

The Directors of the Company whose names appear on page ix accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **BAILLIE GIFFORD WORLDWIDE FUNDS PLC**

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 490695 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

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### **EXTRACT PROSPECTUS FOR INVESTORS IN SWITZERLAND**

for

#### **BAILLIE GIFFORD WORLDWIDE JAPANESE FUND BAILLIE GIFFORD WORLDWIDE POSITIVE CHANGE FUND**

DATED 1 February 2019

This Extract Prospectus is an extract of the prospectus of the Company dated 1 February 2019 and the "Additional Information for Non-Qualified Investors in Switzerland" dated 1 February 2019. This Extract Prospectus is a consolidated extract prospectus for investors in Switzerland which includes only those Funds which are authorised for professional distribution in Switzerland. It does not constitute a prospectus for the purposes of Irish law. Other Funds have been approved by the Central Bank but are not authorised for professional distribution in Switzerland. This Extract Prospectus is exclusively used for the offer and distribution of the Shares of the Company in or from Switzerland. It may not be used for the offer or distribution of the Shares of the Company in any other jurisdiction

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER.**

*Certain terms used in this Prospectus are defined on pages 12 to 19 of this document.*

### **Central Bank Authorisation**

***The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company or of any Fund.***

### **Investment Risks**

***There can be no assurance that each Fund will achieve its investment objective. It should be appreciated that the value of Shares and any income arising from them is not guaranteed and may go down as well as up. This is because the Share price is determined by changing conditions in the market(s) in which a Fund invests. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. In view of the fact that a dilution adjustment may be applied, the difference at any one time between the sale and redemption price of Shares means that an investment in a Fund should be regarded as a medium to long term investment. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Investors' attention is drawn to the specific risk factors set out on pages 31 to 50. It is recommended that an investment in any of the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.***

### **Selling Restrictions**

*The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile.*

*Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.*

## **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 in the Company may not be offered, issued, sold or distributed in Australia by the Distributor, 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 Investment Manager is exempt from the requirement to hold an Australian financial services license in respect of the financial services it provides to wholesale clients in Australia and is regulated by the Central Bank under Irish laws which differ from Australian laws.*

## **Bahamas**

*Shares shall not be offered or sold into The Bahamas except in circumstances that do not constitute an offer to the public. Shares may not be offered or sold or otherwise disposed of in any way to persons deemed by the Central Bank of The Bahamas as resident for exchange control purposes without the prior written permission of the Central Bank of The Bahamas.*

*The information provided herein is intended solely for the designated recipient thereof. No distribution of this information to anyone other than the designated recipient is intended or authorised.*

## **Belgium**

*The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this Prospectus been, nor will it be, approved by the Financial Services and Markets Authority. The Shares may be offered in Belgium only to a maximum of 149 investors or to investors investing a minimum of €250,000 or to professional or institutional investors as defined in Article 5, §3 of the Law of 3 August 2012 on Certain Forms of Collective Investment Undertakings. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.*

## **Canada**

*This Prospectus pertains to the offering of the Shares described in this Prospectus only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell such Shares. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Shares described in this Prospectus in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Shares described in this Prospectus, and any representation to the contrary is an offence.*

## **Cayman Islands**

*The Company does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, neither the Company nor any of the Funds should be subject to the supervision of any Cayman Islands authority.*

## **Chile**

*The offering of shares of a Fund 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.*

## **France**

*Any product provided by the Company has not been filed with, or approved by, the Autorité des Marchés Financiers or by the Autorité de Contrôle Prudentiel et de Résolution, as the case may be, and is not authorized for sale in France. Persons who are resident in France and who purchase financial products offered by the Company will not benefit of any protection from French regulations and French regulators.*

*This document has been sent pursuant to your explicit request. If that is not the case, it should be returned immediately to the Company.*

## **Guernsey**

*This document is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offer that is the subject of this document is being and may only be made in or from within the Bailiwick of Guernsey pursuant to and in accordance with section 29(1) of the Protection of Investors (Bailiwick of Guernsey) Law 1987, the Investor Protection (Designated Countries and Territories) Regulations 1989 and the Investor Protection (Designated Countries and Territories) (Republic of Ireland) Regulations 1992.*

## **Italy**

*The recipient of this document is required to agree that no offering of the Shares of the Company or distribution of any offering materials relating to the Company will be made in Italy unless the requirements of Italian law concerning the offering of mutual funds have been complied with, including (i) the requirements of Legislative Decree no. 58 of 24th February, 1998 and CONSOB Regulation no. 11971 of 14th May, 1999, and (ii) all other Italian securities and tax laws and any other applicable laws and regulations, all as amended from time to time.*

## **Japan**

*A securities registration statement has not been filed under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) in relation to the solicitations for offer of the Shares since such solicitations constitute a private placement to a small number of investors under Article 2, Paragraph 3, Item 2 ha of the Financial Instruments and Exchange Law of Japan. These offering materials are distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the persons to whom they are*

*addressed. No Shares will be issued to any person other than the person to whom the offering materials have been addressed and no persons other than such addressees may treat the same as constituting an invitation for that person to invest.*

### **Jersey**

*Neither the Company nor the activities of any fund service provider (as defined in the Collective Investment Funds (Jersey) Law 1988) with regard to the Company are subject to all the provisions of the Financial Services (Jersey) Law 1998. The Jersey Financial Services Commission has granted consent to the circulation in Jersey of an offer of the Shares pursuant to Article 8(2) of the Control of Borrowing (Jersey) Order 1958, as amended. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.*

### **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 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.*

### **Korea**

*In Korea, the Company has been registered with the Financial Services Commission as a Foreign Investment Fund ("FIF") pursuant to FSCMA. As a privately placed FIF, the offer, delivery and sale of Shares in the Company will be restricted under the second sentence of Article 279, Paragraph 2 of FSCMA and Article 301, Paragraph 2 of the Presidential Enforcement Decree of FSCMA to certain qualified professional investors in Korea ("Eligible Korean Investors"), which include the Government of the Republic of Korea, The Bank of Korea, the financial institutions listed in Article 10, Paragraph 2, Subparagraphs 1 through 17 of the Presidential Enforcement Decree of FSCMA and professional investors listed in Article 10, Paragraph 3, Subparagraphs 1 through 14 of the Presidential Enforcement Decree of FSCMA. Accordingly, the Shares have not been offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and rules and regulations promulgated thereunder), or to others for reoffering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, other than to the Eligible Korean Investors, through a duly licensed brokerage firm in Korea, and in compliance with applicable laws and regulations of Korea, including, without limitation, the FSCMA and rules and regulations promulgated thereunder.*

## **Mauritius**

*Investors in a Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the Fund's failure.*

*The Mauritius Financial Services Commission does not vouch for the financial soundness of the Funds or for the correctness of any statements made or opinions expressed with regard to them.*

## **Norway**

*No offering of the Shares is being made in Norway. This Prospectus will not be sent to or otherwise distributed in Norway except at the express and unsolicited request of the recipient. This Prospectus has not been filed with the Financial Supervisory Authority of Norway and the offering of the Shares is not subject to the Norwegian Investment Fund Act of 2011. The Funds have not been nor will be registered or approved by the Financial Supervisory Authority of Norway and are thus not under public supervision in Norway. This Prospectus must not be copied or distributed by any recipient in Norway.*

## **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.*

## **South Africa**

*This Prospectus is not intended and does not constitute an offer, invitation, or solicitation by any person to members of the public in South Africa to invest or acquire Shares in any of the Funds of the Company. In relation to the laws and regulations of South Africa the information provided is not an offer in terms of Chapter 4 of the Companies Act, 2008. Accordingly this Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act 2008. The Company is a foreign collective investment scheme as contemplated by section 65 of the Collective Investment Schemes Control Act, 2002 and is not approved in terms of that Act.*

## **Sweden**

*The Company is a UCITS (Sw. fondföretag) pursuant to the Swedish Securities Funds Act (Sw. lag (2004:46) om värdepappersfonder) and can only be marketed to Swedish investors on the initiative of such Swedish investors. Accordingly, the Company has not been passported into Sweden and thus been registered in the register of the Swedish Financial Supervisory Authority (Sw. Finansinspektionen).*

*The offering of Shares in the Company and this Prospectus are not subject to any registration or approval requirements under the Swedish Financial Instruments Trading Act 1991 (Sw. lag (1991:980 om handel med finansiella instrument). Accordingly, this Prospectus has not been, nor will it be, registered or approved by the Swedish Financial Supervisory Authority.*

## **Taiwan**

*The shares are being made available in the Republic of China, Taiwan ("R.O.C.") on a private placement basis only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, "Qualified Institutions") and other entities and individuals meeting*

*specific criteria ("Other Qualified Investors") pursuant to the private placement provisions of the R.O.C. Rules Governing Offshore Funds. No other offer or sale of the shares in R.O.C. is permitted. R.O.C. purchasers of the shares may not sell or otherwise dispose of their holdings except by redemption, transfer to a Qualified Institution or Other Qualified Investors, transfer by operation of law or other means approved by the R.O.C. Financial Supervisory Commission.*

### **United Kingdom**

*Shares in the Fund(s) may not be offered or sold to retail investors in the UK without the consent of the Investment Manager.*

### **United States**

*The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of United States law.*

*The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Each applicant for Shares will be required to certify whether it is a U.S. Person.*

*The Company will not accept any subscriptions from investors that are employee benefit plans or entities whose assets constitute employee benefit plans (whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended ("ERISA")) (together, "Benefit Plans") if, after such subscription, the Shares held by Benefit Plans would be 25 per cent. or more of any class of Shares. If the Shares of any class held by Benefit Plans were to exceed this 25 per cent. limit, the Company's assets would be considered plan assets under ERISA, which could result in adverse consequences to the Company, the Investment Manager and the fiduciaries of the Benefit Plans.*

*The Company will not be registered under the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its Shares who are U.S. Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of Shares who are U.S. Persons is maintained, the Directors may compulsorily redeem Shares beneficially owned by U.S. Persons.*

*Notwithstanding the foregoing prohibitions, the Company may arrange or permit the private placement in the United States of a portion of the Shares under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder to a limited number of U.S. Persons that are "accredited investors" as defined in Rule 501(a) of Regulation D under the 1933 Act and "qualified eligible persons" as defined in Rule 4.7 under the Commodity Exchange Act, under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act or cause the assets of the Company to be "plan assets" for the purposes of ERISA, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements. Applicants will be required to certify whether they are Irish Resident and may be required to confirm that they are not U.S. Persons.*

### **Marketing Rules**

*Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the*

*auditor's report on the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor's report.*

*Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.*

*This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent there is any inconsistency between the English language Prospectus and this Prospectus in another language, this English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.*

*This Prospectus should be read in its entirety before making an application for Shares.*



## **BAILLIE GIFFORD WORLDWIDE FUNDS PLC**

### **Directors**

Mr. Gavin Scott (Chairperson)  
Mr. Brian Collins  
Mr. Alastair Maclean  
Mr. Derek McGowan  
Mr. Christopher Murphy  
Mr. Ronan Walsh

### **Registered Office**

30 Herbert Street  
Dublin 2  
Ireland

### **Investment Manager and Distributor**

Baillie Gifford Investment Management  
(Europe) Limited  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### **Administrator, Registrar and Transfer Agent**

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

### **Company Secretary**

Bradwell Limited  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### **Depository**

