its services as the Company's authorised corporate director and registrar in respect of Class A, B, J, K, L, P and W Shares. In the case of Class C and Z Shares however, Shareholders will account for such fees separately. The Annual Management Charge accrues, in respect of each Sub-fund (except Glenfinlas Global Fund), daily in respect of successive daily accrual intervals and is paid out of each Sub-fund on the last business day of the calendar month in which it accrues or as soon as is reasonably practicable thereafter. The Annual Management Charge is reflected in the value of the Shares on a daily basis.

The level of this fee varies for different Classes of Share and for different Sub-funds and is expressed as an annual percentage of the proportion of the Net Asset Value of the Sub-fund attributed to each Class of Shares.

The current Annual Management Charge for each Class of Shares that is currently available in each Sub-fund is given in Appendix A.

VAT will be added to this fee, where applicable.

On a winding up of the Company or on the termination of a Sub-fund or a Class of Shares in a Sub-fund the ACD is entitled to its pro rata fees and expenses to the date of completion of the winding up or termination and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Agreement with the ACD.

The current Annual Management Charge for a Class of Shares in a Sub-fund may normally be increased 60 days after:

(a) the ACD has given notice of the increase and the date of its introduction in writing to all Shareholders of that Class; and

(b) the ACD has revised and published the Prospectus showing the new rate of charge, and its commencement date.

5.3.2 Charging of Annual Management Charge and Other Payments to Capital

In respect of Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, the ACD and the Depositary have agreed that all or part of the Annual Management Charge or any other income expense payments may be charged against capital instead of against income, which may result in capital erosion or constrain capital growth, this is stated in Appendix A, along with details of the actual or maximum amount thereof which may be so charged.

For the avoidance of doubt for all Sub-funds, any income expense payments in respect of a Sub-fund or Class of Shares in excess of the income attributable or deemed to be attributable to that Sub-fund or Class may be taken from the capital property attributable or deemed to be attributable to that Sub-fund or Class, which may also result in capital erosion or constrain capital growth.

5.3.3 Out of Pocket Expenses

The ACD is also entitled to be paid by the Company out of the Scheme Property all reasonable, properly vouched, out of pocket expenses (plus VAT, if any) incurred in the performance of its duties including (without limitation) the costs of setting up the Company or a new Sub-fund.

5.4 Investment Adviser's Fee

The ACD discharges, at its own expense, the fees, charges and expenses payable to the Investment Adviser under the Investment Management Agreement.

5.5 Depositary's Fees, Charges and Expenses

The Depositary receives for its own account a periodic fee which will be calculated, accrued and paid on the same basis as the Annual Management Charge. The rate of the periodic fee is agreed between the ACD and the Depositary and is calculated for each Sub-fund on the following tiered basis:

- 0.0068% per annum on the first £1bn of Scheme Property
- 0.0064% per annum on the next £2bn of Scheme Property
- 0.005% per annum on the next £4bn of Scheme Property
- 0.004% per annum on Scheme Property over £7bn

The rates above can be varied from time to time in accordance with the COLL Rules.

In addition to the periodic fees referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property of each Sub-fund as follows:

Item	Range
Transaction Charges	£5 to £100.
Custody Charges	0.0015% to 0.60%.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may in relation to each Sub-fund, also make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to a Sub-fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealings are in accordance with the provisions of the Regulations.

The Depositary will also be reimbursed by the Company out of the Scheme Property attributed to each Sub-fund, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the COLL Rules, the OEIC Regulations or the general law.

On a winding up of the Company or of a Sub-fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Rules by the Depositary.

5.6 Ongoing Charges Figure

From time to time the ACD may, at its sole discretion, consider that the Ongoing Charges Figure ("**OCF**") of a Sub-fund or Class of Shares is too high. In these circumstances, the ACD may from time to time, meet some of the expenses that are otherwise payable out of the Scheme Property out of its own pocket. Where the ACD elects to meet such expenses from time to time, this will not oblige the ACD to do so in the future and the ACD may cease to meet such expense at any time. The OCF for any Class of Share may vary from year to year and will exclude the costs of buying and selling assets of a Sub-fund (unless these assets are shares of another Sub-fund). The OCF for each Class of Shares is set out in the relevant KIID.

5.7 Other Expenses Payable out of the Scheme Property

Subject to the COLL Rules, the costs of the incorporation and authorisation of the Company, the expenses of any offer of Shares in any Sub-fund, the preparation and printing of any Prospectus issued in connection with any such offer and the fees for professional services provided to the Company in connection with any such offer and the costs and expenses of the Depositary in connection with any such matters (including any agreement between the Depositary and the Company) will be borne by the Company (unless borne by some other person) and be charged to the Scheme Property attributed to each Sub-fund in existence at the relevant time, as and when incurred or as otherwise arranged, in such proportions as the ACD may determine in accordance with COLL Rules.

Other expenses incurred by or on behalf of the Company, which may be determined where appropriate by agreement with the relevant parties, may also be paid out of the Scheme Property, as and when incurred or as otherwise arranged, including (but not limited to):

(a) Broker's commission, fiscal charges and any other disbursements which are properly incurred in effecting transactions for the Company. This will include expenses incurred in acquiring and disposing of investments, including legal fees and expenses, whether or not the acquisition or disposal is carried out.

(b) Any costs incurred in modifying the Instrument of Incorporation or the Prospectus (including any costs incurred in establishing a Sub-fund).

(c) Any costs incurred in respect of meetings of the Shareholders (including meetings of Shareholders of any particular Sub-fund or Class of Shares).

(d) Interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.

(e) Taxation and duties payable in respect of the Scheme Property, the Instrument of Incorporation, the Prospectus or the issue or cancellation of Shares.

(f) The fees of the Auditors and the tax, legal and other professional advisers to the Company and to the ACD and the Depositary properly payable and any proper expenses of the Auditors, tax, legal and other professional advisers to the Company and to the ACD and the Depositary.

(g) The fees of the FCA, or any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed.

(h) Any expenses properly incurred by the Depositary in performing duties imposed upon it (or exercising powers conferred on it) by the OEIC Regulations or the COLL Rules. The relevant duties include (but are not limited to) the delivery of stock to the Depositary or to any custodian, the custody of assets, the collection of income, the submission of tax returns, the handling of tax claims, the preparation of the Depositary's annual report and any other duties the Depositary is required to perform by law. In each case such expenses and disbursements will also be so payable if incurred by any person (including the ACD or an associate or a nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Rules by the Depositary.

(i) Fees in respect of the publication and circulation of details of the prices and yields of Shares, and other such information which the ACD is required by law to publish.

(j) The costs of printing (and, in the case of reports, accounts and the Prospectus, distributing) reports, accounts, the Prospectus and any key features, KIIDs, supplementary information document or equivalent documents relating to the Company or any Sub-fund and any costs incurred as a result of periodic updates of the Prospectus or any key features, KIIDs, supplementary information document or equivalent documents and any other administrative expenses.

(k) Insurance which the Company may purchase and/or maintain for the benefit of and against any liability incurred by any directors of the Company in the performance of their duties.

(l) Any liability arising after the property of a body corporate or another collective investment scheme is transferred to the Company or the Depositary in consideration for the issue of Shares to the Shareholders in that body or to participants in that other scheme, provided that it could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Instrument of Incorporation forbidding such payment, the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer.

(m) Any costs incurred in establishing and maintaining the Register and related matters.

(n) Any costs incurred in establishing and maintaining any plan register and related matters.

(o) It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in future, the fees connected with the listing may be payable by the Company.

(p) Any other costs or expenses that may be taken out of the Scheme Property in accordance with the COLL Rules.

VAT will be added to the above payments, where applicable.

PART 6: GENERAL INFORMATION

6.1 Complaints

If you wish to make a complaint about the operation of the Company you should contact the Client Relations Manager of the ACD at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, who will supply you with a copy of the internal complaints handling procedure. Complaints which cannot be settled can be referred to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR. Making a complaint will not prejudice your rights to commence legal proceedings.

6.2 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been or are to be entered into by the Company and are, or may be, material:

(a) the ACD Agreement and the Supplementary ACD Agreement, both dated 1 November 2005, and the Second Supplementary ACD Agreement dated 23 December 2009, between the Company and the ACD each as subsequently amended on 23 May 2013, 14 October 2018, 23 May 2018, and 30 August 2018; and

(b) the Depositary Agreement between the Company and the Depositary.

Details of the above contracts are given under the heading "**The Service Providers**" in Part 2.

6.3 Liability to Account

None of the ACD, the Depositary, the Investment Adviser, any associate of any of the foregoing or the Auditors are liable to account to any of the others or to the Company or to the Company's Shareholders for any profits or benefits it, or any of the others, makes or receives that are made or derived from or in connection with: dealings in the Shares of any Sub-fund; or any transaction in the Scheme Property; or the supply of services to the Company.

6.4 Supplementary Information

You may obtain on request from the ACD information relating to:

(a) the quantitative limits applying in the risk management of any Sub-fund;

(b) the methods used in relation to (a); and

(c) any recent development of the risk and yields of the main categories of investment.

6.5 Notices

Any notice or document to be served on a Shareholder will be sent to the Shareholder's registered address (or, in the case of joint holders, to the registered address of the first named). As at the date of this Prospectus, no notice has been given to Shareholders of the ACD's intention to propose a change, to the Company or to any of the Sub-funds, which has not yet been effected.

6.6 Execution Policy

In accordance with the Conduct of Business Rules Sourcebook, published by the FCA as part of its Handbook of Rules and the Regulations, the ACD needs to put in place arrangements to execute orders most favourable to and in the interests of the Company and its Shareholders. In view of this, the ACD is required to have an order execution policy in place detailing how it will act in line with the best interests of the Company and to take all sufficient steps to obtain the best possible result, when it directly executes an order, places an order with, or transmits an order to, another entity for execution.

As set out above, the ACD has delegated the investment management of the Sub-funds to the Investment Adviser, who in turn delegates execution of trades on behalf of the Sub-funds to BGO. BGO in turn partially delegates execution of trades on behalf of the Sub-funds to BGA(HK). BGA(HK) will be primarily responsible for placing trades in respect of Asia-Pacific securities, but BGO may also place trades in respect of Asia-Pacific securities. Similarly, BGO will be primarily responsible for placing trades in respect of non-Asia-Pacific securities, but BGA(HK) may also place trades in respect of non-Asia-Pacific securities.

Each of the Investment Adviser and BGO must, in accordance with FCA's Handbook of Rules, establish and implement an order execution policy to allow it to obtain the best possible results in accordance with the obligations under those rules. BGA(HK) shall comply with this policy when placing trades.

A copy of the Order Execution and Trade Handling Policy may be obtained from: http://www.bailliegifford.com; the ACD; or inspected at its offices at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN during normal business hours.

6.7 Voting Rights Strategy

In accordance with the COLL Rules, the ACD must develop strategies for determining when and how voting rights of assets held within the Sub-funds are to be exercised ("**Voting Rights Strategy**"). A summary copy of the Investment Adviser's Voting Rights Strategy, together with details of the actions which the ACD has taken on the basis of those strategies are available, free of charge, from http://www.bailliegifford.com and from the ACD at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.

6.8 Client Money Account

Where the ACD is required to protect client money it will deposit the cash in the UK with an authorised bank to be held on the ACD's behalf in a 'Client Money' account separate to any account used to hold money belonging to the ACD in its own right. Interest will not be paid on cash balances held in the client money account. The ACD will not be responsible for any acts or omissions of the bank. If the bank becomes insolvent, the ACD will have a claim on behalf of its clients. If, however, the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between such creditors.

6.9 Transfer of Client Money to Third Parties

In connection with the transfer of all or part of its business to a third party, the ACD may transfer client money that it holds relating to that business to such third party without seeking specific consent from any effected investor, provided that the ACD has complied with the client money rules in force at the time of the transfer. Any client money that is subject to such transfer must be held by the third party in accordance with the client money rules or the ACD must have assessed that the third party will adopt adequate procedures to protect such client money.

6.10 Unclaimed Client Money

The ACD will be permitted to pay unclaimed client monies to a registered charity of its choice. Before the ACD can pay such unclaimed monies to a charity it must have held the money for at least six years without any movement occurring on the account and have taken reasonable steps to contact the relevant Shareholder and complied with the client money rules. If the ACD pays away money to charity it will not prevent a Shareholder from claiming such money in future.

6.11 Financial Services Compensation Scheme

The ACD is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the ACD cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of investments up to £85,000. Further information is available from: The Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU. Tel: 0800 678 1100

6.12 Treating Customers Fairly

The ACD, as a firm that is authorised and regulated by the FCA, is required to pay due regard to the interests of its customers and treat them fairly. Breaching this principle would make the ACD liable to disciplinary sanctions by the FCA.

The ACD may, from time to time, give preferential treatment to a particular shareholder or class of shareholders such as the right to obtain more detailed information on the performance of a Sub-fund than is ordinarily made available to shareholders. The ACD does not give preferential treatment or the right to obtain preferential treatment to any shareholder that creates an overall material disadvantage to other shareholders.

6.13 Portfolio Holdings Disclosure

The Investment Adviser has adopted a policy generally permitting the disclosure of portfolio holdings information to Shareholders, prospective shareholders and other service providers with a one-month time lag. Full portfolio information that is less than one month old ("**Confidential Portfolio Information**") may be made available to Shareholders, prospective shareholders and service providers (each a "**Recipient**") upon request by the Investment Adviser. Any such Confidential Portfolio Information is provided on the understanding that the Recipient shall keep it secret and confidential, shall not disclose or disseminate it directly or indirectly to any third party and shall not use or exploit it except in connection with its own analysis of a Sub-fund's portfolio. None of the Company, the ACD or the Investment Adviser make any warranty or representation concerning the Confidential Portfolio Information, its accuracy or completeness. The Confidential Portfolio Information is intended for information purposes only and should not be used by the Recipient for the purposes of market timing or seeking to gain an unfair advantage.

6.14 Payment for Research Costs

Rules which came into effect on 3 January 2018 prohibit firms who provide portfolio management services from receiving any inducements in relation to these services to clients, except for minor non-monetary benefits. Where firms receive research from third parties, in order to avoid contravening the inducement rules, it has to be paid for directly by the firm or by the use of a research payment account (RPA).

All research material and services are paid for directly by the Investment Adviser, or other Baillie Gifford group entity, and no RPA is operated.

6.15 Data Protection

The Company collects certain personal information in relation to the Shareholders in order to administer the Shareholders' investment in the Company and comply with applicable laws and regulations. The Company will collect and use such personal information in accordance with data protection laws applicable in the United Kingdom and is a "**data controller**" for the purposes of those laws. The Company's Privacy

Notice (which is available at https://www.bailliegifford.com/en/uk/aboutus/important disclosures/privacy policy/oeics/) sets out further details of how the Company collects and uses personal information.

6.16 Use of Benchmarks

The ACD may use benchmarks as part of its internal risk management controls. Benchmarks are intended to aid with the measurement and management of market risk exposures for a Sub-fund after consideration of a Sub-fund's investment objective, policy and risk profile. The use of benchmarks as part of the internal risk management controls is not intended to act as a target or constraint for any of the Sub-funds. All targets and constraints are disclosed in each of the Sub-fund objectives.

PART 7: DETERMINATION AND DISTRIBUTION OF INCOME

7.1 Accounting reference date

The accounting reference date of the Company is 31 January, being the date on which the Company's annual accounting period is to end in each year and the interim accounting date (half year) of the Company is 30 July. The annual income allocation date of the Company is 31 January in each year. The interim income allocation dates for each Sub-fund, if any, are given in Appendix A.

7.2 Payment date

Payment of the income available for distribution in respect of each accounting period will be made on the income payment dates specified in Appendix A.

7.3 Ex dividend dates

For the purposes of any particular distribution or accumulation of income, the ex-dividend date and the record date shall be the accounting reference date or interim accounting date that immediately preceded the relevant annual income allocation date or interim income allocation date.

7.4 Payment method

Payment for the amount of the net distribution will, where applicable, be made direct to the holder's bank or building society account (or, in the case of joint holders, be made direct to the first named holder on the Register). Alternatively, in certain circumstances, payment may be made by cheque, which will be sent to the registered address and made payable to the order of the holder of income Shares (or in the case of joint holders, will be payable and sent to the registered address of the first-named holder on the Register). Tax vouchers for both income and accumulation Shares will be issued to Shareholders in respect of distributions made and any relevant tax.

7.5 Income available for distribution or accumulation

The income available for distribution or accumulation in relation to a Sub-fund is determined in accordance with the COLL Rules. It comprises all income received or receivable for the account of the Company and attributable to that Sub-fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting with the Company's auditors in accordance with the COLL Rules, in relation to taxation and other matters.

Income relating to a Sub-fund is allocated among the Classes of Shares in that Sub-fund as it accrues or is received in proportion to the rights to participate in the Scheme Property attributed to that Sub-fund which were attached to each Class of Shares on the preceding business day.

Income earned in an interim accounting period may not all be distributed immediately but retained and used to ensure that distributions paid throughout the year are broadly similar. This policy is known as "**smoothing**".

7.6 Unclaimed distribution payments

In respect of any unclaimed distribution payments paid the ACD may Convert income Shares to the same Class of accumulation Shares, or where no such Class exists, to such other accumulation Class of Share which (in the opinion of the ACD at its reasonable discretion) most nearly equates to the Class of Share held by that Shareholder, where distributions remain unclaimed by any Shareholder and a period of at least eighteen months has elapsed since the earliest unclaimed distribution was first paid. An investor communication shall be issued to affected Shareholders providing at least 30 days' prior notice of the ACD's intention to exercise a conversion of income Shares into accumulation Shares. For further details, please see Section 4.3.10.

Subject to the provisions above, any distribution payment of a Sub-fund which remains unclaimed after a period of six years from the date of payment, will be forfeited and shall revert to the Company.

7.7 Equalisation

The Company will operate grouping for equalisation. Each Class of Shares will operate its own equalisation account. Shares purchased during an accounting period are called Group 2 Shares. Shares purchased during any previous accounting period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Sub-fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution and is treated as a return of capital for tax purposes. Being capital it is not liable to income tax but must be deducted from the cost of the Shares for capital gains tax purposes.

An "**income equalisation like**" mechanism will be operated by the ACD for Conversions. The ACD will ensure that the mechanism is operated to ensure fair treatment of those Converting their Shares and other Shareholders in the affected Classes.

PART 8: TAXATION

The comments in this Part 8 are intended only as a general guide to the tax consequences for UK resident Shareholders of the holding, redeeming and Switching of Shares under current UK law and HMRC practice as at the date of this Prospectus and is subject to any subsequent changes. They do not cover the effect of the issue, redemption, or Switching of Shares in exchange for assets other than cash.

8.1 Taxation of the Sub-funds

As each Sub-fund is an authorised investment fund, it is exempt from UK tax on capital gains or losses realised on the disposal of its investments. Realised gains on investments located or issued in other countries may be subject to withholding tax or other taxation in those jurisdictions.

If a Sub-fund holds an interest in an offshore fund that is not certified by HMRC as a reporting fund, gains realised by the Sub-fund on the disposal of that interest will not be exempt and may be taxable as income.

Subject to the provisions below, each Sub-fund will be liable to UK corporation tax on its income from investments after relief for expenses. The current rate of corporation tax applicable to UK OEICs is 20%.

Dividends received by the Sub-funds from a UK or foreign resident company are generally exempt from UK corporation tax. The income from foreign resident companies may be subject to foreign withholding or other taxation in those jurisdictions.

Stamp duty and other transfer taxes (including financial transaction taxes) may be incurred on the purchase sale, transfer or any other financial transaction involving investments located in the UK or outside the UK. Certain EU member states have implemented financial transaction tax regimes.

8.2 Taxation of Investors: Individual Shareholders

The comments in this Section 8.2 apply only to individual Shareholders that are resident in the UK for tax purposes, beneficially own their Shares, and hold them as investments. The tax position may be different for other Shareholders. Any Shareholder who is in doubt as to their tax position in the UK or another jurisdiction should consult a professional adviser.

8.2.1 Capital Gains Tax

The redemption of Shares will normally be a disposal for capital gains tax purposes. Any gain arising on this disposal may therefore be chargeable to capital gains tax, subject to any allowance or relief available to the Shareholder.

For tax purposes each Sub-fund is regarded as a separate entity. A Shareholder is deemed to own shares in a Sub-fund in which the Shareholder has rights for the time being. As a result, where a Shareholder Switches between Shares linked to one Sub-fund and Shares linked to another Sub-fund, there will normally be a disposal for capital gains tax purposes. Where two Sub-funds are merged, relief may be available to defer any gain that would otherwise have arisen on the merger.

Conversions would not normally be a disposal for the purposes of capital gains tax, provided that no consideration is given or received other than the Shares being converted.

An individual who holds their Shares through a qualifying ISA should not be chargeable to capital gains tax on the disposal of Shares.

8.2.2 Income Tax

Where income is allocated to a Shareholder by a Sub-fund on the specified income allocation dates this is treated as income for tax purposes, including where the income is retained by the Sub-fund in the case of accumulation shares. Distributions may be dividend distributions or interest distributions depending on the nature of the income of the relevant Sub-fund, as described further below. It is anticipated that all of the Sub-funds will normally pay dividend distributions.

All Shareholders will be sent tax vouchers setting out their distributions and the nature of the distributions.

The first distribution made after an acquisition of Shares may include an amount of equalisation (see Section 7.7). This amount corresponds to the income included in the price at which the Shares were acquired (subject to averaging where appropriate) and represents a capital repayment for UK tax purposes. This amount should be deducted from the cost of the Shares in calculating any chargeable gain realised on a subsequent disposal of the Shares.

An individual who holds their Shares through a qualifying ISA should not be liable to income tax on the distributions received.

Dividend Distributions

Dividend distributions made by the Sub-funds will be treated as dividends made by a UK company.

The first £2,000 of dividend income received from all sources by Shareholders in a tax year will be exempt from income tax. For the tax year starting 6 April 2022 dividend income in excess of this amount will be taxed at a rate of 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers or 39.35% for additional rate taxpayers.

Interest Distributions

Where over 60% of the market value of a Sub-fund's investments are "**qualifying investments**" (broadly being cash, debt, or other interest producing assets) that Sub-fund may make an interest distribution. It is not anticipated that this will apply to any of the Sub-funds.

Interest distributions will be paid gross without the deduction of income tax at the basic rate.

A tax-free personal savings allowance is applicable to interest income, including interest distributions received from 6 April 2016. This exempts the first £1,000 (for basic rate taxpayers) or £500 (for higher rate taxpayers) of interest income from all sources received in a tax year. No personal savings allowance is available for additional rate taxpayers.

8.3 Taxation of Investors: Corporate Shareholders

The comments in this Section 8.3 apply only to corporate Shareholders that are resident in the UK for tax purposes, beneficially own their Shares, and hold them as investments. The tax position may be different for other Shareholders, and certain types of

Shareholder (such as life insurance companies) may be subject to specific rules. Any Shareholder who is in doubt as to their tax position in the UK or another jurisdiction should consult a professional adviser.

8.3.1 Corporation Tax on Gains

The redemption of Shares will normally be a disposal for corporation tax purposes. A Shareholder may therefore be chargeable to corporation tax on any gain arising as a result of such disposal, or be eligible for relief in respect of any losses.

For tax purposes each Sub-fund is regarded as a separate entity. A Shareholder is deemed to own shares in a Sub-fund in which the Shareholder has rights for the time being. As a result, where a Shareholder Switches between Shares linked to one Sub-fund and Shares linked to another Sub-fund, there will normally be a disposal for chargeable gains purposes. Where two Sub-funds are merged, relief may be available to defer any gain that would otherwise have arisen on the merger.

Conversions would not normally be a disposal for the chargeable gains purposes, provided that no consideration is given or received other than the Shares being converted.

Where over 60% of the market value of a Sub-fund's investments are "**qualifying investments**" (broadly being cash, debt, or other interest producing assets), a Shareholder's holding in that Sub-fund is deemed to be a creditor loan relationship. Any profits and gains arising to that corporate Shareholder should be brought into account as a non-trading loan relationship credit, and any loss in value as a non-trading loan relationship debit.

8.3.2 Corporation Tax on Income

Where income is allocated to a Shareholder by a Sub-fund on the specified income allocation dates this is treated as income for tax purposes, including where the income is retained by the Sub-fund in the case of accumulation shares. Distributions may be dividend distributions or interest distributions depending on the nature of the income of the relevant Sub-fund, as described further below. It is anticipated that all of the Sub-funds will normally pay dividend distributions.

The first distribution made after an acquisition of Shares may include an amount of equalisation (see Section 7.7). This amount corresponds to the income included in the price at which the Shares were acquired (subject to averaging where appropriate) and represents a capital repayment for UK tax purposes. This amount should be deducted from the cost of the Shares in calculating any chargeable gain realised on a subsequent disposal of the Shares.

Dividend Distributions

Dividend distributions paid by the relevant Sub-fund to Shareholders must be split into the underlying dividend income, other income and foreign income elements received by the Sub-fund. The dividend element should normally be exempt from corporation tax. The other income element should be treated as an annual payment deemed to be net of income tax at 20% and subject to corporation tax, with credit for the income tax. The foreign income element should be treated as foreign income received after the deduction of foreign tax and will be subject to corporation tax, with credit for foreign tax.

Interest Distributions

Where over 60% of the market value of a Sub-fund's investments are "**qualifying investments**" (broadly being cash, debt, or other interest producing assets) that Sub-fund may make an interest distribution.

Interest distributions will be paid gross without the deduction of income tax at the basic rate.

8.4 Taxation Reporting

In order to fulfil its legal obligations, the ACD is required to collect and report certain information about Shareholders (and in some circumstances the Shareholder's controlling persons), including their identity, tax residency, tax status and financial information relating to their shareholding. Shareholders must provide the ACD with any information required to meet these obligations, and may also be asked to provide self-certifications and tax reference numbers or the equivalent. The ACD reserves the right to refuse an application for Shares or a transfer of Shares until it receives a declaration as to the Shareholder's tax residency or status in the form prescribed by the ACD.

The ACD is also required to provide to HMRC certain information regarding Shareholders, payments made to Shareholders and proceeds arising on the disposal of Shares, and HMRC may pass such information on to the tax authorities of another jurisdiction.

PART 9: SHAREHOLDERS' VOTING RIGHTS

9.1 General Meetings

The ACD or the Depositary may convene a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares of the Company then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

The ACD must, by way of an extraordinary resolution, obtain approval from the Shareholders for any proposed change to the Company which is a fundamental change. A fundamental change is a change or event which:

(a) changes the purposes or nature of the Company;

(b) may materially prejudice a Shareholder;

(c) alter the risk profile of the Company; or

(d) introduce any new type of payment out of the scheme property.

Fundamental changes may include, for example:

(a) changes to any statement of policy or investment objective which has been included in the Prospectus;

(b) a proposed scheme of amalgamation; or

(c) a scheme of reconstruction.

Rules for the calling and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings are governed by the COLL Rules.

9.2 Notice and Quorum

Shareholders will receive at least 14 days' written notice of a Shareholders' meeting (other than an adjourned meeting, where a shorter period of notice can apply) and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person (or, in the case of a corporation, by a duly authorised representative) or by proxy. The quorum for an adjourned meeting is effectively one Shareholder so present. Notices of the meetings and adjourned meetings will be sent to the Shareholders at their registered address.

9.3 Voting Rights

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue as the price of the Share bears to the aggregate price(s) of all the Shares in issue at the cut-off date referred to in Section 9.5 below.

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Shareholders, the vote of the most senior who votes, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register.

Except where the Regulations or the Instrument of Incorporation require an extraordinary resolution (which needs 75% or more of the votes validly cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the Regulations will be passed by a simple majority of the votes validly cast for and against the resolution, subject to the discretion of the ACD to propose any particular resolution, if permitted, as an extraordinary resolution.

Where a resolution (including an extraordinary resolution) is required to conduct business at a meeting of Shareholders and every Shareholder is prohibited under the COLL Rules from voting, it shall not be necessary to convene a meeting and a resolution may, with the prior written agreement of the Depositary to the process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined for the purposes of the COLL Rules) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or that associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or that associate has received voting instructions.

9.4 Sub-fund and Class Meetings

The above provisions, unless the context otherwise requires, apply to Sub-fund meetings and Class meetings as they apply to general meetings of Shareholders but by reference to Shares of the Sub-fund or Class concerned and the Shareholders and prices of such Shares.

9.5 Meaning of "Shareholders"

"**Shareholders**" in the context of the provisions summarised above relating to notice of Shareholders' meetings, quorum and voting rights means Shareholders as at a cut-off date selected by the ACD which is a reasonable time (for example seven days) before notice of the relevant meeting was sent out.

9.6 Annual General Meetings

The Company does not hold Annual General Meetings. Copies of the agreement between the Company and the ACD (see Section 2.1.2) which would normally be laid before such meetings will therefore be provided to Shareholders on request.

PART 10: TERMINATION

10.1 Winding up of the Company or the Termination of a Sub-fund of the Company

The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Rules. A Sub-fund may only be terminated under the COLL Rules or as an unregistered company under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations).

10.2 Winding up of the Company or the Termination of a Sub-fund under the COLL Rules

Where the Company is to be wound up or a Sub-fund is to be terminated under the COLL Rules, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs, business and property of the Company or, as applicable, the affairs, business and property of the Sub-fund), that the Company (or the Sub-fund (as the case may be) will be able to meet its liabilities within 12 months of the date of the statement or that such confirmation cannot be given. The Company may not be wound up under the COLL Rules if there is a vacancy in the position of the ACD at the relevant time or if it is being wound up under Part V of the Insolvency Act 1986.

Subject to the above, the Company will or may (as applicable) be wound up or a Sub-fund will or may (as applicable) be terminated under the COLL Rules if:

(a) an extraordinary resolution to that effect is passed by Shareholders;

(b) the period (if any) fixed for the duration of the Company or the Sub-fund by the Instrument of Incorporation expires, or the event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to or may be wound up or a particular Sub-fund is to or may be terminated (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is less than £1,000,000, or if, in the ACD's opinion, it is desirable to terminate the Sub-fund);

(c) on the date of effect stated in any agreement by the FCA to a request by the ACD for the winding up of the Company or the termination of the Sub-fund;

(d) on the effective date of a duly approved scheme of arrangement which is to result in the Company or in a Sub-fund ceasing to hold any scheme property; or

(e) in the case of the Company, on the date on which all of the Sub-funds fall within (d) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities which are not attributable to any particular Sub-fund.

On the occurrence of any of the above:

(a) Sections 6.2 and 6.3 and Chapter 5 of the COLL Rules relating to Dealing, Valuation and Pricing and Investment and Borrowing Powers will cease to apply to the

Company or (as applicable) Sections 6.2 and 6.3 and Chapter 5 of the COLL Rules will cease to apply to the particular Sub-fund;

(b) The Company will cease to issue and cancel Shares in the Company or the particular Sub-fund and the ACD shall cease to sell or redeem Shares or to arrange for the Company to issue or cancel them for the Company or the particular Sub-fund;

(c) As regards the Company or the particular Sub-fund (as appropriate) no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;

(d) Where the Company is being wound up, the Company shall cease to carry on its business except for its beneficial winding up;

(e) The corporate status and powers of the Company and, subject to the preceding provisions of (a) to (d) above, the powers of the ACD shall remain until the Company is dissolved; and

(f) If the ACD has not previously notified Shareholders, or Shareholders of the relevant Sub-fund, of the proposal to wind up the Company or terminate the Sub-fund it shall give them written notice of the commencement of the winding up or termination as required by the COLL Rules.

10.3 Duties of ACD

The ACD shall, as soon as practicable after the Company falls to be wound up or the Sub-fund falls to be terminated, realise the assets and meet the liabilities of the Company or the Sub-fund (as appropriate) and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, provided that there are sufficient liquid funds available, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Sub-fund. When the ACD has caused all the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the "**final account**" (in respect of the winding up of the Company) or "**termination account**" (in respect of the termination of a Sub-fund) is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund (net of a provision for any further expenses of the Company or the particular Sub-fund).

As soon as is reasonably practicable after the completion of the winding up of the Company or the termination of the particular Sub-fund, the Depositary shall notify the FCA of such completion and at the same time, in the case of the completion of the winding up of the Company, the ACD or the Depositary must request the FCA to revoke the relevant authorisation order.

On completion of the winding up of the Company or a termination of a Sub-fund, the Company or Sub-fund will be dissolved and the ACD shall arrange that any money (including unclaimed distributions) standing to the account of the Company or Sub-fund will be lodged by the Depositary in the name of the Accountant of the Court within one month of dissolution.

Following the completion of a winding up of the Company or a termination of a Sub-fund, the ACD must prepare a final/termination account showing how the winding up or termination took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final/termination account stating their opinion as to whether the final/termination account has been properly prepared. This final/termination account and the auditors' report must be sent to the FCA and to each Shareholder within four months of the completion of the winding up or termination.

APPENDIX A SUB-FUND DETAILS

Derivatives may be used by certain Sub-fund's of the Company, as specified in the Sub-fund's investment objective and policy below, for the purposes of either (i) hedging (which includes efficient portfolio management) or (ii) hedging and meeting the Sub-fund's investment objective and policy (as specified below). The investment objectives and policies of each Sub-fund are set out below and the Sub-funds' general investment powers in relation to derivatives are set out in Section 3.2.1 above. The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of any Sub-fund of the Company.

The value of any investment and any income arising from it is not guaranteed and may go down as well as up and an investor may not get back the sum invested.

Name:	**Baillie Gifford British Smaller Companies Fund**
FCA Product Reference Number:	639779
Investment Objective and Policy:	Investment Objective The Sub-fund aims to outperform (after deduction of costs) the Numis Smaller Companies Index (excluding Investment Companies) by at least 2% per annum over rolling five-year periods. Investment Policy The Sub-fund will invest at least 80% in the shares of smaller UK companies, being those which are incorporated, domiciled or conducting a significant portion of their business in the UK. The Sub-fund will be actively managed and will invest in any sector. The Sub-fund may also invest in smaller companies which are listed, quoted or traded in the UK. The smaller companies in which the Sub-fund invests will typically have a market capitalisation of less than £1 billion at the time of initial purchase and of less than £7.5 billion thereafter. In addition typically no more than 30% of the Sub-fund’s investments will be in companies that have a market capitalisation greater than £3 billion. To the extent that the Sub-fund is not fully invested in shares of smaller companies, the Sub-fund may also invest in other transferable securities of smaller companies, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) the Numis Smaller Companies Index (excluding Investment Companies) by at least 2% per annum over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the UK Smaller Companies Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the

	investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the UK Smaller Companies Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	A Acc 1.60 B Acc 0.76 B Inc 0.76 C Acc 0.11 C Inc 0.11
Benchmark Regulation:	The ACD is a user of the Numis Smaller Companies Index (excluding Investment Companies) (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Concentration** • **Investment in Smaller Companies** • **Single Country**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.

Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	**Class B**	**Class C**
Minimum Initial Investment:	£1,000	£100,000 (see Note 3)	£250,000
Minimum Subsequent Investment:	£100	£1,000	Nil
Minimum Redemption:	£500	£1,000 (see Note 4)	Nil
Minimum Holding:	£1,000	£100,000 (see Note 3)	£250,000
Preliminary Charge:	0% (current)	0% (current)	Nil
Annual Management Charge:	1.50%	0.65%	Nil
Fee for Switching into Sub-fund:	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil

Income Allocation Date(s): 31 January (Annual)

Income Payment Dates(s): 31 March (Annual)

Historical Past Performance: Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Note 2: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates

Note 3: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD’s sole discretion.

