

FINANCIAL PRODUCT WEBSITE DISCLOSURE

*TRANSPARENCY OF THE
PROMOTION OF ENVIRONMENTAL
OR SOCIAL CHARACTERISTICS*

Worldwide Long Term Global Growth Fund



Information sur le site Internet pour les produits financiers

Résumé

Transparence de la promotion des caractéristiques environnementales et/ou sociales

Le présent document fournit à l'investisseur des informations détaillées sur le compartiment concernant le Règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers (« SFDR »). Ce document réglementaire est nécessaire en vertu du SFDR. Les informations contenues dans le présent document ont pour but d'aider l'investisseur à comprendre les caractéristiques et/ou les objectifs et les risques de ce compartiment en matière de développement durable. Le présent document doit être lu conjointement avec d'autres documents réglementaires pertinents afin que l'investisseur puisse prendre des décisions d'investissement éclairées.

Baillie Gifford Worldwide Long Term Global Growth Fund

Classification SFDR	Ce produit financier promeut des caractéristiques environnementales et/ou sociales, sans cependant avoir pour objectif l'investissement durable.
Caractéristiques environnementales et/ou sociales	<p>Le Compartiment promeut les caractéristiques environnementales et/ou sociales suivantes :</p> <ol style="list-style-type: none">1. Pratiques commerciales responsables conformément aux Principes du Pacte mondial des Nations Unies pour les entreprises.2. Normes environnementales et sociales minimales atteintes grâce à l'exclusion des activités commerciales que le Gestionnaire d'investissement considère comme dangereuses pour l'environnement et la société.3. Prise en compte active des questions environnementales et sociales par vote par procuration, conformément au document Principes et Lignes directrices ESG de Baillie Gifford.4. Intensité des émissions de gaz à effet de serre gérée, telle que mesurée par l'intensité carbone moyenne pondérée des émissions de carbone (« WACI ») du Compartiment et dont l'objectif est d'être inférieur à l'indice. <p>Bien que le Compartiment vise une WACI inférieure à celle de l'indice, ce dernier n'est pas utilisé comme indice de référence pour atteindre les caractéristiques environnementales et sociales promues, car le Compartiment n'aligne pas ses caractéristiques environnementales et/ou sociales sur celles de l'indice.</p>
Stratégie d'investissement	<p>Le Compartiment est géré de manière active et investit principalement dans des actions mondiales cotées, négociées ou échangées sur des Marchés réglementés dans le but de produire des rendements solides à long terme. L'évaluation des facteurs de durabilité est intégrée au cadre de recherche d'actions du Gestionnaire d'investissement. L'une des questions posées dans le cadre des recherches est la suivante : « Quels aspects sociétaux sont les plus susceptibles d'être essentiels à la croissance à long terme de l'entreprise ? ». Les recherches menées par le Gestionnaire d'investissement pour répondre à cette question prennent généralement en compte certains facteurs comme la nature du produit ou du service, la fiscalité, l'impact environnemental et les relations de travail. Le Compartiment utilise une évaluation basée sur des normes, une exclusion basée sur l'activité commerciale et l'actionnariat actif pour soutenir la concrétisation des caractéristiques environnementales et/ou sociales promues. Le Gestionnaire d'investissement a pour politique l'application de bons tests de gouvernance dans les domaines couvrant les structures de gestion saines, les relations avec les employés, la rémunération du personnel et la conformité fiscale. Les sociétés qui échouent à ces tests ne sont pas incluses dans le Compartiment.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Proportion des investissements	<p>Afin de respecter les caractéristiques environnementales et/ou sociales qu'il promeut, le Compartiment investit principalement dans des titres de participation mondiaux (directement bien qu'il puisse également investir indirectement par le biais d'organismes de placement collectif éligibles) qui sont alignés sur ces mêmes caractéristiques. La proportion restante des investissements est utilisée à des fins de liquidité et/ou de gestion de portefeuille efficace et n'intègre aucune des caractéristiques environnementales et/ou sociales promues par le Compartiment.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>