Brown Brothers Harriman Trustee Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

### **Legal Advisers**

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### **Chartered Accountants and Registered Auditors**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

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## DEFINITIONS

In this Prospectus, the following words and phrases shall have the meanings indicated below:-

"1933 Act"	the U.S. Securities Act of 1933 (as amended);
"1940 Act"	the U.S. Investment Company Act of 1940 (as amended);
"ACD"	means Baillie Gifford & Co. Limited, the authorised director of the ICVC;
"Administrator"	Brown Brothers Harriman Fund Administration Services (Ireland) Limited;
"Administration Agreement"	the agreement dated 23 December 2010, as amended, between the Company and the Administrator pursuant to which the latter was appointed administrator, registrar and transfer agent of the Company;
"AIMA"	the Alternative Investment Management Association;
"Articles of Association" or "Articles"	the articles of association of the Company;
"Asia (excluding Japan)"	any country that, in the opinion of the Investment Manager, is generally considered to be an Asian country (excluding Japan);
"AUD"	the lawful currency of Australia;
"Base Currency"	the base currency of a Fund or class as specified in the section entitled "Investment Objectives and Policies of the Funds";
"Benchmark Regulation"	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no 596/2014;
"Business Day"	unless otherwise determined by the Directors and notified in advance to Shareholders, a day on which retail banks are open for business in Ireland;
"CAD"	the lawful currency of Canada;
"Central Bank"	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
"Central Bank Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities)

	Regulations, 2015, as such may be amended, supplemented or replaced from time to time;
"CHF"	the lawful currency of Switzerland;
"class" or "Class"	any class of Shares;
"Class A Shares"	those Class A shares identified in Schedule I;
"Class B Shares"	those Class B shares identified in Schedule I;
"Class C Shares"	those Class C shares identified in Schedule I;
"Class F Shares"	those Class F shares identified in Schedule I;
"Class Currency"	the currency in which Shares of a Class are issued;
"Companies Acts"	the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force;
"Company"	Baillie Gifford Worldwide Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Acts and the UCITS Regulations;
"CNH"	offshore Renminbi;
"CNY"	onshore Renminbi;
"CSRC"	the China Securities Regulatory Commission of the PRC, the authority responsible for matters relating to securities regulation;
"Dealing Day"	each Business Day or such other days as the Directors may determine from time to time and notify in advance to Shareholders, provided that there shall be at least two Dealing Days per month at regular intervals;
"Depositary"	Brown Brothers Harriman Trustee Services (Ireland) Limited;
"Depositary Agreement"	the agreement dated 20 May 2016 between the Company and the Depositary pursuant to which the latter was appointed depositary of the Company;
"Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014;
"Directors"	the directors of the Company for the time being and any duly constituted committee thereof;

"DKK"	the lawful currency of Denmark;
"EEA"	the European Economic Area;
"Eligible Collective Investment Schemes"	<p>schemes established in Member States which are authorised under the Directive or the relevant national legislation implementing the Directive and which may be listed on a Regulated Market in the EU and/ or any of the following open-ended collective investment schemes:</p> <ul style="list-style-type: none"> <li>(a) schemes established in Guernsey and authorised as Class A schemes;</li> <li>(b) schemes established in Jersey as recognised funds;</li> <li>(c) schemes established in the Isle of Man as authorised schemes;</li> <li>(d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects, with the provisions of the UCITS Regulations and the Central Bank Regulations;</li> <li>(e) alternative investment funds authorised in a member state of the EEA, the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank Regulations; and</li> <li>(f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus;</li> </ul>
"Emerging Market Countries" or "Emerging Market Country"	any country that, in the opinion of the Investment Manager, is generally considered to be an emerging or developing country (this generally excludes any country all of whose markets are uniquely classified by MSCI as "developed");
"EMIR"	Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;
"ESMA"	the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time;
"EU"	the European Union;
"EUR" or "euro" or "€"	the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
"FATCA"	the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act;
"FCA"	the Financial Conduct Authority or any successor regulatory entity;
"FDI"	financial derivative instruments;

"Fixed Income Securities"	convertible, exchangeable, non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, transferable notes, mortgage-backed and asset-backed securities, commercial paper, certificates of deposits of variable or fixed interest rates listed, traded or dealt in on a Regulated Market;
"FSCMA"	the Financial Investment Services and Capital Markets Act of Korea;
"Fund" or "Funds"	any fund from time to time established by the Company including any of the Funds the subject of this Prospectus, where appropriate;
"Initial Offer Period"	in the case of any Class first offered for subscription; the period beginning at 9.00 am (Irish time) on 4 February 2019 and terminating at 5.00 pm (Irish time) on 5 August 2019 or such other period determined by the Directors in accordance with the requirements of the Central Bank during which Shares are first offered for subscription. Typically, the Initial Offer Period of a Class of Shares ends following the receipt by the Company of the initial subscription;
"Initial Offer Price"	the price at which a class of Shares is first offered and as identified in Schedule I;
"Investment Manager"	Baillie Gifford Investment Management (Europe) Limited;
"Investment Management and Distribution Agreement"	the agreement dated 1 February 2019 between the Company and the Investment Manager pursuant to which the latter was appointed investment manager and distributor of the Company;
"Investor Money Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;
"IOSCO"	International Organisation of Securities Commissions;
"Irish Resident"	the definition more particularly set out in the section entitled "Taxation of the Company" of this Prospectus;
"J.P. Morgan GBI-EM Global Diversified Index (unhedged)"	the J.P. Morgan Global Bond Index-Emerging Markets Global Diversified Index (unhedged) which consists of fixed coupon and zero coupon instruments with maturity greater than 13 months. As of 5 July 2018, there were 19 countries and 213 instruments with a total market cap of U.S. \$830 billion. No country can have greater than a 10 per cent. weighting in the index. The constituent countries in the GBI-EM Global

	Diversified Index as of 5 July 2018 were Argentina, Brazil, Chile, Colombia, Czech Republic, Dominican Republic, Hungary, Indonesia, Malaysia, Mexico, Nigeria, Peru, Philippines, Poland, Romania, Russia, South Africa, Thailand and Turkey and Uruguay. Countries can enter and fall out of the index depending on changes in income per capita, liquidity and capital controls;
"JPY"	the lawful currency of Japan;
"Member State"	a member state of the EU;
"MiFID"	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC;
"MiFID II"	collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014;
"Minimum Holding"	such minimum value of a holding of Shares in any Fund as the Directors may determine and as identified in Schedule I;
"Memorandum and Articles of Association"	the memorandum and articles of association of the Company;
"Moody's"	Moody's Investor Services, Inc.;
"MSCI"	MSCI Inc. and/or its subsidiaries (whether direct or indirect) and their suppliers (whether direct or indirect) and any relevant third party and whether alone or in conjunction;
"Net Asset Value" or "NAV"	the Net Asset Value of the Company, or of a Fund or class, as appropriate, calculated as described herein;
"Net Asset Value per Share"	in respect of any Shares, the Net Asset Value attributable to the relevant Shares issued in respect of a Fund or class, divided by the number of Shares in issue in respect of the Fund or class;
"NOK"	the lawful currency of Norway;
"OECD"	the Organisation for Economic Co-Operation and Development;
"OTC"	over-the-counter;



"PRC" or "China"	People's Republic of China, excluding Hong Kong, Macau and Taiwan;
"Pound Sterling" or "GBP" or "Stg£"	the lawful currency of the United Kingdom;
"Prospectus"	this document and any Supplement designed to be read and construed together with and to form part of this document;
"QFII"	a qualified foreign institutional investor in a QFII scheme;
"Recognised Rating Agency"	Moody's, Standard and Poor's and any other internationally recognised rating agency equivalent to either of them;
"Regulated Market"	any stock exchange or regulated market in the EU or a stock exchange or regulated market which is set forth in Schedule II to this Prospectus, or such other markets as the Directors may from time to time determine to be a regulated market in accordance with the UCITS Regulations – which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State – and as shall be specified in a supplement or addendum to this Prospectus;
"REIT"	a real estate investment trust;
"Relevant Declaration"	the declaration relevant to the Shareholder as set out in Schedule 2B TCA. The Relevant Declaration for investors who are neither resident in Ireland nor ordinarily resident in Ireland (or intermediaries acting for such investors) is set out in the application form;
"Revenue Commissioners"	the Revenue Commissioners of Ireland;
"RMB" or "Renminbi"	the lawful currency of the People's Republic of China;
"RQFII"	a Renminbi Qualified Foreign Institutional Investor in a RQFII scheme;
"Rule 144A Securities"	securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company;
"S&P"	Standard & Poor's Corporation;
"SAFE"	the PRC State Administration of Foreign Exchange, the government agency responsible for matters relating to foreign exchange administration;

"SEC"		the Securities and Exchange Commission in the U.S.;
"Securities Regulation"	Financing Transactions	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;
"SEK"		the lawful currency of Sweden;
"Settlement Date"		the date by which funds representing subscription monies in respect of a subscription order must be received by the Administrator which day is, at the latest, 3 Business Days after a Dealing Day or such other day as may be agreed with the Administrator and notified to Shareholders;
"SGD"		the lawful currency of Singapore;
"Share" or "Shares"		any class of share or shares in the Company or the Fund, as the context so requires;
"Shareholder"		a holder of Shares;
"Shareholder Monies"		subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders;
"SPSA Model"		an Enhanced Pre-trade Checking Model introduced by the regulators under the Shanghai Hong Kong Stock Connect which allows pre-trade checking to be done without the investor transferring its SSE/SZSE Securities from its custodian to its selling exchange participant (i.e. the designated broker) before the market opens on the day of selling;
"Standard and Poor's"		Standard & Poor's Corporation;
"Stock Connects"		the Shanghai Hong Kong Stock Connect or the Shenzhen Hong Kong Stock Connect or both, as the case may be;
"Subscriber Shares"		the initial share capital of 300,000 Shares of no par value subscribed for EUR 300,000;
"Supplement"		any supplemental prospectus issued by the Company from time to time in accordance with the requirements of the Central Bank;
"Supranational Organisation"		an entity established or financially supported by the national governments of one or more countries to promote reconstruction or development including those listed in paragraph 2.12 in Schedule III such as the International Bank for Reconstruction and Development (more

	commonly known as The World Bank), the European Union, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank;
"TCA"	the Taxes Consolidation Act, 1997, as amended from time to time;
"Trade Cut-Off Time"	in the case of subscriptions and redemptions, 5.00 pm (Irish time) on the Business Day before the relevant Dealing Day;
"UCITS"	an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive or the relevant national legislation implementing the Directive;
"UCITS Regulations"	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as such may be amended, supplemented or replaced from time to time;
"UCITS Rules"	the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced from time to time;
"U.K."	the United Kingdom of Great Britain and Northern Ireland;
"Umbrella Cash Account"	any single umbrella cash account for each currency in which a Share class is denominated in the name of the Company;
"U.S."	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
"U.S. \$" or "U.S. Dollar" or "USD"	the lawful currency of the U.S.;
"U.S. Person"	"U.S. Person" as defined in Regulation S under the 1933 Act; and
"Valuation Point"	10 am (Irish time) on the Dealing Day.

## INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts and the UCITS Regulations. The Company was incorporated on 28 October 2010 under registration number 490695 and was authorised by the Central Bank on 23 December 2010. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds. The Articles of Association provide that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of the Baillie Gifford Worldwide Japanese Fund and the Baillie Gifford Worldwide Positive Change Fund. Additional Funds may be established by the Company with the prior approval of the Central Bank.

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund. Initially, the Classes of Shares set out in Schedule I will be issued in respect of the Funds. Further Classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank.

## INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

The Funds aim to achieve their investment objectives, as set out below, while spreading investment risks through investment in transferable securities and liquid financial assets in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which a Fund may invest generally must be listed, traded or dealt in on a Regulated Market except that up to 10 per cent. of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. The Regulated Markets on which a Fund's investments will be listed, traded or dealt are set out in Schedule II.

### **Baillie Gifford Worldwide Japanese Fund**

#### *Investment Objective*

The investment objective of the Fund is to maximise total return principally through investment in equity securities which are listed, traded or dealt on Regulated Markets in Japan.

#### *Profile of a Typical Investor*

A typical investor in the Fund will seek exposure to growth investments in the Japanese equity market over the long term and will not look to an investment in the Fund as a regular source of income.

**There can be no assurance that the Fund will achieve its investment objective.**

#### *Investment Policy*

The Fund will seek to achieve its objective primarily through investment in a diversified portfolio of equity securities which are listed, traded or dealt on Regulated Markets in Japan. The Fund may also invest in equity securities issued by companies deriving a substantial part of their income from, or having a substantial proportion of their assets located in, Japan and which are listed, traded or dealt on Regulated Markets worldwide. The equity securities in which the Fund will invest shall primarily consist of common stocks and other transferable securities such as convertible securities, preferred securities, convertible preferred securities, warrants and rights. The equity securities in which the Fund may invest will not be selected from any particular industry sector and may be of small, medium or large market capitalisation, with no specific target allocation between small, medium and large market capitalisation companies.

The investment strategy of the Fund is to invest primarily in equity securities with the aim of providing above average returns comprising capital growth and dividend income over the long term. Stocks with the relevant characteristics are selected on an individual stock selection basis by a dedicated team of portfolio managers, drawing on their own research and that of other investment teams at Baillie Gifford.

Cash is a residual element of the investment process. Cash may be held on deposit by the Fund. Cash equivalents may also be held by the Fund from time to time. Cash equivalents are commercial paper, banker's acceptances, certificates of deposit and government securities or securities issued by any Supranational Organisation, provided these securities are listed, traded or dealt in on a Regulated Market referred to in Schedule II and are rated investment grade or better by a Recognised Rating Agency. Cash deposits and cash equivalents held by the Fund will not generally exceed 10 per cent. of its Net Asset Value, but in exceptional circumstances (for example in an uncertain market environment) the Fund may hold in excess of 10 per cent. of its Net Asset Value in cash or cash equivalents.

The Fund will not invest more than 10 per cent. of its Net Asset Value in units or shares of Eligible Collective Investment Schemes, including exchange traded funds. The Eligible Collective Investment Schemes in which the Fund may invest will have similar investment objectives and policies to the Fund.

The Fund may invest in currency forwards to reduce currency risk but not to take active positions on currency. Such use will be for efficient portfolio management purposes in the manner described under the heading "Investment Techniques and Instruments".

Other than the Fund's investment in convertible securities, preferred securities, convertible preferred securities, warrants and rights for investment purposes, the Fund may only use financial derivative instruments referred to under the heading "Investment Techniques and Instruments" for efficient portfolio management purposes. To the extent that the Fund uses financial derivative instruments which create leverage, the limits on global exposure described in Schedule IV under the heading "Cover Requirements" apply. In particular, leverage will be measured using the commitment approach, whereby such leverage cannot exceed 100 per cent. of the Net Asset Value of the Fund. For a fuller description of the risks involved, please see the section entitled "Risk Factors". A financial derivative instruments risk management process, setting out the types of financial derivative instruments in which the Fund may invest has been filed with the Central Bank in accordance with the UCITS Rules. Derivatives, in general, involve special risks and costs and may result in losses to the Fund.

Other than as expressly permitted pursuant to the Fund's investment policy set out above, the Fund will not actively take positions in securities which contain embedded derivatives but it may acquire them passively through corporate actions, for example, where the Fund is issued with securities pursuant to a rights issue in respect of a pre-existing investment and those securities have warrants attached to them. The Investment Manager does not expect such embedded derivatives to be leveraged.

The Base Currency of the Fund is JPY.

## **Baillie Gifford Worldwide Positive Change Fund**

### *Investment Objective*

The investment objective of the Fund is to produce capital growth over the long term by investing primarily in the equities of companies whose products, behaviour or services make a positive social impact. The Fund may also invest in other transferable securities, money market instruments, cash and cash equivalents.

### *Profile of a Typical Investor*

A typical investor in the Fund will seek exposure to growth investments over the long term and will not look to an investment in the Fund as a regular source of income nor be concerned about short term volatility and performance.

**There can be no assurance that the Fund will achieve its investment objective.**

**The Fund is expected to experience high volatility at times as a result of its investment strategies.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### *Investment Policy*

The Fund will seek to achieve its objective primarily through investment in a diversified portfolio of equity securities which shall principally be listed, traded or dealt in on one or more of the Regulated Markets referred to in Schedule II and through investment in a concentrated but diversified portfolio of equities of companies whose products or behaviour make a positive social impact. This will include companies addressing critical social challenges in areas such as, but not limited to: education, social inclusion, healthcare and the environment. The equity securities in which the Fund will invest shall primarily consist of common stocks and other transferable securities such as convertible securities, preferred securities, convertible preferred securities, warrants and rights. The equity securities in which the Fund may invest will not be selected from any particular industry sector or from any particular country and may be of small, medium or large market capitalisation, with no specific target allocation between small, medium and large market capitalisation companies.

The investment strategy of the Fund is to produce capital growth over the long term by investing in the equities of companies whose products, behaviour or services in the Investment Manager's opinion, deliver a positive social impact and change by contributing toward a more sustainable and inclusive world. The Fund will invest in equities of companies which are listed, traded or dealt in Regulated Markets globally. Companies that make a positive impact are selected on an individual stock selection basis by a dedicated team of portfolio managers, using a 'bottom-up' approach and drawing on their own research and that of other investment teams at Baillie Gifford. The Investment Manager seeks to identify companies for whom delivering a positive social impact is core to their business; whose products, behaviour and services represent an improvement to the prevailing practices; and who conduct business with honesty and integrity. This will include companies addressing critical challenges in areas such as, but not limited to, education, social inclusion, healthcare and the environment.

Cash is a residual element of the investment process. Cash may be held on deposit by the Fund. Cash equivalents may also be held by the Fund from time to time. Cash equivalents are commercial paper, banker's acceptances, certificates of deposit and government securities or securities issued by any Supranational Organisation, provided these securities are listed, traded or dealt in on a Regulated Market and are rated investment grade or better by a Recognised Rating Agency. Cash deposits and cash equivalents held by the Fund will not generally exceed 10 per cent. of its Net Asset Value, but in

exceptional circumstances (for example in an uncertain market environment) the Fund may hold in excess of 10 per cent. of its Net Asset Value in cash or cash equivalents.

Investments in Emerging Market Countries may be acquired subject to a limit of 50 per cent. of the Net Asset Value of the Fund.

The Fund shall not acquire equity securities which are listed, traded or dealt in markets in Russia but may acquire the securities of Russian issuers which are listed, traded or dealt in on Regulated Markets in non-Emerging Market Countries. In relation to investment in China, the Fund may have exposure to China "A" shares directly through the Stock Connects, or indirectly via investments in structured notes, participation notes, equity-linked notes or Eligible Collective Investment Schemes that invest primarily in China "A" shares, structured notes, participation notes, equity-linked notes and similar financial instruments where the underlying assets consist of securities issued by companies quoted on Regulated Markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on Regulated Markets in China. Only participation notes and structured notes which meet the criteria for transferable securities under the UCITS Regulations and which are unleveraged, securitised and capable of free sale and transfer to other investors and which are purchased through recognised regulated dealers are deemed to be transferable securities which are traded on Regulated Markets.

The Fund will not invest more than 10 per cent. of its Net Asset Value in units or shares of Eligible Collective Investment Schemes, including exchange traded funds. The Eligible Collective Investment Schemes in which the Fund may invest will have similar investment objectives and policies to the Fund.

The Fund may invest in currency forwards to reduce currency risk but not to take active positions on currency. Such use will be for efficient portfolio management purposes in the manner described under the heading "Investment Techniques and Instruments".

Other than the Fund's investment in convertible securities, preferred securities, convertible preferred securities, warrants and rights for investment purposes, the Fund may only use financial derivative instruments referred to under the heading "Investment Techniques and Instruments" for efficient portfolio management purposes. To the extent that the Fund uses financial derivative instruments which create leverage, the limits on global exposure described in Schedule IV under the heading "Cover Requirements" apply. In particular, leverage will be measured using the commitment approach, whereby such leverage cannot exceed 100 per cent. of the Net Asset Value of the Fund. For a fuller description of the risks involved, please see the section entitled "Risk Factors". A financial derivative instruments risk management process, setting out the types of financial derivative instruments in which the Fund may invest has been filed with the Central Bank in accordance with the UCITS Rules. Derivatives, in general, involve special risks and costs and may result in losses to the Fund.

Other than through investment in convertible securities, preferred securities, convertible preferred securities, warrants, rights, structured notes, participation notes and equity-linked notes as set out above, the Fund will not actively take positions in securities which contain embedded derivatives but it may acquire them passively through corporate actions, for example, where the Fund is issued with securities pursuant to a rights issue in respect of a pre-existing investment and those securities have warrants attached to them. The Investment Manager does not expect such embedded derivatives to be leveraged.

The Base Currency of the Fund is U.S. Dollars.

### **Classes of Shares**

A list of the Classes of Shares available in respect of each of the Funds and the characteristics of each such Class is set out in Schedule I.

The Company reserves the right to vary the minimum initial investment, minimum subsequent investment and minimum holding requirements in the future and may choose to waive these criteria.

Variations to the minimum subsequent investment and minimum holding requirements will be notified in advance to Shareholders.

Investors should note that as at the date of this Prospectus only certain Classes of Shares may currently be available for purchase.

### **Borrowing**

A Fund may not borrow money, except as follows:

- (a) a Fund may acquire foreign currency by means of a "back to back" loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a "back to back" deposit; and
- (b) a Fund may borrow up to 10 per cent. of its Net Asset Value, provided that such borrowing is on a temporary basis.

Foreign currency obtained under (a) above is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations or (b) above, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (b) above.

### **Adherence to Investment Objectives and Policies**

Any change in investment objectives and any material change in investment policies will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. In accordance with the Company's Articles of Association, Shareholders will be given 21 clear days' notice of such general meeting. The notice shall specify the place, day, hour and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objectives and policies. In the event that a change in investment objectives and/or policies is approved by Shareholders by way of a majority of votes cast at a general meeting, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.



## **DISTRIBUTION POLICY**

A Fund may issue income or accumulation Shares, as more particularly described in Schedule I.

It is proposed that the Company will declare dividends annually, in respect of income bearing Classes of Shares of the Funds, on 1 October in each year (or in the event that 1 October in any year does not fall on a Business Day, the Business Day following that date) and will pay dividends on or around 30 November in each year from net income (i.e. income less expenses).