Note 4: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Baillie Gifford Global Alpha Growth Fund**
FCA Product Reference Number:	639785
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods. <u>Investment Policy</u> The Sub-fund will invest at least 90% in shares of companies. The Sub-fund will be actively managed and will invest in companies in any country and in any sector. To the extent that the Sub-fund is not fully invested in such shares, the Sub-fund may also invest in other transferable securities of companies anywhere in the world, money market instruments, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the Global Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the Global Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	A Acc 1.43 B Acc 0.59 B Inc 0.59 C Acc 0.02 C Inc 0.02 L Acc* 0.51 L Inc* 0.52

	W2 Acc** 0.59 W2 Inc** 0.59 W5 Acc** 0.59 W5 Inc** 0.59 *the OCF disclosed is an estimate only as the Share Class has recently launched. **the OCF disclosed is an estimate only as the Share Class AMC is tiered.
Benchmark Regulation:	The ACD is a user of the MSCI ACWI Index (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2)

	Class L accumulation (see Note 3) Class L income (see Note 3) Class W2 accumulation (see Note 3) Class W2 income (see Note 3) Class W5 accumulation (see Note 3) Class W5 income (see Note 3) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	**Class B**	**Class C**	**Class L**	**Class W**
Minimum Initial Investment:	£1,000	£100,000 (see Note 4)	£250,000	£1,000	£1,000
Minimum Subsequent Investment:	£100	£1,000	Nil	Nil	Nil
Minimum Redemption:	£500	£1,000 (see Note 5)	Nil	Nil	Nil
Minimum Holding:	£1,000	£100,000 (see Note 4)	£250,000	£1,000	£1,000
Preliminary Charge:	0% (current)	0% (current)	Nil	0% (current)	0% (current)
Annual Management Charge:	1.42%	0.57%	Nil	0.50%	See Note 6
Fee for Switching into Sub-fund:	Nil	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil

Income Allocation Date(s):	31 July (Interim) 31 January (Annual)
Income Payment Dates(s):	30 September (Interim) 31 March (Annual)
Historical Past Performance:	Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Note 2: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 3: Class L and W Shares are only available to persons who has, or whose agent has, a separate fee arrangement in place with the ACD or one of its associates.

Note 4: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD's sole discretion.

Note 5: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Note 6: Where the combined net asset value of the relevant Class W Shares (accumulation and income) is equal to or greater than £100 million, the following fee scale will be applied to the whole of the net asset value of the relevant Class W Shares:

- 0.57% on the first £60 million;
- 0.35% on the next £540 million; and
- 0.33% thereafter.

(where the combined net asset value of the relevant Class W Shares (accumulation and income) is less than £100 million a rate of 0.57% shall applied to the whole of the net asset value of the relevant Class W Shares).

Name:	**Baillie Gifford Global Alpha Paris-Aligned Fund**
FCA Product Reference Number:	938610
Investment Objective and Policy:	Investment Objective The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI Index ("**the Index**"), as stated in sterling, by at least 2% per annum over rolling five-year periods. The Sub-fund also aims to have a weighted average greenhouse gas intensity that is lower than that of the MSCI ACWI EU Paris Aligned Requirements Index. Investment Policy The Sub-fund will invest at least 90% in shares of companies. The Sub-fund will be actively managed and is not constrained by the Index. It will invest in companies in any country and in any sector, subject to any exclusions identified by the ACD's screening processes. The purpose of the ACD's screening processes is to ensure that the Sub-fund invests in a way which is, in the ACD's opinion, in alignment with the Paris Climate Agreement by excluding carbon intensive companies that do not, or will not, play a role in the transition to a low-carbon future. Firstly, the ACD applies a quantitative screening process to exclude companies with particular levels of exposure to the fossil fuels industry. The Sub-fund may not invest in companies that generate more than 10% of revenues from the extraction and/or production of thermal coal, oil and/or gas. The Sub-fund also may not invest in companies that generate more than 50% of revenues from services provided to thermal coal, oil and/or gas extraction and/or production. The ACD receives data on companies' fossil fuel exposure from a third party. As the quantitative screening process is focused only on excluding companies with particular levels of revenue exposure to fossil fuels, carbon intensive companies from other industries or sectors will remain within the possible investment universe. The ACD then applies its qualitative screening process to the remaining companies. The purpose of this screening process is to identify those companies that, in the ACD's opinion, will not play a role in the transition to a low carbon future. The ACD will consider whether the company provides an essential service (for example, agriculture) and also whether the company can and has shown a commitment to preparing for the low-carbon economy through, for example, its emissions reporting, carbon policies and targets. Carbon intensive companies that do not fulfil the qualitative screening process will be excluded. Non-carbon intensive companies that do not fulfil the criteria of the qualitative screening process may be excluded at the discretion of the ACD To the extent that the Sub-fund is not fully invested in such shares, the Sub-fund may also invest in other transferable securities of companies anywhere in the world (subject to the aforementioned screening processes), money market instruments, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI Index, as stated in sterling, by at least 2% per annum over rolling five-year periods.

	The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the Global Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the Global Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	B Acc* 0.59 B Inc* 0.59 C Acc* 0.02 C Inc* 0.02 *the OCF disclosed is an estimate only as the Share Class was recently launched.
Benchmark Regulation:	The ACD is a user of the MSCI ACWI Index under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments** • **Net Zero Asset Managers initiative (‘NZAMi’)** • **Sustainable and Responsible Investment**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors and institutional investors and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with

	investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a fund that aims to deliver capital growth over a long-term investment horizon. The Sub-fund uses screening processes to exclude carbon intensive companies that do not, or will not, play a role in the transition to a low-carbon economy. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class B accumulation* Class B income* Class C accumulation* (see Note 1) Class C income* (see Note 1) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time

	Class B	**Class C**
Minimum Initial Investment:	£100,000 (see Note 2)	£250,000
Minimum Subsequent Investment:	£1,000	Nil
Minimum Redemption:	£1,000 (see Note 3)	Nil
Minimum Holding:	£100,000 (see Note 2)	£250,000
Preliminary Charge:	0% (current)	Nil
Annual Management Charge:	0.57%	Nil
Fee for Switching into Sub-fund:	Nil	Nil
Redemption Charge	Nil	Nil

Income Allocation Date(s):	31 July (Interim) 31 January (Annual)
Income Payment Dates(s):	30 September (Interim) 31 March (Annual)
Historical Past Performance:	Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

As Baillie Gifford Global Alpha Paris-Aligned Fund was launched on 15 April 2021, there is currently limited performance information available.

Note 1:	Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates
Note 2:	The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000. These minimum amounts may be waived at the ACD's sole discretion.
Note 3:	The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Baillie Gifford Global Income Growth Fund**
FCA Product Reference Number:	639782
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods. <u>Investment Policy</u> The Sub-fund will invest at least 90% in shares of companies anywhere in the world. The Sub-fund will be actively managed and will invest in companies of any size and any sector. To the extent that the Sub-fund is not fully invested in shares, the Sub-fund may also invest in other transferable securities of companies anywhere in the world, money market instruments, deposits and cash. The Sub-fund may use derivatives only for the purpose of the management of risk.
Target Benchmark:	The Sub-fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods. Accordingly the Target Benchmark is the MSCI ACWI Index over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the Global Equity Income Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the Global Equity Income Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	A Acc 1.38 A Inc 1.38 B Acc 0.54 B Inc 0.54

	C Acc 0.04 C Inc 0.04 J Acc 0.39 J Inc 0.39 P Acc 0.49 P Inc 0.49
Benchmark Regulation:	The ACD is a user of the MSCI ACWI Index (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Charging Expenses to Capital:	To assist in achieving the objective, part or all of the expenses, including the Annual Management Charge may be charged to capital. If this occurs it will constrain capital growth and may result in capital erosion. Details of the OCF for each Class of Shares charged to capital and income are set out in the table below.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Expenses, Costs, Charges being Charged to Capital (where sufficient income available)** • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments** • **Use of Derivatives for Hedging (including EPM)**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and bonds and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver income and capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance and investing for less than five years. This Sub-fund does not offer capital protection.

Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class A income* Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2) Class J accumulation* (see Note 3) Class J income* (see Note 3) Class P accumulation* (see Note 4) Class P income* (see Note 4) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	**Class B**	**Class C**	**Class J**	**Class P**
Minimum Initial Investment:	£1,000	£100,000 (see Note 5)	£250,000	£1,000	£250,000
Minimum Subsequent Investment:	£100	£1,000	Nil	Nil	Nil
Minimum Redemption:	£500	£1,000 (see Note 6)	Nil	Nil	Nil
Minimum Holding:	£1,000	£100,000 (see Note 5)	£250,000	£1,000	£250,000
Preliminary Charge:	0% (current)	0% (current)	Nil	0% (current)	0% (current)
Annual Management Charge:	1.35%	0.50%	Nil	0.35%	0.45%
Fee for Switching into Sub-fund:	Nil	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil

Income Allocation Date(s):	30 April (Interim) 31 July (Interim) 31 October (Interim) 31 January (Annual)
Income Payment Dates(s):	30 June (Interim) 30 September (Interim) 31 December (Interim) 31 March (Annual)
Historical Past Performance:	Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1:	With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.
Note 2:	Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.
Note 3:	Class J Shares are only available to persons who has, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.
Note 4:	Class P Shares are available to persons who: (i) are considered by the ACD to be institutional pension platforms and who have a relevant agreement with the ACD or an associate of the ACD; or (ii) are otherwise considered appropriate by the ACD at its sole discretion.
Note 5:	The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000. These minimum amounts may be waived at the ACD's sole discretion.
Note 6:	The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

OCF for each Class of Shares charged to capital and income:

Share Class	**OCF charged to capital**	**OCF charged to revenue**	**Total OCF**
A Acc	1.32%	0.06%	1.38%
A Inc	1.32%	0.06%	1.38%
B Acc	0.47%	0.06%	0.53%
B Inc	0.47%	0.06%	0.53%
C Acc	0.02%	0.00%	0.02%
C Inc	0.03%	0.00%	0.03%
J Acc	0.31%	0.07%	0.38%
J Inc	0.31%	0.07%	0.38%
P Acc	0.42%	0.06%	0.48%
P Inc	0.42%	0.06%	0.48%

For the year to 31 January 2022, 88% of expenses were allocated to capital (year to 31 January 2021: 100%). The ACD has the facility to reallocate expenses to revenue as it sees fit. Please note the split shown in the table above relates to the year ended 31 January 2022 and these figures may vary from year to year.

Name:	**Baillie Gifford International Fund**
FCA Product Reference Number:	639781
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI ex UK Index, as stated in sterling, by at least 2% per annum over rolling five-year periods. <u>Investment Policy</u> The Sub-fund will invest at least 90% in shares of companies anywhere in the world (excluding the UK). The Sub-fund will be actively managed and will invest in companies of any sector. To the extent that the Sub-fund is not fully invested in such shares, the Sub-fund may also invest in other transferable securities of companies anywhere in the world (excluding the UK), money market instruments, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) the MSCI ACWI ex UK Index, as stated in sterling, by at least 2% per annum over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the Global Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the Global Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	A Acc 1.44 B Acc 0.59 B Inc 0.59 C Acc 0.03 C Inc 0.02 G Acc 0.52

Benchmark Regulation:	The ACD is a user of the MSCI ACWI ex UK Index (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2) Class G accumulation* (see Note 3) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	Class B	Class C	Class G
Minimum Initial Investment:	£1,000	£100,000 (see Note 4)	£250,000	£250,000
Minimum Subsequent Investment:	£100	£1,000	Nil	Nil
Minimum Redemption:	£500	£1,000 (see Note 5)	Nil	Nil
Minimum Holding:	£1,000	£100,000 (see Note 4)	£250,000	£250,000
Preliminary Charge:	0% (current)	0% (current)	Nil	Nil
Annual Management Charge:	1.42%	0.57%	Nil	0.50%
Fee for Switching into Sub-fund:	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil

Income Allocation Date(s): 31 July (Interim)
31 January (Annual)

Income Payment Dates(s): 30 September (Interim)
31 March (Annual)

Historical Past Performance: Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Note 2: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 3: Class G Shares are only available to persons who were previously invested in Baillie Gifford International Private Pension Fund (a pension fund that was a unit-linked fund of Baillie Gifford Life Limited, an associate of the ACD) and such other persons as the ACD may permit at its sole discretion.

Note 4: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD’s sole discretion.

Note 5: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Baillie Gifford Managed Fund**
FCA Product Reference Number:	639780
Investment Objective and Policy:	Investment Objective The Sub-fund aims to achieve capital growth over rolling five-year periods. Investment Policy The Sub-fund will be actively managed and will invest in a combination of shares, bonds and cash with a minimum of 60% in shares and 10% in bonds and cash. This exposure may be achieved directly or indirectly via collective investment schemes (which may include those managed or operated by the ACD). The remainder may be in any combination of shares, bonds, other transferable securities, money market instruments, deposits and cash. The shares in which the Sub-fund will invest may be from companies of any size and the bonds in which the Sub-fund will invest may be issued by government, supranational, public sector or corporate issuers and may be investment grade or sub-investment grade bonds. The Sub-fund will invest in derivatives and currency forwards for both investment purposes and in the management of risk.
Comparator Benchmark:	The ACD believes that an appropriate comparison for this Sub-fund is the Investment Association Mixed Investment 40 – 85% Shares sector median, given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
OCF:	A Acc 1.51 A Inc 1.51 B Acc 0.42 B Inc 0.42 C Acc 0.02 C Inc 0.02 K Inc 0.35
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: Use of Derivatives for Investment Purposes • **Investment in Bonds** • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments** • **Investment via China Interbank Bond Market**

	• **Use of Derivatives for Hedging (including EPM)** • **Use of Derivatives for Investment Purposes**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and bonds and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class A income* (see Note 1) Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2) Class K income* (see Note 3) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	**Class B**	**Class C**	**Class K**
Minimum Initial Investment:	£1,000	£100,000 (see Note 4)	£250,000	£250,000
Minimum Subsequent Investment:	£100	£1,000	Nil	Nil
Minimum Redemption:	£500	£1,000 (see Note 5)	Nil	Nil
Minimum Holding:	£1,000	£100,000 (see Note 4)	£250,000	£250,000
Preliminary Charge:	0% (current)	0% (current)	Nil	0% (current)

Annual Management Charge:	1.50%	0.40%	Nil	0.32%
Fee for Switching into Sub-fund:	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil

Income Allocation Date(s): 31 July (Interim)

31 January (Annual)

Income Payment Dates(s): 30 September (Interim)

31 March (Annual)

Historical Past Performance: Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Note 2: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 3: Class K Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 4: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD’s sole discretion.

Note 5: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Baillie Gifford Responsible Global Equity Income Fund**
FCA Product Reference Number:	684920
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods. <u>Investment Policy</u> The Sub-fund will invest at least 90% in shares of companies anywhere in the world which are managed and behave responsibly. The Sub-fund will be actively managed and will invest in companies of any size and any sector. Investments will initially be selected by the investment manager based on its own research. In addition, the investment manager will use its own research and third-party data to assess whether companies are managed and behave responsibly. In making this assessment, the investment manager will make reference to the ten principles of the United Nations Global Compact for business which cover areas including human rights, labour rights, environmental safeguards and combating bribery and corruption ('the Principles'). The investment manager will not invest in companies that are, in its judgement, inconsistent with the Principles. In addition, investments in companies operating to a significant degree in certain areas will also be completely excluded ('the Exclusions'). The Exclusions will be companies which derive a significant degree (being more than 10 per cent) of their annual revenues from (i) the production or sale of tobacco, alcohol, weapons and armaments or adult entertainment, (ii) fossil fuel extraction and production, or (iii) the provision of gambling services. To the extent that the Sub-fund is not fully invested in shares, the Sub-fund may also invest in other transferable securities of companies anywhere in the world, money market instruments, deposits and cash. The Sub-fund may use derivatives only for the purposes of the management of risk.
Target Benchmark:	The Sub-fund aims to achieve (after deduction of costs) growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the MSCI ACWI Index over rolling five-year periods. Accordingly the Target Benchmark is the MSCI ACWI Index over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the Global Equity Income Investment Association sector. The ACD believes this to be an

	appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the Global Equity Income Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	B Inc 0.54 B Acc 0.54 C Inc 0.04 C Acc 0.05 J Inc 0.39 J Acc 0.39 P Inc 0.49 P Acc 0.49 W6 Inc* 0.41 W6 Acc* 0.41 *the OCF disclosed is an estimate only as the Share Class AMC is tiered.
Benchmark Regulation:	The ACD is a user of the MSCI ACWI Index (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Reporting:	The ACD shall report no less than annually on its assessment of the consistency of the Sub-fund's investments with the Principles and the Exclusions.
Charging Expenses to Capital:	To assist in achieving the objective, part or all of the expenses, including the Annual Management Charge may be charged to capital. If this occurs it will constrain capital growth and may result in capital erosion. Details of the OCF for each Class of Shares charged to capital and income are set out in the table below.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Expenses, Costs, Charges being Charged to Capital (where sufficient income available)** • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments** • **Net Zero Asset Managers initiative (‘NZAMi’)**

	• **Use of Derivatives for Hedging (including EPM)** • **Sustainable and Responsible Investment**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and bonds and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth and income over a long-term investment horizon with a focus on investing in companies which are managed and behave responsibly. The Sub-fund has enhanced overlay screening for specified environmental, social and governance (ESG) criteria and will specifically exclude companies investing in certain industries. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance or who are investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class B accumulation* Class B income* Class C accumulation* (see Note 1) Class C income* (see Note 1) Class J accumulation* (see Note 2) Class J income* (see Note 2) Class P accumulation* (see Note 3) Class P income* (see Note 3) Class W6 accumulation* (see Note 4) Class W6 income* (see Note 4) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class B	**Class C**	**Class J**	**Class P**	**Class W**
Minimum Initial Investment:	£100,000 (see Note 5)	£250,000	£1,000	£250,000	£1,000
Minimum Subsequent Investment:	£1,000	Nil	Nil	Nil	Nil

Minimum Redemption:	£1,000 (see Note 6)	Nil	Nil	Nil	Nil
Minimum Holding:	£100,000 (see Note 5)	£250,000	£1,000	£250,000	£1,000
Preliminary Charge:	0% (current)	Nil	0% (current)	0% (current)	0% (current)
Annual Management Charge:	0.50%	Nil	0.35%	0.45%	See Note 7
Fee for Switching into Sub-fund:	Nil	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil

Income Allocation Date(s): 30 April (Interim)
31 July (Interim)
31 October (Interim)
31 January (Annual)

Income Payment Dates(s): 30 June (Interim)
30 September (Interim)
31 December (Interim)
31 March (Annual)

Historical Past Performance: Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

As Baillie Gifford Responsible Global Equity Income Fund was launched on 6 December 2018, there is currently limited performance information available.

Note 1: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 2: Class J Shares are only available to persons who has, or whose agent or associate has, a separate agreement, governing aggregate investment flows and marketing activity, in place with the ACD or one of its associates.

Note 3: Class P Shares are available to persons who: (i) are considered by the ACD to be institutional pension platforms and who have a relevant agreement with the ACD or an associate of the ACD; or (ii) are otherwise considered appropriate by the ACD at its sole discretion.

Note 4: Class W Shares are only available to persons who have, or whose agent has, a separate fee arrangement with the ACD or one of its associates in relation to the relevant Class W Shares.

Note 5: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD's sole discretion.

Note 6: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Note 7: Where the combined net asset value of the relevant Class W Shares (accumulation and income) is equal to or greater than £100 million, the following fee scale will be applied to the whole of the net asset value of the relevant Class W Shares:

- 0.50% on the first £60 million;
- 0.35% on the next £190 million;
- 0.30% on the next £500 million; and
- 0.25% thereafter.

(where the combined net asset value of the relevant Class W Shares (accumulation and income) is less than £100 million a rate of 0.50% shall be applied to the whole of the net asset value of the relevant Class W Shares).

OCF for each Class of Shares charged to capital and income:

Share Class	**OCF charged to capital**	**OCF charged to revenue**	**Total OCF**
B Acc	0.51%	0.02%	0.53%
B Inc	0.51%	0.02%	0.53%
C Acc	0.03%	0.00%	0.03%
C Inc	0.03%	0.00%	0.03%
J Acc	0.37%	0.01%	0.38%
J Inc	0.37%	0.01%	0.38%
P Acc	0.47%	0.01%	0.48%
P Inc	0.48%	0.01%	0.49%
W6 Acc (see Note 1)	0.51%	0.02%	0.53%
W6 Inc (see Note 1)	0.51%	0.02%	0.53%

For the year to 31 January 2022, 97% of expenses were allocated to capital (year to 31 January 2021: 100%). The ACD has the facility to reallocate expenses to revenue as it sees fit. Please note the split shown in the table above relates to the year ended 31 January 2022 and these figures may vary from year to year.

Note 1: This is an indicative OCF as the Share Class was launched on 22 April 2022. To illustrate the potential impact of any reallocation of expense on the share class, the indicative OCF has been split on the same basis as the other share classes for the year to 31 January 2022. These figures may vary from year to year.

Name:	**Baillie Gifford UK Equity Alpha Fund**
FCA Product Reference Number:	639783
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 2% per annum over rolling five-year periods. <u>Investment Policy</u> The Sub-fund will invest at least 80% in shares of UK companies, being those which are incorporated, domiciled or conducting a significant portion of their business in the UK. The Sub-fund will be actively managed and may invest in UK companies of any size and in any sector. The Investment Adviser will also assess shares in companies which are directly held using a Norms-based Evaluation and will comply with the Investment Adviser's policy on assessing breaches of the United Nations Global Compact as outlined in its ESG Principles and Guidelines document which can be accessed at <u>https://www.bailliegifford.com/en/uk/about-us/esg</u>. The Sub-fund will have a concentrated portfolio of between 30 to 50 holdings. The Sub-fund may also invest in companies which are listed, quoted or traded in the UK. To the extent that the Sub-fund is not fully invested in such shares of UK companies, the Sub-fund may also invest in other transferable securities of UK companies, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) the FTSE All-Share Index by at least 2% per annum over rolling five-year periods. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
Comparator:	Retail investors may compare the Sub-fund's performance against the performance of other funds within the UK All Companies Investment Association sector. The ACD believes this to be an appropriate performance comparator for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. The ACD does not, however, use the UK All Companies Investment Association sector as a target for the Sub-fund and it should be used only as a means of comparing performance. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of

	their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares.
OCF:	A Acc* 1.36 A Inc* 1.36 B Acc* 0.50 B Inc* 0.50 C Acc 0.04 C Inc 0.03 *the OCF disclosed is an estimate only as the Share Class AMC was recently reduced.
Benchmark Regulation:	The ACD is a user of the FTSE All-Share Index (the "**Index**") under the Benchmark Regulation. The administrator of the Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. In addition, Part 3 of Appendix B sets out the following risk warnings which are particularly relevant to the Sub-fund: • **Concentration** • **Net Zero Asset Managers initiative ('NZAMi')** • **Single Country** • **Sustainable and Responsible Investment**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.

Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class A accumulation* (see Note 1) Class A income* (see Note 1) Class B accumulation* Class B income* Class C accumulation* (see Note 2) Class C income* (see Note 2) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class A	**Class B**	**Class C**
Minimum Initial Investment:	£1,000	£100,000 (see Note 3)	£250,000
Minimum Subsequent Investment:	£100	£1,000	Nil
Minimum Redemption:	£500	£1,000 (see Note 4)	Nil
Minimum Holding:	£1,000	£100,000 (see Note 3)	£250,000
Preliminary Charge:	0% (current)	0% (current)	Nil
Annual Management Charge:	1.32%	0.47%	Nil
Fee for Switching into Sub-fund:	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil

Income Allocation Date(s): 31 July (Interim) 31 January (Annual)

Income Payment Dates(s): 30 September (Interim) 31 March (Annual)

Historical Past Performance: Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1; With effect from 1 March 2022 Class A Shares are only available to persons with a written agreement with the ACD or one of its associates. This requirement for a written agreement does not apply to those who held Shares in this Class as at 28 February 2022 and who will continue to hold Shares in this Class.

Note 2: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 3: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD's sole discretion.

Note 4: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Baillie Gifford UK and Worldwide Equity Fund**
FCA Product Reference Number:	778437
Investment Objective and Policy:	<u>Investment Objective</u> The Sub-fund aims to outperform (after deduction of costs) a composite index comprising 60% UK and 40% overseas equities, as stated in sterling, by at least 1% per annum over rolling five-year periods. The composite index is calculated by Baillie Gifford and comprises: 60% FTSE All-Share Index and 40% overseas. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index. <u>Investment Policy</u> The Sub-fund will invest at least 90% directly or indirectly in shares of UK and overseas companies. The indirect investment will be through collective investment schemes (including those managed or operated by the ACD). The Sub-fund will be actively managed and may invest in shares of companies from any country, sector and in shares of companies of any size, however the Sub-fund will have a bias to UK companies. The proportion of the Sub-fund invested in UK and non-UK shares will be at the investment manager's discretion but the Sub-fund will invest a minimum of 45% in UK shares and 25% in non-UK shares. To the extent that the Sub-fund is not fully invested directly or indirectly in such shares, the Sub-fund may also invest in other transferable securities of both UK and overseas companies, money market instruments, deposits and cash. The Sub-fund may not invest in or otherwise use derivatives.
Target Benchmark:	The Sub-fund aims to outperform (after deduction of costs) a composite index comprising 60% UK and 40% overseas equities, as stated in sterling, by at least 1% per annum over rolling five-year periods. The composite index is calculated by Baillie Gifford and comprises: 60% FTSE All-Share Index and 40% overseas. The overseas element is currently made up of 28% FTSE North America Index; 28% FTSE Europe (ex UK) Index; 28% MSCI Pacific Index and 16% MSCI Emerging Markets Index. The ACD believes that this is an appropriate objective for the Sub-fund given the investment policy of the Sub-fund and the approach taken by the manager when investing the Sub-fund's portfolio. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Sub-fund has performed. Most retail investors will hold class B shares. Past performance tables are provided at Appendix H.
OCF:	B Acc 0.48 B Inc 0.48 C Acc 0.04

Benchmark Regulation:	The ACD is a user of: the FTSE All-Share Index; the FTSE North America Index; the FTSE Europe (ex UK) Index; the MSCI Pacific Index and the MSCI Emerging Markets Index (each an "**Index**") under the Benchmark Regulation. The administrator of each Index is included in the public register maintained by the FCA. In accordance with the Benchmark Regulation the ACD has produced and maintains a robust written plan setting out the steps to be followed if an index should materially change or cease to be produced.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds. • **Investment in Emerging Markets** • **Investment in Permissible PRC Instruments**
Investment and Borrowing Powers:	Details of the investment and borrowing powers as applicable to the Sub-fund are set out in Part 3 of this Prospectus.
Investor Profile:	The Sub-fund is marketable to retail investors, as well as institutional investors, and may be suitable for such investors seeking to invest for the long term and who are willing to accept the risks associated with investment in equities and such other investments as the Sub-fund may make. The Sub-fund may not be appropriate for investors who plan to withdraw their monies within five years. Potential investors are advised to read "Appendix B RISK WARNINGS" and to seek the advice of an intermediary authorised under The Financial Services and Markets Act 2000 should they be unsure as to the suitability of the Sub-fund in relation to their investment needs.
Target market:	This Sub-fund is suitable for all investors seeking a Sub-fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Sub-fund is compatible for mass market distribution. This Sub-fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Sub-fund does not offer capital protection.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Share Classes:	Class B accumulation* Class B income* Class C accumulation* (see Note 1) Class C income (see Note 1) * Indicates those Classes of Share that are currently in issue. The ACD may, at its sole discretion, issue other Classes of Share at any time.

	Class B	**Class C**
Minimum Initial Investment:	£100,000 (see Note 2)	£250,000
Minimum Subsequent Investment:	£1,000	Nil
Minimum Redemption:	£1,000 (see Note 3)	Nil
Minimum Holding:	£100,000 (see Note 2)	£250,000
Preliminary Charge:	0% (current)	Nil
Annual Management Charge:	0.45%	Nil
Fee for Switching into Sub-fund:	Nil	Nil
Redemption Charge	Nil	Nil

Income Allocation Date(s):	31 July (Interim) 31 January (Annual)
Income Payment Dates(s):	30 September (Interim) 31 March (Annual)
Historical Past Performance:	Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement or who has a separate fee arrangement with the ACD or one of its associates.

Note 2: The minimum initial investment and minimum holding amounts do not apply to persons who, as at 28 February 2022, had or continue to have a direct holding in the range of funds managed by the ACD. For such persons, the applicable minimum initial investment is £1,000 and the minimum holding is £1,000.

These minimum amounts may be waived at the ACD's sole discretion.

Note 3: The minimum redemption amount is £1,000 or your entire holding, whichever is lower.

Name:	**Glenfinlas Global Fund (See Note 1)**
FCA Product Reference Number:	639786
Investment Objective and Policy:	The objective is to produce attractive returns over the longer term, by investing globally, including in emerging markets, in a diversified portfolio of principally shares in companies whose share prices at the time of investment do not, in the ACD's opinion, reflect their potential value. The Sub-fund may have some exposure to small and medium sized companies, but is not restricted by market capitalisation, industry sector or geographic location. The Sub-fund may also hold cash, near cash and deposits.
Securities Financing Transactions Regulation ("**SFTR**") disclosure:	No securities financing transactions or total return swaps (as defined for the COLL Rules) are used in the management of this Sub-fund.
Sub-fund Specific Risks:	Part 2 of Appendix B sets out risk warnings that are applicable to all Sub-funds.
Investor Profile:	See Note 1
Share Classes:	Class Z accumulation (see Note 1)

	Class Z (see Note 1)
Minimum Initial Investment:	£1,000,000
Minimum Subsequent Investment:	Nil
Minimum Redemption:	Nil
Minimum Holding:	£250,000
Preliminary Charge:	Nil
Annual Management Charge:	Nil
Fee for Switching into Sub-fund:	Nil
Redemption Charge	Nil

Income Allocation Date(s):	31 January (Annual)
Income Payment Dates(s):	31 March (Annual)
Historical Past Performance:	Information on past performance is set out in Appendix H HISTORICAL PAST PERFORMANCE

Note 1: Glenfinlas Global Fund is no longer available for subscription.

APPENDIX B RISK WARNINGS

Part 1: Summary Risk Table

The table below indicates the risks applicable to each Sub-fund. A fuller description of each risk is set out in either Part 2 (General Risk Warnings) or Part 3 (Fund Specific Risk Warnings).

Sub-Fund Risk Table			**Risk Warnings**											
Sub-Fund Name	A	B1	B2	C	D	E	F	G	H	I	J	K	L	M
Baillie Gifford British Smaller Companies Fund	✓	✓	✓					✓				✓		
Baillie Gifford Global Alpha Growth Fund	✓					✓	✓							
Baillie Gifford Global Alpha Paris-Aligned Fund	✓					✓	✓			✓			✓	
Baillie Gifford Global Income Growth Fund	✓			✓		✓	✓				✓			
Baillie Gifford International Fund	✓					✓	✓							
Baillie Gifford Managed Fund	✓				✓	✓	✓		✓		✓			✓
Baillie Gifford Responsible Global Equity Income Fund	✓			✓		✓	✓			✓	✓		✓	
Baillie Gifford UK Equity Alpha Fund	✓	✓	✓							✓		✓	✓	
Baillie Gifford UK and Worldwide Equity Fund	✓					✓	✓							
Glenfinlas Global Fund	✓													

A General Risk Warnings		Sub-fund Specific Risk Warnings	
A1	Controversial Weapons	**B1**	Concentration: Effective Holdings
A2	Currency Exchange Rates	**B2**	Concentration: Limited Number of Investments
A3	Custody	**C**	Expenses, Costs, Charges being Charged to Capital
A4	Expenses, Costs, Charges being Charged to Capital (where insufficient income available)	**D**	Investment in Bonds
A5	General	**E**	Investment in Emerging Markets
A6	Impact of Dilution Adjustment	**F**	Investment in Permissible PRC Instruments
A7	Infectious Virus	**G**	Investment in Smaller Companies
A8	Information Security	**H**	Investment via China Interbank Bond
A9	Investment in Equities	**I**	Net Zero Asset Managers initiative (‘NZAMi’)
A10	Large Redemptions	**J**	Use of Derivatives for Hedging (including EPM)
A11	Liabilities of the Company and the Sub-funds	**K**	Single Country
A12	Liquidity	**L**	Sustainable and Responsible Investment
A13	Political Risk	**M**	Use of Derivatives for Investment Purposes
A14	Return on Investment		
A15	Suspension of Dealings in Shares		
A16	Taxation		
A17	Volatility		

Part 2: General Risk Warnings

A1. Controversial Weapons

The Investment Adviser has policy which prohibits investment in controversial weapons such as landmines, cluster munitions, nuclear weapons where such nuclear weapons are in breach of the Treaty on the Non-Proliferation of Nuclear Weapons, chemical weapons, white phosphorus and depleted uranium ("controversial weapons"). Under its policy, the Investment Adviser is not permitted to invest in companies that produce controversial weapons or in companies providing products or services that are that are integral to, and tailor-made for, the dissemination or use of controversial weapons. The Investment Adviser uses screens across all products and investments in order to effect this policy by excluding companies that are involved in such activities. The Investment Adviser utilises data from Sustainalytics, MSCI and Pax Christi to identify companies involved in controversial weapons.

A2. Currency Exchange Rates

Where a Sub-fund has investments denominated in currencies other than sterling and/or invests in currencies other than sterling, changes in the rates of exchange between sterling and the other currency will cause the value of any investment, and any income arising, to go down or up. Accordingly, Shareholders should be aware that they bear the risk of changes in exchange rates.

A3. Custody

There is a risk that the Sub-fund's assets are lost, and that access to them is compromised, as a result of insolvency, negligence, misuse of assets, fraud, poor administration or poor record keeping by the Custodian. This risk is greater in emerging markets and is borne by the Sub-fund.

A4. Expenses, Costs, Charges being Charged to Capital (where insufficient income available)

Save in the case of Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, where possible all expenses, costs, charges or other liabilities will be deducted from the Sub-fund's income. Where there is insufficient income to meet such expenses, costs, charges or other liabilities, the remaining expenses, costs, charges or other liabilities will be deducted from the Sub-fund's capital. If this occurs it will lead to a reduction in the capital value of the Sub-fund.

A5. General

Potential investors should consider certain risk factors before investing in the Company and be aware that there is no assurance that the investment objective of any Sub-fund will actually be achieved, and that they bear the risk of the performance of investments.

A6. Impact of Dilution Adjustment

A dilution adjustment is applied to the Share price whenever a Sub-fund is expanding or contracting (known as swinging single pricing). Should an investor buy Shares when a Sub-fund is expanding and sell when a Sub-fund is contracting this will have an adverse impact on the return from the investment. For further details, please see Section 4.3.2 above.

Each Sub-fund is affected by the prevailing conditions in the markets in which it invests. Lack of liquidity in these markets makes the prices of these assets more volatile and more difficult to establish accurately. In addition, lack of liquidity significantly affects the ability of the Investment Adviser to buy and sell the underlying investments at reasonable cost and to efficiently handle inflows and outflows. The additional costs of trading in these investments arising as a result of these market conditions are passed on to investors in the Sub-fund through the application of a larger dilution adjustment (see Section 4.3.2 above). Where large redemptions are concerned there is a greater likelihood that these will be settled by way of *in specie* payments, rather than in cash (see Section 4.3.8 above).

A7. Infectious Virus

Infectious viruses may pose significant threats to human health and may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious viruses could impact the value of the investments of a Sub-fund and the distributions paid by a Sub-fund to Shareholders.

A8. Information Security

The use of the internet and other electronic media and technology exposes the Company, the Company's service providers, and their respective operations, to potential risks from information-security attacks or incidents (collectively, "**information-events**"). Information-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional information-events, unintentional information-events can occur, such as, for example, the inadvertent release of confidential information. Any information-event could adversely impact the Company and the Shareholders, and cause a Sub-fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. An information-event may cause the Company, a Sub-fund, or the Company's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Sub-fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, information-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. In addition, information-events affecting issuers in which a Sub-fund invests could cause the Sub-fund's investments to lose value.

A9. Investment in Equities

Equity prices and returns from investing in equity markets are sensitive to various factors including but not limited to expectations of future dividends and profits, economic growth, exchange rates, interest rates and inflation. The value of any investment in equity markets is therefore volatile and it is possible, even when an investment is held for a long time, that an investor may not get back the sum invested.