Contrôle des caractéristiques environnementales et/ou sociales	<p>Les caractéristiques environnementales et/ou sociales sont contrôlées de diverses manières, en interne et en externe. Le Compartiment utilise une évaluation basée sur des normes, une exclusion basée sur l'activité commerciale et l'actionnariat actif pour soutenir la concrétisation des caractéristiques environnementales et/ou sociales promues et celles-ci sont mises en œuvre de manière continue par le biais du respect et du suivi permanents des engagements contraignants.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Méthodologies	<p>Les indicateurs de durabilité suivants sont utilisés pour mesurer la concrétisation des caractéristiques environnementales et/ou sociales promues :</p> <ol style="list-style-type: none"> 1. Pourcentage d'investissements conformes à la politique du Gestionnaire d'investissement relative à l'évaluation des violations des principes du Pacte mondial des Nations Unies pour les entreprises. 2. Pourcentage d'investissements conformes aux exclusions basées sur l'activité commerciale. 3. Le pourcentage de participations votées. 4. La WACI du Compartiment est inférieure à celle de l'Indice. <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Sources et traitement des données	<p>Le Gestionnaire d'investissement utilise une combinaison de recherches internes (basées sur des sources publiques divulguées par les sociétés bénéficiaires des investissements) et de sources de données tierces pour concrétiser chacune des caractéristiques environnementales et/ou sociales promues par le Compartiment.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Limitation des méthodologies et des données	<p>Le paysage des données ESG se développe rapidement et la qualité et la méthodologie des données sont actuellement confrontées à des défis à l'échelle du secteur, tels que le manque de divulgation de la part des entreprises et l'évolution des exigences réglementaires.</p> <p>Ces limites sont atténuées principalement par le biais de la recherche interne du Gestionnaire d'investissement et d'un engagement actif avec les sociétés, ainsi que par l'intermédiaire de références croisées de mesures clés par rapport à différents fournisseurs de données. En raison de cette atténuation, le Gestionnaire d'investissement estime que la promotion des caractéristiques environnementales et sociales n'est pas sensiblement modifiée.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Diligence raisonnable	<p>Le point de départ de toutes les stratégies de Baillie Gifford est la recherche fondamentale ascendante sur les titres. Ce processus se concentre sur la connaissance de chaque entreprise, du secteur dans lequel elle opère et de son approche face à des problèmes importants ou susceptibles de le devenir.</p> <p>L'accès à des données externes provenant de fournisseurs indépendants permet de mieux comprendre chaque participation et les perspectives et les connaissances d'experts et de chercheurs externes revêtent une grande importance dans l'élaboration de l'approche du Compartiment.</p> <p>À l'extérieur du Compartiment, le Gestionnaire d'investissement effectue une diligence raisonnable continue pour l'ensemble de l'activité afin de contrôler les engagements pris, comme spécifié dans la section Contrôle, avec une supervision fournie par un comité désigné.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Politiques d'engagement	<p>L'engagement et le suivi des investissements réalisés par le Gestionnaire d'investissement, pour le compte des clients, font partie intégrante du processus d'investissement et sont essentiels à la manière dont le Gestionnaire d'investissement s'acquitte de ses responsabilités de gérance. Tous les gestionnaires d'investissement, analystes d'investissement et analystes ESG participent à ce processus. Des réunions sont organisées avec les membres de la direction et d'autres cadres, les chefs de division et les administrateurs non exécutifs.</p> <p>Chaque année, les investissements soumis à des processus formels d'engagement et de suivi, en vertu de la politique du Gestionnaire d'investissement relative à l'évaluation des violations des principes du Pacte mondial des Nations Unies pour les entreprises, seront divulgués.</p> <p>De plus amples informations sur la politique d'engagement du Gestionnaire d'investissement sont disponibles dans le document Principes et Lignes directrices ESG de Baillie Gifford, disponible sur son site Internet.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Indice de référence désigné	<p>Aucun indice n'a été désigné comme indice de référence pour concrétiser les caractéristiques environnementales et/ou sociales promues par le produit.</p>



SUMMARY

TRANSPARENCY OF THE PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

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

SFDR CLASSIFICATION

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

ENVIRONMENTAL/SOCIAL CHARACTERISTICS

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

- Responsible business practices in accordance with the United Nations Global Compact Principles for Business.
- Minimum environmental and social standards achieved through exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society.
- Active consideration of environmental and social issues through proxy voting applied in line with Baillie Gifford's

ESG Principles and Guidelines document.

INVESTMENT STRATEGY

The investment strategy of the Fund is to invest primarily in equities with the aim of producing attractive long-term returns and in doing so, the Investment Manager will incorporate analysis of environmental and social factors on the basis that those with good or improving standards will likely produce the strongest financial returns in the long run. The Fund uses norms-based evaluation, business activity-based exclusion and active ownership to support the attainment of the promoted environmental and/or social characteristics.