It is not intended to pay dividends in respect of accumulation Classes of Shares.

Dividends will be automatically reinvested in the Fund in respect of which the dividend is declared unless the Shareholder elects to receive cash. In respect of cash dividend payments, payment (net of tax, where appropriate) will be made direct to the holder's bank or building society account. Where appropriate, dividend confirmations or dividend vouchers will be issued to Shareholders in respect of distributions made and Shareholders will be notified of any tax withheld.

The Company may be required to withhold tax on dividends paid to Shareholders at the applicable rate, unless it has received from the Shareholder in respect of whom it is required to deduct tax a Relevant Declaration confirming that the Shareholder is neither resident in Ireland nor ordinarily resident in Ireland. The Company reserves the right to redeem such number of Shares held by such Shareholder as may be necessary to discharge any such tax liability that may arise. The Company also has the benefit of an indemnity from the Shareholder against any loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event. Please see the section below entitled "Taxation" for more information in relation to taxation matters.

Any distribution payment of a Fund which remains unclaimed after a period of six years from the date of payment, will be forfeited and shall revert to the Company.

The Company may operate grouping for equalisation. Where this is the case, each Class of Shares will operate its own equalisation account. Shares purchased during the current accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the relevant Fund that has accrued up to the date of purchase. The amount of equalisation will be averaged across all the Shareholders of Shares purchased during the current accounting period and refunded to them as part of their first distribution and will be 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.

## **INVESTMENT RESTRICTIONS**

A Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule III. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus and in the next succeeding annual or half-yearly report of the Company. In the event that any alterations to the UCITS Regulations affect the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

## **INVESTMENT TECHNIQUES AND INSTRUMENTS**

Where permitted by the investment policy of a Fund, a Fund may employ financial derivative instruments for investment purposes and/or for efficient portfolio management purposes, being where the Investment Manager considers the use of such techniques and instruments is economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described therein and the general provisions of the Directive. A Fund's use of such financial derivative instruments shall be subject to the conditions and within the limits from time to time laid down by the Central Bank.

A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedule IV. Details of the risks associated with the use of financial derivative instruments is set out in the section entitled "Risk Factors". The Company employs a risk management process which enables it accurately to measure, monitor and manage the various risks associated with such financial derivative instruments. No financial derivative instruments may be utilised by a Fund until such time as they are included in a risk management process that has been cleared by the Central Bank. Supplementary information in relation to the quantitative risk management limits applied, the risk management methods used and any recent developments in the risks and yield characteristics for the main categories of investment shall be supplied to a Shareholder upon request. The Company also employs a collateral policy which includes permitted types of collateral, the level of collateral required and the haircut policy and in the case of cash collateral, the reinvestment policy (including the risks arising from the reinvestment policy).

### ***Currency Hedging Transactions***

The Investment Manager takes a long-term view of currency, incorporating assumptions into the underlying investment analysis. Typically, currency exposure is consistent with the underlying equity exposure. Recognizing that currencies may fluctuate, the Investment Manager may engage, as required, in currency hedging in order to seek to reduce risk and preserve capital, using forward currency contracts as described below.

Currency hedging transactions involve special risks, including the risk that a Fund's Base Currency will decline in value relative to the currency being hedged, thereby reducing the Fund's positive return or causing or exacerbating the Fund's negative return.

The Company may also create hedged currency share classes which are described below.

Over-hedged and under-hedged positions, while not intended, may arise due to factors outside the control of the Investment Manager. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed 105 per cent. of the Net Asset Value of the Share class in aggregate and that under-hedged positions do not fall short of 95 per cent. of the Net Asset Value of the Share class in aggregate. Over-hedged positions in excess of 100 per cent. of the Net Asset Value of the Share class and under-hedged positions short of 95 per cent. of the Net Asset Value will not be carried forward from month to month. Where a class of Shares is hedged, any costs related to such hedging shall be borne separately by the relevant Share class. All gains or losses that may be made or incurred by any class of any Fund as a result of such hedging transactions shall accrue to the relevant class of Shares. The currency exposure of assets of the Fund will not be allocated to specific Share classes.

### ***Baillie Gifford Worldwide Japanese Fund***

Where a class of Shares in these Funds is described as hedged, the intention is to hedge the value attributable to the Share class of the net assets in the Base Currency of the Fund into the Base Currency of the hedged Share class. The hedging strategy is designed to reduce the currency exposure of the relevant Share class to the Base Currency of the Fund. It is intended to carry out such hedging through the utilisation of over-the-counter currency forward contracts. Investors in the hedged class will not benefit if the currency of the class that is hedged falls against the Base Currency of the Fund.

To the extent that the hedging is successful, the performance of the hedged Share class will move more in line with the performance of the Base Currency of the Fund. For each of the Baillie Gifford Worldwide Japanese Fund, investors will not benefit if the currency of the class that is hedged falls against the Base Currency of the Fund.

### ***Forward Contracts***

A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade settlement is delayed until the specified date when the underlying security or currency is exchanged

for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes.

Forward contracts involve a number of the same characteristics and risks as futures contracts but there are also several differences. Forward contracts are not market traded. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

A non-deliverable forward is a cash-settled, short-term forward contract used where a foreign currency is not freely convertible, where the profit or loss at the time at the settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds.

### ***Futures***

Where permitted by the investment policy of a Fund, it is authorised to enter into futures contracts and may engage in a variety of transactions involving the use of futures. If a Fund purchases a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If a Fund sells a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase of futures contracts can serve as a long hedge, and the sale of futures contracts can serve as a limited short hedge.

The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash or other liquid assets equal in value to a percentage of the face amount of the futures contract must be deposited with the broker. This amount is known as initial margin. The size of the initial margin is generally set by the market on which the contract is traded. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking to the market".

In most cases futures contracts are closed before the settlement date without the making or taking of delivery. A sale of a futures contract is closed by purchasing a futures contract for the same aggregate amount of the specified type of financial instrument and the same delivery date. If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the purchase price, the seller realises a loss. Similarly, a purchase of a futures contract is closed by selling a corresponding futures contract.

Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged differs from the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities is used to hedge a single security, a futures contract on one security (e.g., government bonds) is used to hedge a different security (e.g., a mortgage-backed security), or when a futures contract in one currency is used to hedge a security denominated in another currency. In the case of futures contracts on securities indices and futures contracts on commodity indices, changes in the price of those futures contracts may not correlate perfectly with price movements in the relevant index due to market distortions. In the event of an imperfect correlation between a futures position and the portfolio position (or anticipated position) intended to be hedged, the Fund may realise a loss on the futures contract at the same time the Fund is realizing a loss on the portfolio position intended to be hedged. To compensate for imperfect correlations, a Fund may purchase or sell futures contracts in a greater amount than the hedged investments if the volatility of

the price of the hedged investments is historically greater than the volatility of the futures contracts. Conversely, a Fund may purchase or sell fewer futures contracts if the volatility of the price of the hedged investments is historically less than that of the futures contract.

All participants in the futures market are subject to margin deposit and maintenance requirements. Instead of meeting margin calls, investors may close futures contracts through offsetting transactions, which could distort normal correlations. Trading hours for certain stock index futures may not correspond perfectly with the trading hours of the exchange to which a particular stock index future relates. As a result, the lack of continuous arbitrage may cause a disparity between the price of certain stock index futures and the value of the relevant index.

A Fund may purchase futures contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities the Fund anticipates purchasing is denominated. In such instances, the currency may instead decline. If the Fund does not then invest in those securities, the Fund may realise a loss on the futures contract that is not offset by a reduction in the price of the securities purchased.

A Fund's ability to engage in the futures and options on futures strategies described above depends on the liquidity of the markets in those instruments. Trading interest in various types of futures and options on futures cannot be predicted. Therefore, no assurance can be given that a Fund will be able to utilise these instruments at all or that their use will be effective. In addition, there can be no assurance that a liquid market will exist at a time when a Fund seeks to close out a futures or option on a futures contract position, and that Fund would remain obligated to meet margin requirements until the position is closed. The liquidity of a secondary market in a futures contract may be adversely affected by "daily price fluctuation limits" established by futures exchanges to limit the amount of fluctuation in a futures contract price during a single trading day. Once the daily limit has been reached, no trades of the contract may be entered at a price beyond the limit, thus preventing the liquidation of open futures positions. In the past, prices have exceeded the daily limit on several consecutive trading days. Short (and long) positions in Index Futures may be closed out only by purchasing (or selling) a futures contract on the exchange on which the relevant futures are traded.

A Fund that purchases or sells a futures contract is only required to deposit initial and variation margin as required by relevant regulations and the rules of the contract market. The Fund's NAV will generally fluctuate with the value of the securities or other instrument(s) underlying a futures contract as if they were already in the Fund's portfolio. Futures transactions can have the effect of investment leverage. Furthermore, if a Fund combines short and long positions, in addition to possible declines in the values of its investment securities, the Fund will incur losses if the index underlying the long futures position underperforms the index underlying the short futures position. In addition, in order to purchase and sell futures contracts, a Fund may be required to file notices and financial statements with agencies in the appropriate jurisdictions that oversee futures trading and to make certain of its books and records available to such agencies.

### ***Warrants and Rights***

A Fund may invest in warrants. Warrants are options to buy a stated number of shares of common stock at a specified price anytime during the life of the warrants (generally two or more years). They can be highly volatile and may have no voting rights, pay no dividends, and have no rights with respect to the assets of the corporation issuing them. A Fund may also invest in or hold other types of securities that are similar to warrants (e.g. rights).

### ***Convertible Securities***

Convertible securities are securities (such as preferred stock or Fixed Income Securities) that may be converted at a stated price within a specified period into a specified number of shares of common stock of the same or different issuers. Convertible securities are senior to common stock in a corporation's capital structure, but are usually subordinated to senior debt obligations of the issuer. Convertible securities provide holders, through their conversion feature, an opportunity to participate in increases in the market price of their underlying securities. The price of a convertible security is influenced by the market price of the underlying security, and tends to increase as the market price rises and decrease as the market price declines.

A convertible security entitles the holder either to receive interest that is generally paid or accrued on a convertible fixed interest security or to receive a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a Fixed Income Security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

### ***Credit Linked Notes***

A credit linked note is a bond issued by one entity that references the credit risk of another entity.

### ***Swap Contracts and Contracts for Differences***

A Fund may enter into swap agreements.

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a "notional amount," e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. A Fund may enter into any type of swap contract, including, but not limited to, equity, interest rate, credit default, inflation, total return, currency, volatility, variance and dividend swaps. Swap contracts may expose the Fund to substantial risk of loss.

Equity swap contracts typically involve the exchange of one party's obligation to pay the loss, if any, with respect to a notional amount of a particular equity index (e.g., the S&P 500 Index) plus amounts computed in the same manner as interest on such notional amount at a designated rate (e.g. LIBOR) in exchange for the other party's obligation to pay the gain, if any, with respect to the notional amount of such index.

Interest rate swaps involve the exchange of the two parties' respective commitments to pay or receive interest on a notional principal amount (e.g., an exchange of floating rate payments for fixed rate payments).