A10. Large Redemptions

If large numbers of shares in a Sub-fund were to be cashed in at or around the same time, the Sub-fund may be required to sell a large portion of its portfolio quickly to cover these deals, at a time or at prices not of the Investment Adviser's choosing. This might result in a reduction in the value of the Sub-fund and in the prices achieved for securities sold by the Sub-fund. The value of securities within the Sub-fund may also be affected if other similar funds find themselves in the same situation.

A11. Liabilities of the Company and the Sub-funds

Under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund (this is often referred to as "segregated liability"). While the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept of segregated liability is, in the context of collective investments schemes which are authorised and regulated in the UK, relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

A12. Liquidity

Market values for securities which are difficult to trade (otherwise described as "illiquid"), or value less frequently than a Sub-fund such as holdings in weekly or monthly dealt funds, may not be readily available, and there can be no assurance that any value assigned to such securities will accurately reflect the price a Sub-fund might receive upon their sale.

Each Sub-fund is affected by the prevailing conditions in the markets in which it invests. Lack of liquidity in these markets makes the prices of these assets more volatile and more difficult to establish accurately and the value of these assets may fall significantly. This could affect the value investors receive from selling their holding in a Sub-fund. In addition, lack of liquidity significantly affects the ability of the Investment Adviser to buy and sell the underlying investments at reasonable cost and to efficiently handle inflows and outflows. The additional costs of trading in these investments arising as a result of these market conditions are passed on to investors in the Sub-fund through the application of a larger dilution adjustment (see Section 4.3.2 above). Lack of liquidity may also delay receipt of the proceeds investors receive from selling their holding in a Sub-fund if, in extreme cases, dealing in the Sub-fund is suspended (see Section 4.3.15 above).

A13. Political Risk

The performance of a Sub-fund may be affected by changes in the political environment of the underlying market(s) in which a Sub-fund invests. Such changes would include uncertainty around political developments, military conflict and civil unrest, changes in government policies, government appropriations, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

A14. Return on Investment

The value of any investment and any income arising from it is not guaranteed and may go down as well as up and an investor may not get back the sum invested. This is because the price of a Sub-fund's Shares is determined by changing conditions in the market(s) in which the Sub-fund invests. Where a preliminary charge is imposed, should an investor sell his Shares after a short period he may not (even in the absence of a fall in the value of the Sub-fund) realise the amount originally invested. Any investment should, therefore, be regarded as long-term.

A15. Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see "Suspension of Dealings in the Company" in Section 4.3.15 above).

A16. Taxation

Tax rates, as well as the tax treatment of the Company and the Sub-funds, are not guaranteed and could change at any time; their value to a Shareholder will depend on his circumstances.

A17. Volatility

The share price of the relevant Sub-fund can be volatile due to movements in the prices of the underlying holdings and the basis on which the Sub-fund is priced.

Part 3: Sub-fund Specific Risk Warnings

B1. Concentration: Effective Holdings

This risk applies to Baillie Gifford British Smaller Companies Fund and Baillie Gifford UK Equity Alpha Fund.

Where a Sub-fund is more concentrated relative to similar funds through the majority of the value of the portfolio being represented by a limited number of investments within the portfolio, as in the case of Baillie Gifford British Smaller Companies Fund and Baillie Gifford UK Equity Alpha Fund, this may increase the risk of volatile performance over shorter time periods.

B2. Concentration: Limited Number of Investments

This risk applies to Baillie Gifford British Smaller Companies Fund and Baillie Gifford UK Equity Alpha Fund.

Where a Sub-fund is more concentrated relative to similar funds through holding a limited number of investments, as in the case of Baillie Gifford British Smaller Companies Fund and Baillie Gifford UK Equity Alpha Fund, this may increase the risk of volatile performance over shorter time periods.

C Expenses, Costs, Charges being Charged to Capital

This risk applies to Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund.

In the case of Baillie Gifford Global Income Growth Fund and Baillie Gifford Responsible Global Equity Income Fund, part or all of the expenses, including the Annual Management Charge may be charged to capital (notwithstanding the availability of income within that Sub-fund). This will result in capital erosion or constrained capital growth.

D Investment in Bonds

This risk applies to Baillie Gifford Managed Fund.

Bond prices and returns from investing in bond markets are sensitive to changes in interest rates which are in turn determined by a number of economic factors, in particular market expectations of future inflation. Investment in bonds also results in exposure to the risk that the bond issuer defaults on its obligations which is likely to result in a loss of value for the bondholder. Higher yielding bonds and emerging market bonds are generally perceived to carry a higher risk of default and a greater possibility of loss to a Sub-fund.

E Investment in Emerging Markets

This risk applies to Baillie Gifford Global Alpha Growth Fund, Baillie Gifford Global Alpha Paris-Aligned Fund, Baillie Gifford Global Income Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund, Baillie Gifford Responsible Global Equity Income Fund and Baillie Gifford UK and Worldwide Equity Fund.

Investments in emerging markets may involve a higher than average risk. An investor should consider whether or not investment in such Sub-funds is either suitable for, or should constitute a substantial part of, his portfolio.

Where Sub-funds invest in emerging markets these investments may 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 Sub-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 realising investments.

Companies in emerging markets may not be subject:

(a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets; or

(b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

There may be a lower level of regulation and enforcement activity in emerging markets compared to more developed international markets. Laws and regulations may be untested, for example in relation to rights of legal ownership. There could be a lack of consistency in interpreting and applying the relevant regulations and a risk that the regulators may impose immediate or rapid changes to existing laws, rules or regulations (including in relation to tax) or introduce new laws, rules or regulations without any prior consultation with or notice to market participants which may severely restrict a Sub-fund's ability to pursue its investment objectives or strategies. New laws and regulation may apply with retrospective effect and may constantly be in a state of flux. Regulators may place controls on foreign investment and limitations on repatriation of invested capital which may limit or prohibit the Investment Adviser from purchasing or selling holdings of securities. Legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of a Sub-fund's investments due to factors such as fund repatriation, quota controls and dealing restrictions. On any corporate action or shareholder meeting, a Sub-fund's ability to exercise voting rights and/or receive announcements may be limited.

Enforcement of existing regulations may be extremely limited. Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. Restrictions and/or quotas imposed on foreign investment in emerging markets may preclude investment in certain securities and, as a result, limit investment opportunities for the Sub-funds.

Many emerging markets have experienced substantial, and in some periods extremely high, rates of inflation over prolonged periods of time. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging markets. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

The economies of emerging markets may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other costs relating to investment in foreign markets may be more expensive in emerging markets than in many developed foreign markets, which could reduce a Sub-fund's income from such securities. Finally, because publicly traded debt instruments of emerging markets represent a relatively recent innovation in the world debt markets, there is limited historical data or related market experience concerning the attributes of such instruments under all economic, market and political conditions.

Lack of liquidity and efficiency and/or government imposed quotas in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Adviser 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 the Sub-fund's investment options will be limited. The financial markets in emerging markets are undergoing rapid growth and changes. This may lead to increased trading and pricing volatility, suspension risk and difficulties in settlement of securities.

The securities industries in emerging markets are relatively young and the value of the investments may be affected by uncertainties arising from political and social developments. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets. In many cases, governments of emerging markets 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 issuers of emerging market debt instruments to make payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding and other taxes or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause a Sub-fund to suffer a loss of any or all of its investments or, in the case of fixed-income securities, interest thereon.

F Investment in Permissible PRC Instruments

This risk applies to Baillie Gifford Global Alpha Growth Fund, Baillie Gifford Global Alpha Paris Aligned Fund, Baillie Gifford Global Income Growth Fund, Baillie Gifford International Fund, Baillie Gifford Managed Fund, Baillie Gifford Responsible Global Equity Income Fund, and Baillie Gifford UK and Worldwide Equity Fund.

Certain Sub-funds may invest in securities or instruments which have exposure to the Chinese market. A Sub-fund may have direct access to certain eligible Permissible PRC Instruments via the QFI Scheme, Bond Connect and/or Stock Connect or indirect access via holdings in other investments with exposure to securities issued by companies quoted on regulated markets in China.

Investing in the securities markets of China is subject to the risks described in Risk E above (“**Investment in Emerging Markets**”), as well as China-specific risks. The legal rights of investors in China may be subject to uncertainties as the relevant legal and regulatory systems and practice in the PRC are less well established than is generally the case in more developed markets and subject to change, and there is a risk of governmental intervention under exceptional circumstances. Key market infrastructure, such as custody and trading systems, is comparatively new and less tested. Political developments involving the PRC may lead to the imposition of additional constraints on foreign investment in China which may adversely affect the Sub-funds. Investors should also have regard to the risk warnings below relating to aspects of investment in the PRC.

Risks associated with China direct access channels

The Investment Adviser holds a licence from the China Securities Regulatory Commission ("**CSRC**") to act as a QFI and is registered with the State Administration of Foreign Exchange ("**SAFE**") for the purposes of investing in Permissible PRC Instruments on behalf of certain Sub-funds at the discretion of the Investment Adviser.

The QFI Scheme, and relevant applicable laws and regulations in the PRC ("**QFI Rules**") are relatively new and subject to change and give the CSRC, the People's Bank of China ("**PBoC**") and the SAFE wide discretion on their interpretation; therefore there is uncertainty as to how they may be applied in the future and new restrictions or conditions may be applied. Termination of the Investment Adviser's QFI licence may affect the ability to continue a Sub-fund's exposure to China.

The QFI Rules may impose restrictions on the types of investments made in China and restrictions on remittance as well as on the liquidation of investments and repatriation from China of sums relating to investments made by or through QFI. Such restrictions may impact on a Sub-fund's ability to meet redemption requests made by Shareholders.

Stock Connect and Bond Connect are also relatively new and evolving schemes whose rules may change at any time in a manner which may adversely affect the Sub-funds. Stock Connects and Bond Connect only operate when banks in Hong Kong and the PRC are both open. As a result, prices of securities purchased through Stock Connect and/or Bond Connect may fluctuate at times when a Fund is unable to add to or exit its position and, therefore, may limit the relevant Sub-fund's ability to trade when it would be otherwise attractive to do so. It is not possible to buy and sell shares on the same day on Stock Connect. Trading on Stock Connect is currently subject to a daily trading quota which, if exceeded, will lead to suspension of trading for that day or other relevant period which may mean that an order to purchase China A shares cannot be processed. The daily quota can be changed from time to time without prior notice.

Transactions in any of the Stock Connect or Bond Connect will not be covered by the Investor Compensation Scheme in Hong Kong or the equivalent scheme in the PRC.

Custody risks

As a QFI licence holder, the Investment Adviser is required, in respect of the QFI Scheme to appoint a PRC custodian to safe-keep the Permissible PRC Instruments held by a Sub-fund. This is solely for satisfying the applicable PRC laws pertaining to the QFI Scheme and does not prejudice the existing custody arrangements between the Company and the Depositary, the Depositary and the Custodian and the Custodian and its sub-custodian in the PRC.

Permissible PRC Instruments traded on the Shanghai and Shenzhen Stock Exchanges are dealt and held in dematerialized form through the China Securities Depository and Clearing Corporation Limited ("**ChinaClear**").

In relation to the QFI Scheme, securities purchased on behalf of a relevant Sub-fund are required to be recorded by ChinaClear as credited to a securities trading account maintained in the joint names of the QFI licence holder and the relevant Sub-fund. As a matter of PRC law, the Investment Adviser as the QFI licence holder will have no beneficial ownership interest in the securities and while the relevant Sub-fund should be ultimately and exclusively entitled to ownership of the securities, in the event of default of ChinaClear, it may not be possible for the securities held by the relevant Sub-fund to be recovered.

Permissible PRC Instruments purchased through Stock Connect and/or Bond Connect are required to be recorded in the name of the Hong Kong Securities Clearing Company (“**HKSCC”**) or its nominees. Although PRC law generally recognises the beneficial ownership of the Instruments by the relevant Sub-fund in the context of Stock Connect and/or Bond Connect, due to the novelty of those scheme and the lack of precedents in reality, the Sub-fund’s ownership of the relevant Permissible PRC Instruments or title thereto may not be assured in all circumstances.

Shareholders should note that cash deposited by a Sub-fund with a QFI custodian will not be segregated but will be co-mingled with cash belonging to other clients of the custodian. In the event of bankruptcy or liquidation of the custodian, the relevant Sub-fund will not have any proprietary rights to the cash deposited, and such Sub-fund will become an unsecured creditor, ranking equally with all other unsecured creditors of the custodian. The relevant Sub-fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case such Sub-fund will suffer losses.

Currency risk

The Renminbi is not, as of the date of this Prospectus, a freely convertible currency, and is subject to the foreign exchange control policies of the PRC government. Currency conversion controls may also be imposed by the PRC government. The PRC's policies on exchange control are subject to change and the value of a Sub-fund's investments may be affected.

For those Sub-funds invested in Permissible PRC Instruments, the underlying assets acquired, traded and disposed of in the relevant PRC market are denominated in CNY rather than CNH. While CNH and CNY represent the same currency, they are traded in different and separate markets which operate independently. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors, including without limitation, those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Uncertainty of tax position

The Company’s tax treatment of Permissible PRC Instruments is uncertain and particularly whether capital gains tax applies. There is a risk that capital gains realised may be subject to additional taxation such as withholding tax in the future.

G Investment in Smaller Companies

This risk applies to Baillie Gifford British Smaller Companies Fund.

Investment in smaller companies is generally considered higher risk as the market for their shares may be less liquid and more difficult to trade than that for larger companies. As a result share price fluctuations may be greater. In addition, smaller companies may not do as well in periods of adverse economic conditions. Where such companies have business models and competitive positions which are less well established, this could result in an increased likelihood of loss for investors.

H Investment via China Interbank Bond Market

This risk applies to Baillie Gifford Managed Fund.

The Sub-fund may invest directly in Chinese bonds via the China Interbank Bond Market ("**CIBM**") through brokers. The CIBM is an OTC market, executing the majority of Chinese onshore Renminbi bond trading. The CIBM is in a development stage and may not have the characteristics associated with a more developed market. For example, Sub-funds investing in debt securities in this market may be subject to greater levels of risk associated with liquidity and volatility which may cause prices of debt securities to fluctuate significantly. Sub-funds may also be subject to greater levels of risks associated with settlement procedures and default of counterparties due to the nature of the settlement process which operates in CIBM. Additionally, the Sub-fund will be required to operate within CIBM rules and regulations with oversight from Chinese authorities and therefore may also be subject to greater levels of regulatory risk.

I Net Zero Asset Managers initiative ('NZAMi')

This risk applies to Baillie Gifford Global Alpha Paris Aligned Fund, Baillie Gifford Responsible Global Equity Income Fund and Baillie Gifford UK Equity Alpha Fund.

The Investment Adviser has joined the Net Zero Asset Managers initiative ('**NZAMi**') 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 NZAMi 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 the global goal of a 50 per cent. reduction in emissions from 2020, alongside the prioritisation of real world impact; (ii) the facilitation of investment in climate solutions; (iii) a commitment to active engagement; and (iv) transparency in metrics and reporting. The Sub-funds are now managed in line with these climate commitments and therefore contribute towards Baillie Gifford's overall commitments.

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

J Use of Derivatives for Hedging (including Efficient Portfolio Management)

This risk applies to Baillie Gifford Global Income Growth Fund, Baillie Gifford Managed Fund and Baillie Gifford Responsible Global Equity Income Fund.

Derivatives and forwards may be used for the purposes of hedging, including EPM, as in the case of Baillie Gifford Global Income Growth Fund, Baillie Gifford Managed Fund and Baillie Gifford Responsible Global Equity Income Fund, which is explained further in Section 3.3 above. This may include reducing risk and in a rising market, there is a risk that potential gains may be restricted. The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of any Sub-fund.

The use of any derivative includes several risks, one of which is counterparty credit risk. This risk arises following the selection of a counterparty with whom a derivative transaction will be undertaken. However, there are specific risk management arrangements in place, some of which are required by regulations, to appropriately manage counterparty credit risk exposures. This includes measures such as the payment or receipt of collateral or margin. In addition, the ACD exercises due care and diligence in the selection of counterparties, with arrangements in place to monitor their capital strength. When selecting counterparties, consideration is given to the credit ratings published by external credit rating agencies. There is, however, the possibility, no matter how remote, of counterparty default occurring and that sums due to a Sub-fund will not be paid.

Baillie Gifford Managed Fund may also use derivatives for investment purposes, as explained below.

K Single Country

This risk applies to Baillie Gifford British Smaller Companies Fund and Baillie Gifford UK Equity Alpha Fund.

Sub-funds invested in a single country are generally considered higher risk than funds that are invested more widely as they are exposed to the fluctuations of a single market and currency. In addition, the shares of companies in a single country may become less liquid in certain market conditions which only apply to the single country. As a result, share price fluctuations may be greater.

L Sustainable and Responsible Investment

A) With reference to the United Nations Global Compact

This risk applies to Baillie Gifford Responsible Global Equity Income Fund and Baillie Gifford UK Equity Alpha Fund.

The Sub-fund invests with reference to the ten principles of the United Nations Global Compact for business and according to responsible investment criteria. This means the Sub-fund will not invest in certain sectors and companies and the universe of investments available to the Sub-fund will be more limited than other Sub-funds that do not apply such criteria/exclusions. The Sub-fund therefore may have different returns than a fund which has no such restrictions.

B) With reference to the Paris Climate Agreement

This risk applies to Baillie Gifford Global Alpha Paris-Aligned Fund

The Sub-fund invests in a way which is, in the ACD's opinion, in alignment with the Paris Climate Agreement by excluding carbon intensive companies that, do not, or will not, play a role in the transition to a low-carbon future. In order to achieve this, both quantitative and qualitative screening processes are applied to the possible investment universe.

This means the Sub-fund will not invest in certain companies and the universe of investments available to the Sub-fund will be more limited than other Sub-funds that do not apply such criteria/exclusions. The Sub-fund therefore may have different returns than a fund which has no such restrictions.

M Use of Derivatives for Investment Purposes

This risk applies to Baillie Gifford Managed Fund.

Baillie Gifford Managed Fund may use derivatives from time to time in keeping with its investment objective for investment purposes as well as for hedging (including EPM). Derivatives may be used to obtain, increase or reduce exposure to underlying assets and may create leverage: therefore their use may result in greater fluctuations of the Net Asset Value of Baillie Gifford Managed Fund.

Leverage occurs where the exposure of a fund is increased through borrowing of cash or securities, or by leverage embedded in derivative positions or by any other means and a fund could lose more than it invested. Leveraged transactions multiply the risk of potential losses.

The ACD does not anticipate such use of derivatives having any adverse effect on the overall risk profile of the Baillie Gifford Managed Fund. The strategies which may be used include active currency management, bond curve strategies, interest rate strategies, asset allocation and market spread strategies.

Additional strategies may be adopted in the future, subject to the risk management process being reviewed and amended as necessary to allow the ACD to monitor and control risk.

The use of such strategies may on occasion result in the return on Baillie Gifford Managed Fund being adversely impacted where the relevant stock(s) or market(s) perform contrary to the Investment Adviser's expectations. The Sub-fund's ability to use any strategy or technique may be limited by market conditions (including but not restricted to market liquidity), regulatory limits and tax considerations.

The use of any derivative includes several risks, one of which is counterparty credit risk. This risk arises following the selection of a counterparty with whom a derivative transaction will be undertaken. However, there are specific risk management arrangements in place, some of which are required by regulations, to appropriately manage counterparty credit risk exposures. This includes measures such as the payment or receipt of collateral or margin. In addition, the ACD exercises due care and diligence in the selection of counterparties, with arrangements in place to monitor their capital strength. When selecting counterparties, consideration is given to the credit ratings published by external credit rating agencies. There is, however, the possibility, no matter how remote, of counterparty default occurring and that sums due to a Sub-fund will not be paid.

Baillie Gifford Managed Fund may also use derivatives for hedging purposes (including Efficient Portfolio Management), as explained above.

APPENDIX C ELIGIBLE SECURITIES MARKETS

All Sub-funds: Any securities market established in the United Kingdom or an EEA State (as defined in the Glossary above) on which transferable securities admitted to the official listing in the United Kingdom or the EEA State are dealt in or traded.

All Sub-funds: The Alternative Investment Market, the When Issued Trading market or the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through primary dealers recognised and supervised by the Federal Reserve Bank of New York and the OTC market in the USA as regulated by NASD or FINRA.

Jurisdiction	**Securities Exchange**	**Baillie Gifford British Smaller Companies Fund**	**Baillie Gifford Global Alpha Growth Fund**	**Baillie Gifford Global Alpha Paris-Aligned Fund**	**Baillie Gifford Global Income Growth Fund**	**Baillie Gifford International Fund**	**Baillie Gifford Managed Fund**	**Baillie Gifford Responsible Global Equity Income Fund**	**Baillie Gifford UK Equity Alpha Fund**	**Baillie Gifford UK and Worldwide Equity Fund**	**Glenfinlas Global Fund**
Abu Dhabi	Abu Dhabi Securities Exchange		✓				✓				
Argentina	Bolsas y Mercados Argentinos						✓				
Australia	Australian Securities Exchange (ASX) Group, National Stock Exchange of Australia		✓	✓	✓	✓	✓	✓	✓	✓	✓
Brazil	B3 S.A. - Brasil, Bolsa, Balcão		✓	✓	✓	✓	✓	✓			✓
Canada	Toronto Stock Exchange, TSX Ventures Exchange. The Government of Canada Bond Market is applicable to **Baillie Gifford Managed Fund** and **Glenfinlas Global Fund** only.		✓	✓	✓	✓	✓	✓		✓	✓

Jurisdiction	Securities Exchange	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
Chile	Santiago Stock Exchange		✓				✓				✓
China	China Interbank Bond Market via Bond Connect						✓				
	Shanghai Stock Exchange		✓	✓	✓	✓	✓	✓		✓	✓
	Shenzhen Stock Exchange		✓	✓	✓	✓	✓	✓		✓	✓
Colombia	Bolsa de Valores de Colombia, Mercado Electronico Colombiano (MEC)						✓				
Dubai	Dubai Financial Market, NASDAQ Dubai		✓				✓				✓
Egypt	Egyptian Exchange		✓		✓	✓	✓	✓			
Guernsey	The International Stock Exchange Market						✓				
Hong Kong	Hong Kong Exchanges Hong Kong Connect applicable to **Baillie Gifford Global Alpha Fund**, **Baillie Gifford Global Alpha Paris-Aligned Fund** and **Baillie Gifford International Fund** only.		✓	✓	✓	✓	✓	✓		✓	✓

Jurisdiction	Securities Exchange	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
India	National Stock Exchange of India, Bombay Stock Exchange		✓	✓	✓	✓	✓	✓			✓
Indonesia	Indonesia Stock Exchange		✓	✓	✓	✓	✓	✓			✓
Israel	Tel Aviv Stock Exchange		✓	✓	✓	✓	✓	✓			✓
Japan	Tokyo Stock Exchange, Nagoya Stock Exchange, Jasdaq Securities Exchange The Japanese Securities Dealers Association is applicable to **Baillie Gifford Managed Fund** only.		✓	✓	✓	✓	✓	✓		✓	✓
Kazakhstan	Kazakhstan Stock Exchange, Kazakhstan Stock Exchange Bond Market						✓				
Malaysia	Bursa Malaysia Berhad Malaysian Bond Market is applicable to **Baillie Gifford Managed Fund** only.		✓		✓	✓	✓	✓			✓
Mexico	Mexican Stock Exchange		✓	✓	✓	✓	✓	✓		✓	✓
New Zealand	New Zealand Stock Exchange		✓	✓	✓	✓	✓	✓		✓	✓

Jurisdiction	Securities Exchange	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
Pakistan	Pakistan Stock Exchange		✓		✓		✓	✓			✓
Peru	Bolsa de Valores de Lima		✓		✓		✓	✓			✓
Philippines	Philippine Stock Exchange		✓	✓	✓	✓	✓	✓			✓
Qatar	Qatar Stock Exchange						✓				
Republic of Korea	Korea Exchange		✓	✓	✓	✓	✓	✓			✓
Saudi Arabia	Saudi Stock Exchange						✓				
Singapore	Singapore Exchange		✓	✓	✓	✓	✓	✓		✓	✓
South Africa	JSE Securities Exchange, A2X Markets JSE Debt Market is applicable to **Baillie Gifford Global Income Growth**, **Baillie Gifford Managed Fund**, **Baillie Gifford Responsible Global Equity Income Fund** and **Glenfinlas Global Fund** only.		✓	✓	✓	✓	✓	✓	✓		✓

Jurisdiction	Securities Exchange	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
Switzerland	ICMA, SIX Swiss Exchange, BX Swiss The following Sub-funds trade using SIX Swiss Exchange only; **Baillie Gifford British Smaller Companies Fund**, **Baillie Gifford Global Income Growth Fund**, **Baillie Gifford International Fund**, **Baillie Gifford Responsible Global Equity Income Fund** and **Baillie Gifford UK Equity Alpha Fund**.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Taiwan	Taiwan Stock Exchange, Taipei Exchange (OTCs and Bonds)		✓	✓	✓	✓	✓	✓			✓
Thailand	The Stock Exchange of Thailand (SET)		✓		✓	✓	✓	✓			✓
Turkey	Borsa Istanbul		✓	✓	✓	✓	✓	✓		✓	✓
Uruguay	Montevideo Stock Exchange						✓				
Uganda	Uganda Securities Exchange, Uganda Securities Exchange Bond Market						✓				

Jurisdiction	Securities Exchange	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
USA	IEX Exchange, NYSE Arca, the American, New York and Philadelphia Stock Exchanges, NASDAQ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zambia	Lusaka Stock Exchange						✓				

APPENDIX D ELIGIBLE DERIVATIVES MARKETS

All Sub-funds: Any derivatives market established in the United Kingdom or an EEA State (as defined in the Glossary above) which is regulated, operates regularly and is open to the public.

Baillie Gifford Managed Fund: The OTC market in the USA as regulated by NASD or FINRA.

Jurisdiction	Derivatives Markets	Baillie Gifford British Smaller Companies Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford Global Alpha Paris-Aligned Fund	Baillie Gifford Global Income Growth Fund	Baillie Gifford International Fund	Baillie Gifford Managed Fund	Baillie Gifford Responsible Global Equity Income Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford UK and Worldwide Equity Fund	Glenfinlas Global Fund
Australia	Australian Securities Exchange (ASX) Group						✓				
Brazil	B3 S.A. – Brasil, Bolsa, Balcão						✓				
Canada	Montreal Exchange						✓				
Hong Kong	Hong Kong Exchanges and Clearing Limited						✓				
Japan	Japan Exchange Group						✓				
Singapore	Singapore Exchange Limited						✓				
Switzerland	Eurex Exchange				✓		✓	✓			
USA	ICE Futures US, Cboe Futures Exchange, CME Group				✓		✓	✓			

APPENDIX E ADDITIONAL REGULATED COLLECTIVE INVESTMENT SCHEMES MANAGED OR OPERATED BY THE ACD

Baillie Gifford & Co Limited also acts as manager or ACD to the collective investment schemes listed below:

Investment companies with variable capital:

Baillie Gifford Overseas Growth Funds ICVC is an investment company with variable capital incorporated in Scotland under the OEIC Regulations.

Baillie Gifford Bond Funds ICVC and Baillie Gifford Investment Funds ICVC are investment companies with variable capital incorporated in Great Britain under the OEIC Regulations.

Baillie Gifford Investment Funds II ICVC and Baillie Gifford Investment Funds III ICVC are investment companies with variable capital incorporated in England and Wales under the OEIC Regulations.

APPENDIX F LIST OF SUB-CUSTODIANS

The Custodian for the Company is the Bank of New York Mellon, London Branch, One Canada Square, London, E14 5AL.

The following sub-custodians can be used for the safe-keeping of assets (and is subject to change). An up-to-date list is available from the ACD on request by calling 0800 917 2113.

Market Name	**Sub Custodian**
Abu Dhabi	HSBC Bank Middle East Limited
Argentina	Citibank N.A. (Argentina)
Australia	HSBC Bank Australia Limited
Austria	Unicredit Bank Austria Ag
Belgium	The Bank Of New York Mellon Sa/Nv National Bank of Belgium
Brazil	Citibank (Brazil)
Bulgaria	Citibank Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Chile	Banco de Chile
China Shanghai	HSBC Bank (China) Company Limited
China Shenzhen	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Croatia	Privredna Banka Zagreb D.D
Cyprus	BNP Paribas Athens
Czech Republic	Citibank Europe PLC, Organizacni Slozka
Denmark	Skandinaviska Enskilda Banken
Dubai	HSBC Bank Middle East Limited
Egypt	HSBC Bank Egypt
Estonia	SEB Pank AS
Euroclear	Euroclear Bank S.A / N.V
Finland	Skandinaviska Enskilda Banken
France	The Bank Of New York Mellon SA/NV
Germany	The Bank Of New York Mellon SA/NV
Ghana	Stanbic Bank Ghana LTD
Greece	BNP Paribas Securities Services, Greece
Hong Kong	The Hongkong And Shanghai Banking Corporation Limited
Hong Kong Connect	The Hongkong And Shanghai Banking Corporation Limited
Hungary	Citibank Europe Plc Hungarian Branch
Iceland	Landsbankinn hf.
India	Deutsche Bank Ag
Indonesia	Deutsche Bank Ag
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	The Bank Of New York Mellon Sa/Nv
Japan	Mizuho Corporate Bank, Ltd
Japan JGB	Mizuho Corporate Bank, Ltd
Kenya	Stanbic Bank Kenya Limited

Market Name	Sub Custodian
Kuwait	HSBC Bank Middle East, Kuwait
Latvia	AS SEB Banka
Lithuania	AB SEB Bankas
Luxembourg	Euroclear Bank S.A / N.V
Malaysia	Deutsche Bank (Malaysia) Berhad
Mauritius	Hongkong and Shanghai Banking Corporation, Ebene
Mexico	Citibank, Mexico
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Ltd
Netherlands	The Bank Of New York Mellon SA/NV
New Zealand	The Hongkong And Shanghai Banking Corporation Limited
Nigeria	Stanbic IBTC Bank PLC
Norway	Skandinaviska Enskilda Banken
Pakistan	Deutsche Bank AG, Karachi Branch
Peru	Citibank del Peru S.A.
Philippines	Deutsche Bank Ag
Poland	Bank Polska Kasa Opieki Sa – Bank Pekao SA
Portugal	Citibank Europe Plc
Qatar	HSBC Bank Middle East Limited
Romania	Citibank Europe Plc Dublin, Romania Branch
Russia	PJSC Rosbank
Saudi Arabia	HSBC Saudi Arabia
Serbia	Unicredit Bank Serbia JSC
Singapore	SCD Singapore Ltd
Slovakia	Citibank Europe PLC, Pobocka Zahranicnej Banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	The Standard Bank Of South Africa Limited
South Korea	Deutsche Bank AG, Seoul Branch
Spain	Caceis Bank Spain SAU
Sri Lanka	The Hongkong And Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Limited
Thailand	The Hongkong And Shanghai Banking Corporation Limited
Turkey	Deutsche Bank A.S.
Uganda	Stanbic Bank Uganda
United Kingdom	The Bank of New York Mellon
United States	The Bank of New York Mellon
Uruguay	Banco Itaù Uruguay S.A.
Vietnam	HSBC Vietnam
Zambia	Stanbic Bank Zambia Limited

APPENDIX G SECURITIES LEGENDS

Australia

This Prospectus is not a prospectus or product disclosure statement under the Australian Corporations Act 2001 (Cth) (Corporations Act) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Prospectus may not be issued or distributed in Australia and the Shares may not be offered, issued, sold or distributed in Australia by the ACD, or any other person, under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise.

This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Shares to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

The issuer of this Prospectus is not licensed in Australia to provide financial product advice including in relation to the Company. Note that as all investors must be wholesale clients and no cooling off rights are available.

The ACD has an arrangement with its associate, BGO under which BGO is entitled to distribute Sub-funds of the Company. BGO holds a foreign Australian Financial Services Licence No: 528911.

Hong Kong

The contents of this Prospectus have not been reviewed nor endorsed by any regulatory authority in Hong Kong. Hong Kong residents are advised to exercise caution in relation to this offer. An investment in the Company may not be suitable for everyone. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional advice. The Sub-funds are not authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) ("**SFO**"). This Prospectus has not been approved by the SFC in Hong Kong, nor has a copy of it been registered with the Registrar of Companies in Hong Kong and, must not, therefore, be issued, or possessed for the purpose of issue, to persons in Hong Kong other than (1) professional investors within the meaning of the SFO (including professional investors as defined by the Securities and Futures (Professional Investors) Rules); or (2) in circumstances which do not constitute an offer to the public for the purposes of the Companies Ordinance (Cap 32, Laws of Hong Kong) or the SFO. This Prospectus is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. No Shares will be issued to any person other than the person to whom this Prospectus has been addressed and no person other than such addressee may treat the same as constituting an invitation for him to invest.

The ACD has an arrangement with its associate, BGO under which BGO is entitled to distribute Sub-funds of the Company.

BGA(HK) has been appointed by BGO to act as distributor of the Shares on its behalf of BGO to professional investors in Hong Kong. BGA(HK) will receive a monetary benefit from BGO in the form of payment of fees that are based upon a mark-up to expenses (excluding financing costs) incurred in the provision of distribution services.

Chile

The offering of Shares sold on a private placement basis must comply with the disclosure requirements established in NCG 336. According to Section III of the CMF general rule titled "Disclosure Obligations", any communication and/or physical or electronic material used to offer the securities to potential investors must include, in a highlighted form and in Spanish, the following information: (1) the commencement date of the offer and the fact that the relevant offer is made pursuant to this CMF Rule 336; (2) that the offer deals with shares that are not registered in the Securities Registry (Registro de Valores) or in the Foreign Securities Registry (Registro de Valores Extranjeros) kept by the CMF, which are, therefore, not subject to the supervision of the CMF; (3) that, given that the shares are not registered, there is no obligation for the issuer to disclose in Chile public information about the shares; and (4) that the shares may not be publicly offered as long as they are not registered in the corresponding Securities Registry.

Colombia

The Shares have not been, and will not be, registered with the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). The Shares are being offered pursuant to a private placement. Unless so registered, the Shares may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

This Prospectus is for the sole and exclusive use of the addressee and it shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, managers or employees of the addressee.

The investor acknowledges that certain Colombian laws and regulations (including but not limited to foreign exchange and tax regulations) may apply in connection with the investment in the securities and represents that it is the sole liable party for full compliance therewith.

India

The ACD holds a “foreign portfolio investor” (“**FPI**”) registration in terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and therefore Indian institutional investors are not permitted to invest in FPI registered Sub-funds in the Company.

Israel

This Prospectus, as well as investment in Sub-funds described herein, is directed at and intended for investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Israeli Regulation of Investment Advice, of Investment Marketing, and of Portfolio Management Law, 1995 (“Qualified Clients”).

The ACD has an arrangement with its associate, BGO under which BGO is entitled to distribute Sub-funds of the Company.

No action has been taken or will be taken in Israel that would permit the public offering of this Prospectus or any Shares in the Company, or distribution of materials that relate to investment therein to the public in Israel. Neither this Prospectus, nor any other document that relates to the Company, has been approved by the Israel Securities Authority.

Peru

The Shares have not been and will not be registered in Peru under decreto legislativo 861: ley del mercado de valores (the "**Securities Market Law**"), and are being offered pursuant to a private placement. The Shares have not been registered in the securities market public registry (registro público del mercado de valores) maintained by, and the offering of the Shares in Peru is not subject to the supervision of, the superintendencia del mercado de valores. Any transfers of the Shares shall be subject to the limitations contained in the Securities Market Law and the regulations issued thereunder.

As the Shares are not registered, there is no obligation to deliver in Peru public information with respect to the Shares offered hereby. These Shares cannot be offered by way of public offering as long as they are not registered in the securities market public registry.

APPENDIX H HISTORICAL PAST PERFORMANCE

The table below shows the performance of the Class B Shares of the Sub-funds for five (or, if performance information for five complete twelve-month periods is unavailable, all) complete twelve-month periods to 31 October 2022. The performance is calculated based on 10.00am dealing prices, income reinvested (or accumulated where income Shares are not in issue or where accumulation Shares provide a longer history). No account is taken of the preliminary charge. The latest performance figures may be obtained from the ACD by calling free on 0800 917 2113.