The Fund uses norms-based evaluation, business activity-based exclusion and active ownership to support the attainment of the promoted environmental and/or social characteristics. The Investment Manager has a policy to apply good governance tests on areas covering sound management structures, employee relations, remuneration of staff and tax compliance. Companies that do not pass these tests will not be held in the Fund.

See full disclosure for further details.

PROPORTION OF INVESTMENTS

In order to meet the environmental and/or social characteristics promoted by the Fund, it will invest primarily in China A shares (directly although it may also invest indirectly through eligible collective investment schemes) that are aligned with the same characteristics. The remaining proportion of the investments will be used for liquidity and/or efficient portfolio management purposes and will not incorporate any of the environmental and/or social characteristics promoted by the Fund.

See full disclosure for further details.

MONITORING OF ENVIRONMENTAL/SOCIAL CHARACTERISTICS

The environmental and/or social characteristics are monitored internally and externally in a variety of ways. The Fund uses norms-based evaluation, business activity-based exclusions and active ownership to support the attainment of the promoted environmental and/or social characteristics and these are implemented on a continuous basis through ongoing compliance with, and monitoring of, the binding commitments.

See full disclosure for further details.

METHODOLOGIES

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

- The % of investments that comply with the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business.
- The % of investments that comply with the business activity-based exclusions.
- The % of holdings voted.

See full disclosure for further details.

DATA SOURCES AND PROCESSING

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

See full disclosure for further details.

LIMITATION TO METHODOLOGIES AND DATA

The ESG data landscape is rapidly developing, and data quality and methodology currently face industry-wide challenges such as lack of corporate disclosures and evolving regulatory requirements.

These limitations are mitigated primarily through the Investment Manager's own in-house research and active engagement with companies, as well as cross-referencing key metrics against different data providers. Due to this mitigation, the Investment

Manager believes that the promotion of the environmental and social characteristics is not appreciably altered.

See full disclosure for further details.

DUE DILIGENCE

The starting point for all Baillie Gifford strategies is bottom-up fundamental stock research. This process focuses on understanding each company, the sector it operates in and their approach to material or likely to be material issues.

Access to external data from independent providers helps add further detail to understanding each holding, and great value is placed on seeking the perspectives and insights of external experts and researchers to help inform the Fund's approach.

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

See full disclosure for further details.

ENGAGEMENT POLICIES

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

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

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

See full disclosure for further details.

DESIGNATED REFERENCE BENCHMARK

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



FINANCIAL PRODUCT WEBSITE DISCLOSURE

SCOPE

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

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

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

- Responsible business practices in accordance with the United Nations Global Compact Principles for Business.
- Minimum environmental and social standards achieved through exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society.
- Active consideration of environmental and social issues through proxy voting applied in line with Baillie Gifford's ESG Principles and Guidelines document.
- Managed greenhouse gas emissions intensity as measured by the Fund's Weighted Average Carbon Intensity ('WACI') and an aim for this to be lower than the index.

Whilst the Fund aims to have a WACI lower than the index, this index is not used as a reference index to attain the promoted environmental and/or social characteristics as the Fund does not align its environmental and/or social characteristics with that of the index.

INVESTMENT STRATEGY

The investment strategy of the Fund is to invest primarily in global equities with the aim of producing strong returns over the long term. The assessment of sustainability factors is integrated into the Investment Manager's stock research framework. One of the framework's research questions asks: "What societal considerations are most likely to prove material to the long-term growth of the company?" The Investment Manager's research into this question typically considers factors such as the nature of the product or service, tax, environmental impact and labour relations.

The Fund will comply with the Investment Manager's policy on assessing breaches of the United Nations Global Compact Principles for Business as outlined in Baillie Gifford's ESG Principles and Guidelines document and will exclude companies that derive (i) more than 10% of annual revenues from the production or distribution of armaments; (ii) more than 5% of annual revenues from the production of tobacco; (iii) more than 20% of annual revenues from the production of, electricity generation from, or construction of thermal coal and directly associated facilities; (iv) more than 10% of annual revenues or reserves in Arctic exploration or development (extreme north of Alaska, Canada, Greenland, Norway or Russia); and (v) more than 10% of annual revenues from the production of oil sands or tar sands from the Fund's holdings.

The Investment Manager exerts the right to vote by voting according to its Voting Policy, unless impediments occur (e.g. share blocking). The Investment Manager's Voting Policy is available publicly on its website.

The Fund's WACI will be measured against the Index, with an overall aim to have a WACI that is lower than the Index. Details of the measurement of the Fund's WACI against that of the Index will be provided in the annual report and will include an explanation should this aim not be achieved.