In a credit default swap, one party makes a stream of periodic payments to another party in exchange for the right to receive a specified return in the event of default by a third party on its obligations. Therefore, with credit default swaps, the Fund may pay the periodic payments referenced above and,

in return, have the right to deliver certain bonds or loans to the counterparty to the transaction upon an event of default (or similar event) in exchange for the par (or other agreed-upon) value of those bonds or loans. Rather than exchange the bonds for the par value, the parties may agree to a single cash payment representing the difference between the par value of the bonds and the current market value of the bonds. If the event of default does not occur, the Fund loses its investment and receives nothing. A Fund may also use credit default swaps for investment, in which case the Fund will receive the periodic payments referenced above, but would be obligated to pay the par (or other agreed-upon) value of the defaulted bonds or loans upon the issuer's default.

Total return swap contracts typically involve commitments to pay amounts computed in the same manner as interest in exchange for a market-linked return, both based on notional amounts. To the extent the total return of the security, basket of securities or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty, respectively.

Currency swaps similarly involve the exchange of the two parties' respective commitments to pay or receive fluctuations with respect to a notional amount of two different currencies (e.g., an exchange of payments with respect to fluctuations in the value of the U.S. dollar relative to the Japanese yen).

Volatility swaps involve the exchange of forward contracts on the future realised volatility of a given underlying asset and allow a Fund to take positions on the volatility of that underlying asset.

Variance swaps offer exposure to the volatility of an underlying asset and may be used to hedge against, or gain an investment return from, an increase or a decrease in the volatility of the underlying asset.

Dividend swaps enable investors to purchase or sell the dividends paid by an index of issuers, a basket of issuers or an individual issuer.

Contracts for differences are swap arrangements in which a Fund may agree with a counterparty that its return (or loss) will be based on the performance of individual securities or the relative performance of two different groups or "baskets" of securities. For one of the baskets, return is based on theoretical long positions in the securities comprising that basket (with an aggregate face value equal to the notional amount of the contract for differences) and for the other basket, return is based on theoretical short positions in the securities comprising the basket. A Fund may also use long and short positions to achieve the same exposure(s) as contracts for differences where payment obligations of the two legs of the contract are netted and thus based on changes in the relative value of the baskets of securities rather than on the aggregate change in the value of the two legs. However, it is possible that the short basket will outperform the long basket, resulting in a loss to the Fund, even in circumstances when the securities in both the long and short baskets appreciate in value.

Inflation swaps involve the exchange of the two parties' respective commitments to pay or receive inflation on a notional principal amount (e.g. an exchange of fixed rate payments for floating rate payments linked to an inflation index).

A Fund may enter into swaps and contracts for differences for hedging, risk management and investment leverage. When using swaps for hedging, the Fund may enter into a swap on either an asset-based or liability-based basis, depending on whether it is hedging its assets or its liabilities. For risk management or leverage purposes the Fund may also enter into a contract for differences in which the notional amount of the theoretical long position is greater than the notional amount of the theoretical short position.

A Fund may only close out a swap or a contract for differences with its particular counterparty. Furthermore, a Fund may only transfer a position with the consent of that counterparty. If the counterparty defaults, the Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will be able to enforce its rights. Because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently from the Fund. The Fund, therefore, assumes the risk that it may be unable to obtain payments the Investment Manager believes are owed to it under an OTC

derivatives contract or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

The creditworthiness of a counterparty may be adversely affected by larger-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. For further details of these and other risks associated with contracts for differences and swaps, please see the section entitled Risk Factors, below.

### ***Collateral Policy***

The policy that will be applied to collateral arising from OTC derivative transactions relating to the Funds is to adhere to the requirements set out in Schedule IV. This sets out the permitted types of collateral, the level of collateral required and the haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements in Schedule IV, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The level of collateral required will be at least that which is necessary to ensure that the risk exposure to a counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations (i.e., the difference between the risk exposure to the counterparty and the limits set out in Regulation 70(1)(c) of the UCITS Regulations). The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule IV. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled "Risk Factors".

### ***Securities Financing Transactions Regulation***

As of the date of this Prospectus, it is not intended that the Funds shall enter into securities financing transactions or total return swaps within the meaning of the Securities Financing Transactions Regulation.

## **RISK FACTORS**

Investors should understand that all investments involve risks. The following are some of the risks of investing in the Funds but the list does not purport to be exhaustive.

### ***Emerging Markets Risk***

Where Funds invest in Emerging Market Countries 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 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 Market Countries may not be subject:

- (a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in developed 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 these securities 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 the 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 Manager 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 Fund's investments due to factors such as fund repatriation, quota controls and dealing restrictions. On any corporate action or shareholder meeting, a 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 Market Countries 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 Market Countries may preclude investment in certain securities and, as a result, limit investment opportunities for the Funds.

Many Emerging Market Countries 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 Market Countries. Economies in Emerging Market Countries 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 Market Countries 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 Market Countries than in many developed foreign markets, which could reduce a Fund's income from such securities. Finally, because publicly traded debt instruments of Emerging Market Countries 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 Market Countries may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market. Restrictions on day trading, manual trading, block trading and/or off-exchange trading may mean that the Fund's investment options will be limited. The financial markets in emerging market countries 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 Market Countries 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 Market Countries. In many cases, governments of Emerging Market Countries continue to exercise significant control over their economies and government actions relative to the economy, as well as economic developments generally, may affect the capacity of 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 Fund to suffer a loss of any or all of its investments or, in the case of Fixed Income Securities, interest thereon.

A Fund may invest in securities of Russian issuers. Investment in these securities presents many of the same risks as investing in securities of issuers in other emerging market economies, as described in the immediately preceding section. However, the social, political, legal and operational risks of investing in Russian issuers, and of having assets custodied within Russia may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance. A risk of particular note with respect to investment in Russian securities is the way in which ownership of shares of private companies is recorded. The ownership of, and settlement of transactions in, many Russian securities has been moved to a central securities depository, the National Settlement Depository ("NSD"). The Depository or its local agent in Russia is a participant on the NSD. The NSD in turn is reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to provide a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined above.

Emerging Market Countries risks may be especially heightened in frontier markets.

### ***Particular Risks of Investment in Chinese Securities***

A Fund may invest in securities or instruments which have exposure to the Chinese market. A Fund may have direct access to certain eligible China "A" shares via the Stock Connects, QFII or RQFII. A Fund may have exposure to China "A" shares indirectly via investments in other Eligible Collective Investment Schemes that invest primarily in China "A" shares and other financial instruments (such as structured notes, participation notes and equity-linked notes) where the underlying assets consist of securities issued by companies quoted on regulated markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China. Investing in the securities markets of China is subject to emerging market risks as well as China-specific risks. The stock markets in China are emerging markets which are undergoing rapid growth and changes. This may lead to trading volatility, difficulties in settlement and in interpreting and applying the relevant regulations. In addition, there is a lower level of regulation and enforcement activity in these securities markets compared to more developed international markets. There also exists control on foreign investment in China and limitations on repatriation of invested capital. Less audited information may be available in respect of companies and enterprises located in China. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of a Fund's investments in the Chinese market due to factors such as fund repatriation and dealing restrictions. The securities industry in China is relatively young, and the value of the investments may be affected by uncertainties arising from political and social developments in China or changes in Chinese law or regulations. A Fund may be subject to withholding and other taxes imposed under Chinese tax law or regulations. Investors should be aware that their investments may be adversely affected by changes in Chinese tax law and regulations, which may apply with retrospective effect and which are constantly in a state of flux and will change constantly over time.

A Fund is also subject to counterparty risk associated with the issuer of financial instruments that invest in or are linked to the performance of China "A" shares. A Fund may suffer substantial loss if there is any default by the issuer of such financial instruments. In addition, such investments may be less liquid as they may be traded over-the-counter and there may be no active market for such investments.

Investments in China "A" shares through other collective investment schemes and other financial instruments (such as structured notes, participation notes and equity-linked notes) issued by third parties in Renminbi will be exposed to any fluctuation in the exchange rate between the Base Currency of the Fund and the Renminbi in respect of such investments. There is no assurance that Renminbi will not be subject to devaluation. Any devaluation of Renminbi could adversely affect a Fund's investments that are denominated in Renminbi. Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the value of the relevant Fund's investments may be adversely affected.

### *Risks Associated with the Stock Connects*

Certain Funds may invest in China "A" shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange (together "SSE") through the Stock Connects, QFII, RQFII, via local sub-custodians that are considered to be "Custody Participants" on the Stock Connects. Securities listed and traded on the SSE that may be traded by Hong Kong and overseas investors through the Stock Connects are herein referred to as "SSE Securities". In addition to the risks associated with investing in China above, investing through the Stock Connects is also subject to the following additional risks:

#### *Quota Limitations*

The Stock Connects are subject to a daily quota measuring total purchases and sales of securities via the Stock Connects. Buy orders and sell orders offset each other for purposes of the quota. If the daily quota is exceeded, further buy orders will be rejected, until the next trading day. The daily quota is not particular to a Fund or the Investment Manager; instead, they apply to all market participants generally. Thus, the Investment Manager of a Fund will not be able to control the use or availability of the quota. If the Investment Manager is unable to purchase additional Stock Connects securities, it may affect the Investment Manager's ability to implement a Fund's respective investment strategy.

#### *Restrictions on extent of foreign holding of China "A" shares*

There are restrictions on the amount of China "A" shares which a single foreign investor is permitted to hold and restrictions on the combined holdings of all foreign investors in a single company's China "A" shares. Where those limits are reached, no further purchase of those shares will be permitted until the holding is reduced below the threshold and if the thresholds are exceeded, the relevant issuer of the China "A" shares may sell those shares to ensure compliance with Chinese law which may mean that the relevant China "A" shares are sold at a loss.

#### *Suspension Risk*

Both the SSE and the Stock Exchange of Hong Kong Limited ("SEHK") have the right to suspend trading of SSE Securities if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant local regulator would be sought before a suspension of Northbound trading is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, a Fund's ability to access the China "A" share market will be adversely affected.

#### *Differences in Trading Day*

Each Stock Connect will only operate on days when both of the Shanghai or Shenzhen and the Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Shanghai Stock Exchange but Hong Kong or overseas investors (such as a Fund) cannot carry out any China "A" share trading. A Fund may be subject to a risk of price fluctuations in China "A" shares during the time when Shanghai-Hong Kong Stock Connect is not trading as a result.

#### *Restrictions on intra-day trading*

It is not possible to buy and sell shares on the same day on the Stock Connects.

#### *Operational Risk*

The Stock Connects provides a new channel for investors from Hong Kong and overseas to access the China "A" share market directly. The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Stock Connects subject to meeting certain information technology capability, risk management and other requirements as may be specified by the SSE, the SEHK and/or the relevant clearing house.

The launch of the Stock Connects was premised on relevant trading and clearing rules and systems having been finalised, all regulatory approvals having been granted, market participants having had

sufficient opportunity to configure and adapt their operational and technical systems. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the Stock Connects to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connects program requires routing of orders across the border. New information technology systems were developed and set up by the SEHK and participants on that exchange (“Exchange Participants”), i.e. a new order routing system known as the China Stock Connect System to which Exchange Participants have connected. These new systems of the SEHK and Exchange Participants have been operational only since 2014 and there is no assurance that these systems will continue to function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. A Fund’s ability to access the China “A” share market (and hence to pursue its investment strategy) will be adversely affected.