Please note past performance is not a guide to future performance.

	31 October 2017 – 31 October 2018	**31 October 2018 – 31 October 2019**	**31 October 2019 – 31 October 2020**	**31 October 2020 – 31 October 2021**	**31 October 2021 – 31 October 2022**
Baillie Gifford British Smaller Companies Fund	-8.33%	-6.78%	23.73%	27.77%	-43.78%
Baillie Gifford Global Alpha Growth Fund	-0.92%	15.84%	26.10%	26.07%	-25.46%
Baillie Gifford Global Alpha Paris-Aligned Fund (see Note 1)	N/A	N/A	N/A	N/A	-27.41
Baillie Gifford Global Income Growth Fund	1.41%	15.51%	6.89%	25.02%	-2.93%
Baillie Gifford International Fund	-0.43%	16.54%	27.87%	25.14%	-25.00%
Baillie Gifford Managed Fund	1.40%	11.54%	27.06%	18.23%	-29.08%
Baillie Gifford Responsible Global Equity Income Fund (see Note 1)	N/A	N/A	7.17%	25.83%	-2.36%
Baillie Gifford UK Equity Alpha Fund*	5.22%	13.54%	0.45%	11.93%	-30.06%
Baillie Gifford UK and Worldwide Equity Fund	-0.19	11.72%	11.28%	27.28%	-26.58%
Glenfinlas Global Fund	This fund is not currently available for subscription and therefore no performance data has been provided.				

Note 1: There is currently limited past performance information for Baillie Gifford Global Alpha Paris-Aligned Fund (launched 15 April 2021); and Baillie Gifford Responsible Global Equity Income Fund (launched 6 December 2018).

*The past performance information for this Sub-fund relates solely to this Sub-fund prior to its merger with Baillie Gifford UK Equity Focus Fund which took effect on 1 April 2022. Baillie Gifford UK Equity Focus Fund formally terminated on 9 March 2023.

APPENDIX I DILUTION ADJUSTMENTS

The dilution adjustment can vary over time and vary depending on the assets attributable to the relevant Sub-fund. On the basis of the historical data referred to in the table below and current market conditions, the dilution adjustment could be up to or potentially exceed the percentages shown below on purchases and redemptions of Shares.

As dilution is directly related to the inflows and outflows of monies from a Sub-fund, it is not possible to predict accurately whether dilution will occur at any point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make a dilution adjustment.

The following table sets out (a) the maximum dilution adjustments applicable to purchases and redemptions for each Sub-fund and (b) the number of days on which a dilution adjustment was applied during each Dealing Day from 1 November 2021 to 31 October 2022.

	Maximum dilution adjustment applicable to purchases (%)	**Maximum dilution adjustment applicable to redemptions (%)**	**Number of days on which a dilution adjustment was applied**
Baillie Gifford British Smaller Companies Fund	0.66	-0.87	250
Baillie Gifford Global Alpha Growth Fund	0.19	-0.14	250
Baillie Gifford Global Alpha Paris-Aligned Fund	0.16	-0.12	240
Baillie Gifford Global Income Growth Fund	0.20	-0.14	250
Baillie Gifford International Fund	0.17	-0.12	250
Baillie Gifford Managed Fund	0.27	-0.16	250
Baillie Gifford Responsible Global Equity Income Fund	0.18	-0.09	250
Baillie Gifford UK Equity Alpha Fund	0.65	-0.19	250
Baillie Gifford UK and Worldwide Equity Fund	0.47	-0.15	251
Glenfinlas Global Fund	N/A	N/A	N/A

Baillie Gifford Managed Fund

31 July 2022

Fund Objective

To achieve capital growth over rolling five-year periods.

The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

Investment Proposition

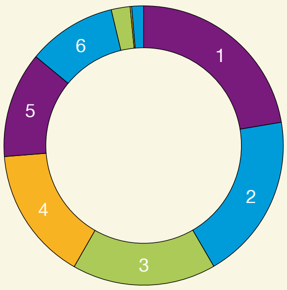
The strategy seeks to produce long-term capital growth by combining an active stockpicking approach in our regional equity portfolios with the best ideas from our Rates & Currencies and Credit teams, covering interest rate and active currency views, along with investment grade and high yield corporate bond opportunities. In addition, we take active asset allocation positions. These are driven by the views of our investment teams, based on the availability of attractive long-term investments in each area.

Key Information

Fund Managers	Steven Hay
Launch Date	01 April 1987
Fund Size	£6,629.85m
IA Sector	Mixed Investment 40-85% Shares
Active Share	83%*
Annual Turnover	12%

*Estimate relative to a weighted composite of representative indices.
Source: Baillie Gifford & Co, Bloomberg Barclays, JP Morgan, MSCI.

Geographic Analysis of Total Assets



1	UK	22.3%
2	Europe (ex UK)	19.3%
3	North America	16.7%
4	Overseas Bonds	15.5%
5	Developed Asia Pacific	12.2%
6	Emerging Markets	10.3%
7	UK Bonds	2.2%
8	Index Linked	0.2%
9	Cash & Derivatives	1.4%

A negative cash position may sometimes occur due to obligations awaiting settlement.

Top Ten Holdings

Holdings		% of Total Assets
1	US Treasury 2% 15/08/2025	2.2
2	Tesla Inc	1.6
3	Prosus	1.3
4	Moderna	1.2
5	Amazon.com	1.1
6	Diageo	1.1
7	The Trade Desk	1.1
8	AstraZeneca	1.1
9	St. James's Place	1.0
10	TSMC	1.0
Total		12.6

Excludes pooled vehicles.

Charges and Yield

	Initial Charge	Ongoing Charge	Historic Yield
Class B-Inc (%)	0.00	0.42	1.29
Class B-Acc (%)	0.00	0.42	1.29

The ongoing charge figure is at the latest annual or interim period.

Performance

Periodic Performance

	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	-11.0	-23.4	3.0	5.9
Sector Median (%)*	-2.7	-3.7	3.2	4.1
Sector Ranking	207/207	204/204	98/174	26/148

Performance source: FE, StatPro, total return in sterling.
*IA Mixed Investment 40-85% Shares Sector.

Annual Discrete Performance

	30/06/17-30/06/18	30/06/18-30/06/19	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22
Class B-Acc (%)	11.5	7.2	16.1	26.9	-28.3
Sector Median (%)*	4.9	3.7	0.0	17.2	-6.4

Outwith the UK, this document is solely for the use of professional investors. All data as at 31 July 2022 and source Baillie Gifford & Co Limited unless otherwise stated. Past performance is not a guide to future returns.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The yields quoted are historic yields based on distributions paid by the Fund in the previous 12 months as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their distributions.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, bailliegifford.com.

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. The comparative index for this Fund is the median of The Investment Association Mixed 40-85% Shares Sector. As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

All figures are rounded, so any totals may not sum.

Further Information

Any comments expressed in this factsheet should not be taken as a recommendation or advice.

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary.

This factsheet has been issued and approved by Baillie Gifford & Co Limited (Financial Services Register 119179), which is wholly owned by Baillie Gifford & Co (Financial Services Register 142597), both of which are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, Stratford, London, E20 1JN. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Fund does not offer capital protection.

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested.

The specific risks associated with the Fund include:

- Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
- The Fund invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.
- The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
- Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
- The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at bailliegifford.com.

Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at bailliegifford.com or email crtallenquiries@bailliegifford.com.

Important Information Israel

This Factsheet, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 (“Sophisticated Investors”); and (2) the First Schedule of the Investment Advice Law (“Qualified Clients”).

Important Information Chile

La presente oferta se acoge a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile.
La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización.
Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

Important Information Mexico

The Fund has not and will not be registered in the National Registry of Securities maintained by the National Banking and Securities Commission, and therefore may not be offered or sold publicly in Mexico. The Fund may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Securities Market Law as part of a private offer.

Important Information Colombia

The securities have not been, and will not be, registered with the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). Unless so registered, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange. The investor acknowledges that certain Colombian laws and regulations (including but not limited to foreign exchange and tax regulations) may apply in connection with the investment in the securities and represents that is the sole liable party for full compliance therewith.

Important Information Peru

The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

This Fund is rated by Rayner Spencer Mills Research, for more information go to: rsmgroup.co.uk*.

The selected fund is rated by Defaqto, for more information go to: defaqto.com*.

These Funds are rated by Dynamic Planner, for more information go to: dynamicplanner.com*.

*These ratings are designed for use by professional advisers and intermediaries as part of their advice process. These ratings are not recommended to buy. If you need further information or are in doubt then you should consult a professional adviser.

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Intermediary Enquiries

Tel: 0800 917 4752
email:trustenquiries@bailliegifford.com

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0) 131 275 2000
Website: www.bailliegifford.com

Your call may be recorded for training or monitoring purposes.

Ref: 25515 10013479

Managed Fund

Philosophy and Process

Baillie Gifford | *Managed Fund*

Important information and Risk Factors

This is a marketing communication and should not be considered as advice or a recommendation to buy, sell or hold a particular investment. This document contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

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

Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.

Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Any images used in this article are for illustrative purposes only.

This information has been issued and approved by Baillie Gifford & Co Limited. Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority. Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

All data is source Baillie Gifford & Co unless otherwise stated.

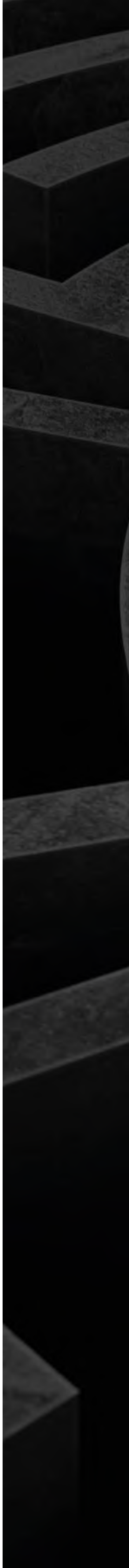
Past performance is not a guide to future returns.

CM17172 Managed Fund P&P Dec21 0122.indd
Ref: 14220 10005988

Contents

Introduction

Baillie Gifford's Managed Fund Team believes that complexity isn't required for success. In an investment world which likes to complicate everything, our simple and consistent approach is a true differentiator. Since 1987, the Managed Fund has resolutely focused on long-term, active, growth investing. Providing one-stop access to Baillie Gifford's best regional equity and bond investment ideas for over three decades, the simplicity of the Managed Fund has stood the test of time and while acknowledging that investing isn't easy, we believe that our approach matters now more than ever.




MANAGED
FUND

Equities

United Kingdom

North America

Developed Asia

Emerging Markets

Europe

Bonds

Developed Market Government

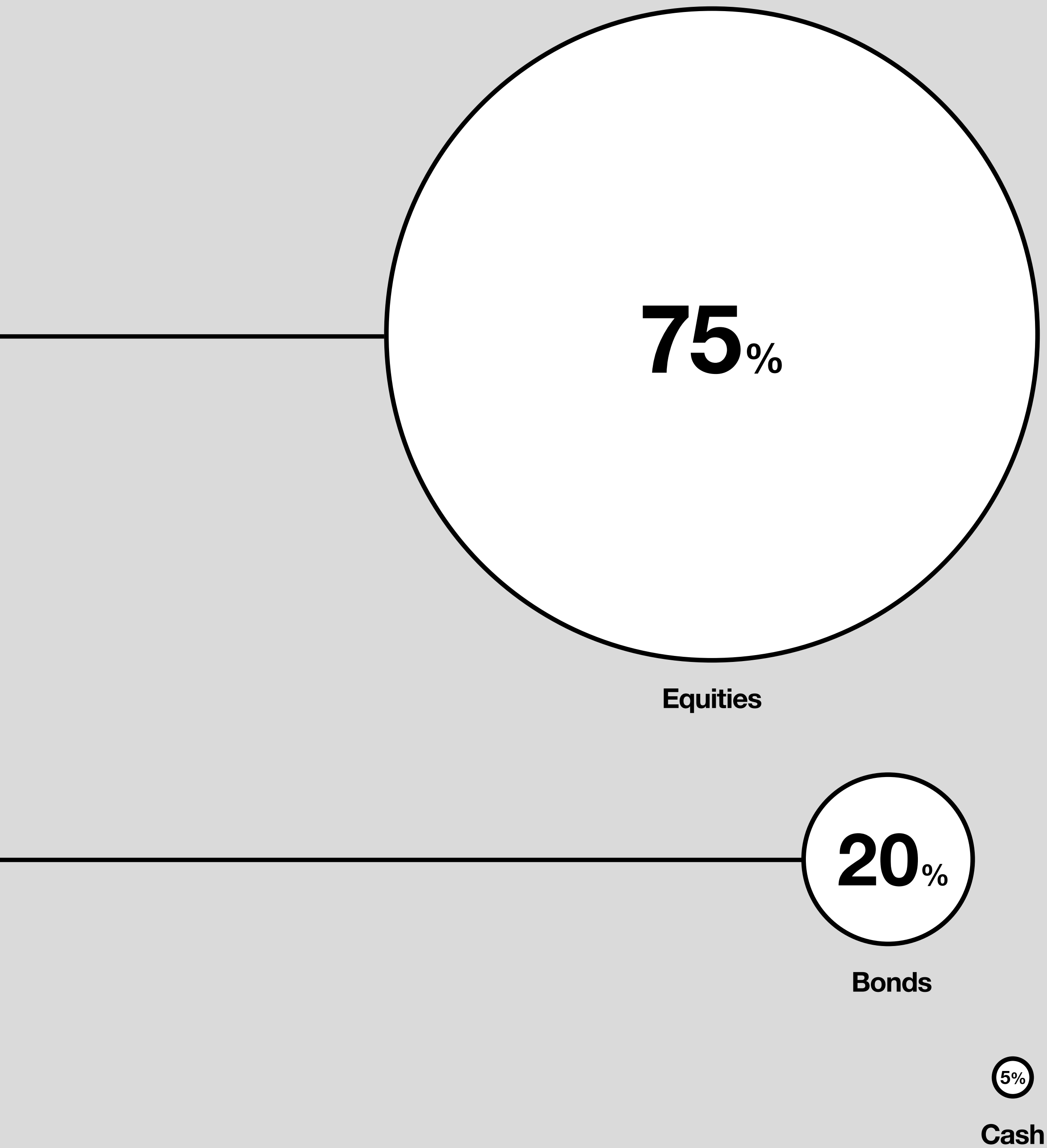
Emerging Market Government

Index-Linked

Investment Grade

High Yield

Our Opportunity Set



Strategic Asset Allocation

Why invest in the Managed Fund?

Simple — Actively-managed equities and bonds plus cash

The Fund brings together Baillie Gifford's best regional equity and global bond investments ideas in one simple portfolio. It combines the stock-picking expertise of our specialist regional equity teams with our best ideas in government and corporate bonds, along with an allocation to cash. The Fund has a high weighting to equities, typically 75%, as we believe that this asset class will be the key driver of returns over the long term. However, in creating a truly balanced portfolio, it is important to have a meaningful allocation, typically 25%, to the diversifying assets of bonds and cash.

Consistent — Investing in growth since 1987

The philosophy of the Managed Fund has remained unchanged since inception in 1987. We are growth investors that seek to add value through genuinely long-term, active management.

In equities, we back our judgment, running concentrated portfolios with low turnover. We aim to add value through the use of our own fundamental research, prioritising the selection of innovative, growing business rather than trying to second guess short-term macroeconomic developments or trends.

Bonds held in the Managed Fund serve two purposes. First, to add value in their own right and second, to provide balance versus equity holdings. We take active positions across developed and emerging market government bonds as well as investment grade and high yield corporate debt, to create a best-ideas global bond portfolio.

Brought together, the result is a Fund that is well placed to deliver meaningful long-term capital growth.

Repeatable — A straightforward and robust process

Investment research for the Managed Fund takes place within our specialist regional equity and fixed income teams. Each of the named managers is responsible for finding the best ideas in their respective areas, drawing on the knowledge and perspectives of our entire investment department.

Research notes are produced on all potentially attractive investments and are subject to rigorous debate. The individual with direct responsibility for the relevant portion of the Managed Fund then constructs a portfolio based on these discussions.

A separate group, the Policy Setting Group, is tasked with bringing these building blocks together to form the Managed Fund. Rather than focusing on top-down considerations, the main driver of asset allocation is the enthusiasm of our investors for their respective component part.

The Managed Fund provides a balanced approach to investing, not only through the exposure it offers to different asset classes and geographies around the world, but also by holding a diverse array of growing companies.

Crucially, the Fund has been managed in the same way since inception in 1987.

Portfolio Characteristics and Facts

Inception date:	1 April 1987
Named managers:	Iain McCombie and Steven Hay
Objective:	To achieve capital growth over rolling five year periods
Comparator benchmark:	IA Mixed Investment 40–85% Shares Sector Median
Time horizon:	5–10 years.
Vehicle:	UK OEIC

Our Vision

It's time to rethink complexity

Set against an ever-changing investment environment, keeping our approach consistent and simple is key.

Our philosophy is grounded in the principle that we act on behalf of our clients to identify and back our best investment ideas. We focus on the progress and risks involved with those investments, not short-term performance which means nothing in a market dominated by speculators.

Simplicity is also key when it comes to asset allocation. Our strength lies in bottom-up stock and bond selection. We believe that asset allocation should be driven by where we are finding exciting growth opportunities, rather than top-down considerations.

Equities

Our focus is on identifying innovative, growing businesses that can make a real difference to returns for investors in the Managed Fund. We believe that, in the long run, share prices will follow fundamentals. Therefore, those companies that can sustainably grow their business, significantly increasing their earnings, will be ultimately best rewarded in share price terms.

However, we recognise that an investment in equities is an investment in a real-world business, the prospects of which can only sensibly be considered over a multi-year period. Our ability and willingness to take a long-term view, looking to the next five to ten years, is a source of increasing differentiation and advantage over a market often reluctant to look beyond the next few quarters.

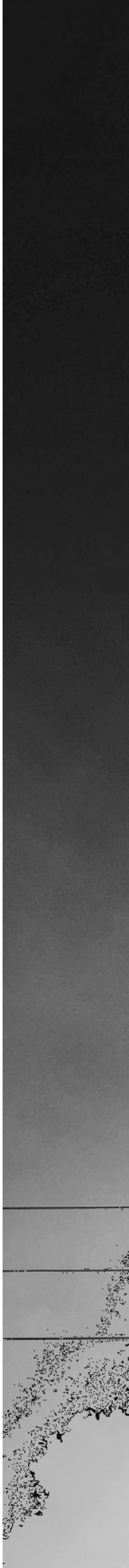
Bringing this together, the result is an equity portfolio that is significantly different to the index and with high levels of active share. This is important because you have to be different in order to outperform over the long term. We therefore express conviction in our stock picking, buying only those companies which will leave the Managed Fund best placed to deliver long-term capital growth.

Bonds

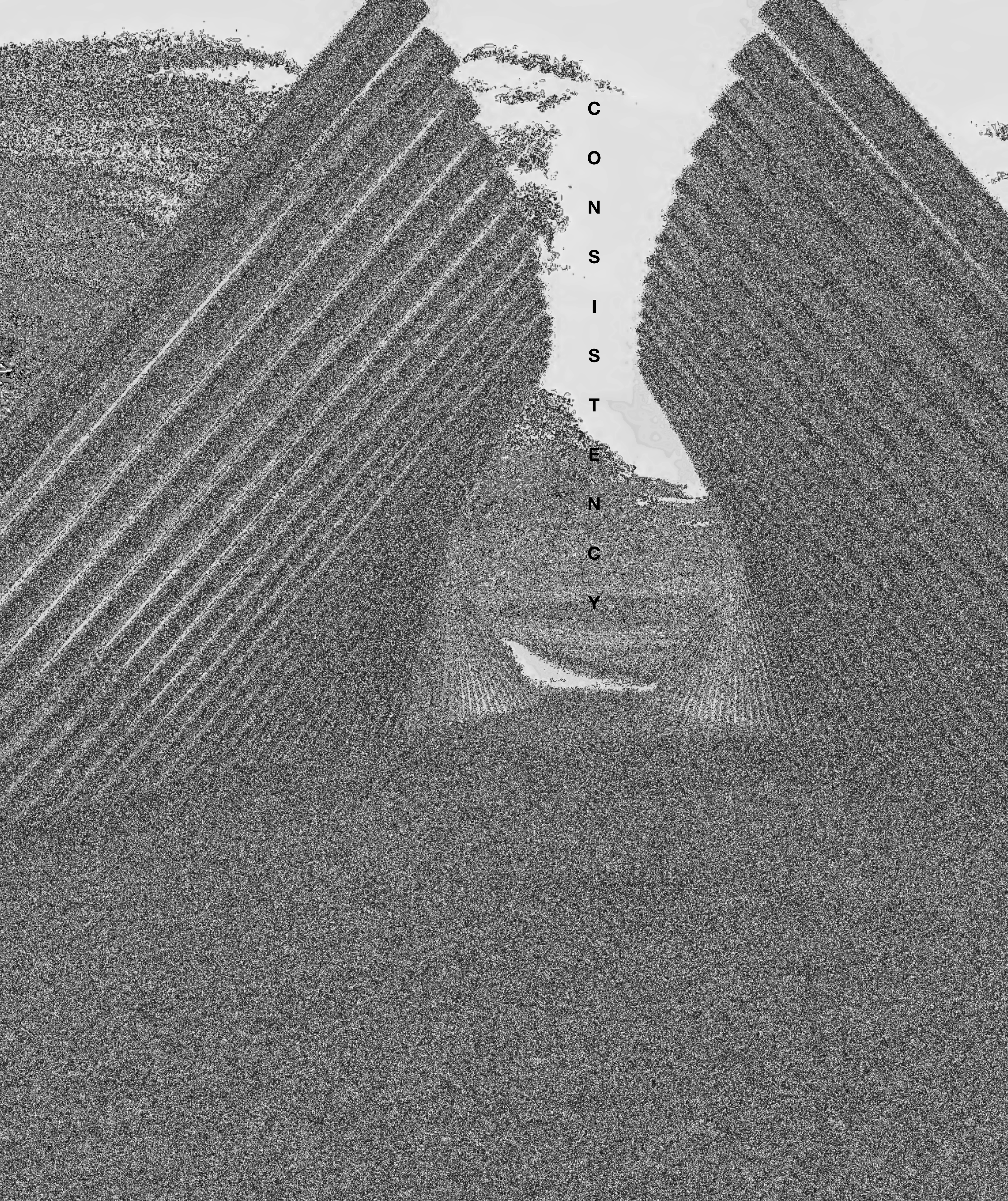
We are as active in our bond selection as we are when investing in equities. Our focus is on holding only those bonds which can allow this portion of the Managed Fund to best fulfil its dual purpose: first, to add value and second, to dampen the volatility of equity exposures.

We are also long-term bond investors. We consider fundamental trends and identify future opportunities for government bond markets while, in corporate debt, we focus on the long-term fundamental resilience of companies.

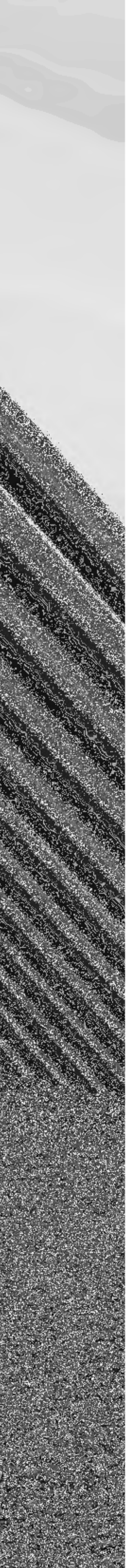
When investing in sovereign bonds and currencies, we recognise that returns are ultimately driven by economic and political factors. We also believe that the greatest inefficiencies are between countries and therefore the Fund’s holdings set nations undergoing structural or cyclical positive trends against those travelling in the opposite direction. In corporate bond markets, inefficiences often mean that market prices fail to reflect the long-term fundamental resilience of the issuing company. As active investors, these are the opportunities we look for.



S I M P L I C I T Y



CONSISTENCY



Why invest with Baillie Gifford?

Our Partnership Structure

We believe that no investment firm, however rigorous its approach, can consistently achieve great things for clients if the right corporate conditions are not in place. Baillie Gifford is an independent investment manager, wholly owned by 47 partners who work within the firm. The partnership structure has prevailed for over 100 years and enables us to take long-term views. We see it as a key strength because successful investment management is not easy. It requires dedication, independent thought and a long-term perspective.

We are not a faceless corporation, we are a place where we do everything we can to let individuals thrive and ideas flourish. Our satisfaction comes from the pursuit of knowledge and its application to investments, knowing that if we do a good job, as well as achieving outperformance for clients, we will have contributed to society's progress too.

Experience and collaboration

The partnership structure creates a collaborative culture and one in which people stick around. The Managed Fund investment team has, on average, more than 20 years' experience and this includes several investors who have spent their entire careers at Baillie Gifford. However, the team doesn’t operate in isolation, drawing on the investment ideas of over 100 investors at the Firm to bring together the best stocks and bonds for inclusion in the Managed Fund.

Long-term investment horizon

We are long-term investors in everything that we do. This philosophy permeates the Firm, driven by an understanding that companies don’t grow overnight, nor do they grow in a straight line. Inevitably there will be periods of market doubt and volatility, especially for those businesses that are growing quickly. Remaining patient and supportive shareholders during such periods is crucial if our investors are to benefit fully from the asymmetric return potential offered by these companies. A long-term perspective is also valuable in recognising the power of compounding and the performance that can be generated from companies which compound their returns over decades.

Benefitting from multiple perspectives

Imagining what the future may hold requires mental flexibility. We need to imagine the potential implications of dramatic change and embrace uncertainty. We need to be ready to let go of preconceptions, while continuously learning and adapting our thinking to consider what we have learned. Trying to be precise is the enemy of good investing. In times of profound change we believe our interdisciplinary approach gives us an advantage.

People

The below managers are responsible for finding the best ideas in each of their respective areas, drawing on the knowledge and perspective of their immediate teams as well as our entire investment department.

The Regional Equity Managers

Iain McCombie, UK

Iain is the co-lead Manager on our flagship Managed Fund, where he has been involved since 2000. He is the lead Manager of our UK Core Strategy and became a Partner of the firm in 2005. Since joining Baillie Gifford in 1994, Iain has also spent time in the US Equities Team. His knowledge and experience as a stock picker is a valuable input into our Global Stewardship equity Strategy. Iain graduated MA in Accountancy from the University of Aberdeen and subsequently qualified as a Chartered Accountant.

Andrew Stobart, Emerging Markets

Andrew Stobart has been an Investment Manager in the Emerging Markets Equities Team since 2007 and has been involved in running the Emerging Markets portion of the Managed Fund since 2012. He also sits on the Emerging Markets All Cap and International Alpha Portfolio Construction Groups. Since joining Baillie Gifford in 1991, Andrew has worked in the UK, Japanese and US Equities Teams. Prior to joining Baillie Gifford, Andrew spent three years working in Investment Banking in London. Andrew graduated MA in Economics from the University of Cambridge in 1987.

Stephen Paice, Europe

Stephen is Head of the European Equities Team and has been involved in running the European portion of the Managed Fund since 2019. He is also a member of the Pan-European Portfolio Construction Group. Stephen joined Baillie Gifford in 2005 and spent time in the US, UK Smaller Companies and Japanese Equities Teams. Stephen graduated BSc (Hons) in Financial Mathematics in 2005.

Iain Campbell, Developed Asia

Iain joined Baillie Gifford in 2004 and is a member of the Japanese Specialist Team. Iain has been involved in running the Developed Asian portion of the Managed Fund since 2014 and became a Partner of the firm in 2020. Most of Iain’s investment career has been focused on Emerging and Developed Asian markets. He has responsibility for managing various specialist Developed Asia, including Japan, portfolios and is also a member of the International All Cap Portfolio Construction Group. Prior to joining Baillie Gifford, he worked for Goldman Sachs as an analyst in the Investment Banking division. Iain graduated BA in Modern History from the University of Oxford in 2000.

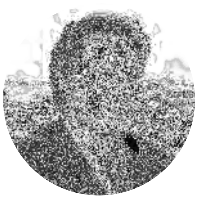
Kirsty Gibson, North America

Kirsty joined Baillie Gifford in 2012 and is an Investment Manager in the US Equities Team. She has been involved in running the North American portion of the Managed Fund since 2021. Kirsty graduated MA (Hons) in Economics in 2011 and MSc in Carbon Management in 2012, both from the University of Edinburgh.

The Fixed Income Managers

Steven Hay, Rates and Currencies

Steven is the co-lead Manager on our flagship Managed Fund. He has been involved in running the Fixed Income portion of the Fund since 2012. Steven joined Baillie Gifford in 2004 and is Head of the Income Research Team. Prior to joining Baillie Gifford, Steven was a Fixed Income Investment Manager with Scottish Widows. His experience includes seven years undertaking analysis and research for the Bank of England's Monetary Policy Committee, and involvement in managing the UK's foreign exchange reserves. Steven graduated BAcc (Hons) in Economics and Accountancy from the University of Glasgow in 1992 and MSc in Economics from the University of Warwick in 1993.



Philip Annen, Rates and Currencies

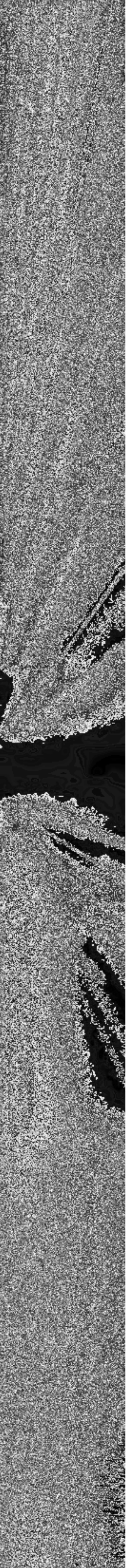
Phil is an Investment Manager in the Global Rates & Currencies Team and has been involved in running the government bond portion of the Managed Fund since 2003. He joined Baillie Gifford in 1999 and worked in the Risk Department before becoming a Fixed Income Investment Manager in 2002. Phil graduated MSc in Physics from the University of Bern in 1997 and MSc in Financial Maths from the University of Edinburgh in 1998.

Torcail Stewart, Credit

Torcail joined Baillie Gifford in 2008 and is an Investment Manager in the Credit Team. He has been involved in running the corporate bond portion of the Managed Fund since 2018 and has managed our Strategic Bond Fund since 2010. Prior to joining Baillie Gifford, he worked as an Investment Analyst for the Alliance Trust's UK Large Cap Equity Fund. Torcail graduated BA in Geography from the University of Cambridge in 2002 and MPhil in Management, Economics and International Relations from the University of St Andrews in 2005. Torcail is a member of the UK Society of Investment Professionals (UKSIP).

Members of the Policy Setting Group (PSG)
Iain McCombie, Andrew Stobart and Steven Hay along with a senior portfolio manager from our Multi Asset Team.

REPEATABILITY



Investment Process

Equities

Our goal is to own attractive growth businesses with a competitive edge and a sizeable long-term market opportunity.

We believe that stock selection will be the main driver of returns for the Managed Fund over the next five to ten years, hence our focus on picking great growth businesses which can be held for the long term.

Finding Ideas

All investors at Baillie Gifford are, first and foremost, analysts. The majority of their time is spent on the generation and research of investment ideas, specifically companies which offer superior long-term profit growth.

In addition to in-house company meetings, our investment professionals have regular, focused investment trips to meet with founders, owners and senior management of businesses. Our research capabilities are always evolving, and we believe in flexibility for individuals to operate however they think most effective. Managers and analysts often undertake extended research trips to uncover investment ideas and to build local networks. We also have a number of independent ‘inquisitive researchers’ who employ a more investigative approach to research and who are based in their own locations.

Research, Debate and Portfolio Construction

The vast majority of our research is produced in-house. We have established our own framework of analysis and focus on taking a long-term perspective on factors, such as industry background, competitive advantage, financial strength and management attitude.

We only consider valuation after we have identified a company with the opportunity to earn superior returns, and where we have a high degree of confidence that management can take advantage of that opportunity. We focus on the likely medium to long-term trends in earnings and cash flows and we look for companies where our assessment of these trends is markedly different from what is currently reflected in the market’s valuation. This could lead us to pay seemingly high near-term multiples for a holding where we are confident that the longer-term growth rate is sufficiently high.

The individual with direct responsibility for the relevant portion of the Managed Fund then constructs a portfolio based on these decisions. Our investment managers invest with conviction and freedom, paying little heed to benchmarks. We think backing individual convictions in this way allows the portfolio to benefit from a diversity of thought and gives the opportunity for the more esoteric ideas to make it into the portfolio.

Mistakes will happen on occasion; that is the nature of active investment management. However, over the long term, we believe the number of mistakes will be outweighed by the volume of successes. We acknowledge the asymmetry of returns when investing in equities, whereby the maximum downside is capped at 100% while the upside is unlimited.

Bonds

Our goal is to construct a best-ideas global bond portfolio which delivers returns while providing balance versus equities.

Finding Ideas

For government bonds and currencies, our focus is on identifying the likely structural path for each economy in our investment universe, and the risks surrounding that central outlook. Global macroeconomic analysis provides a framework to enhance our country research.

Within corporate bonds, a clear sense of what we are looking for in an investment allows us to identify the most promising subset of investment ideas. Among high quality, typically investment grade rated issuers, those bonds that have a relatively high yield versus peers are disproportionately likely to deliver a return that is different to the benchmark. Our initial screening therefore focuses on these bonds. At the lower end of the credit quality spectrum the risk of default and permanent loss of capital is far higher. To narrow the field our first step is focused on identifying issuers with resilient fundamental characteristics.

Research, Debate and Portfolio Construction

For government bonds and currencies, we bring our research together at regular macroeconomic and strategy meetings where we debate and form our view of the world, inviting challenge from other parts of the firm as well as from external experts. We believe fair value is ultimately driven by how a country grows and evolves over time, and we focus our analysis on those factors that determine that path. It is vitally important to be able to identify when a country is going through a structural change – this may be due to political or economic factors – and that the future may look very different to the past. We combine this with our view on the cyclical drivers of the economy, in order to determine fair value over a meaningful timeframe.

In corporate bonds, research encompasses three broad aspects of the investment case:

— Payback: How our clients could make money from investing in the bond.

— Risk: How our clients could lose money from investing in the bond.

— Milestones: Clear criteria that could make the investment case stronger or weaker.

Following debate, we back our fundamental analysis with meaningful positions where we have established a high level of conviction and look for milestones that affirm our investment thesis. We take a purposefully longer-term approach rather than adopt a short-term trading mentality. All of the bond holdings are managed in a risk-aware manner with the objective of producing attractive long-term returns. Combined, this gives the Managed Fund an extra source of return while also providing balance to equity holdings.

ESG Resource

Our consideration of governance and sustainability starts in the research process where we consider the values and long-term motivations of management as well as corporate culture. This then extends to ongoing research and review as well as engaged voting (which is performed in-house). We believe that we invest in some of the best companies in the world and that as we engage with them, these businesses can only become better. However, the Managed Fund does not operate in isolation, with engagement often being the result of firm-wide collaboration.

Each of our regional equity and fixed income investment teams has a named Governance and Sustainability analyst who supports our investors in their regular interactions with company boards and senior management as well as with proxy voting.

These analysts sit with our investment teams and regularly join them for meetings with company management and board members. In addition, analysts will arrange meetings directly with company representatives to discuss specific issues. We are cognisant of the imperfect nature of the companies in which we invest, as well as the fact that investing requires patience and a constructive approach to help businesses become better from a governance and sustainability perspective. The Managed Fund's focus is therefore on engagement rather than exclusion from portfolios.