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

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

PROPORTION OF INVESTMENT

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

MONITORING OF ENVIRONMENTAL/SOCIAL CHARACTERISTICS

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

- The designated investment restrictions team monitors compliance with the policy on assessing breaches of United Nations Global Compact Principles for Business (norms-based evaluation), working in conjunction with ESG analysts and/or the investment managers and using a third-party data feed (which is updated quarterly), supplemented by internal research.
- Exclusion of business activities deemed harmful to the environment and society (business activity-based exclusions) is monitored by the designated investment restrictions team on a daily basis, working in conjunction with ESG analysts and/or the investment managers and using a live third-party data feed, supplemented by internal research.
- Voting is monitored and actioned by voting analysts as and when votes are due, working in conjunction with other ESG analysts and/or the investment managers and reported to clients on a quarterly basis. Furthermore, engagement and voting procedures are independently reviewed annually as part of the internal controls review completed by the Investment Manager's external auditors, regarding the UK standard ISAE 3402.
- The Fund's WACI is calculated and monitored against the index on a monthly basis.

METHODOLOGIES

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

- The % of investments that comply with the Investment Manager’s policy on assessing breaches of United Nations Global Compact Principles for Business.
- The % of investments that comply with the business activity-based exclusions.
- The % of holdings voted.
- The Fund’s WACI is lower than the Index.

The methodologies in relation to these indicators are outlined below:

Ethical Exclusions – Norms- and Business Activity-Based Exclusions

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

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

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

Voting

Thoughtful voting allows for active consideration of environmental and social issues via stewardship. Our ESG Services Team oversees our voting analysis and execution in conjunction with our investment managers and uses voting as a tool to consider environmental and/or social issues via stewardship. Unlike many of our peers, we do not outsource the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house and we endeavour to vote every one of our clients’ holdings in all markets (when we are given voting rights and in line with our voting policy).

Greenhouse Gas Intensity

The Fund’s weighted average carbon intensity is calculated and measured against the weighted average carbon intensity of the Index, allowing for the greenhouse gas intensity to be managed. Only those investments for which the Investment Manager has estimated or reported figures from its third-party data provider will be included in the calculation of the Fund’s weighted average carbon intensity, covering Scope 1, 2 and 3 emissions. Scope 3 emissions will be included in line with PCAF guidance which include a schedule for Scope 3 measurement and disclosure prioritising certain sectors (e.g. oil, gas and mining sectors) ahead of other sectors consistent with the approach of the Supplementing Regulation for EU Climate Transition Benchmarks and EU Paris-Aligned Benchmarks. As this metric is based on a weighted average, the relevant Fund’s portfolio might include single companies with higher intensities provided they do not breach any business activity-based exclusions particularly if these companies represent a small weight within the portfolio.

DATA SOURCES AND PROCESSING

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

UN Global Compact policy	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Business activity-based exclusions	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Holdings voted in line with Baillie Gifford’s ESG Principles and Guidelines document	Internal proprietary research, aided by Glass Lewis, ISS, BoardEx, Si2, ZD Proxy, IAS, and public disclosures
WACI	MSCI, FactSet

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

The Investment Manager is regularly adding more automated quality checking of third-party data. Data metrics required for reporting are currently calculated in house in line with recognised guidance and regulations. The Investment Manager is actively improving data processing, introducing automation where possible and looking for ways to receive and ingest data from a wider set of data providers. However, there is sometimes a reliance on estimated data when it comes to the business activity-based exclusions and WACI commitments of the Fund. Third party-providers occasionally make estimates of revenue exposures relating to business activity-based exclusions where disclosure is lacking; proportionally, less data is estimated than not. Regarding WACI, a large proportion of data is estimated by third-party providers due to general lack of disclosure of Scope 3 emissions.

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

LIMITATION TO METHODOLOGIES AND DATA

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

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

DUE DILIGENCE

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

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

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

ENGAGEMENT POLICIES

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

As a patient, active owner, the Investment Manager aims to engage with the companies in which it invests on behalf of its clients, encouraging a long-term focus and meaningful change when needed. Engagement is preferable to divestment, which is typically the tool of last resort. There are four primary reasons for engaging with a company: to fact find, to assess progress, to support the management team and to influence. It is important to note that influence is only one of these four aims. The Investment Manager firmly believes in taking time to understand companies and making its own, long-term agenda known to management. This is an important foundation of being responsible holders and over time makes it easier to advocate for changes, as both sides have a better understanding of and appreciation for what the other party is trying to achieve.

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

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

DESIGNATED REFERENCE BENCHMARK

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

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