#### *Nominee Arrangements in Holding China “A” shares*

The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, is the “nominee holder” of SSE Securities acquired by Hong Kong and overseas investors, including a Fund, through the Stock Connects. The China Securities Regulatory Commission (“CSRC”) Stock Connects rules expressly provide that investors enjoy the rights and benefits of the SSE Securities acquired through the Stock Connects in accordance with applicable laws. However, the courts in the People’s Republic of China (“PRC”) may consider that any nominee or custodian as registered holder of SSE Securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those SSE Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Company and the Depositary cannot ensure that a Fund’s ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK (“CCASS”), HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities in the PRC or elsewhere. Therefore, although the relevant Fund’s ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing their rights in China “A” shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and a Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that a Fund suffers losses resulting from the performance or insolvency of HKSCC.

#### *Restrictions on Selling Imposed by Front-End Monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China “A” share sell orders of its Exchange Participants (i.e. the stock brokers) to ensure there is no over-selling. To facilitate investors whose SSE Securities are maintained with custodians to sell their SSE Securities without having to pre-deliver the SSE Securities from their custodians to their executing brokers, an Enhanced Pre-trade Checking Model (or “SPSA Model”) was introduced with effect from 30 March 2015. Under the SPSA Model, an investor whose SSE Securities are maintained with a custodian that is, under the Rules and Operational Procedures of HKSCC, as amended from time to time, registered and admitted to participate in CCASS as a “Direct Clearing Participant” or a “General Clearing Participant” (collectively, a “Custodian Participant”) or a non-Exchange Participant General Clearing Participant (“non-EP GCP”), can request such Custodian Participant or non-EP GCP to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in SSE Securities. Each SPSA will be assigned a unique investor identification number (“Investor ID”) by CCASS. The investor may designate at most 20 Exchange Participants as executing brokers which are authorised to use its Investor ID to execute sell orders in SSE Securities on its behalf. The SPSA Model, unlike the Enhanced Pre-trade

Checking Model, allows pre-trade checking to be done without the investor transferring its SSE Securities from its custodian to its selling Exchange Participant (i.e. designated broker) before the market opens on the day of selling ("trading day"). Under the SPSA Model, an investor will only need to transfer SSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order.

The Company intends to work with the Depository to utilise the SPSA Model, under which a Fund will be able to sell its China "A" shares through the Stock Connects without having to pre-deliver the SSE Securities from the Depository to a Fund's executing brokers. However, if the SPSA Model ceases to be available to a Fund for any reason at any time, a Fund will need to operate under the Historic Pre-trade Checking Model. Under the Historic Pre-trade Checking Model, if a Fund desires to sell certain China "A" shares it holds, it must transfer those China "A" shares to the respective accounts of its brokers before the market opens on the trading day. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, if a Fund is unable to utilise the SPSA Model and must rely on the Historic Pre-trade Checking Model, a Fund may not be able to dispose of holdings of China "A" shares in a timely manner.

#### *Recalling of Eligible Stocks*

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategy of a Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

#### *Clearing and Settlement Risk*

The HKSCC and China Securities Depository and Clearing Corporation Limited ("ChinaClear") have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades through the Stock Connects. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### *No Protection by investor compensation fund*

Investment through the Stock Connects programmes is conducted through brokers, and is subject to the risks of default by such brokers in discharging their obligations. In particular, a Fund's investments through Northbound trading under the Stock Connects are not covered by any investor compensation fund. Therefore a Fund is exposed to the risks of default of the brokers it engages in its trading in China "A" shares through the Stock Connects.

#### *Trading Costs*

In addition to paying trading fees and stamp duties in connection with China "A" share trading, a Fund may be subject to new portfolio fees, dividend withholding tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

### *Regulatory Risk*

The Stock Connects are novel in nature, and subject to regulations promulgated by regulatory authorities (the CSRC and Hong Kong's Securities and Futures Commission ("SFC")) and implementation rules made by the stock exchanges (the SSE and SEHK) and the clearing houses (ChinaClear and HKSCC). Further, new regulations may be promulgated from time to time by relevant regulators, including the SFC and the CSRC, in connection with operations and cross-border legal enforcement with respect to cross-border trades under the Stock Connects.

### *Currency risk/currency conversion as shares denominated in Renminbi*

China "A" shares are denominated in Renminbi (CNY) and the Base Currency of a Fund may not be denominated in Renminbi (CNY) in which case the payments from Renminbi (CNY) may have to be converted into the Base Currency of a Fund when realising China "A" shares and the Base Currency may have to be converted into Renminbi when purchasing China "A" shares. The exchange rate for Renminbi may be affected by, amongst other things, any exchange control restrictions and repatriation restrictions, imposed by the government in the PRC and other external market forces which may adversely affect the market value of the Fund.

### *Uncertainty of tax position*

The Company's tax treatment of China "A" shares is uncertain and particularly whether capital gains tax applies. There is a risk that capital gains realised may be subject to additional taxation in the future.

### *Uncertainty of Stock Connects*

It should be noted that the regulations establishing and governing the operation of the Stock Connects are novel and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. The Stock Connects infrastructure has not yet been fully tested and may not operate as described in all circumstances. There can be no assurance that the Stock Connects will not be abolished. A Fund, which may invest in the PRC markets through the Stock Connects, may be adversely affected as a result of such changes.

### *Segregation risk*

The China "A" shares are held by third party securities settlement systems in Hong Kong and the PRC where they are mixed with other investors' assets and may be subject to lower safekeeping, segregation and record keeping requirements than investments held domestically or in the EU.

### *Real time delivery versus payment ("RDVP")*

With effect from 20 November 2017, the HKSCC launched RDVP enhancements to the CCASS for settlement instructions on the Stock Connects. RDVP is a settlement procedure in which the buyer's payment for securities is due at the time of delivery. RDVP stipulates that cash payments must be made prior to/simultaneously with the delivery of securities. The roll out of RDVP in the Stock Connects is intended to address counterparty risk exposure and is to be used in conjunction with the SPSA Model. Where RDVP is used under the SPSA Model, the Depositary may determine that it is appropriate to deal with brokers outside its custody network. Where RDVP is not used then an integrated broker-custodian model will be required.

### *Risks associated with QFII and RQFII*

The Investment Manager may apply for a licence from the CSRC to act as a QFII and be granted an investment quota (the "QFII quota") by the SAFE. The Investment Manager may also apply to the CSRC for a RQFII licence, each holder of a RQFII licence may obtain a basic quota which does not exceed a certain percentage of the amount of its assets under management. Such RQFII quota granted by SAFE (the "RQFII quota") may be allocated to individual Funds at the discretion of the Investment Manager.

Direct investment in China “A” shares through such QFII quota of the Investment Manager is limited to 10 per cent. of the Net Asset Value of each relevant Fund.

The applicable laws, QFII and RQFII rules and regulations (including restrictions on investments and repatriation of principal and profits) under which the relevant Fund may invest in the PRC via the Investment Manager’s potential QFII or RQFII quota are relatively new and give the CSRC, the People’s Bank of China (“PBoC”) and the SAFE wide discretion on their interpretation. There are no precedents on how such discretion might be exercised for issues that have not been clearly provided in the QFII or RQFII regulations, therefore leaving a considerable amount of uncertainty. The QFII and RQFII regulations are undergoing continual change: they may therefore be subject to further revisions in the future, and there is no assurance that such revisions would not prejudice QFIIs or RQFIIs, or result in the substantial or entire removal of QFII or RQFII quotas generally (including the quota utilised for the Funds), or have any potential retrospective effect. The CSRC, the PBoC and/or SAFE may have power in the future to impose new restrictions or conditions on or terminate the Investment Manager’s QFII or RQFII status or determine that the Fund is no longer permitted to operate under the QFII and/or RQFII regime which may adversely affect the relevant Funds and its shareholders. It is not possible to predict how such changes would affect the relevant Funds.

The prevailing rules and regulations governing QFII and RQFII licence holders may impose restrictions on the types of investments, minimum investment holding periods and restrictions on remittance as well as on the repatriation of principal and profits in relation to investments made by or through QFII or RQFII, which may restrict or affect a Fund’s investments.

With the exception of what are termed “open-ended funds”, all the other investment products (or funds) of RQFIIs in respect of which the RQFII’s quota is utilised shall be subject to a lock-up period of three months in terms of investment principal. During this lock-up period, RQFIIs are prohibited from remitting investment principal abroad. The investment principal lock-in period shall commence from the day when the cumulative amount of investment remitted into the PRC reaches RMB 100 million. Although there is currently no legislation or guidance from the relevant authorities on this topic, it is considered likely that each of the Funds would be regarded as an “open-ended fund”.

Repatriations in Renminbi conducted by RQFIIs in respect of an open-ended fund are currently not subject to any lock-up periods, or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII depositary. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the relevant Fund’s ability to meet redemption requests made by the Shareholders.

#### *Liquidity risk with QFII and RQFII*

The PRC laws and practice may affect the Investment Manager’s ability to liquidate investments and to remit the proceeds thereof out of the PRC. The repatriation of monies to the relevant Fund out of the PRC is subject to certain restrictions (such as lock-up periods and restrictions on repatriations) and, in some cases, to obtaining approval from SAFE. The QFII and RQFII regulations and/or the approach adopted in relation to the repatriation limit may change from time to time. Any change in the relevant rules and regulations relating to repatriation may delay payment of redemption proceeds relating to the relevant Fund’s investment in the China “A” shares and other eligible securities.

These restrictions on the repatriation of principal and profits imposed by the QFII regulations may have an adverse impact on the liquidity of the relevant Funds’ portfolio. The Company will nevertheless ensure that the overall liquidity of the relevant Funds’ portfolios is maintained.

Furthermore, as the QFII custodian’s or RQFII custodian’s review on authenticity and compliance is conducted on each repatriation, repatriation may be delayed or even rejected by the PRC custodian in cases of non-compliance with the relevant regulations. In such a case, there may be an impact on the relevant Fund’s ability to meet redemption requests in a timely manner. It should be noted that the actual time required for the completion of any repatriation will be beyond the Company’s control.

Should a QFII and/or RQFII quota be obtained, Investors should note that there can be no assurance that the Investment Manager will continue to always maintain a RQFII status or to use its RQFII quota, or that a Fund will be allocated a sufficient portion of the RQFII quota from the Investment Manager to achieve the investment objective and policy of the relevant Fund, or that redemption requests can be processed in a timely manner in the case of adverse changes in relevant laws or regulations. Such restrictions may result in a rejection of applications for subscriptions or a suspension of dealings of the relevant Fund. In extreme circumstances, the relevant Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to the failure to obtain or the restrictions that apply in respect of RQFII quota.

#### *Dependence on the Investment Manager's quotas and licences*

To gain direct exposure to the China "A" shares and other eligible securities, the relevant Funds are dependent on gaining access to the Investment Manager's QFII and RQFII quota, should such quotas be obtained and on obtaining advice in relation to its investments in the PRC markets.