Sell Discipline

We continually monitor the holdings in the Fund, and we will sell or reduce if we believe that our fundamental investment case has changed. Specific situations that would prompt us to consider selling a position include:

— An adverse change in the industry background

— A deterioration in the company's competitive position

— A loss of confidence in management

Derivatives

Equity holdings in the Managed Fund are long only and unhedged. We do, however, make some use of wider powers within the bond portion of the Fund. Simple derivatives may be used here for investment purposes as well as for the management of risk. For example, we often use derivatives to target desired active positions and eliminate unwanted risks with respect to our interest rate and active currency views in a broad range of emerging and developed economies. Along with stock selection in corporate bonds, taking duration and yield curve positions in government bonds and asset allocation, active currency management is one of the main sources of added value in the fixed income portion of the Fund.

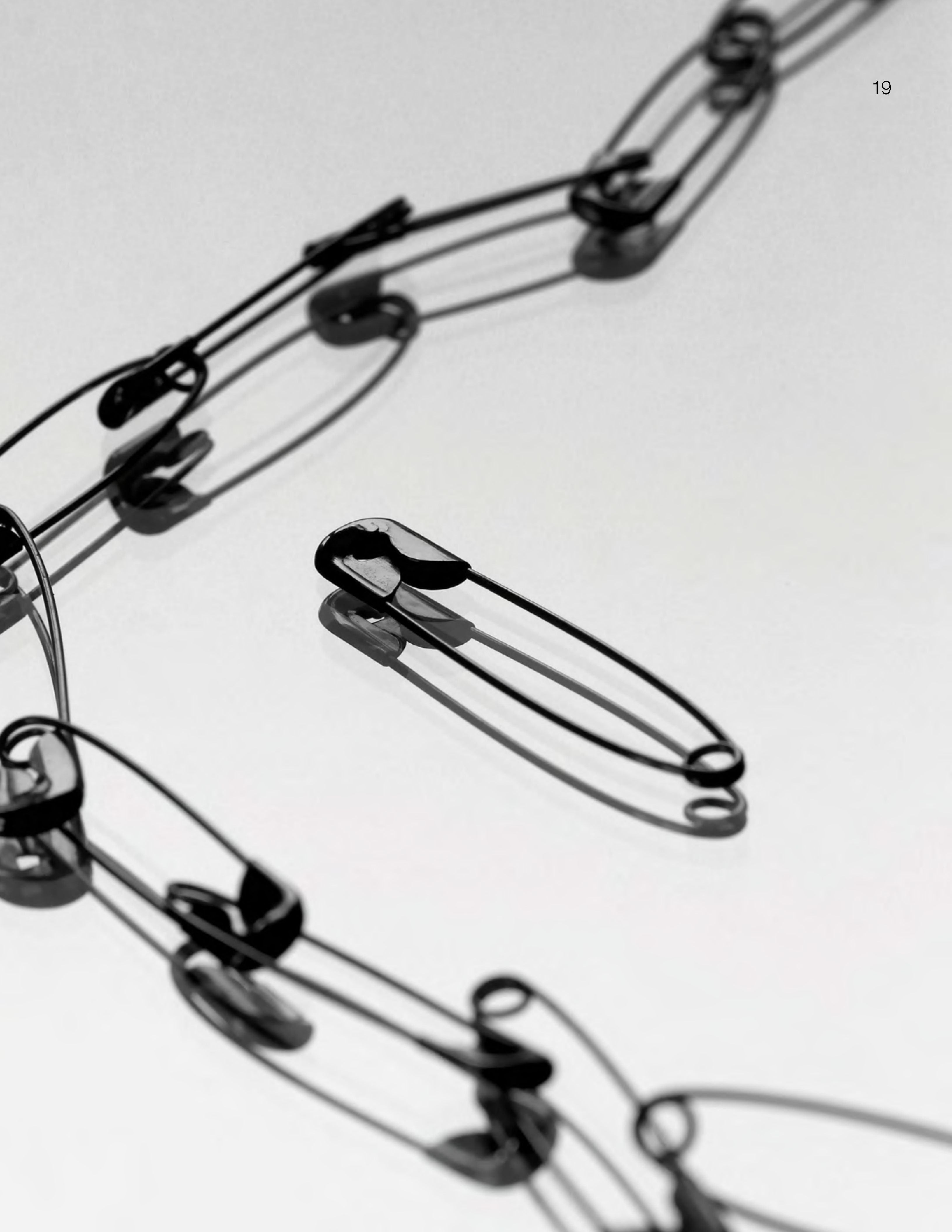
Portfolio Construction and Oversight

The Policy Setting Group (PSG) has responsibility for asset allocation and whole-portfolio oversight, meeting quarterly to discuss positioning. The PSG brings valuable investment experience and insights from across Baillie Gifford's global, regional, fixed income and multi asset teams.

The regional equity managers meet ahead of the PSG to discuss the weights within this asset class based on the availability of new ideas versus complete sales. The fixed income managers also meet quarterly to discuss exposures within this portion of the portfolio. Both groups then put forward a proposal to the PSG.

The PSG uses these inputs to decide how to tilt the Fund's exposure to equities, bonds and cash. Rather than focusing on top-down considerations, the main driver of asset allocation is the enthusiasm of our investors for their respective component part.
The purpose of the PSG meetings is not to implement change for change's sake and ultimately the result of the review process may be to take no action at all. However, the PSG may, from time to time, take significant over or underweight positions (relative to the Fund's strategic benchmark) if we believe that the investment environment warrants such a move.

Volatility, though monitored by our independent Investment Risk, Analytics & Research team, is not an area of focus for Baillie Gifford's Managed Fund. We embrace the volatility caused by the market's short-sightedness and stay focused on finding long-term growth opportunities.



Investment Risk and Liquidity

For active investors, risk and volatility are not the same thing.

Investing is about making decisions with unknown outcomes and probability distributions. There are limitations to our ability to manage volatility. Indeed, we view shorter-term volatility, both in absolute terms and when compared to a benchmark, as a necessary part of the journey towards achieving capital growth over rolling five year periods.

Fundamental Risk

Our first line of defence is rigorous stock analysis. New buy ideas are subject to thorough review by our investment teams. We trust the knowledge and experience of the portfolio managers who are best placed to understand the underlying characteristics of their investments. We continuously re-examine the fundamental performance of the companies in which we invest and the expectations upon which our decisions are based.

Portfolio Risk

The regional equity and bond teams are encouraged to think independently and act boldly – indeed, this is a key part of our attempt to manage risk. Each of these teams apply a range of index-relative guidelines. While we readily acknowledge the limitations of such quantitative measures of risk (they are based on past correlations in conditions which may or may not be repeated in the future) they are useful in highlighting biases and concentrations as a prompt for further consideration and discussion.

At the Managed Fund level, we believe that the main controllable long-term risk is a lack of diversification, and therefore consider the following guidelines:

Asset Class	+/-10% relative to the strategic asset allocation[1]
Region	+/-10% relative to the strategic asset allocation[2]
Sector[3]	representative indices +10% (no minimum)
Stock[3]	representative indices +3% (excl. Funds)

1. 75% in equities, 25% in bonds and cash
2. 18.75% in each: UK, US, European and Asian equities (Developed Asia and Emerging Markets).
3. Based on MSCI classifications

Risk Department

We have a dedicated, independent Investment Risk, Analytics & Research team that supplements the controls outlined above. They use a range of tools and analysis to monitor and report risk. The team is experienced in using these models and has a detailed understanding of their methodologies, as well as their limitations. They challenge us and help identify unwanted concentrations of risk.

Liquidity

Liquidity in the Baillie Gifford Managed Fund is managed taking account of the investment strategy, liquidity profile, and redemption policy of the Fund, with the objective of maintaining a level of liquidity that is appropriate to the Fund's obligations. Liquidity monitoring is performed to ensure that client funds can be returned to them within the T+3 terms stated in the prospectus. To supplement this, the liquidity in the Balanced strategy is managed in line with the below strategy guidelines.

— No more than 10% of a strategy's assets to be deemed illiquid

— At least 90% of a strategy's largest platform relationship must be capable of being traded within 40 trading* days

— At least 25% of a strategy's AUM must be capable of being traded within 40 trading days

Illiquid Definition

Stock – A **stock** is deemed illiquid once:

— A strategy owns > 50 trading days volume

— The firm wide holding exceeds 250 trading days (even where the strategy holds <50 trading days).

A **bond** is 'illiquid' if it is not possible to exit, without moving the mid-price of the bond by more than 1.0%:

— A strategy's full position in the market within 7 trading days; OR

— The full firmwide position in the market within 20 trading days.

*A trading day assumes 20% market capture (i.e. 5 trading days = 1 day of full volume).

BAILLIE GIFFORD. ACTUAL INVESTORS.

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BAILLIE GIFFORD

Baillie Gifford Managed Fund

30 June 2022

Baillie Gifford Update

Philosophy	Long-term investment horizon A growth bias Bottom-up portfolio construction High active share
Partnership	100% owned by 51 partners with average 19 years' service Ownership aligns our interests with those of our clients Enables us to take a thoughtful, long-term view in all that we do Stability, quality and consistency

Investment Proposition

The strategy seeks to produce long-term capital growth by combining an active stockpicking approach in our regional equity portfolios with the best ideas from our Rates & Currencies and Credit teams, covering interest rate and active currency views, along with investment grade and high yield corporate bond opportunities. In addition, we take active asset allocation positions. These are driven by the views of our investment teams, based on the availability of attractive long-term investments in each area.

Fund Facts

Fund Launch Date	01 April 1987
Fund Size	£6219.6m
IA Sector	Mixed Investment 40-85% Shares
Active Share	83%*
Current Annual Turnover	13%

*Estimate relative to a weighted composite of representative indices.
Source: Baillie Gifford & Co, Bloomberg Barclays, JP Morgan, MSCI.

Fund Manager

Name	Years' Experience
Iain McCombie*	28
Steven Hay	28

*Partner

All investment funds have the potential for profit and loss. Past performance is not a guide to future returns.

Fund Objective

To achieve capital growth over rolling five-year periods.

The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

Periodic Performance

	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
Class B-Acc (%)	-15.6	-28.3	1.8	4.8
Comparator (%)*	-7.0	-6.4	3.1	3.6

Performance source: FE, total return in sterling.
*Comparator refers to Comparator Benchmark: IA Mixed Investment 40-85% Shares Sector.

Discrete Performance

	30/06/17-30/06/18	30/06/18-30/06/19	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22
Class B-Acc (%)	11.5	7.2	16.1	26.9	-28.3
Comparator (%)*	4.9	3.7	0.0	17.2	-6.4

Performance source: FE, total return in sterling.
*Comparator refers to Comparator Benchmark: IA Mixed Investment 40-85% Shares Sector.

Market Background

Recent market volatility has been driven by ongoing concerns about rising inflation, interest rate hikes, quantitative tightening and whether recession looms. None of these are areas where we believe have an edge in predicting outcomes versus the market. Even if we were confident in our assessment, we are not market timers and are only too conscious that making changes to the Fund, positioning it for one macroeconomic outcome versus another, could be value destructive. Therefore, as ever, our focus is on the individual companies in which we invest and answering the question of whether, from today's starting point, they can meet our return hurdles over the next five years.

Performance

The Fund fell in absolute terms over the quarter, underperforming the comparator benchmark. While it remains ahead of benchmark over its time horizon of five years and beyond, performance over 12 months is significantly behind.

The above-mentioned worries have weighed heavily on the share prices of the types of long-term growth companies in which we invest for the Fund. As always, there are some issues at select companies, however underperformance was primarily driven by the very difficult market environment, as opposed to deteriorating fundamentals at portfolio holdings. Weakness has therefore been fairly broad-based across the portfolio.

Ecommerce platform Shopify, and the ad buying platform The Trade Desk were amongst the largest individual detractors from performance over both the quarter and 12 months to end June. The pace of growth has slowed at Shopify as we emerge from pandemic-restricted retail. The company expects to remain loss making as it invests heavily in developing its logistics capabilities. We are supportive of the potential for investment now to reap long-term rewards and we believe that recent share price falls underestimate Shopify's value. The Trade Desk was affected by weakening investor sentiment. The rise of streaming is creating new inventory that is more suited to being bought on platforms like The Trade Desk and the company's recent growth has been strong. We view The Trade Desk as a potential consolidator of online ad spending and as an exciting long-term opportunity. Online homewares retailer, Wayfair also detracted over both 12 months and the quarter. The company is working through a fall in revenues following super-normal demand for its products. As a consumer squeeze seems increasingly prolonged, Wayfair is likely to face a challenging headwind in the short-medium term, and we have made reductions to the holding since the turn of the year to reflect that. Whilst each of these three businesses faces short-term challenges, our forward-looking hypotheses remain in-tact. Bond holdings fell in absolute terms over the quarter and 12 months to end June although weakness has been less pronounced than in equity holdings thus fulfilling the role of providing diversification.

As ever, some holdings performed positively over the quarter and 12 months to end June, albeit these were outweighed by the detractors. Holdings which contributed to performance were in many cases ones with positive exposure to the wider environment. For example, companies with commodities exposure, such as Brazilian oil company Petrobras and mining giant BHP contributed, as did Standard Chartered, which has benefited from rising interest rates.

Bond holdings fell in absolute terms over the quarter and 12 months to end June, although weakness has been less pronounced than in equity holdings thus fulfilling the role of providing diversification. We hold a select portfolio of the best bonds globally, which can add to returns while also providing balance versus an actively managed growth equity portfolio. The Fund's overall exposure to fixed income has slightly increased, largely as a result of market movements but also as yields look more attractive – particularly in developed market government bonds – than they have done for some time.

Notable Transactions

Alongside our ongoing analysis of existing holdings, we continue to find new ideas for inclusion in the fund. New purchases include online grocery pioneer Ocado, civil and defence engineer Babcock, the luxury goods company Richemont, gaming company Roblox and UK motor insurer Sabre Insurance. Meanwhile, we sold part of the Fund's holding in BHP Group following the unification of its corporate structure under the Australian arm which we continue to hold. Japanese online platform Kakaku was also sold, as was a holding Chinese ecommerce player JD.com.

New Purchases

Stock Name	Transaction Rationale
Babcock International	Babcock is an international business operating in both the civil and defence sectors. Its naval operations are wide ranging, encompassing everything from the manufacture and supply of Type 31 frigates to the Royal Navy, through to the deep maintenance and life support of the UK's surface warships and submarine fleet. These activities include the supply of critical components and support services for the UK's nuclear armed Vanguard Class submarines. Its defence footprint also spans air and land operations domestically and internationally, whilst the company has successfully leveraged its nuclear capabilities into civil applications where it plays critical roles in decommissioning, maintenance and new build programmes. The business lost its way under previous management and is going through an ambitious transformation programme under a capable new CEO and CFO pairing, whom we know and respect from previous roles. They have already made significant strides addressing financial, cultural and organisational challenges and have a clear vision that we believe has the potential to transform the long-term growth and profitability of the business. As such, we have decided to take a holding.
Cemex ADR	Cemex is one of the world's leading cement producers, with substantial market shares in Mexico, the US and Europe. It is relatively indebted and operationally leveraged to a recovery in cement usage for infrastructure spending and construction. Cemex has been at the forefront of industry moves to reduce carbon emissions through the use of alternative fuels and carbon capture. Its low carbon brand now accounts for over a third of sales. Recently the shares have been weak and do not reflect Cemex's long-term growth and profitability prospects. As a result, we took a holding.
Ocado	We have taken advantage of a placing of new shares to take a new holding in Ocado, which we have monitored for a number of years. Ocado is a pioneer of dedicated online grocery shopping in the UK. Despite significant share price weakness over the last year, we believe the online segment could continue to grow for many years with the market too fixated on trading post the lockdown boom. Most traditional food retailers have struggled with the difficult economics of an online offering - their naturally manual approaches lack scalability and, as customer demand rises sharply, their search for a technology solution is highly pressing. Through significant, focused investment in bespoke software and hardware for more than a decade, Ocado has developed an advanced, highly-automated grocery fulfilment system. Promisingly, it is now starting to export its technology platform to markets outside the UK and has signed agreements with leading grocery retailers in the US, Japan, France, Sweden, Canada and Australia. We do not think the current valuation is reflective of the long-term potential for the technology platform to unlock a significant share of the global online food retail market. And the fund raising we took part in further strengthens their balance sheet to allow them to invest and capitalise on these opportunities.
Richemont	We took a new position in Richemont for the portfolio. Richemont is the world's leading hard luxury goods company, with well entrenched leadership in jewellery (Cartier, Van Cleef & Arpels) and watches (Cartier, Piaget, Baume & Mercier). We have long admired the strength of its businesses, all of which are focused on brand heritage and long-term development. We also believe minority shareholders have been closely aligned with the key shareholder, the Rupert family, and have been well looked after over time as the group has increasingly focused on its key luxury brands.
Roblox	We have taken a new holding in Roblox for the portfolio. We believe this User Generated Content game company faces a long runway for growth in bookings because of the multiple monetisation drivers available to it. This includes growth of traditional in-game transactions, initiatives underway to expand supply in the avatar marketplace, and partnerships with brands and musicians which have the potential to unlock significant and underappreciated revenue streams. At the same time, there is meaningful scope to grow the user base as Roblox has shown early evidence of ability to expand beyond its historic user base of young children, while also growing its user base in new geographies. This growth has been primarily organic with very little customer acquisition cost, which underpins attractive free cash margins. Finally, the company's founder has demonstrated admirable persistence and long-termism in sticking to his vision, and has taken a thoughtful and original systems-based approach to business structure which we believe raises the likelihood that the company can continue adapting over long periods.

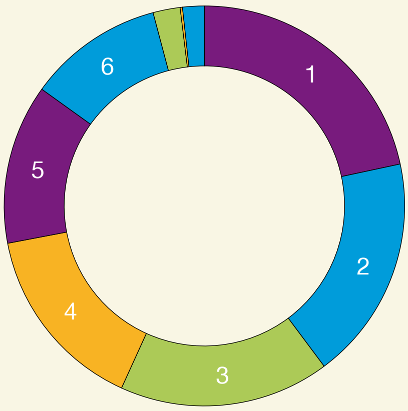
Sabre Insurance Gp	Sabre Insurance is a specialist UK motor insurer with an outstanding underwriting track record which appears to be achieved through a relentless focus on pricing risks correctly as, unlike many other businesses, it does not make significant amounts from selling ancillary products. Having shrunk in recent years as the motor market has seen inadequate price rises to offset rising costs of claims, we think that a reckoning is coming for other insurers that have not been as prudent, which could bode well for Sabre's growth profile in the next few years. In the meantime, it has managed to find growth avenues in the motorcycle and taxi markets through well-timed and very low cost distribution deals with specialist brokers in both markets.

Complete Sales

Stock Name	Transaction Rationale
Ashtead 4% 2028 (144A)	Ashtead, the UK headquartered equipment rental business with the bulk of its activities in the US, has proven very resilient to the ups and downs of a cyclical industry and seen steady improvements in its credit rating and market perception over time. As a result its bonds have performed well and have been used as a source of funding.
BHP Group Ltd - DI	Following the decision to unify its previous dual corporate structure under the Australian arm, we have been left with a holding that is no longer classified as a UK stock. To remain owners we needed to have a strong conviction in the business but as the shares have performed well this year, partly helped by its exposure to the oil price, and there no longer being a discount between the UK and Australian share prices of the company, we have decided to sell the holding and invest in businesses where we have a stronger conviction.
JD.com	We sold this small holding in Chinese e-commerce retailer, JD.com which was spun off by Tencent.
Kakaku.com	Kakaku.com operates a series of price and service comparison websites in Japan as well as a restaurant listing site, Tabelog. We think that competition in its core markets is likely to increase, and while we note promising new businesses elsewhere in the Kakaku group, we do not think these will be enough to maintain growth at a satisfactory level. We therefore decided to sell the holding.

Fund Name	Update
Baillie Gifford Managed Fund	Fixed income markets continue to be volatile with inflationary pressures building but the spectre of a recession is looming large as central banks supress demand with tighter monetary policy. Bond yields rose significantly once again during the quarter (with a resultant price decrease) before falling back sharply in the final few days of June as the recessionary narrative came to dominate. Against this backdrop we have kept the fixed income portion of the Fund reasonably close to neutral in terms of exposure to changes in government bond yields, given such an uncertain outlook. The Fund retains exposure to select emerging markets, particularly ones which have already tightened monetary policy to combat inflation such as Peru, Brazil and Chile. To protect against the risk of a global recession we increased the position in Japanese yen during the quarter, which we expect to appreciate strongly as a safe-haven currency. The Fund remains underweight investment grade corporate bonds in favour of select high yield bonds. Slowing growth and higher bond yields are likely to put pressure on some lower-rated companies, particularly those which need to refinance, and default rates are expected to rise from low levels. However, in some cases we believe some good quality companies are now offered on very attractive yields. Our approach seeks to identify those with high levels of resilience which can survive during periods of stress and offer greater levels of compensation than their higher-rated peers. An example purchased during the quarter was Venture Global Calcasieu, a new liquid natural gas export terminal in southern USA. The company has already secured six blue-chip clients on 20-year supply contracts and, in our view, there is a strong likelihood of a significant rating upgrade to investment grade status.

Geographic Exposure



		%
1	UK	21.6
2	Europe (ex UK)	18.2
3	Overseas Bonds	17.0
4	North America	15.2
5	Developed Asia Pacific	12.9
6	Emerging Markets	11.0
7	UK Bonds	2.2
8	Index Linked	0.2
9	Cash & Derivatives	1.7

A negative cash position may sometimes occur due to obligations awaiting settlement.

Top Ten Equity Holdings

Stock Name	Description of Business	% of Portfolio
Prosus	Portfolio of online consumer companies including Tencent	1.4
Tesla Inc	Electric vehicles, autonomous driving and energy company	1.2
AstraZeneca	Multinational pharmaceuticals company	1.1
The Trade Desk	Advertising technology company	1.1
Diageo	International drinks company	1.1
Moderna	A clinical stage biotechnology company	1.0
TSMC	Semiconductor manufacturer	1.0
Rio Tinto	Metals and mining company	1.0
St. James's Place	UK wealth manager	1.0
Bunzl	Distributor of consumable products	0.9
Total		10.8

Voting Activity

Votes Cast in Favour		Votes Cast Against		Votes Abstained/Withheld	
Companies	137	Companies	20	Companies	8
Resolutions	1886	Resolutions	43	Resolutions	18

In the absence of an agreed definition of Environmental, Social & Governance (ESG), it is important for investors to be transparent, honest and clear about what they are doing
Ratings should be used with caution or as an input to a more comprehensive analysis process
We should stay focused on the potential for real-world change rather than just trying to look good based on today's numbers

Company Engagement

Engagement Type	Company
Corporate Governance	ASML Holding N.V., Adyen N.V., AstraZeneca PLC, Babcock International Group PLC, Hargreaves Lansdown plc, Housing Development Finance Corporation Limited, James Fisher and Sons plc, Marks and Spencer Group plc, Meituan, Moderna, Inc., NIBE Industrier AB (publ), PT Bank Rakyat Indonesia (Persero) Tbk, PageGroup plc, Rio Tinto Group, Sabre Insurance Group plc, Shopify Inc., St. James's Place plc
Environmental/Social	ASML Holding N.V., Alcoa Corporation, Allegro.eu, Amazon.com, Inc., Antofagasta plc, Ashtead Group plc, Breedon Group plc, CEMEX, S.A.B. de C.V., Duolingo, First Quantum Minerals Ltd., Kingspan Group plc, Li Ning Company Limited, Moderna, Inc., Rightmove plc, Ryanair Holdings plc, Samsung Electronics Co., Ltd., Tesla, Inc., The Weir Group PLC, Wayfair Inc., Wizz Air Holdings Plc
AGM or EGM Proposals	Abcam plc, Amazon.com, Inc., Atlas Copco AB, Carvana Co., Cloudflare, Inc., Dassault Systèmes SE, Delivery Hero SE, Fraport AG, HEXPOL AB (publ), HomeServe plc, Informa plc, Just Eat Takeaway.com N.V., Keyence Corporation, Kingspan Group plc, Kuehne + Nagel International AG, LendingTree, Inc., MISUMI Group Inc., Makita Corporation, MarketAxess Holdings Inc., Mettler-Toledo International Inc., Moderna, Inc., Murata Manufacturing Co., Ltd., NextEra Energy, Inc., Nidec Corporation, Ocado Group plc, Penumbra, Inc., Recruit Holdings Co., Ltd., Redfin Corporation, Rio Tinto Group, Roblox Corporation, Schibsted ASA, Shopify Inc., Standard Chartered PLC, The Trade Desk, Inc., Trainline Plc, Ubisoft Entertainment SA, Z Holdings Corporation
Executive Remuneration	Informa plc, Persimmon Plc, Trainline Plc

Asset Name	Fund %
Equities	
UK	
AstraZeneca	1.13
Diageo	1.06
Rio Tinto	0.98
St. James's Place	0.96
Bunzl	0.92
Unilever	0.77
Prudential	0.73
Legal & General	0.72
RELX	0.67
Inchcape	0.62
Baillie Gifford British Smaller Cos Fund C Acc	0.59
Standard Chartered	0.55
HomeServe	0.54
Rightmove	0.52
Howden Joinery Group	0.51
Hikma Pharmaceuticals	0.51
Auto Trader	0.48
Experian	0.48
Persimmon	0.46
Burberry	0.43
Weir	0.41
Ashtead	0.37
Informa	0.37
Lancashire Holdings	0.36
Marks & Spencer	0.34
PageGroup	0.34
Hiscox	0.29
Intermediate Capital Group	0.28
Hargreaves Lansdown	0.28
Just Group	0.27
IG Group	0.26
Volution Group	0.26
Victrex	0.23
Halma	0.22
Babcock International	0.22
Melrose Industries	0.21
Bodycote	0.20
FDM Group	0.20
Genus	0.20
Trainline Plc	0.19
Euromoney Institutional Investor	0.19

Asset Name	Fund %
Bellway	0.19
Games Workshop Group	0.19
Close Brothers	0.18
Breedon Group	0.18
Abcam	0.18
Schroders Nv.	0.17
Molten Ventures	0.16
Renishaw	0.15
Enquest	0.14
Helical	0.12
Ocado	0.11
Keller	0.11
Wise Plc	0.10
IntegraFin	0.10
Sabre Insurance Gp	0.10
Just Eat Takeaway.com	0.06
Exscientia Ltd ADR	0.04
Fisher (James) & Sons	0.04
Total UK	21.64

North America	
Tesla Inc	1.21
The Trade Desk	1.06
Moderna Inc	1.04
Amazon.com	0.90
Shopify 'A'	0.69
CoStar Group	0.52
NVIDIA	0.49
Illumina	0.47
Abiomed	0.47
Watsco Inc	0.46
First Republic Bank	0.41
Netflix Inc	0.40
Alnylam Pharmaceuticals	0.40
Zoom	0.38
Workday Inc	0.36
Snowflake Inc	0.34
Novocure Ltd	0.34
Roku	0.34
Datadog	0.33
Twilio Inc	0.33
Cloudflare Inc	0.33
Chewy	0.31

Asset Name	Fund %
Wayfair Inc	0.28
Denali Therapeutics	0.24
MarketAxess Holdings	0.24
Appian Corp	0.23
Duolingo Inc	0.22
Doordash Inc	0.21
Chegg	0.21
Penumbra Inc	0.19
Coursera Inc	0.18
Snap Inc	0.17
10X Genomics Inc Class A	0.16
Affirm Holdings Inc Class A	0.16
Hashicorp Inc	0.15
Pinterest	0.13
Teladoc	0.13
Ginkgo Bioworks Holdings Inc	0.12
Roblox	0.11
Rivian Automotive Inc	0.10
Lemonade Inc	0.09
Redfin	0.09
Peloton Interactive Inc	0.06
Recursion Pharmaceuticals Inc	0.06
Carvana	0.06
Sana Biotechnology Inc	0.04
Total North America	15.22

Europe (ex UK)	
Prosus N.V.	1.45
Adyen Nv	0.79
Sartorius Stedim Biotech	0.75
ASML	0.74
IMCD Group NV	0.73
Kingspan Group	0.70
Kering	0.68
Avanza Bank Holding	0.67
Atlas Copco B	0.65
Schibsted B	0.63
Mettler-Toledo	0.63
Richemont	0.61
Hexpol AB	0.53
DSV	0.49
Ryanair	0.49
Adevinta	0.47

Asset Name	Fund %
Allegro.eu	0.45
Nibe Industrier AB 'B' Shares	0.44
Reply Spa	0.44
Kinnevik	0.44
adidas	0.42
Dassault Systemes	0.42
Zalando SE	0.39
Nexans	0.37
Takeaway.com	0.36
Spotify Technology SA	0.35
FinecoBank Banca Fineco S.p.A.	0.33
Epiroc B	0.33
Delivery Hero AG	0.31
Rational	0.29
Wizz Air Holdings Plc	0.27
Ubisoft Entertainment	0.27
Auto1 Group Se	0.26
HelloFresh SE Ordinary	0.25
Kuehne & Nagel	0.24
Beijer Ref	0.22
Aker Horizons	0.19
Ryanair ADR	0.10
Total Europe (ex UK)	18.16

Developed Asia Pacific	
Baillie Gifford Japanese Smaller Cos Fund C Acc	0.84
Olympus	0.65
Hong Kong Exchanges & Clearing	0.57
United Overseas Bank	0.56
SMC	0.47
Shiseido	0.45
Shimano	0.45
SBI Holdings	0.44
MS&AD Insurance	0.44
SoftBank Group	0.44
Washington Soul Pattinson	0.35
James Hardie Industries	0.34
Recruit Holdings	0.34
BHP Group Ltd (Aus. listing)	0.33
Galaxy Entertainment Group	0.33
AIA Group	0.31
Sugi Holdings	0.31
Techtronic Industries	0.31

Asset Name	Fund %
Murata	0.30
Denso	0.27
Cochlear	0.25
FANUC	0.25
Unicharm	0.25
Fast Retailing	0.24
CyberAgent Inc	0.22
Treasury Wine Estates	0.22
Nintendo	0.22
Nidec	0.22
Tsingtao Brewery 'H'	0.21
Makita Corporation	0.21
REA Group	0.18
Keyence	0.18
Xero Ltd	0.17
Sysmex Corp	0.17
Misumi	0.16
Ryman Healthcare Ltd	0.15
Hoshizaki Corp	0.14
Z Holdings Corp	0.13
MonotaRO Co	0.13
Pigeon	0.13
Kobe Bussan Co Ltd	0.12
Asahi Group Holdings	0.11
Suzuki Motor Corp	0.11
Thai Beverage PCL (Singapore)	0.10
freee K.K.	0.10
iFAST Corp	0.05
Mesoblast	0.02
Total Developed Asia Pacific	12.91
Emerging Markets	
TSMC	1.00
Tencent	0.84
Alibaba Group Holding	0.77
Li Ning	0.77
Petrobras Common ADR	0.70
Meituan	0.68
Samsung Electronics	0.64
Reliance Industries Ltd	0.58
Ping An Insurance	0.53
Samsung SDI Co Ltd	0.51
Bank Rakyat Indonesia	0.49

Asset Name	Fund %
Geely Automobile Holdings	0.44
MercadoLibre	0.44
B3 S.A.	0.40
Grupo Financiero Banorte O	0.37
HDFC Corp	0.35
Cemex ADR	0.33
ICICI Prudential Life Insurance	0.31
First Quantum Minerals	0.28
NAVER Corp	0.21
SEA Ltd ADR	0.20
Zai Lab HK Line	0.08
Norilsk Nickel ADR	0.00
Sberbank Spon ADR	0.00
Total Emerging Markets	10.95
Total Equities	78.88
Fixed Income	
UK Bonds	
Credit	2.19
Total UK Bonds	2.19
Overseas Bonds	
Credit	6.65
Government	10.34
Index Linked	0.19
Total Overseas Bonds	17.18
Total Fixed Income	19.37
Cash & Derivatives	
Cash & Derivatives	1.75
Total Cash & Derivatives	1.75
Total Fund	100.00

Please note the fund information contained within this document is confidential, proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

As at March 3rd 2022, five Russian holdings have been valued at zero by our Fair Value Pricing Committee due to the ongoing issues in the Russian market: Magnit, Norilsk Nickel, Moscow Exchange, Ozon and Sberbank.

Share Class	Share Class Inception Date	ISIN	SEDOL	Annual Management Fee (%)	Ongoing Charge Figure (%)
Class B-Acc	01 April 1987	GB0006010168	0601016	0.40	0.42
Class B-Inc	01 April 1987	GB0006007909	0600790	0.40	0.42

Charges will reduce the value of your investment. Please refer to the Prospectus and Key Investor Information Document for further details.

Risk Warnings

Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the Fund, and any income from it, can fall as well as rise and investors may not get back the amount invested. The specific risks associated with the Fund include:
— Custody of assets, particularly in emerging markets, involves a risk of loss if a custodian becomes insolvent or breaches duties of care.
— The Fund invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
— Bonds issued by companies and governments may be adversely affected by changes in interest rates, expectations of inflation and a decline in the creditworthiness of the bond issuer. The issuers of bonds in which the Fund invests, particularly in emerging markets, may not be able to pay the bond income as promised or could fail to repay the capital amount.
— The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.
— Derivatives may be used to obtain, increase or reduce exposure to assets and may result in the Fund being leveraged. This may result in greater movements (down or up) in the price of shares in the Fund. It is not our intention that the use of derivatives will significantly alter the overall risk profile of the Fund.
— The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further details of the risks associated with investing in the Fund can be found in the Key Investor Information Document or the Prospectus, copies of which are available at bailliegifford.com.

Additional Fund Information

The Fund is a sub-fund of the Baillie Gifford UK & Balanced Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund although custodian transaction costs are included. Further explanation of all the charges and costs relating to this Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document which is available through our website, bailliegifford.com.

Active Share is a measure of how actively managed a Fund is and is calculated by taking 100 minus the % of the Fund that overlaps with the comparative index. An active share of 100 indicates no overlap with the comparative index and an active share of zero indicates a portfolio that tracks the comparative index. The comparative index for this Fund is the median of The Investment Association Mixed 40-85% Shares Sector. As this is a peer group benchmark, and therefore stock-level data is unavailable, we instead use an appropriately weighted composite of representative indices to estimate active share.

Turnover is calculated by taking the smaller figure of either total purchases or total sales for the month and dividing it by an average market value. The Annual Turnover is then calculated as the sum of the monthly turnover figures for the 12 month period.

Throughout the report, all figures are rounded, so any totals may not sum. Not all stocks mentioned may be held by the portfolio.

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Further Information

Any comments expressed in this report should not be taken as a recommendation or advice. This report does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document and Supplementary Information Document and decide whether to contact an authorised intermediary. This document is issued by Baillie Gifford & Co Limited, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, a company which is authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179, and is a member of The Investment Association. Baillie Gifford & Co Limited is wholly owned by Baillie Gifford & Co, which is authorised and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorised and regulated by the Financial Conduct Authority.

Target Market

This Fund is suitable for all investors seeking a Fund that aims to deliver capital growth over a long-term investment horizon. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be suitable for investors who are concerned about short-term volatility and performance, seeking a regular source of income and investing for less than five years. This Fund does not offer capital protection.

Additional Geographical Location Information

Israel: This Report, as well as investment in the Fund described herein, is directed at and intended for Investors that fall within at least one category in each of: (1) the First Schedule of the Israeli Securities Law, 1968 ("Sophisticated Investors"); and (2) the First Schedule of the Investment Advice Law ("Qualified Clients").

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Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the below address, call our Client Relations Team on 0800 917 2113 or 0131 275 3499 (your call may be recorded for training or monitoring purposes), visit our website at bailliegifford.com or email crtallenquiries@bailliegifford.com.

All information as at 30 June 2022 and source is Baillie Gifford & Co unless otherwise stated.

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
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Managed Fund

BAILLIE GIFFORD | Managed Fund

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The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

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Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

Baillie Gifford & Co claims compliance with the Global Investment Performance Standards (GIPS®). All performance data presented is supplementary to an appropriate compliant composite presentation. An example of a compliant composite presentation has been included for your reference. A complete list of the Firm's composites and performance results is available on request.

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Past Performance

Past performance is not a guide to future returns. Changes in investment strategies, contributions or withdrawals may materially alter the performance, strategy and results of the portfolio.