Should the Investment Manager for any reason be subject to a reduction or a revocation of such QFII or RQFII quota, the relevant Funds may partly or totally lose access to the Investment Manager's QFII or RQFII quota and may no longer be able to invest directly in China "A" shares and other eligible securities to meet all proposed investments to be made by the relevant Funds. Also, these circumstances may require the relevant Funds to dispose of its holdings in China "A" shares and other eligible securities which may have a material adverse effect on the Funds. The relevant Funds may lose access to the Investment Manager's potential QFII or RQFII quota and may no longer be able to invest directly into China "A" shares and other eligible securities via the QFII and RQFII schemes. The Investment Manager's potential QFII and RQFII licences may also be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, practice or other circumstances, an act or omission of the Investment Manager or for any other reasons. In such event, the relevant Funds may be prohibited from trading of these securities and all assets held by the relevant depositary for the account of the relevant Funds will be liquidated and repatriated in accordance with applicable laws and regulations; this may lead to significant losses to the relevant Funds and there may be delays in the payment of the amount invested in China "A" shares and other eligible securities.

As set out above, the relevant Funds would not have exclusive use of the Investment Manager's potential QFII or RQFII quota. Investors should be aware that the QFII or RQFII regulations generally apply to the Investment Manager (and its potential QFII quota or RQFII quota) as a whole and not solely in relation to the investments made by the relevant Funds: such Funds may therefore be adversely affected for reasons linked to the use of the potential QFII quota or RQFII quota for Other Schemes (for example, the Funds could be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFII or RQFII regulations) (including revocation of the potential QFII quota or RQFII quota).

The relevant Funds may also suffer substantial losses if any of the key operators or parties (including the QFII or RQFII depositary/brokers) are bankrupt/in default and/or are disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

There is no assurance that sufficient QFII quota or RQFII quota, if obtained, will be allocated to such Funds to meet their planned investment in China "A" shares and other eligible securities via the QFII scheme or RQFII scheme. The relevant Funds may suffer substantial losses in respect of its holdings in China "A" shares if there is insufficient QFII quota or RQFII quota allocated for the Funds to make investments.

SAFE is vested with the power to impose regulatory sanctions if the RQFII licence holder or the PRC custodian violates any provision of the RQFII regulations. Any violations could result in the revocation of the RQFII licence holder's quota or other regulatory sanctions and may adversely impact the portion of the RQFII licence holder's quota made available for investment by the relevant Fund.

### *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.

Direct investments by the relevant Funds in China "A" shares will be made through the Investment Manager's potential QFII quota or RQFII quota in Renminbi, and the relevant Funds will therefore be exposed to any fluctuation in the exchange rate between the Base Currency of each relevant Fund and the Renminbi in respect of such investment. The relevant Funds may also be adversely affected by controls of currency conversions by the PRC government.

For the purposes of investment through the QFII scheme or RQFII scheme, Renminbi are exchangeable into US Dollars at prevailing market rates. The relevant Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in losses to the relevant Fund. There can be no assurance that the Renminbi will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop.

### *Custody risks*

China "A" shares traded on the Shanghai and Shenzhen Stock Exchanges are dealt and held in dematerialized form through the China Securities Depository and Clearing Corporation Limited ("CSDCC"). Securities purchased on behalf of a relevant Fund using the Investment Manager's potential QFII quota or RQFII quota are required to be recorded by CSDCC as credited to a securities trading account maintained in the joint names of the Investment Manager and the relevant Fund. As a matter of PRC law, the Investment Manager as potential QFII or RQFII will have no ownership interest in the securities and the relevant Fund should be ultimately and exclusively entitled to ownership of the securities. However, given that the Investment Manager belongs to a group of companies, there is a risk that creditors of the group may incorrectly assume that the relevant Fund's assets belong to the group or to the Investment Manager and such creditors may seek to gain control of such Fund's assets to meet the liabilities of the Investment Manager or its group.

The evidence of title of exchange-traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

In the event that there is an over-purchase of PRC securities by the relevant Fund, the CSDCC may require collateral from the Fund's securities trading account. It is possible that a QFII or RQFII depository may also be required by law to select and provide CSDCC with PRC securities from the securities account as collateral for the over-purchase of a party other than the relevant Fund and investors should note that the relevant Fund's assets may be so provided to the CSDCC.

Investors should note that cash deposited in the cash account of a relevant Fund with a QFII depository or RQFII depository will not be segregated but will be a debt owed from that depository to the QFII or RQFII on behalf of the relevant Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the depository. In the event of bankruptcy or liquidation of the depository, the relevant Fund will not have any proprietary rights to the cash deposited in such cash account, and such Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors of the depository. The relevant 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 Fund will suffer losses.

### *Investment Restrictions*

There are limits on the total number of China "A" shares held by all foreign investors in one PRC listed company and so the capacity of a relevant Fund to make investments in China "A" shares will be affected by the activities of all other foreign investors investing through QFIIs or RQFIIs.

In particular, each relevant Fund, by obtaining exposure to the PRC securities markets via the QFII or RQFII quota, is subject to the following restrictions:



- (a) the shareholding of a single foreign investor (such as the relevant Fund), who invests via one or more QFIIs or RQFIIs in a single listed company, cannot exceed 10 per cent. of the total issued shares of the single listed company;
- (b) the aggregate shareholding of China "A" shares by all foreign investors, who invest via one or more QFIIs or RQFIIs in a single listed company, cannot exceed 30 per cent. of the total issued shares in such company.

### ***China Interbank Bond Market ("CIBM") Risk***

A Fund may invest directly in Chinese bonds via the CIBM through brokers. In order to facilitate this, the Investment Manager will make a filing with the PBoC and will appoint a local bond settlement agent which is qualified as a settlement agent in CIBM to provide it with trading and settlement agency service for bond transactions in CIBM. Investors should understand that the following is only intended to be a brief summary of the key risk factors associated with the relevant investments in the CIBM, rather than an exhaustive list of all the risks which may be involved in such investments.

#### ***Regulatory Risks with CIBM***

Investment in the CIBM is subject to regulatory risks. The relevant rules and regulations on investments in the CIBM (the "Investment Regulations") are subject to changes which may have potential retrospective effect. In the event that the relevant PRC authorities suspend accounts opening or trading in CIBM, the Fund's ability to invest in CIBM will be limited and, after exhausting other trading alternatives, the Fund may suffer a loss of the investment in the CIBM. In addition, any suspension to trading in CIBM may result in the Fund being unable to dispose of securities and may introduce difficulties in repatriating sales proceeds. In turn, this may increase liquidity risk. Moreover, although there is no quota restriction under the Investment Regulations, relevant information about the Fund's investments (such as the anticipated investment size and investment term) needs to be filed with PBoC and an updating filing will be required if there is any significant change to the filed information. It cannot be predicted whether PBoC will make any comments on or require any changes with respect to such information for the purpose of the filing. If so required, the Fund will need to follow PBoC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Fund and the Shareholders from a commercial perspective.

#### ***Liquidity and Volatility with CIBM***

Market volatility and potential lack of liquidity due to low trading volume of certain instruments in the CIBM may result in prices of such instruments traded on such market fluctuating significantly. In addition, certain instruments may rely on market makers to provide liquidity. The Fund investing in such instruments is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Fund may therefore incur significant trading and realisation costs in respect of the investment made in the CIBM and may even suffer losses when disposing of such investments.

#### ***Settlement Agent and Procedures for CIBM***

An onshore trading and settlement agent shall be engaged by the Investment Manager to make the filing and provide trading and settlement agency services to the Fund. To the extent that the Fund transacts in the CIBM, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The Fund is therefore subject to the risks of default or errors on the part of the onshore settlement agent. The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Moreover, PBoC will exercise on-going supervision on the onshore settlement agent and the Fund's trading activities under the Investment Regulations. In the event of any non-compliance with these regulations by either the settlement agent or the Fund, PBoC may take relevant administrative actions such as suspension of trading and mandatory exit against the Fund. The Fund and the Shareholders

may suffer substantial losses of the investment made in the CIBM due to such suspension or mandatory exit.

### ***CNH/CNY Conversion Risk***

For those Funds invested in China "A" shares 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.

### ***Liquidity Risks***

Some of the markets, exchanges or securities in which a Fund may invest may prove to be less liquid than developed markets and prices may be highly volatile from time to time. This may affect the price at which and the time period in which a Fund may liquidate positions to meet redemption requests or other funding requirements. Also, it may not be possible for a Fund to repatriate capital, dividends, interest and other income from Emerging Market Countries, or it may require government consents to do so. A Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation of consent granted prior to investment. There can be no assurance that any value assigned to such securities will accurately reflect the price a Fund might receive upon their sale.

### ***Currency Risks***

The Net Asset Value per Share of each Fund is denominated in its Base Currency, whereas the Funds' investments may be acquired, directly or indirectly, in a wide range of currencies. A Fund may, but it is not required to, seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments.

Currency risk includes the risk that currencies in which a Fund's underlying investments are traded will decline in value relative to the currency in which the Net Asset Value per Share is denominated and, in the case of hedged investment positions, that the currency in which the Net Asset Value per Share is denominated will decline in value relative to the currency being hedged. In respect of unhedged classes of Shares, the value of a Share expressed in a Class Currency will be subject to exchange rate risk in relation to the Base Currency. Shareholders should also note that in respect of unhedged classes of Shares a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. The hedging strategy applied to hedged classes of Shares may vary from one Fund to another. Each Fund with hedged classes of Shares will apply a hedging strategy which aims to reduce currency risk but may not totally eliminate currency exposure. Countries' currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments in such countries. The currencies of Emerging Market Countries are generally more volatile than the currency markets of developed countries. Governments of Emerging Market Countries may intervene and affect the exchange rate of an Emerging Market Country. In addition, the exchange rates for emerging markets currencies may be particularly affected by exchange control regulations.

### ***Sustainable and Responsible Investment Risk***

If a Fund has an investment objective including sustainable and responsible investment criteria ("SRI") then any investor must be able to accept temporary capital losses due to the potentially restricted number of companies that such a Fund can invest in due to those ethical criteria and, consequently, should view investment in such a Fund as a long-term investment. Such a Fund will seek to exclude holdings deemed inconsistent with its SRI criteria. As a result, the universe of investments available to a Fund will be more limited than other funds that do not apply such criteria. A Fund will be precluded from purchasing, or required to sell, certain investments that otherwise meet its objective and strategy and that might otherwise be advantageous to hold. The application of the SRI criteria could result in

performance that is better or worse than the performance of the other funds in the umbrella, depending on the performance of the excluded investments and the investments included in place of such excluded investments.

It is expected that a Fund's SRI criteria will be based upon or co-extensive with one or more guidelines developed, adopted and amended from time to time by one or more private or public entities, including those which may be affiliated with or identified by certain Fund investors. The Directors reserve the right in their discretion to determine the scope and content of, and to modify and interpret, the Fund's SRI criteria. The Fund's SRI criteria may effectively accommodate the requirements of certain Fund investors but not others and may be more or less restrictive than a particular Fund investor might otherwise prefer.

### ***Risks from Investment in Fixed Interest Securities***

Fixed interest security prices and returns from investing in fixed interest security 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 fixed interest securities also results in exposure to the risk that the fixed interest security issuer defaults on its obligations which is likely to result in a loss of value for the bondholder. Higher yielding fixed interest securities and emerging market fixed interest securities are generally perceived to carry a higher risk of default and a greater possibility of loss to a Fund.

### ***Supranational Organisations***

A Fund may invest in debt securities issued by Supranational Organisations such as freely transferable promissory notes, bonds and debentures. Supranational Organisations include, among others, the Asian Development Bank, the European Communities, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, the International Bank for Reconstruction and Development ("World Bank") and the European Bank for Reconstruction and Development. These organisations have no taxing authority and are dependent upon their members for payments of interest and principal. Moreover, the lending activities of such Supranational Organisations are limited to a percentage of their total capital (including "callable capital" contributed by members at an entity's call), reserves and net income.