Potential for Profit and Loss

All investment strategies have the potential for profit and loss.

Stock Examples

Any stock examples, or images, used in this presentation are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us.

Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style.

Registered Office:

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, Scotland
Telephone: +44 (0)131 275 2000 bailliegifford.com

The investment world looks like a big puzzle. We keep things really simple.

Simple

Active equities and bonds plus cash

Successful

Investing in growth since 1987

On your side

Ongoing charge: 0.42%*

*Based on B Inc share class. As at 30 June 2022.

Managed Fund overview

Our focus

Picking equities and bonds for the long term

Objective

To achieve capital growth over rolling five-year periods

Very tough 12 months

Difficult market backdrop

Fund down 28.0% over 12 months to end June, 21.6% behind peer group*

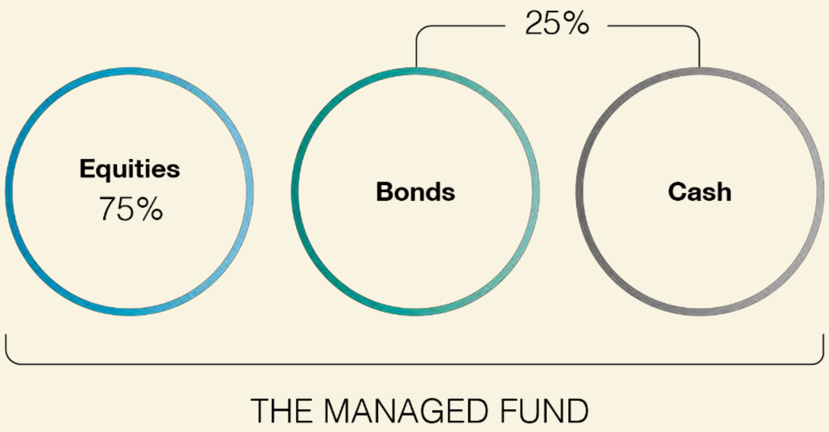
Fund

£6.2bn as at 30 June 2022

*Source: StatPro,FE. Net of fees. As at 30 June 2022. Peer group refers to IA 40-85% Shares Sector Median.

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

Balance and simplicity



This Fund is rated by Rayner Spencer Mills Research, for more information go to:

www.rsmgroup.co.uk*

This Fund has a Defaqto Risk Rating of 6, for more information go to:

www.defaqto.com*

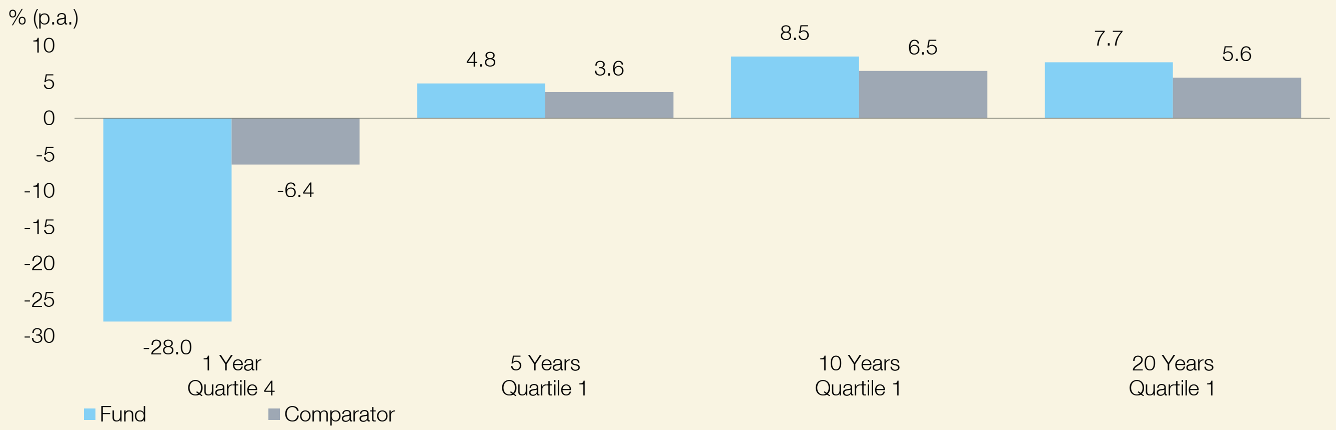
This Fund is rated as a Premium Fund by Dynamic Planner, for more information go to:

www.DynamicPlanner.com*

*These ratings are designed for use by professional advisers and intermediaries as part of their advice process. These ratings are not a recommendation to buy. If you need further information or are in doubt then you should consult a professional adviser.

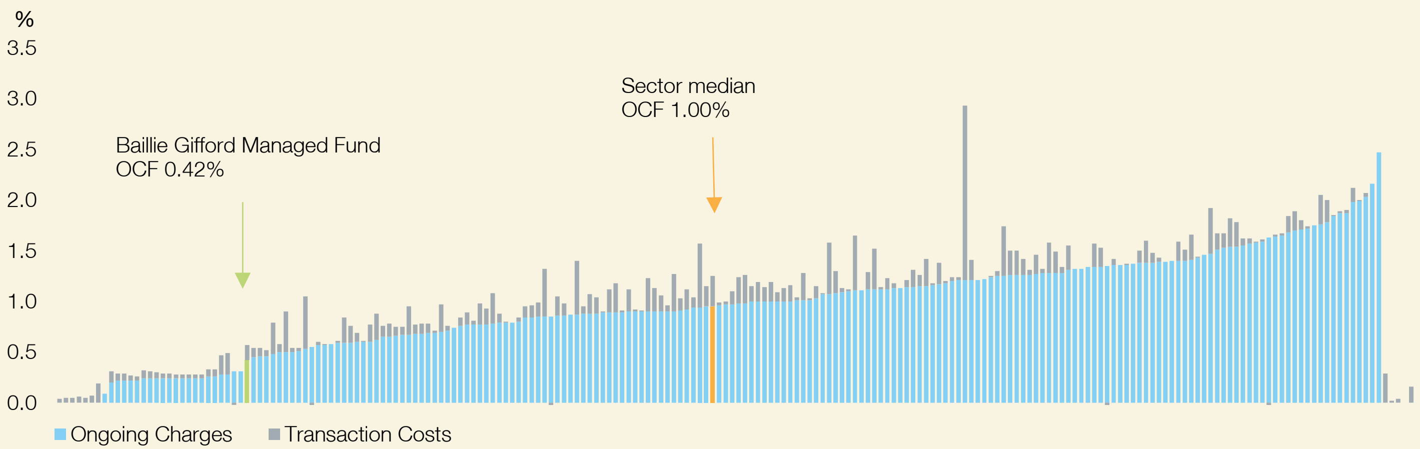
Simplicity works, complexity costs

Managed Fund performance – net of fees



Source: StatPro, FE. As at 30 June 2022. Managed Fund B Inc, sterling.
Comparator refers to Comparator Benchmark: IA Mixed Investment 40%-85% Shares Sector Median (Net) (CAPS Pooled Median (Net) to 30 September 2004, IA Balanced Median Quarterly (Net) to 30 June 2009).

Ongoing charges – IA Mixed Investment 40-85% Shares Sector

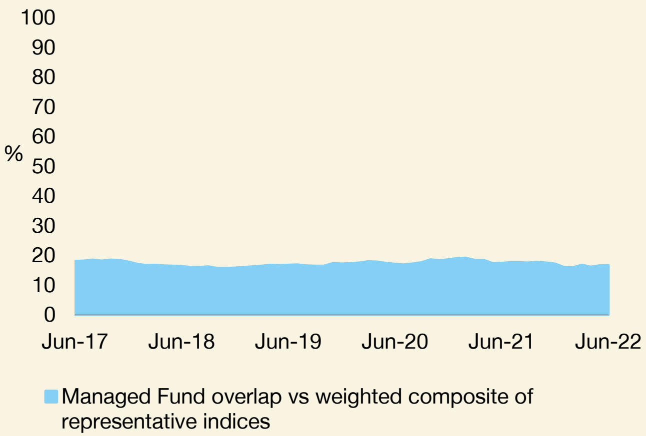


Source: FE. Data ran on 7 July 2022.

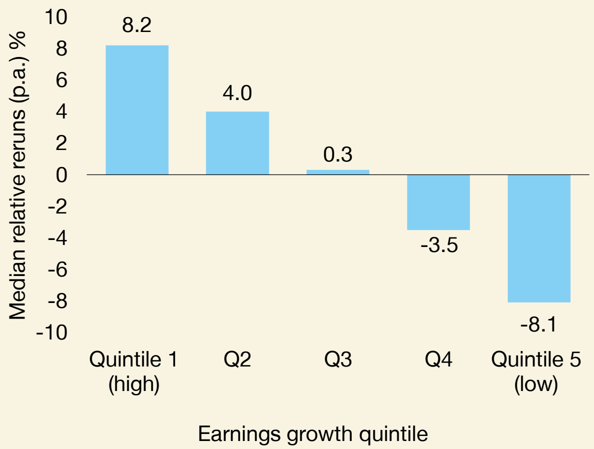
Investing with optimism

ACTIVE **GROWTH** **LONG TERM**

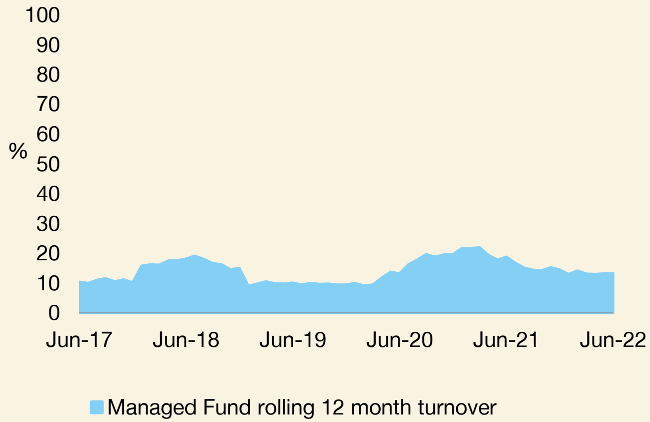
Low overlap with index*



Share prices follow earnings**

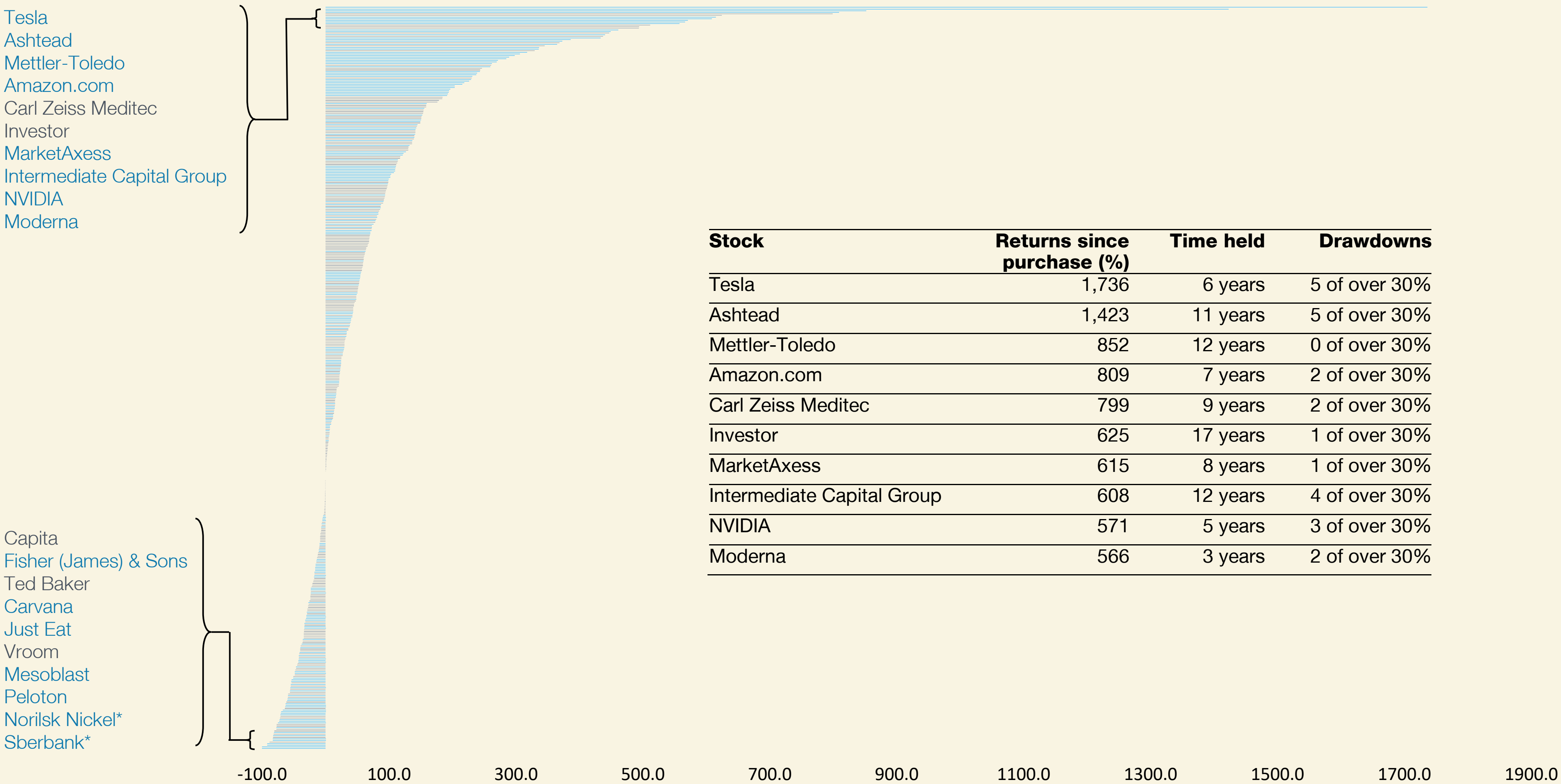


Low turnover*



*Source: Baillie Gifford & Co, MSCI.
**Source: FactSet, FTSE, MSCI. US dollars. The universe consists of all stocks listed in the FTSE World and MSCI ACWI Indices at each starting point excluding repetitions. Median total returns by earnings growth quintile. Rolling five-year horizons. (1992 – 2021).

Asymmetric returns



Stock	Returns since purchase (%)	Time held	Drawdowns
Tesla	1,736	6 years	5 of over 30%
Ashtead	1,423	11 years	5 of over 30%
Mettler-Toledo	852	12 years	0 of over 30%
Amazon.com	809	7 years	2 of over 30%
Carl Zeiss Meditec	799	9 years	2 of over 30%
Investor	625	17 years	1 of over 30%
MarketAxess	615	8 years	1 of over 30%
Intermediate Capital Group	608	12 years	4 of over 30%
NVIDIA	571	5 years	3 of over 30%
Moderna	566	3 years	2 of over 30%

Source: StatPro. Sterling.
Absolute return of Managed Fund equity stocks, 10 years to 30 June 2022. Stocks in blue are currently held. Stocks in grey have been sold. Some stocks were only held for part of the period.
*As at 03 March 2022, we are carrying these shares at a fair value of zero. We will continue to monitor the situation and comply with international sanctions: Norilsk Nickel and Sberbank.

Robust and repeatable investment process

BONDS

Steven Hay†
Rates and Currencies

Philip Annen
Rates and Currencies

Torcail Stewart
Credit

Governance & Sustainability

RESEARCH AND CONSTRUCTION

Equities

Bonds

POLICY SETTING GROUP

Cash

THE MANAGED FUND

Independent Risk Oversight

EQUITIES

Iain McCombie*†
UK

Iain Campbell*
Developed Asia

Kirsty Gibson
US

Stephen Paice
Europe

Andrew Stobart†
Emerging Markets

*Partner
†Policy Setting Group

How we think about ESG

Our firmwide core principles

Prioritisation of long-term value creation

A constructive and purposeful board

Long-term focused remuneration with stretching targets

Fair treatment of stakeholders

Sustainable business practices

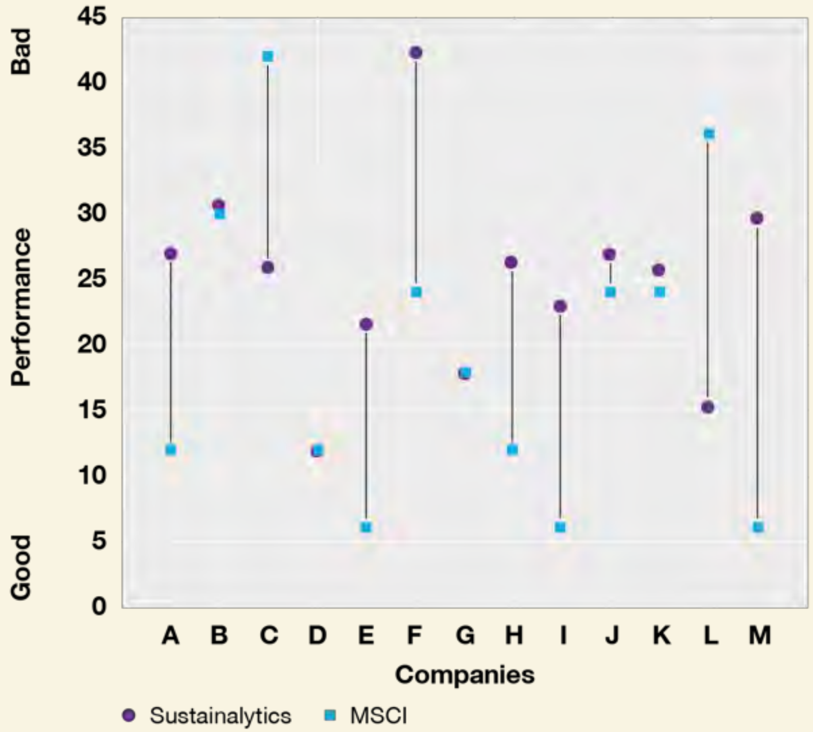
THE INVESTOR FORUM

PRI

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Signatory of: UK STEWARDSHIP CODE | 2021

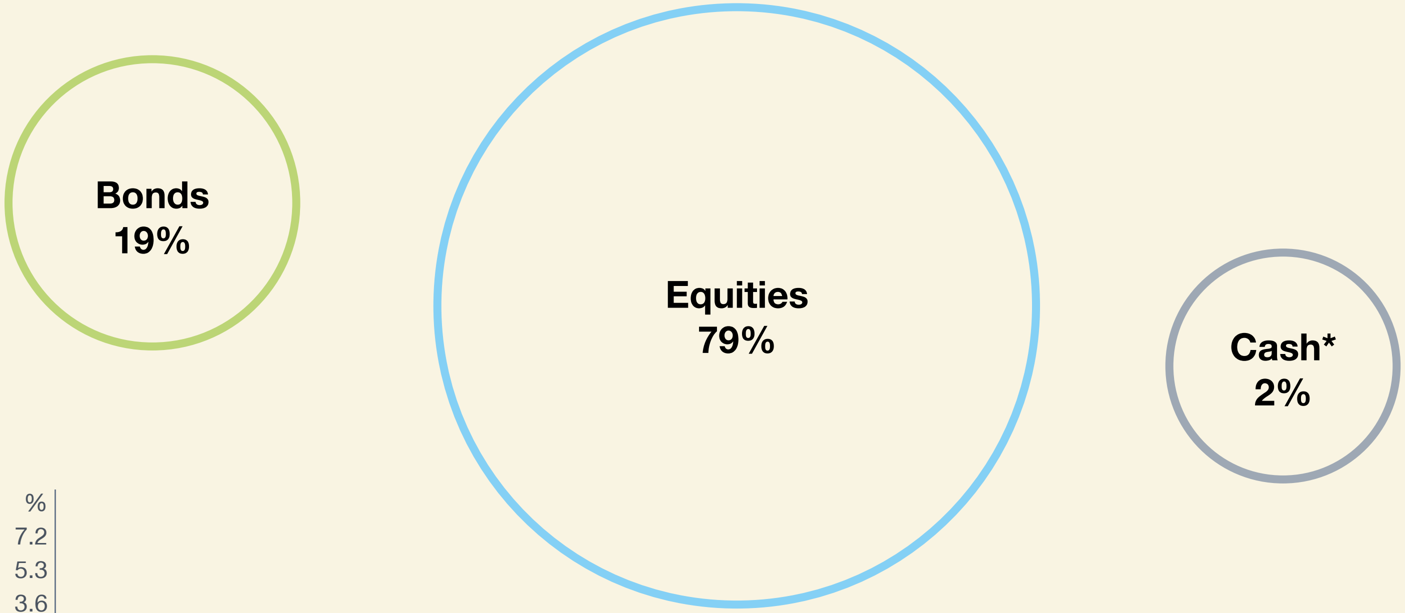
ESG scores: MSCI and Sustainalytics



Source: Baillie Gifford & Co, Sustainalytics, MSCI. Report date 9 May 2019. Above graph shows comparison of Sustainalytics and MSCI ESG scores for a range of different companies.

Culture trumps ESG metrics

Positioning



	%
DM Government	7.2
Investment Grade	5.3
High Yield	3.6
EM Government	3.1
Index-Linked	0.2

UK
21.6%

	%
AstraZeneca	1.1
Diageo	1.1
Rio Tinto	1.0
St James's Place	1.0
+ 55 holdings	

North America
15.2%

	%
Tesla Inc	1.2
The Trade Desk	1.1
Moderna Inc	1.0
Amazon.com	0.9
+ 42 holdings	

Europe (ex UK)
18.2%

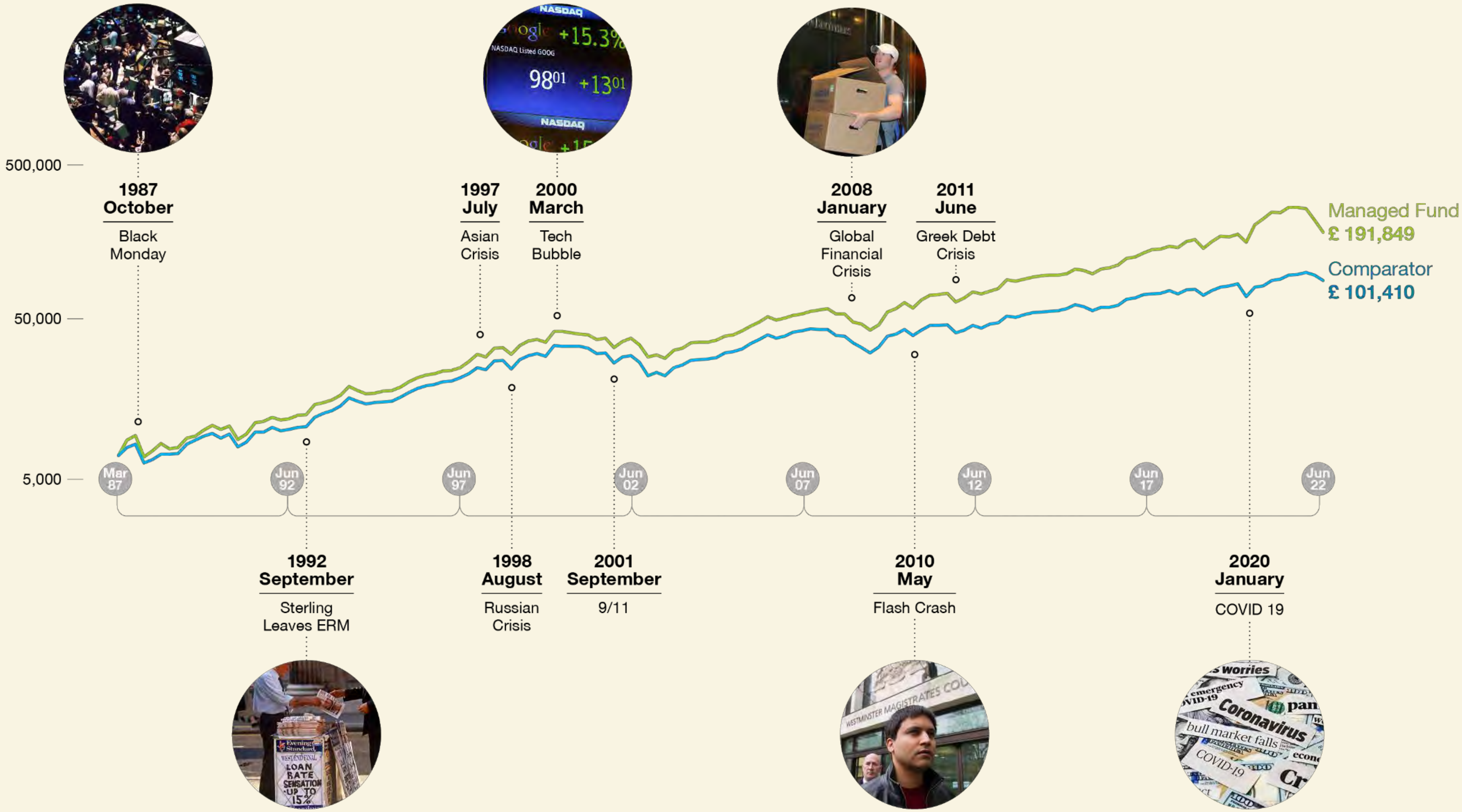
	%
Prosus	1.4
Adye	0.8
Sartorius Stedim Biotech	0.8
ASML	0.7
+ 34 holdings	

Developed Asia and EM
23.9%

	%
TSMC	1.0
Tencent	0.8
BG Japanese Smaller Fund	0.8
Alibaba	0.8
+ 67 holdings	

As at 30 June 2022.
*Includes derivatives.

Three decades of actual investing



Source: StatPro. Net of fees in sterling. Returns based on initial £10,000 investment and shown on a logarithmic scale. Comparator refers to Comparator Benchmark: IA Mixed Investment 40%-85% Shares Sector Median (Net) (CAPS Pooled Median (Net) to 30 September 2004, IA Balanced Median Quarterly (Net) to 30 June 2009).
31 March 1987 to 30 June 2022.

Appendices

Performance and attribution

Net investment returns to 30 June 2022

	Fund %	Comparator %	Difference %
Since inception* (p.a.)	8.7	6.8	+1.9
Ten years (p.a.)	8.5	6.5	+2.0
Five years (p.a.)	4.8	3.6	+1.3
Three years (p.a.)	1.9	3.1	-1.2
One year	-28.0	-6.4	-21.6
Quarter	-14.4	-7.0	-7.4

Figures may not sum due to rounding.

Annual discrete performance

	30/06/17-30/06/18	30/06/18-30/06/19	30/06/19-30/06/20	30/06/20-30/06/21	30/06/21-30/06/22
Fund (net) %	11.4	7.4	16.1	26.6	-28.0
Comparator %	4.9	3.7	0.0	17.2	-6.4

Top and bottom five absolute stock contributors One year to 30 June 2022

Name	Fund (avg. weight) %	Total Return %	Absolute Contribution %
Petrobras	0.7	50.5	0.2
US Treasury 2% 15/08/2025	1.7	6.6	0.1
Meggitt	0.3	63.4	0.1
HomeServe	0.3	26.1	0.1
Standard Chartered	0.3	36.6	0.1
Shopify	1.3	-75.7	-1.3
Wayfair	0.7	-84.3	-0.9
Zalando	0.7	-75.4	-0.7
Roku	0.5	-79.6	-0.6
The Trade Desk	1.1	-38.4	-0.6

Top and bottom five absolute stock contributors Five years to 30 June 2022

Name	Fund (avg. weight) %	Total Return %	Absolute Contribution %
Tesla	1.2	903.0	3.8
Amazon.com	1.7	134.6	2.5
Shopify	1.0	243.2	1.6
IMCD	1.0	184.6	1.1
Sartorius Stedim Biotech	0.6	336.0	1.1
Takeaway.com	0.3	-81.1	-0.5
Ryanair	0.6	-38.8	-0.4
Sberbank	0.3	-100.0	-0.4
Wizz Air	0.1	-67.5	-0.4
Twilio	0.2	-56.1	-0.4

Source: StatPro. As at 30 June 2022. Managed Fund B Inc, sterling
Comparator refers to Comparator Benchmark: IA Mixed Investment 40%-85% Shares Sector Median (Net) (CAPS Pooled Median (Net) to 30 September 2004, IA Balanced Median Quarterly (Net) to 30 June 2009). Some stocks only held for part of the period. The manager believes that an appropriate comparison for this Fund is the IA Mixed Investment 40-85% Shares Sector Median, given the investment policy of the Fund and the approach taken by the manager when investing the Fund's portfolio.
*31 March 1987.

Fundamental resilience vs share price volatility

Challenging and uncomfortable 12 months

Inflation, interest rates and sentiment shifts have had an indiscriminate effect

Weakness in high growth stocks and bonds; some issues at select holdings

Annual sales growth	**2022**	**2021**	**2020**
>50%	15%	15%	11%
25%-50%	23%	13%	13%
<25%	62%	72%	76%

Source: Baillie Gifford & Co, FactSet. Based on the equity portion of the Managed Fund. Sterling.

88% of equities profitable or free cash flow positive

Net debt to equity of 17% vs market's 50%

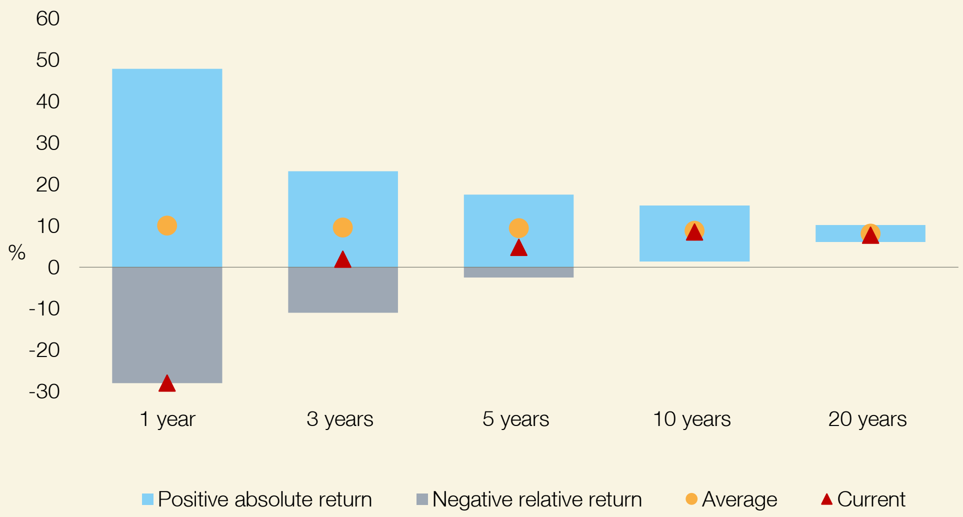
Investing for future growth

Source: Baillie Gifford & Co, FactSet. As at 30 June 2022.
Market refers to the Fund's strategic asset allocation: 75% equities, 20% bonds and 5% cash.

Long-term structural growth drivers intact, and spreading

Clients have benefitted from a longer horizon

Range of absolute returns over rolling periods (annualised)



Source: StatPro.
As at 30 June 2022. Net of fees.
The figures above show results after analysing annualised returns over each quarter for the Baillie Gifford Managed Fund (31 March 1987 to 30 June 2022).

Range of relative returns over rolling periods (annualised)

Source: StatPro.
As at 30 June 2022. Net of fees.
The figures above show results after analysing annualised returns over each quarter for the Baillie Gifford Managed Fund (31 March 1987 to 30 June 2022).vs IA Mixed Investment 40%-85% Shares Sector Median (Net) (CAPS Pooled Median (Net) to 30 September 2004, IA Balanced Median Quarterly (Net) to 30 June 2009)

ESG in action

Recent engagement

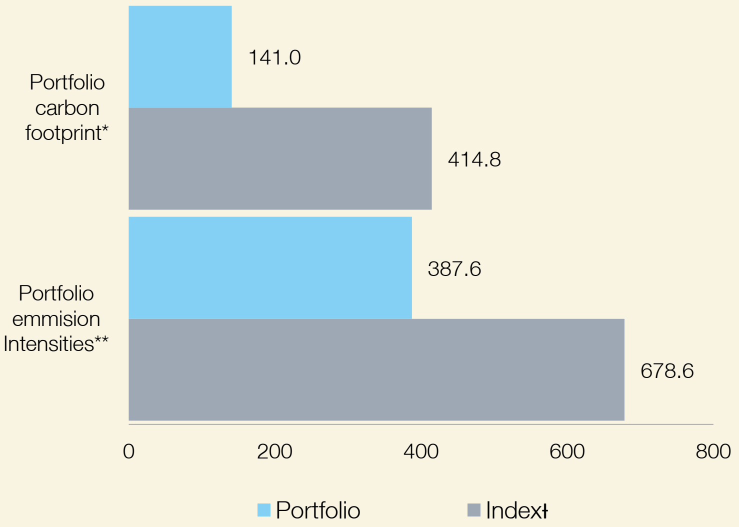
Environmental

Social

Governance

Logos courtesy of relevant company.

Managed Fund carbon footprint



Source: Baillie Gifford & Co, MSCI ESG Research, FactSet, Bloomberg Barclays, JP Morgan, MSCI.
As at 30 June 2022.
*Relative carbon footprint (tCO2e/GBP million invested).
**Weighted average carbon intensity (tCO2e/GBP Million Revenue).
†Fund's strategic asset allocation: 75% equity, 20% bond and 5% cash.

Looking ahead

Climate champions

Aker Horizons

Innovators

Atlas Copco

Improvers

Cemex

Notable transactions

New Buys

Ocado

Cemex

Richemont

Roblox

Complete Sales

Kakaku.com

JD.com

Additions

Kering

Schibsted

Reductions

Ashtead

IMCD

Notable equity transactions 3 months to 30 June 2022.

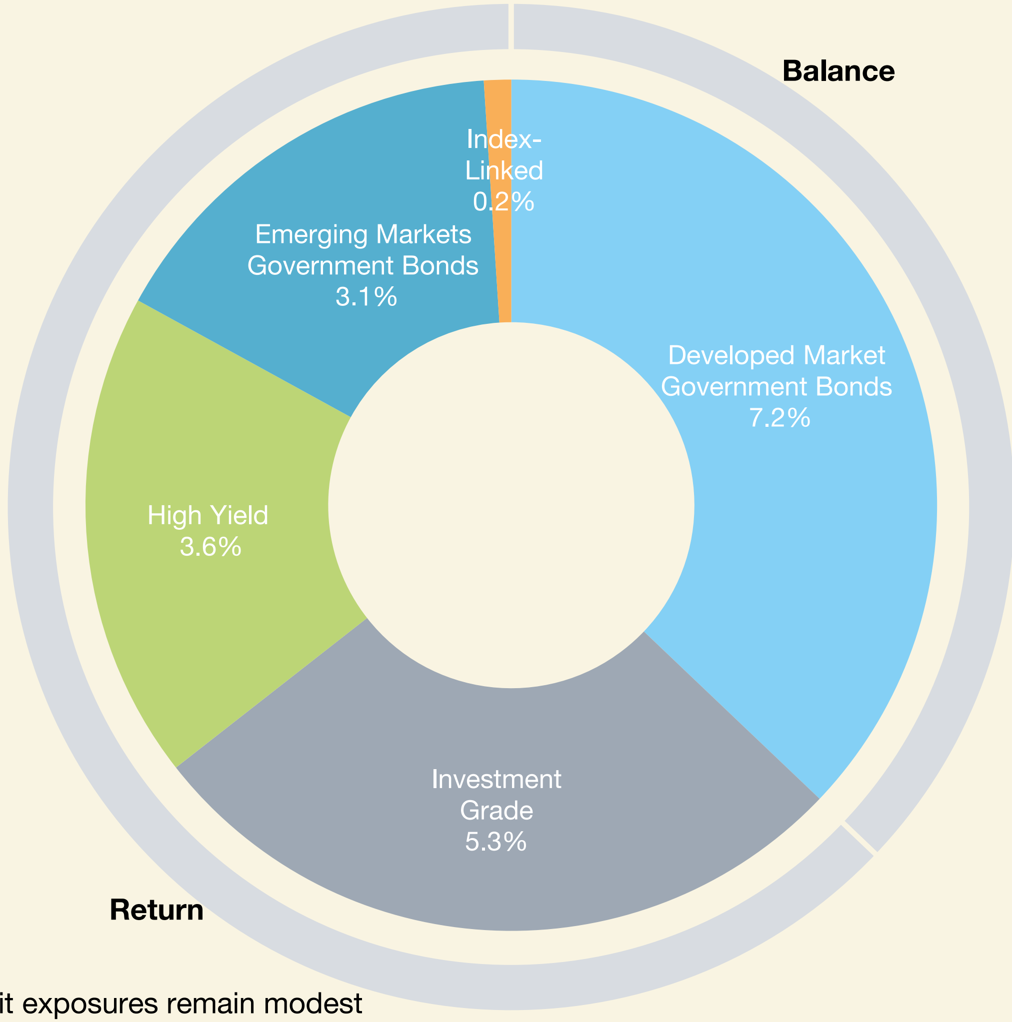
Fixed Income

Brazil

Yield: +12.9%
BB

Accor

Yield: +3.4%
B



US Treasury 2045

Yield: +3.4%
AAA

Helvetia

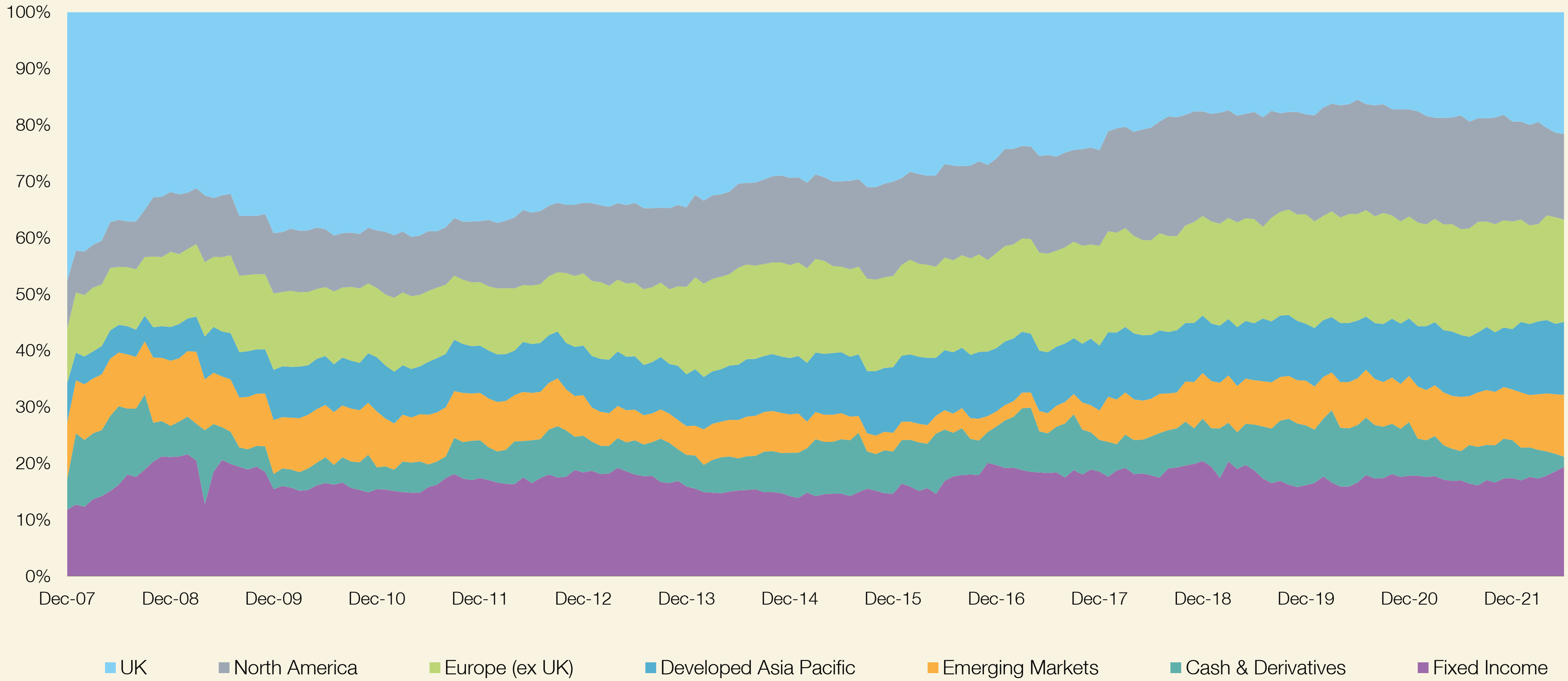
Yield: +4.0%
A

.

— Favour HY over IG but credit exposures remain modest
— Added to DM sovereigns, long EM exposures maintained
— Bonds and cash have delivered higher risk adjusted returns over 5 years*

As at 30 June 2022. Image sources: © iStockphoto.com/Phoenix0013, TarasVyshnya/Alamy Stock Photos, © Bloomberg/Getty Images and © Helvetia/damianpoffet.
*Per analysis as at 30 April 2022. Yield refers to redemption yields.

Asset allocation over time



Data 31 December 2007 to 30 June 2022.

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Contracting Entity

Baillie Gifford & Co Ltd

MSCI

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JP Morgan

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GIPS® Standards

Performance Results

Composite UK Balanced (max. 85% equities)
Benchmark IA Mixed Inv 40-85% Shares Sector Median (CAPS Median ex Property Prior to 30/06/16)
Currency GBP
Period Ended 31/12/2021

Year	Composite Return Gross of Fees %	Composite Return Net of Fees %	Benchmark Return %	No. of Portfolios	Composite Dispersion %	Composite 3 Yr Std Deviation (% p.a.)	Benchmark 3 Yr Std Deviation (% p.a.)	Composite Assets (million)	Firm Assets (million)
2021	4.7	4.1	11.1	1	N/A	12.4	10.4	8,952	325,493
2020	34.3	33.7	5.1	1	N/A	13.2	11.4	7,373	315,246
2019	20.9	20.3	15.8	1	N/A	8.6	6.6	4,452	211,445
2018	-1.8	-2.3	-6.0	1	N/A	8.7	7.2	3,328	167,814
2017	15.5	15.0	10.0	1	N/A	7.5	7.3	3,139	173,968
2016	17.9	17.3	19.3	3	N/A	8.0	7.8	2,640	140,946
2015	7.5	7.0	2.5	2	N/A	8.6	8.3	1,685	119,414
2014	4.6	4.0	5.2	2	N/A	8.1	7.6	1,672	111,036
2013	17.0	16.4	15.1	2	N/A	9.1	9.0	1,546	101,865
2012	13.4	12.8	10.3	2	N/A	10.1	10.5	1,307	82,021

Supplementary Information: Annualised Performance Results to 31/12/2021

	Composite Gross of Fees % p.a.	Composite Net of Fees % p.a.	Benchmark % p.a.
1 Year	4.7	4.1	11.1
3 Years	19.3	18.7	10.6
5 Years	14.0	13.5	6.9
10 Years	13.0	12.4	8.6
15 Years	10.3	9.8	6.6
Since Inception (30/09/2004)	11.1	10.5	8.1

These returns are supplemental to the composite presentation and are not verified by an independent third party.

GIPS® Standards

Disclosures

1. Baillie Gifford and Co claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Baillie Gifford and Co has been independently verified for the periods 1 Jan 94 - 31 Dec 21. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
2. For the purposes of applying the GIPS® Standards, the Firm is defined as Baillie Gifford and Co and all of its wholly or jointly owned affiliates. An investment management partnership founded in 1908, which specialises in managing equity, fixed income and multi-asset portfolios for a global client base.
3. The composite is defined as: All portfolios, investing on a multi asset basis but with a maximum of 85% of assets in equity stocks permitted, benchmarked to the IA Mixed Investment 40%-85% Shares Sector Median.
4. The composite inception date is 30 Sep 04. The composite was created on 3 Aug 06.
5. Internal dispersion is calculated using the asset-weighted standard deviation of the gross returns of all accounts included in the composite for the entire year; it is not presented for periods less than one year or when there were fewer than five accounts in the composite at year end. The three-year annualized ex post standard deviation measures the variability of the composite and the benchmark gross returns over the preceding 36-month period, it is not presented for periods of less than three years.
6. Gross of fees performance returns are presented before management and custodial fees but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable. Net of fees returns are calculated by deducting a model management fee of 0.042%, 1/12th of the highest management fee of 0.50%, from the monthly gross composite return. The highest fee currently charged for segregated portfolios invested in this strategy is 0.50% p.a. The management fee and total expense ratio for the UK OEIC, which is included in the composite, are 0.40% on all assets and 0.43%, respectively. This may not necessarily represent the actual fee charged.
7. Additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports is available on request.
8. The firm's list of composite descriptions, broad distribution pooled funds, and limited distribution pooled fund descriptions are available on request.
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10. Currency hedging may have been used in some of the portfolios in the composite. This occurs when it is felt that a currency is significantly over or undervalued, to protect the underlying assets in that currency.

Managed Fund

BAILLIE GIFFORD | *Managed Fund*

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It is not intended for use by retail clients.

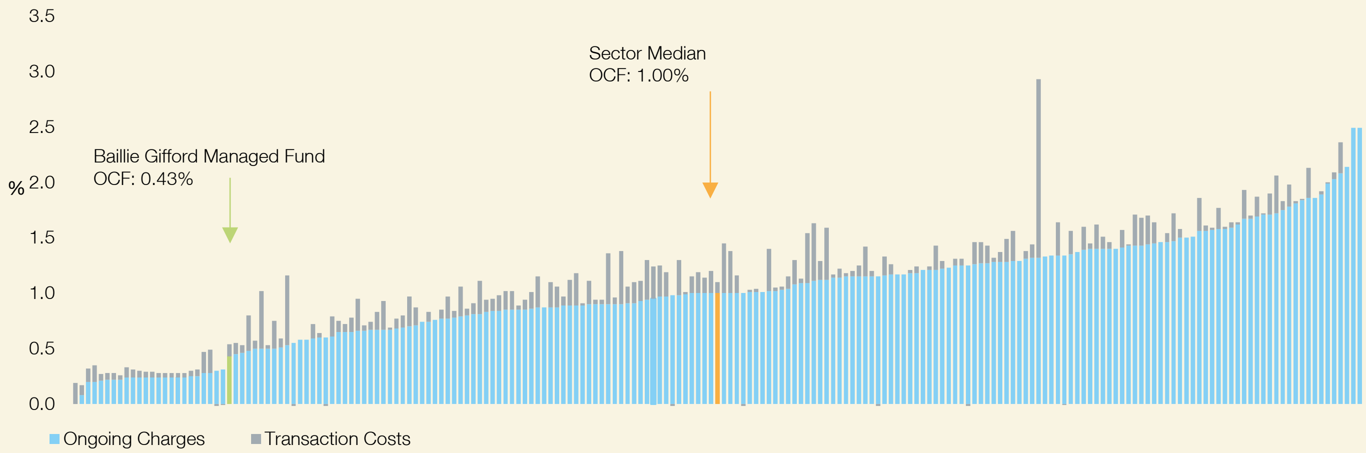
The Managed Fund – one stop access to the best of Baillie Gifford since 1987

Simple	Successful	On Your Side
Active equities and bonds plus cash	Investing in growth since 1987	Ongoing Charge: 0.43%*

*Based on B Inc share class, as at 31 July 2021.

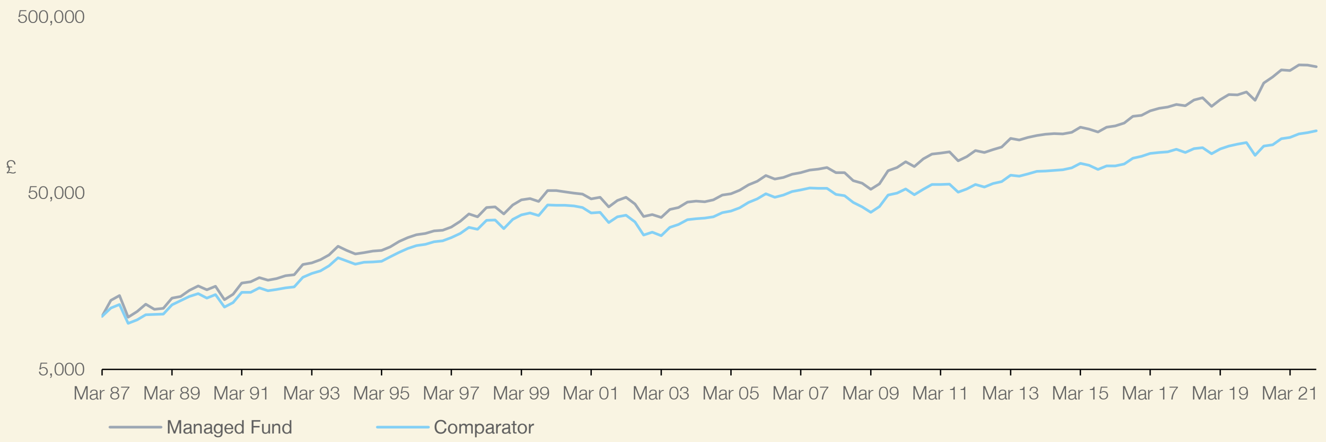
EQUITIES	Long term capital growth
BONDS	Balance for equities and deliver returns
CASH	Further diversification and optionality

Ongoing charges – IA mixed investment 40%-85% shares sector



Source: FE. Data run on 7 January 2021. Transaction costs are ex-ante.

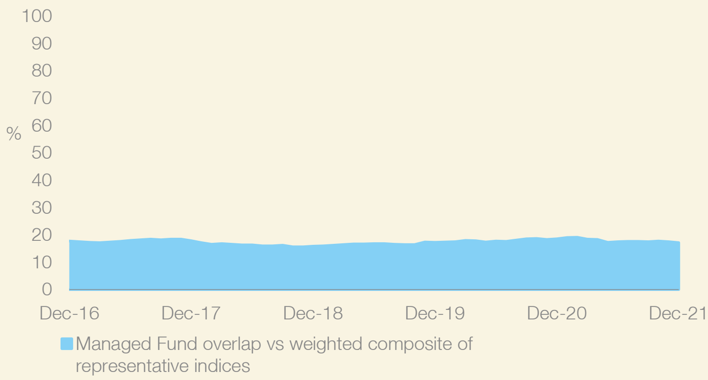
Net investment returns since inception* of Fund



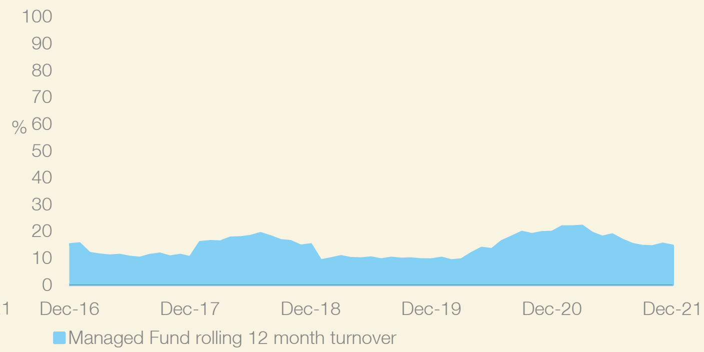
Past performance is not a guide to future returns.
Source: StatPro. Managed Fund B Inc, sterling. Returns based on £10,000 investment and shown on a logarithmic scale.
Data to 31 December 2021. *31 March 1987.
Comparator refers to Comparator Benchmark: IA Mixed Investment 40% – 85% Shares Sector Median (CAPS Pooled Median (Net) to 30 September 2004, IA Balanced Median Quarterly (Net) to 30 June 2009.)
The manager believes that an appropriate comparison for this Fund is the IA Mixed Investment 40 – 85% Shares sector median, given the investment policy of the Fund and the approach taken by the manager when investing the Fund's portfolio.

Differentiated investment philosophy

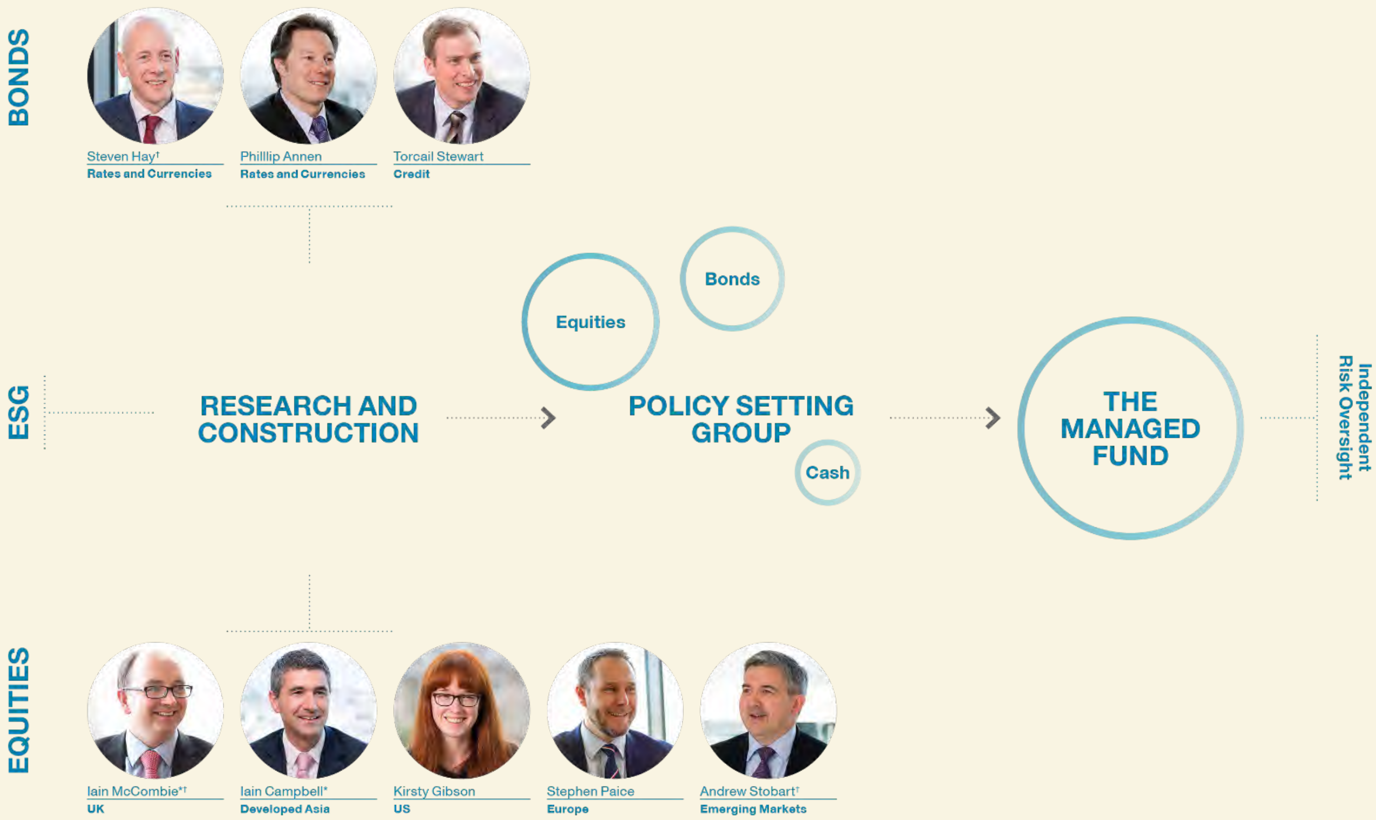
Low overlap with index



Low turnover



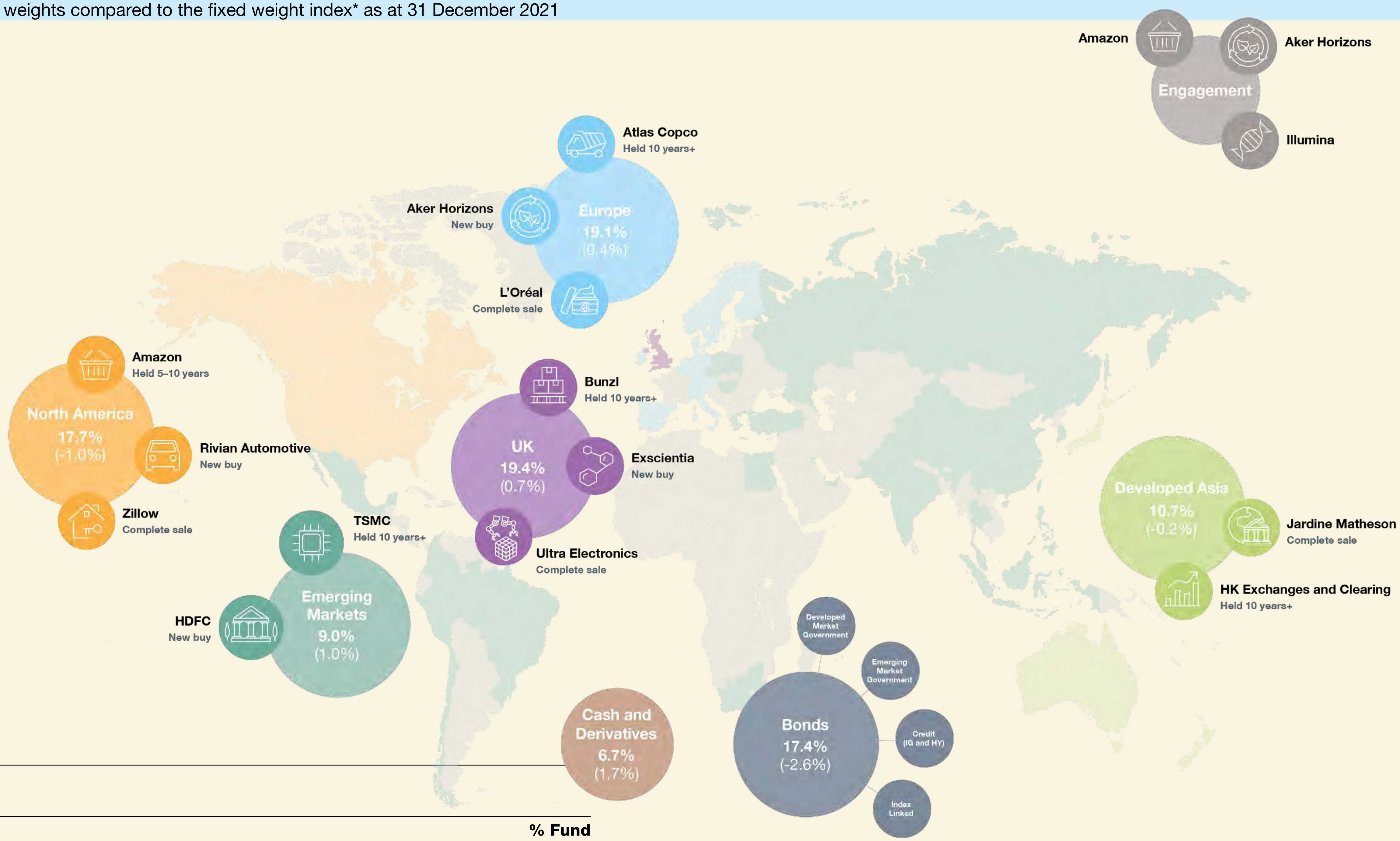
Robust and repeatable investment process



*Partner
†Policy Setting Group

Investing for the next 30 years and beyond

Regional weights and relative weights compared to the fixed weight index* as at 31 December 2021



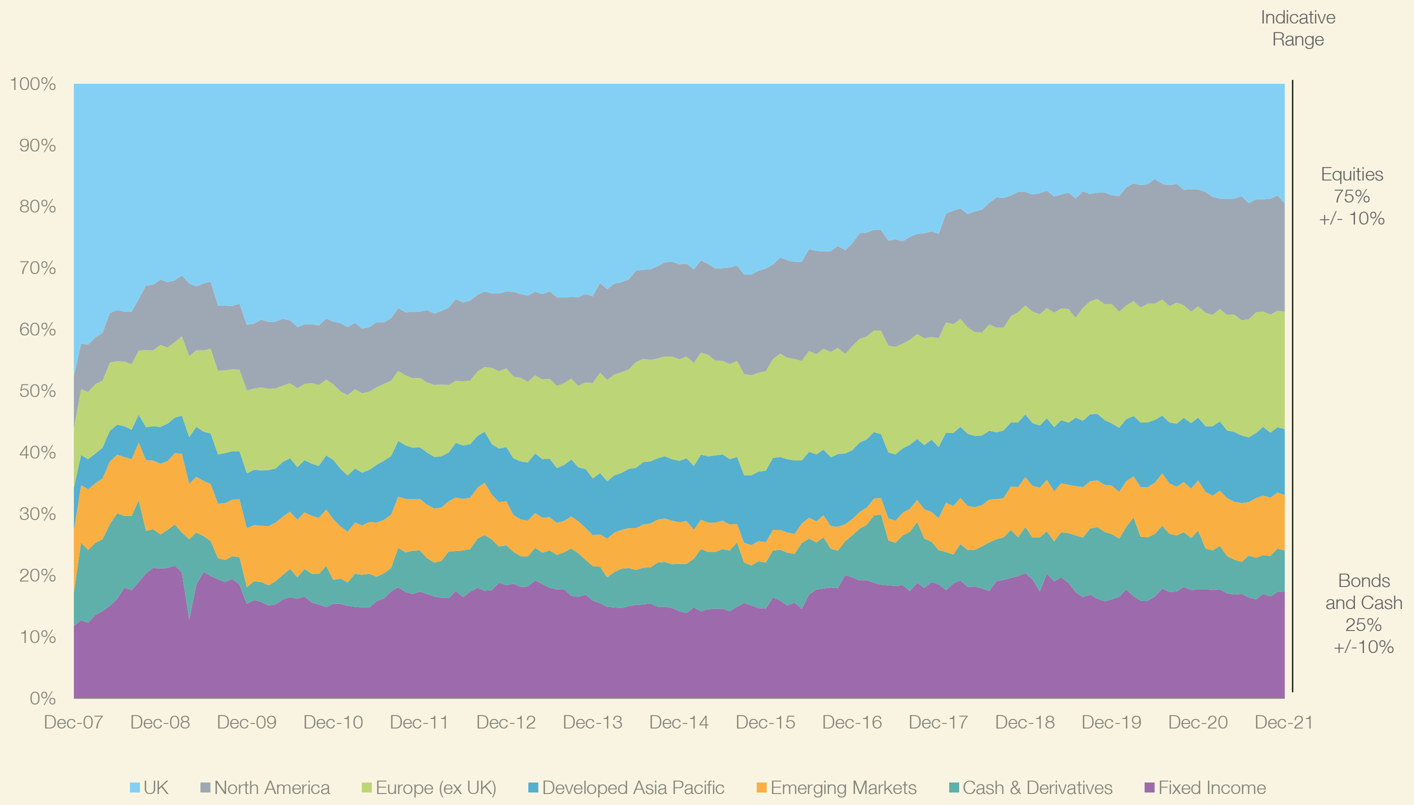
Top 10 portfolio holdings

Instrument Name	% Fund
US Treasury	3.0
Shopify	1.7
IMCD	1.4
The Trade Desk	1.3
USD Fwd Asset 27-Jan-2022 P	1.1
NIBE	1.1
ASML	1.1
Avanza Bank	1.1
JPY Fwd Asset 13-Jan-2022 P	1.0
Tesla	1.0

As at 31 December 2021

Source: Baillie Gifford & Co, Bloomberg Barclays, JP Morgan, MSCI.
*Measured relative to the Fund's Strategic Asset Allocation: 75% equities, 20% bonds and 5% cash. 75% equities comprised of: 56.2% UK, North America, Europe (ex UK) and Asia (of which 10.7% is Developed Asia and 9% is Emerging Markets). Relative weights are shown in brackets.
Notable transactions 1 year to 31 December 2021.

Asset allocation over time



Why the Baillie Gifford Managed Fund?

Partnership culture supports stability and long-term focus

Simple, consistent approach has generated excellent long-term returns

Low cost access to truly active management

Key information

Fund size

— £9.0bn as at 31 December 2021

Objective

— Achieve capital growth over rolling five-year periods

This Fund is rated by Rayner Spencer Mills Research, for more information go to:

www.rsmgroup.co.uk

This Fund is rated as a Premium Fund by Dynamic Planner, for more information go to:

www.DynamicPlanner.com

This Fund has a Defaqto Risk Rating of 6, for more information go to:

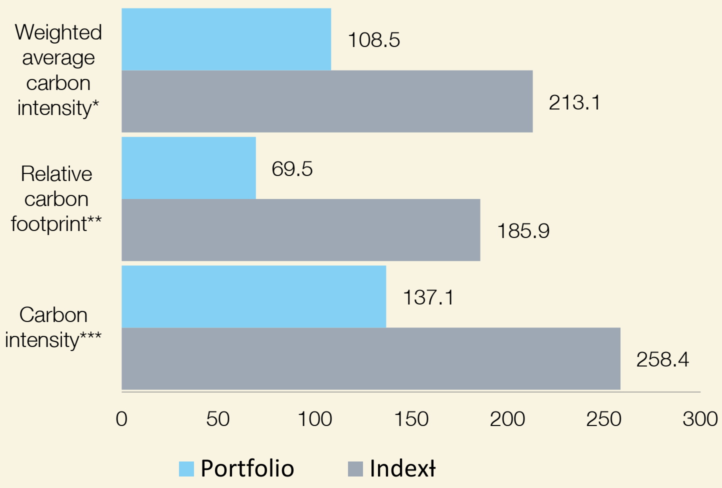
www.defaqto.com

How we think about ESG

Our firmwide core principles

Logos courtesy of companies.

Managed Fund carbon footprint



Source: Baillie Gifford & Co, MSCI, ISS-Ethix Climate Solutions and YourSRI.
*Weighted average carbon intensity (tCO2e/GBP Million Revenue).
**Relative carbon footprint (tCO2e/GBP million invested).
***Carbon intensity (tCO2e/GBP Million Revenue).
69.2% of the portfolio and 71.7% of the index is covered by weight.
As at 31 December 2021.
ƚ75% equity, 20% bond and 5% cash. Underlying indices are MSCI Emerging Markets, MSCI UK, MSCI Europe (ex UK), MSCI North America, MSCI Pacific, JPM Global and Bloomberg Global Credit.

Strong alignment good ESG practices and excellent long-term returns

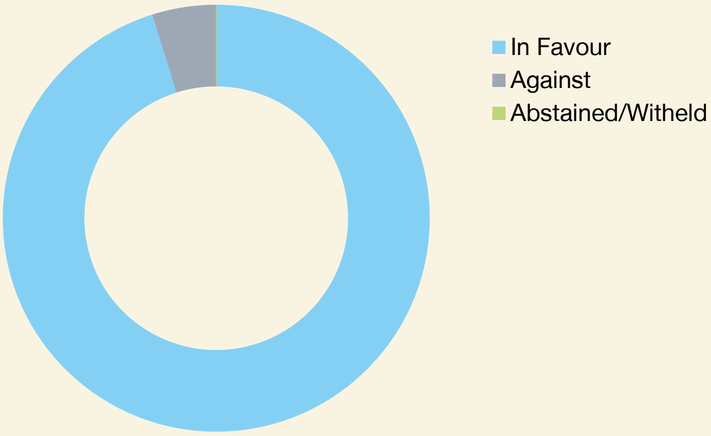
ESG in action

Recent engagement

Environmental	Social	Governance
AKER HORIZONS	illumina	amazon

Logos courtesy of companies

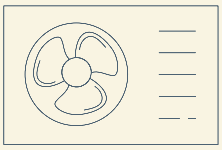
Recent voting



During Q4 we voted on 249 resolutions on behalf of clients. 237 in favour, 12 against and 0 abstained.

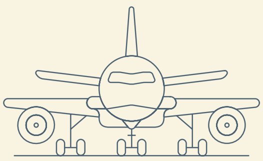
Looking ahead

Climate champions



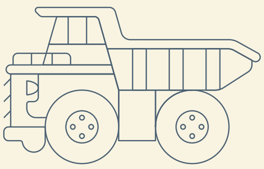
Volution

Innovation



Ryanair

Likely changes



BHP Group

Periodic performance

	1 Year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)
Managed Fund (%)	4.2	18.9	13.6	12.5
Sector* Ranking	189/191	3/167	3/142	3/99
Sector* Median (%)	11.1	10.6	6.9	7.9

Source: StatPro, FE. Net of fees in sterling.
As at 31 December 2021.

*IA Mixed Investment 40%–85% Shares Sector.

Annual discrete performance

	31/12/16 – 31/12/17	31/12/17 – 31/12/18	31/12/18 – 31/12/19	31/12/19 – 31/12/20	31/12/20 – 31/12/21
Managed Fund (%)	15.0	-2.2	20.4	33.8	4.2
Sector* Median (%)	10.0	-6.0	15.8	5.1	11.1

Source: StatPro,FE. Net of fees in sterling.
*IA Mixed Investment 40%–85% Shares Sector.

The manager believes that an appropriate comparison for this Fund is the IA Mixed Investment 40 – 85% Shares sector median, given the investment policy of the Fund and the approach taken by the manager when investing the Fund's portfolio.

Top ten absolute contributors

Five years to 31 December 2021

	Fund average weight (%)	Total Return (%)	Absolute contribution (%)
Tesla	1.2	2169.5	6.6
Amazon.com	1.8	305.3	4.3
Shopify	0.9	1255.1	3.9
Wayfair	0.8	396.9	2.2
IMCD	1.0	396.4	2.1
NIBE	0.7	630.1	2.1
The Trade Desk	0.5	852.4	2.0
Netflix	0.8	343.3	2.0
MarketAxess	0.8	163.3	1.9
Sartorius Stedim Biotech	0.6	583.4	1.8

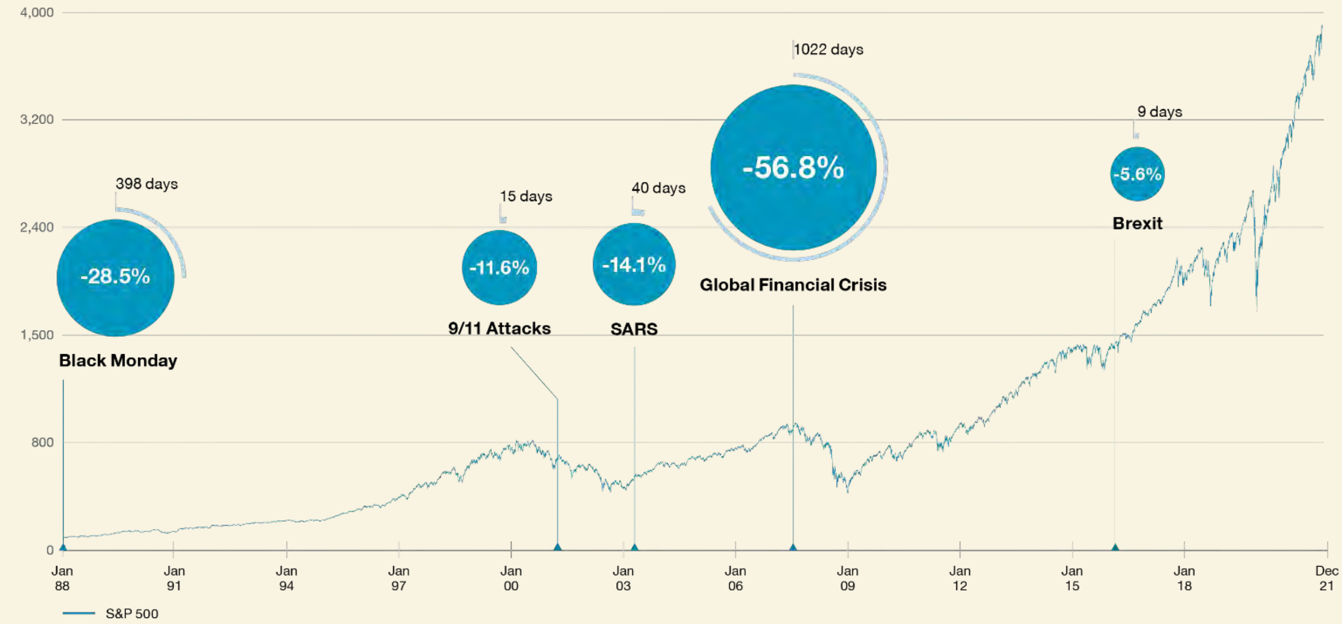
Bottom ten absolute contributors

Five years to 31 December 2021

	Fund average weight (%)	Total Return (%)	Absolute contribution (%)
DIA	0.1	-81.3	-0.4
Svenska Handelsbanken	0.5	-81.3	-0.4
Wood Group	0.1	-71.1	-0.3
Cemex	0.1	-48.7	-0.3
Suruga Bank	0.0	-77.2	-0.3
2U	0.0	-64.2	-0.3
Now	0.1	-49.3	-0.3
Just Group	0.3	-38.3	-0.2
Informa	0.2	-34.9	-0.2
Vroom	0.1	-53.9	-0.2

Source: StatPro, Sterling.
Excludes Baillie Gifford pooled vehicles.

Three decades of stock market crisis



Source: StatPro, S&P and Visual Capitalist. Data in USD. As at 31 December 2021.

Market timing can lead to missing out on the best days

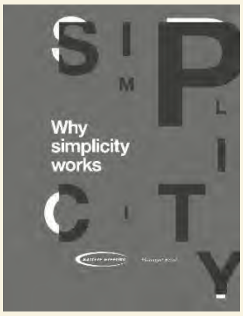
	Price return	Excluding best 10 days per decade	Excluding worst 10 days per decade	Excluding best/worst 10 days per decade
Since 1930	**14,962%**	**91%**	**1,689,091%**	**21,323%**

Source: S&P, BofA US Equity & Quant Strategy. As at 17 March 2020.

Intellectual Capital: further reading

Wanted - Growth Champions

Managed Fund – Manager Insights



Why Simplicity Works

We Keep it Really Simple

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Prospectus and Key Investor Information Document (KIID) are available for the fund. This is available in English and can be obtained by contacting us on the telephone number above. Alternatively, the fund's KIID is available to download and/or view on our website at bailliegifford.com

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Balanced Strategy

2020 Governance and Sustainability Summary

Baillie Gifford | *Investment managers*

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CM14867 Balanced Stewardship Report WP LightV 0121
Ref: 50962 ALL AR 0083

Introduction

Welcome to the Baillie Gifford Balanced Strategy governance and sustainability update for 2020. Our purpose for writing this is more than to declare mere platitudes on the crucial areas of governance and sustainability; it is to demonstrate that an investment in Baillie Gifford's Balanced Strategy – including the Managed Fund – is an investment in a process which has long been committed to helping great companies get even better.

At Baillie Gifford we are focused on long-term, active, investing in both equities and bonds. Broadly speaking, our starting point is to focus on well-managed companies with sustainable competitive advantages and we would typically avoid those companies where poor governance, environmental or social factors are detrimental to future prospects. We seek to apply the same principles when investing in government bonds where possible. This, along with the partnership structure of our firm and the long-term, collaborative culture it engenders, enables us to build strong, lasting relationships with the companies in which we invest on your behalf.

As a result, if and when issues do arise, companies are more prepared to listen, meaning we can influence real change while championing your right to good stewardship. This document sets out in detail our efforts to be responsible investment managers. It covers how we think about governance and sustainability, how we seek to invest responsibly, and how we engage with companies to catalyse change where it is needed. It also notes the aspects of this process that we are working to enhance.

We hope you will find this an informative resource. Our desire is to be industry-leading stewards of your capital, and we welcome your feedback as we work towards this ambitious goal.

How We Think About Governance and Sustainability

At Baillie Gifford, we know our clients want us to achieve strong investment returns and we also believe that they care about the impact their capital can have on society and the environment. We therefore want our actions to reflect our shared values and concerns, as well as the broader responsibilities that come with managing significant sums of money.

We believe there is strong alignment between good governance and sustainability practices and achieving the best investment returns over the long run. Consideration of these issues has therefore long been embedded in our research and decision-making, as has active engagement with our clients' underlying investments. These factors are key components of our approach as long-term growth investors.

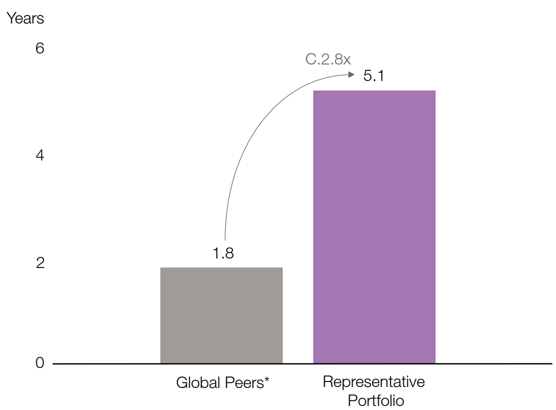
Our focus on governance and sustainability starts in the research process where we consider the values and long-term motivations of management as well as corporate culture. Our firm-wide stewardship principles (shown on page 4) guide us in our thinking in that regard. This then extends to ongoing research and review along with engaged voting (which is performed in-house). We believe that we invest in some of the best companies in the world and that as we engage with them, these businesses can only become better. However, the strategy does not operate in isolation, with engagement often being the result of firm-wide collaboration across our investment teams.

Each of these investment teams has a named Governance and Sustainability analyst who supports our investment managers in their regular interactions with company boards and senior management, as well as with proxy voting. We prioritise in-house governance and sustainability research over external research, as we believe that this is where we can add material value – by bringing a nuanced understanding of the performance of the companies we hold and, importantly, how they intend to develop over time and the measures in place to achieve this. This is supplemented by the increased level of access to companies that is afforded by long-term relationships (see chart below), and our reputation as thoughtful investors. This supports a level of engagement not possible by external research providers.

Our experience has taught us that governance and sustainability issues are rarely black and white. We are cognisant of the imperfect nature of the companies in which we invest, as well as the fact that actual investing requires patience and a constructive approach to helping businesses become better from a governance and sustainability perspective. It is for this reason that we prefer to engage with company management directly, as opposed to positively or negatively screening according to ESG factors.

At the same time, a positive, proactive approach to governance and sustainability can also be a competitive advantage for the companies in which we invest. Good governance can support better decision-making and capital allocation. Good social performance can create a more productive workforce. Good community relations can secure the social licence to operate. A conscientious approach to environmental impacts can lower operating costs and secure long-term access to natural resources.

Length of Ownership



Source: Baillie Gifford & Co, 1 year average turnover as at 31 December 2020.

*eVestment's Global All Cap Equity Investors universe is used as a representative sample.

Baillie Gifford's Stewardship Principles

We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules which may preclude us from investing in a company based on a simple metric. These measures often run counter to thoughtful and beneficial corporate stewardship, and can be short-term or even backward looking. Our approach therefore favours a small number of simple principles which help shape our interactions with companies and offer a richer understanding of them.

Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others don't.

A constructive and purposeful board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair treatment of stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable business practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

We take our responsibilities seriously. We encourage companies to focus on building a lasting competitive advantage, and we enthusiastically support management by taking a thoughtful approach to corporate stewardship, using voting to support our five core principles. At a time when the word 'activism' is synonymous with those targeting short-term gains, we would like to reclaim the term for the long-term growth investor.

Engagement Highlights

A selection of the company engagements that took place during 2020 for holdings across the Balanced Strategy.[1]

Stewardship Principles

Prioritisation of long-term value creation

A constructive and purposeful board

Long-term focused remuneration with stretching targets

Fair treatment of stakeholders

Sustainable business practices

Emerging Markets

Norilsk Nickel

Norilsk Nickel is a Russian miner, primarily of three metals: nickel, copper and palladium. This year we engaged with the company after an oil spill at one of its facilities in Northern Russia. In the wake of this event we attended a call with management and sent a follow-up letter outlining our support for a swift clean-up of, and thorough investigation into, the cause of the spill. We have previously been encouraged by Norilsk Nickel's long-term commitment to more environmentally sustainable business practices, and have been clear that we believe this is critical to its long-term success. The availability of certain metals remains a key part of the global transition away from hydrocarbon-based energy, and we believe Norilsk Nickel is well placed to benefit from this.

North America

Amazon

Amazon is a leading online retail and web services business which epitomises the benefits of long termism. But, like many technology-focused companies, it faces new reputational risk challenges. Ensuring good employee working conditions has been a priority. In recent years, the company has raised wages of its warehouse staff in line with living wage recommendations, as well as implementing other initiatives, such as further education support and subsidised travel. We are supportive of the company's efforts to improve working conditions and have encouraged managers to provide health and safety data to allow us to monitor progress in this area. Alongside governance discussions, we have discussed Amazon's Climate Pledge and ambition to be a leader in meeting the Paris Agreement goals ten years early (by 2040) with Amazon's Head of Sustainability, and have been encouraged that it is a business which prioritises sustainable business practices.

[1]Note: not all companies are held in all client portfolios.

UK

Prudential

Prudential is an international financial services business. In 2019, it completed the demerger of M&G plc from Prudential plc. As a result, Prudential has become an Asia-led group focused on capturing opportunities in structural growth markets. We had a number of engagements with the board in light of the demerger. As part of these, we discussed with the chairman the recent turnover of long-serving senior management, succession planning, matters relating to regional divisions (including US, Indonesia, China), board structure, functioning and diversity. While our engagements touched upon several of our stewardship principles, our core focus throughout has been to ensure long-term value creation for our clients amid a complex and significant organisational change.

Developed Asia

Softbank

Softbank is a Japanese tech-focused holding company. This year, we had a call with Softbank's head of Investor Relations, prompted by an investor activism campaign. We discussed the campaign but also broader topics around capital allocation, corporate governance and the exciting growth prospects for the business. We sought to support the business through this time, making it clear that we wouldn't want management decisions to focus on satisfying the demands of shorter-term shareholders. While media attention focused mainly on short-term capital allocation decisions, we believe it is just as important to monitor corporate governance changes, as strong governance will naturally lead to sensible capital allocation outcomes in the long term.

Europe

Inditex

Inditex is a Spanish clothing company. We spoke with them in 2020 to help us to understand how the company monitors its supply chain and minimises the risks associated with third-party subcontractors. Peers have described Inditex's processes as 'industry leading', so we were interested to learn what it has done to merit best practice. The call gave us confidence in a robust third-party oversight process, which includes conducting regular audits. We also observed that Inditex is a company which is willing to build partnerships with various independent organisations that can provide on-the-ground monitoring. A particular highlight for us is the presence of a continually-evolving philosophy, which emphasises the importance of managing supply chain risk to the sustainability of revenues.

Europe

A.P. Moller-Maersk

A.P. Moller-Maersk is a leading global shipping operator which our corporate bond team has followed for some time. We engaged with Maersk to learn more about its sustainability strategy, among other things. The engagement allowed us to get comfortable with its strategy and it seems that sustainability continues to be core to its business. Maersk is committed to finding alternative fuels. The company sees this as an opportunity to differentiate itself from competitors and is working closely with various organisations to drive this research forward. Our engagement provided us with reassurance that the company sees sustainability as a key factor in its success, and when the Covid-19 crisis caused the bonds to fall in price, this offered us an attractive, high-yielding entry point into a very well-run company.

Beyond Equities

We believe governance and sustainability factors are applicable and important in fixed income and we therefore take these issues into account as part of our investment process.

Corporate Bonds

Alongside a company's long-term competitive position and capital structure, governance and sustainability factors are a key component in assessing a bond issuer's fundamental financial resilience. As well as providing warning signs of upcoming issues, governance and sustainability factors may also signal that a company is becoming a more attractive investment.

Our approach to the analysis of governance and sustainability issues in corporate bonds is flexible but is designed to focus on the most relevant or significant factors for each company. The output of our analysis is a numeric score. Our scoring process encourages nuance and does not black-list certain industries. Each issuer within the portfolio is scored 0, 1 or 2 which equate to the following classifications:

2 – strong: Materially positive characteristic(s)

1 – good: Management willing to engage, good disclosure available on material risk factors

0 – weak: A material issue is identified, limited disclosure available on material risk factors, management refuse to engage

We believe that companies which treat their stakeholders fairly, have an effective governance structure and pro-actively tackle sustainability issues will ultimately prosper, unlike those that disregard their corporate responsibilities

Sovereign Bonds

We lend to countries where we expect government spending will improve social and economic outcomes for the whole country. This improvement should, in turn, help a country to service and repay its debt. We examine key governance and sustainability factors to help assess a country's broad direction of travel (including associated risks) and ascertain whether our clients are likely to benefit in performance terms. As in equities, our primary focus is on investing in bonds where our clients can benefit from strong returns, rather than prioritising governance and sustainability factors in and of themselves. That said, material governance and sustainability risks may deter us from lending to some countries. For example, we may seek to avoid investing in the bonds of a country whose government we believe to be corrupt.

In our view, if a country is governed effectively, its people are respected and its natural assets are managed responsibly, there is a greater chance it will enjoy sustainable growth and development and be in a better position to repay bond debt investment or finance infrastructure projects.

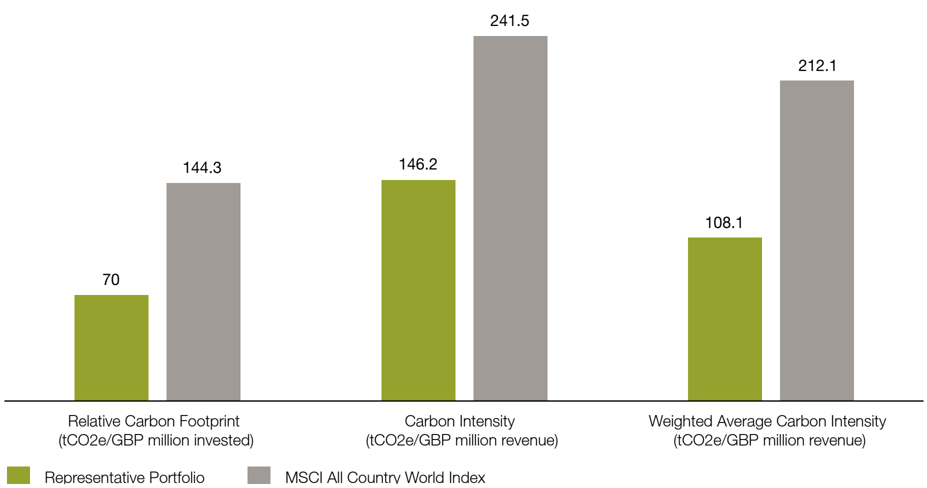
Carbon Footprint

Relative carbon footprint and carbon intensity

As a firm, we have committed to offsetting our carbon footprint by 200% on an ongoing basis. While we do not have a target for the carbon footprint or intensity of portfolio holdings in the Balanced Strategy, we are conscious that it is an area of increasing focus and importance for clients. With that in mind, we continue to challenge ourselves on the impact of holdings on the environment.

Our starting point is fundamental company analysis and ongoing engagement with companies, but analysis of the portfolio holdings' carbon footprint is a helpful tool that allows a greater understanding of the whole portfolio's carbon intensity.

The relative carbon footprint is the total carbon emissions of the representative portfolio per million GBP invested. It therefore tells us what the carbon footprint would be if we invested £1m in the Fund versus £1m in a benchmark index. The carbon intensity is the total carbon emissions per million GBP of revenue generated; this allows comparison with a benchmark index as a measure of the efficiency of the representative portfolio with regard to emissions per unit of financial output. The weighted average carbon intensity metric considers portfolio exposure to carbon-intensive companies. Although absolute impact is not taken into account, this metric is applicable and comparable across asset classes.



As at 31 December 2020.

The carbon footprint of the representative portfolio has been calculated using ISS-Ethix Climate Solutions carbon footprinting tool embedded within the yourSRI platform. This analysis includes equities and corporate bonds where data are available, and does not include sovereign bonds. The above metrics have been calculated and compared against the MSCI All Country World Index benchmark. All refer to scope 1 and 2 emissions only. Scope 1 emissions are those deriving directly from company activities (i.e. stack emissions and fuel use); scope 2 emissions arise indirectly as a result of electricity use. Emissions within these scopes are reasonably under the control of the company and can be expected to be calculated by all companies. Please note that these data are provided on a 'best endeavours' basis using the available market information, which includes estimated data and unverified company disclosure, so it is therefore open to challenge. It also uses the methodology of one provider (yourSRI), which may vary from other databases.

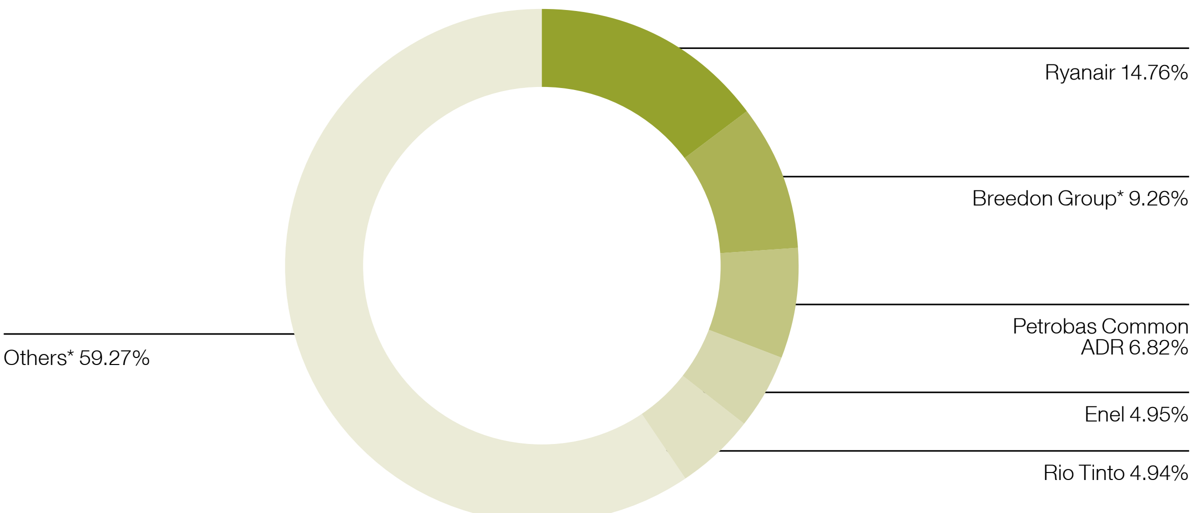
All three of these measures highlight that the representative portfolio is significantly less carbon intensive than the MSCI All Countries World Index. This reflects the nature of the businesses that we are most excited about. Many are capital light, innovative companies such as Spotify and Tencent. While there are some stocks in more carbon-intensive industries, such as aerospace, the strategy typically has few holdings in these areas. This is entirely a result of our bottom-up stock selection process that is focused on identifying exceptional growth companies and holding them for the long term.

Largest Contributors to Carbon Footprint

The companies contributing the most to the carbon footprint of the representative portfolio are identified in the chart below. We monitor carbon intensity, as well as the attitudes of management towards the long-term sustainability of the businesses in which we invest on behalf of our clients. We believe that corporate success will only be sustained if a business's long-run impacts on society and the environment are taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

Largest Contributors to Carbon Footprint of the Representative Portfolio

(Function of Holding Size and Emissions)



As at 31 December 2020.

These data are provided on a 'best endeavours' basis using the available market information, which includes estimated data and unverified company disclosure, so it is therefore open to challenge. It also uses the methodology of one provider (yourSRI), which may vary from other databases. This analysis includes equities and corporate bonds where data are available, and does not include sovereign bonds.

*Approximated data.

The case for the contributors

Ryanair (equity + bond, 0.7% holding) is Europe's largest low-cost airline and is set to benefit from an increase in its customer base over time, as other airlines struggle with low profitability. In 2020, we met with Ryanair's Sustainability Director to discuss how the business can reduce carbon emissions. The company discloses carbon figures monthly and has set realistic carbon targets. This remains a high-emission sector, and the technical advances which will meaningfully contribute to carbon reduction among airlines – such as sustainable aviation fuel – are still in development.


© NurPhoto/Getty Images

Breedon Group (0.2% holding) is a UK-listed producer of construction materials such as cement. The company has shown itself to be competent in capital allocation and has the potential to make more small acquisitions which should benefit shareholders. We are mindful that cement production is carbon intensive. However, we have been encouraged by engagements with the company in 2020. Notably, Breedon created a new Sustainability Director position during the year, and has an ambition to exceed industry standards on environmental impacts.

Petrobras (0.3% holding) is a Brazilian oil company, and is one of the largest contributors to the representative account's carbon footprint in large part due to the very nature of the industry in which it operates. While much of the developed world has already begun to transition away from hydrocarbon-based energy, emerging economies remain largely dependent on more traditional fuels such as oil in order to develop. Petrobras has the lowest-cost, highest-growth exploration and production asset base of any global oil major outside of the Middle East.

Enel (bond, 0.1% holding) is a power company based in Rome. Most of Enel's revenue is generated in Italy which, as a nation, is aiming to produce 55% of its power from renewable energy by 2030. Whilst the company produces large amounts of carbon across its business, it has dramatically reduced emissions in recent years and has committed to becoming aligned with the Paris Agreement in the longer term.

Rio Tinto (0.8% holding) is an Anglo-Australian diversified metals and mining group. We have engaged several times with the company following the Juukan Gorge disaster in Australia in May 2020 to understand how this dreadful incident could have happened and what steps have been taken to learn from the mistakes. While the contrition of the company is genuine in our view, we have pushed for governance improvements that we think are in the best interests of all stakeholders. At the company's request we have also provided guidance and advice on its efforts towards meeting its goal of best-in-class ESG reporting and we consider our active ownership relationship to be helpful to its responsible ambitions.

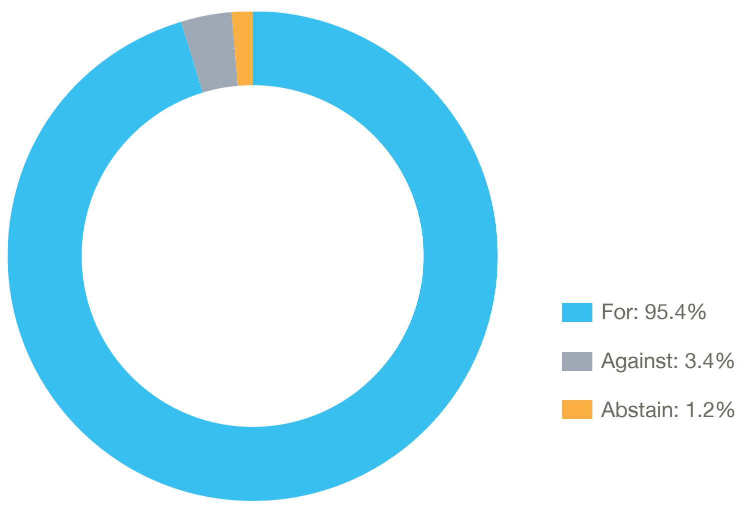

© 2016 Rio Tinto.

All holding sizes as at 31 December 2020 and are based on the representative portfolio.

Proxy Voting

We believe that active ownership of our clients' equity holdings is just as important as selecting the right investments. Proxy voting at company meetings is one of the key components of our stewardship activities. It allows us, where necessary, to influence or challenge the management teams of the companies we invest in for our clients. The Baillie Gifford Governance and Sustainability Team has primary responsibility for coordinating proxy voting across all of the firm's holdings, working closely with our investors.

Proxy Voting Statistics



Source: Baillie Gifford & Co. Based on a representative portfolio as at 31 December 2020.
Totals may not sum due to rounding.

The year 2020 posed unique challenges in engaging with companies on our clients' behalf. However, our approach to stewardship did not change, and we were able to maintain good access to companies despite most of us working from home for a significant proportion of the year. This allowed us to continue to effect change among the strategy's holdings where needed, on our clients' behalf. Highlights include our discussions with Homeserve, the UK-listed home insurance and repairs business. In this instance, we engaged on the recruitment of an appropriate new Chairman of the Board, as well as on board diversity. We were pleased to see the former completed, and will continue to monitor the impact on diversity from forthcoming board hires.

Supporting Shareholder Resolutions

The vast majority of the votes we cast on behalf of our clients, are cast in favour of AGM resolutions proposed by company management. We believe that a key part of our role as genuinely long-term investors is to provide support for management through the peaks and troughs in a company's lifecycle; sticking by them when the going gets tough, as well as being able to enjoy the high points with them. This allows us to further strengthen relationships with management and encourages them to make decisions focused on the long term. We also engage on an ongoing basis and in many cases are able to support shareholder resolutions because of this continuing dialogue and understanding – in short, there shouldn't be too many surprises because we keep in close contact with management. We believe a company's management team is pivotal to its chances of long-term success, and strong relationships with them allow us to engage more effectively.

Bunzl, UK, April 2020 AGM

We had previously opposed the authority to issue two-thirds of issued share capital with pre-emption rights. However, we supported the higher level of issuance authority in 2020 to provide Bunzl with additional flexibility amidst the Covid-19 pandemic.

Examples of Why We Oppose

Topic	Sustainability	Board Composition
Company	Alphabet	Investor
Country	US	Sweden
What	Technology-focused holding company, best known as the parent of Google	Holding company
When	June 2020 AGM	June 2020 AGM
Why	We opposed a shareholder resolution to include sustainability objectives within executive pay as we do not believe it is necessary or will increase management's focus on these issues.	We opposed a shareholder proposal to provide direct Board and Nomination Committee representation for small and medium-sized shareholders as existing board and Nomination Committee members are under a legal obligation to act in the interest of all members, irrespective of shareholding size.

Whichever way we vote, be it for or against a resolution, the long-term interests of our clients are always front-of-mind.

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CURIOUS ABOUT THE WORLD

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June 2022

Baillie Gifford Managed Fund's emerging market holdings: five burning questions

Key points

- We have a preference for high-quality companies in emerging markets, but are willing to invest in poorly performing businesses if we expect to see improvements
- China is the largest country in the emerging markets index and is home to some exciting growth companies, but many excellent opportunities can also be found elsewhere
- Sustainability is central to our investment process, as companies with better practices are more likely to generate strong long-term returns

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Please remember that the value of an investment can fall and you may not get back the amount invested.

Amid market turmoil and a war in Ukraine, the outlook for emerging markets may appear bleak. Philip Scott, Managed Fund specialist, sat down with emerging markets investment manager, Andrew Stobart, to talk about the Fund's emerging market holdings, and find out why we remain optimistic.

1. How does investing in emerging markets compare to investing in developed markets?

There are more similarities than differences, and the gap between the developed and developing worlds has been shrinking. A long-term investment philosophy, focused on owning growing companies, is common to all investment teams at Baillie Gifford. In emerging markets, we pay more attention to macroeconomic, political and demographic factors than we ordinarily would in developed markets. In addition, whilst we have a preference for high-quality companies in emerging markets, we are more willing to invest in poorly performing business that are expected to improve. Portfolio turnover is less than 20 per cent p.a., equivalent to an average holding period of over five years for emerging market stocks.

2. China is the largest country in the emerging markets index with an approximate 30 per cent weighting. How do you think about investing there, particularly given the significant policy and regulatory changes over the last two years?

We have a 25+ year track record of dealing with political and regulatory uncertainty in emerging markets. Our aim is to invest in companies that are on the right side of policy. In China, President Xi Jinping's policy of 'Common Prosperity' has brought with it significant regulatory change, much of it aligned with the country's broader long-term development goals. We have been working through the implications for individual companies, while being mindful of the unintended consequences. We believe there is significant upside in the likes of food delivery and local services company Meituan, ecommerce leader Alibaba and social media and gaming giant Tencent.

3. What about opportunities outside China?

While China often dominates the headlines in emerging markets, we have been really encouraged by the increasing number of exciting and differentiated businesses elsewhere. India has gone from having one of the worst mobile internet infrastructures globally to one of the best, in turn producing more private company unicorns (those valued at over $1bn) in 2021 than any country apart from the US and China. Conglomerate Reliance Industries has been at the forefront of the roll-out of 4G telephony, the digitalisation of retail and now the energy transition in India. Mercadolibre continues to be the leading ecommerce and fintech company across Latin America, as it has been for two decades. Bank Rakyat has built a network of many thousands of microlending outlets across the Indonesian archipelago and has an excellent long-term growth record with high financial returns. For the patient, active investor there is a wealth of opportunity in emerging markets beyond China.

4. How do you consider environmental, social and governance (ESG) issues when investing in emerging markets?

Sustainability has always been central to our investment process in emerging markets. Businesses engaging in practices that are harmful to society may be capable of generating attractive returns in the short term, but these returns are unlikely to be sustainable over our investment time horizon. However, we do not believe that 'one size fits all' and we therefore assess ESG practices on a case-by-case basis, without relying on backwards looking and formulaic screens. We also do not seek 'perfect' companies, preferring to consider the potential for improvement and engage with management teams accordingly. We believe this approach gives us the best likelihood of adding long-term value for clients.

5. What are you most excited about in Emerging Markets?

Our experience of investing in emerging markets since 1994 is that the only reliable driver of long-term share price performance is earnings growth. We have invested through many crises and recent elevated levels of market volatility are nothing new. Indeed, recent share price weakness for some companies belies the fact that the vast majority of the holdings are continuing to perform as we had expected in operational terms. These include copper producer First Quantum (Zambia and Panama); Brazilian oil producer Petrobras; the world's leading semiconductor foundry TSMC; and Korea's Samsung SDI, one of the world's leading makers of batteries for electric vehicles and electric storage systems. With companies like these, we are very excited about the prospects for investing in emerging markets over the next decade.

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

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Baillie Gifford Managed Fund B Acc Annual Past Performance To 31 March each year (%)

	2018	2019	2020	2021	2022
Baillie Gifford Managed Fund B Acc	6.3	8.4	0.2	46.4	-8.2
IA Mixed investment 40%-85% Shares Sector Median	1.4	4.5	-7.8	26.3	5.4

Source: FE, StatPro, net of fees, total return in sterling. Class B Acc shares. The manager believes an appropriate comparison for this Fund is the Investment Association Mixed Investment 40-85% Shares Sector median given the investment policy of the Fund and the approach taken by the manager when investing.

Past performance is not a guide to future returns.

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MANAGED FUND MANAGER INSIGHTS

STEVEN HAY AND LUCY HADDOW

Steven Hay, Co-Manager of the Managed Fund, discusses the current environment and why it is imperative that we stick to our investment philosophy,

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A Key Information Document for the Managed Fund is available by contacting us.

This communication was produced and approved in August 2022 and has not been updated subsequently. It represents views held at the time and may not reflect current thinking.

Lucy Haddow: Hello, my name is Lucy Haddow. I'm a product specialist for the Baillie Gifford Managed Fund. In a very difficult period for performance, we've put this brief film together to give you the opportunity to hear from one of the fund's co-managers, Steven. Hay. Welcome, Steven.

Steven Hay: Hi, Lucy.

Lucy Haddow: You and I both know very well that it's been a torrid time for investors in the Baillie Gifford Managed Fund over the past 12 months or so. The fund is down around 28% to the end of June 2022. Can you talk a little bit about what's been going on and what's driven the extent of underperformance that we've seen?

Steven Hay: Well, as you say, Lucy, it's been a really difficult time for investors, especially the newest investors in the fund. Very volatile, markets have been very difficult. We've actually seen more than a complete reversal of the outperformance we saw for the previous 12 months that has been really volatile. What's been going on? Well, clearly, there's been inflation, resurgence of inflation, and that's led to expectations of interest rates going up.

That means markets discounting future profits of companies by more. The types of companies that we invest in, the growth companies, which often have their profits further out into the future, because of great growth prospects, they've been hit the toughest and hardest in the market. So the likes of Zalando, Shopify, The Trade Desk, etc., where prices are often down 70% to 80%.

And what's interesting, though, is that actually, operationally, these companies are doing well.

So, across the portfolio, this is not a case of our companies performing badly and therefore, being hurt by the market. It has very much been a sentiment shift, driven by this change in inflation and interest rate outlook, which has hit, often indiscriminately, across many of the growth companies that we hold.

Lucy Haddow: So, there's a huge amount going on, not just in markets, but in the world more broadly. How do you and the team even begin to think about that, in the context of the holdings in the Managed Fund? What are you doing in reaction to this very different environment that we find ourselves in?

Steven Hay: Well, the first answer is that we're really sticking to our investment philosophy and processes. No change there. No change in the team that's carrying out this task. So, we're really just sticking to our investment task. And of course, importantly, that's reviewing the investment cases or reviewing all our holdings. Thankfully, we're able to get out an about now, post COVID, and go and see these companies, go and meet the management and challenge those investment cases, so that's really important.

For example, the European portfolio. We have certain companies that have been hurt in share price terms we've been adding to, because we've reviewed the cases and we think they're really strong from here, so adding to those. But there are some companies where the investment cases haven't been working out quite as well as we would have expected ,so we have been thinking hard about those. The likes of Netflix and Peloton.

So, meeting the management, challenging the management, reviewing it internally, and seeing where we think the growth prospects are from here. And then there are also the cases that haven't worked out. So, every quarter, there are some investment cases, which don't work out and we should expect that. And the last quarter or two have been no different. So, for example, Vroom, the online car business in the US, we looked at it again, we reviewed it, and we decided that the balance sheet risks actually overwhelmed the opportunity for a return from here.

And so, we exited that position. And then on asset allocation, people will know that we don't move hugely in terms of asset allocation. It is very much bottom up led. But what's interesting, perhaps, is that a year or two ago, we had cash in up to 10% of fund, because we felt the opportunities to spend that cash weren't that great, given valuations.

Now that cash has come right down to about 2% in the fund, which really reflects the fact that we're seeing the appetite from our all our underlying managers to invest that cash, be it in equities or even in bonds, where the move up in yields has made the investment case for bonds more attractive from here. So, although, as usual with Baillie Gifford, we're patient and we're not changing lots of things, we're not sitting on our hands doing nothing. We are still concentrating on the investment task at hand.

Lucy Haddow: Well, hopefully, our investors find that very reassuring. One of the questions that I get a lot, and I'm sure you do, too, is in terms of the outlook from here. What is the decade ahead going to look like for growth investors? And ultimately, why should clients remain confident in what we're doing in our ability to deliver capital growth over long-term periods?

Steven Hay: Well, Lucy, we know the next ten years will be quite different from the last ten years. We know that. But the Managed Fund has been going for 35 years now. It's seen lots of different cycles and market crises, etc. So, concentrating on finding growth companies is the key to investment success. Now, what that growth looks like may be different in future, the more it's in the past.

So, although we've had a heavy tech bias in the portfolio for quite some time, that may be different going forward as we look for those growth companies. But importantly, we are finding new ideas. We've not got out head in the sand, just looking at existing holdings. We are getting out and about and finding new exciting ideas from the likes of Ocado, which is the grocery online distribution business, great technology, able to licence that globally. We think it's very exciting opportunity.

And then Roblox, which I know well from my eight year old twins, who play Roblox games. It's a gaming company. We've followed it since IPO. We're now convinced that the ability to move the gaming into older age segments is there, and that will help with the monetisation. So, that's another really exciting idea that's come into the portfolio. But overall, I would say it's been a difficult period. We have had difficult periods before.

In the long run, concentrating on finding great growth companies is the important thing. And as my co-manager, Ian, would say, stick to our knitting. That's what we need to do. Don't get too distracted by short-term market noise, but concentrate on the company's operational performance and the growth prospects from here.

Lucy Haddow: Thanks, Steven. And thank you very much for watching, and, of course, for your ongoing support of the Ballie Gifford Managed Fund

Annual Past Performance to 30 June Each Year (%)

	2018	*2019*	*2020*	*2021*	*2022*
Baillie Gifford Managed Fund B Acc	*11.5*	*7.2*	*16.1*	*26.9*	*-28.3*
IA Mixed Investment 40%-85% Shares Sector Median	*4.9*	*3.7*	*0.0*	*17.2*	*-6.4*

Source: FE, StatPro, net of fees, total return in sterling. Class B Acc shares.

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