### ***Variable Rate and Floating Rate Securities***

Variable and floating rate securities are obligations that possess a floating or variable interest rate adjustment formula. The terms of the variable or floating rate securities that a Fund may purchase provide that interest rates are adjustable at intervals ranging from daily up to six months or more, and the adjustments are based upon current market levels, the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective securities. Some of these securities are payable on a daily basis or on not more than seven days' notice. Others such as securities with quarterly or less frequent interest rate adjustments may be redeemed on designated days on not more than thirty days' notice.

### ***Duration***

Duration was developed as a more precise alternative to the concept of "maturity". Traditionally, a debt obligation's maturity has been used as a proxy for the sensitivity of the security's price to changes in interest rates (which is the "interest rate risk" or "price volatility" of the security). However, maturity measures only the time until a debt obligation provides its final payment, taking no account of the pattern of the security's payments prior to maturity. In contrast, duration incorporates a bond's yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure. Duration is the magnitude of the change in the price of a bond relative to a given change in market interest rates. Duration management is one of the tools used by the Investment Manager.

Duration is a measure of the expected life of a debt obligation on a present value basis. Duration takes the length of the time intervals between the present time and the time that the interest and principal payments are scheduled or, in the case of a callable bond, the time the principal payments are expected to be received, and weights them by the present values of the cash to be received at each future point

in time. For debt obligations with interest payments occurring prior to the payment of principal, duration will usually be less than maturity. In general, all else being equal, the lower the stated or coupon rate of a Fixed Income Security, the longer the duration of the security; conversely, the higher the stated or coupon rate of a Fixed Income Security, the shorter the duration of the security.

Holding long futures or call option positions will lengthen the duration of a Fund's portfolio. Holding short futures or put options will shorten the duration of a Fund's portfolio.

A swap agreement on an asset or group of assets may affect the duration of the portfolio depending on the attributes of the swap. For example, if the swap agreement provides a Fund with a floating rate of return in exchange for a fixed rate of return, the duration of the Fund would be reduced accordingly.

There are some situations where even the standard duration calculation does not properly reflect the interest rate exposure of a security. For example, floating- and variable-rate securities often have final maturities of ten or more years; however, their interest rate exposure corresponds to the frequency of the coupon reset. An example where the interest rate exposure is not properly captured by maturity is mortgage pass-through securities. The stated final maturity of such securities is often 30 years, but current prepayment rates are more critical in determining the securities' interest rate exposure. Finally, the duration of the debt obligation may vary over time in response to changes in interest rates and other market factors.

### ***Bonds***

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 Fund.

### ***Concentration Risk***

Where a Fund focuses its investments on a limited number of markets, countries, types of investment and/or issuers, it will not enjoy the same level of diversification of risks across different markets, countries, types of investment and/or issuers that would be possible if investments were not so concentrated. Such a concentration of investments could increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility. While the Investment Manager may allocate a Fund's assets among differing investment strategies and techniques, there are no fixed allocation percentages. There is the risk that a disproportionate share of a Fund's assets may be committed to one or more strategies or techniques. In particular, Funds invested in a limited number of markets or countries, for example the Baillie Gifford Worldwide Japanese Fund, are generally considered higher risk than international funds as they are exposed to the fluctuations of a more limited number of markets and currencies. Also, where a Fund has a concentrated portfolio, this may increase the likelihood of volatile performance, especially in periods of pronounced market volatility.

### ***Investment in smaller companies***

Investment in smaller companies is generally considered higher risk as the market for their shares may be less liquid than that for larger companies. As a result share price fluctuations may be greater. In addition smaller companies may do as well in periods of adverse economic conditions.

### ***Risks relating to REITs and other property related companies***

Certain Funds may invest in REITs and other property related companies which own significant property assets. As a result, REITs and the securities of companies in the portfolio may share common characteristics and react similarly to market developments in the property industry. Property prices and investment returns from owning property are sensitive to various factors including, but not limited to,

rents, vacancy rates, the supply of new build property, economic growth, interest rates, inflation, a failure of borrowers to pay their loans and poor management.

REITs and other property related companies may be affected by changes in the value of the underlying property they own. Further, REITs and other property related companies are dependent upon management skills and generally may not be diversified. REITs and other property related companies are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REIT/property related company or lessees of a property that a REIT/property related company owns may be unable to meet their obligations to the REIT/property related company. In the event of a default by a borrower or lessee, the REIT/property related company may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs/property related companies in which a Fund may invest may have their assets in specific real property sectors, and are therefore subject to the risks associated with adverse developments in these sectors. The ability to trade REITs and other property related companies in the secondary market can be more limited than other securities.

### ***Infrastructure-related investing risk***

The prices of infrastructure assets and the returns from investing in infrastructure markets are sensitive to various factors including, but not limited to, expectations of future cashflows, exchange rates, interest rates, inflation and political stability. Additionally, infrastructure assets are often financed by significant amounts of debt capital and the availability of such capital and the cost of servicing it are therefore relevant factors.

Where a Fund invests indirectly in infrastructure through, for example, equities, bonds, units or shares of Eligible Collective Investment Schemes or financial derivative instruments there may be an increased risk of volatility in the price of that instrument depending on its structure and investment policy.

### ***Commodities-related investing risk***

Where a Fund invests indirectly in commodities through, for example, equities, bonds, units or shares of Eligible Collective Investment Schemes or financial derivative instruments Shareholders should note that the price of commodities and the returns from investing in commodity markets are sensitive to various factors including, but not limited to, supply, industrial and consumer demand, interest rates, inflation, tariffs and weather conditions.

Where a Fund invests indirectly in commodity markets through derivative markets, investment returns may also be affected by differences between the current market and forward prices of each commodity and the specific terms of the derivative contracts entered into.

### ***European Benchmark Regulation***

The Benchmark Regulation introduces authorisation and registration requirements for the administrators of benchmarks (as defined in the Benchmark Regulation). These requirements apply from 1 January 2018 however transitional arrangements can be relied upon until 1 January 2020.

In respect of each of the relevant Funds, the Company is working with the applicable benchmark administrator for each benchmark used by the Fund to confirm that the benchmark administrators are, or intend to procure that they are, included in the register maintained by ESMA under the Benchmark Regulations.

The Benchmark Regulation requires the Company to produce and maintain robust written plans setting out the steps to be followed if a benchmark should materially change or cease to be produced. Further information on this is available on request.

## **General Risks**

### ***Investment Risks***

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. The price of the Shares may fall as well as rise. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy.

### ***Counterparty and Settlement Risks***

The Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

### ***Umbrella Structure of the Company and Cross-Liability Risk***

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

### ***Dependence on the Investment Manager***

The success of a Fund depends upon the ability of the Investment Manager to allocate the Fund's assets to various investment strategies. The success of a Fund also depends on the ability of the Investment Manager to develop and implement investment strategies that achieve a Fund's investment objective. For example, the Investment Manager's inability to effectively hedge an investment strategy that it utilises may cause the assets of a Fund to significantly decline in value and could result in substantial losses to such Fund. Moreover, subjective decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised.

### ***Investment Manager - Conflicts of Interest Risk***

The Company may consult the Investment Manager with respect to the valuation of: (i) unlisted investments; or (ii) securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation of a Fund's investments and the Investment Manager's other responsibilities.

### ***Taxation Risks***

Statements in this Prospectus concerning the taxation of Shareholders, the Company or a Fund are based on law and our understanding of the practice of the Revenue Commissioners as at the date of this Prospectus. Any change in the tax status of the Company or a Fund, or in accounting standards, or in tax legislation or the tax regime, or in the practice relating to, the interpretation or application of tax legislation applicable to the Company, a Fund or the assets of a Fund, could affect the value of the investments held by the Fund, the Fund's ability to achieve its stated objective, the Fund's ability to provide dividends to Shareholders and/or alter the post-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. A Shareholder that is eligible for an exemption from Irish withholding tax is required to provide a declaration to the Company confirming their status as a condition of obtaining the exemption. Investors are advised to consult their

own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed "Taxation" on page 68 below.

### ***Large Redemptions***

If large numbers of shares in a Fund were to be redeemed at or around the same time, a 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 Manager's choosing. This might result in a reduction in the value of a Fund and in the prices achieved for securities sold by that Fund. The value of securities within a Fund may also be affected if other similar funds find themselves in the same situation. A dilution adjustment may be implemented in respect of such redemptions in order to cover the related costs of dealing. A consequence of this policy is that smaller transactions made on any day that there are large outflows will trade at a price incorporating a higher dilution adjustment and this may lead to increased dealing costs.

### ***Suspension of Dealings in Shares***

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" on page 62 below).

### ***Risks of Derivative Instruments***

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund.

**Market Risk:** This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a Fund's interest.

**Management Risk:** Derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

**Counterparty Credit Risk:** This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative (usually referred to as a "counterparty") to comply with the terms of the derivative contract. The credit risk for exchange-traded or other centrally cleared derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the counterparty to each exchange-traded derivative, provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (i.e., margin requirements) operated by the clearing house in order to reduce overall credit risk. For over-the-counter derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager considers the creditworthiness of each counterparty to an over-the-counter derivative in evaluating potential credit risk and will manage any credit support arrangements entered into by the Company in respect of any Fund.

**Liquidity Risk:** Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

**Leverage Risk:** Many derivatives have a leverage component. Any Fund which uses derivatives may therefore experience greater movements (up or down) in the price of Shares in the Fund. In addition, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial

investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

**Other Risks:** Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Furthermore, derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to closely track. Consequently, a Fund's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

**Settlement risk:** The Funds also are subject to the risk of the failure of any of the exchanges on which financial derivative instruments are traded or of their clearing houses. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks.

**Legal risk:** There are legal risks involved in using financial derivative instruments which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

### ***Investments in Other Collective Investment Schemes***

A Fund may invest in one or more collective investment schemes including schemes managed by the Investment Manager or its affiliates. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. The Fund will be responsible for paying its fees and expenses regardless of the level of its profitability.

### ***Below Investment Grade Securities***

A Fund may invest in securities which are below investment grade or are unrated. Investments in securities which are below investment grade or are unrated are considered to have a higher risk exposure than securities which are investment grade with respect to payment of interest and the return of principal. Investors should therefore assess the risks associated with an investment in such a Fund. Lower rated and unrated debt securities generally offer a higher current yield than higher grade issues. However, lower rated and unrated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Additionally, the market for lower rated and unrated debt securities generally is less active than that for higher quality securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). In times of financial instability, there may be increased uncertainty surrounding the credit-worthiness of issuers of debt or other securities, including financial derivatives instruments, and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Share.

The value of a Fund may be affected if any of the financial institutions with which the cash of a Fund is invested or deposited suffers insolvency or other financial difficulties.



There is no certainty in the credit-worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

### ***Political Risks***

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as 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.

### ***The U.K.'s withdrawal from the EU***

The U.K. held a referendum on 23 June 2016 at which the electorate voted to leave the EU ("Brexit"). As things stand, the U.K. will formally leave the EU on 29 March 2019. The U.K. and EU have reached a political agreement to include a transition period lasting until end-2020 in the withdrawal agreement, during which EU law would continue to apply to the U.K. as if it were a member state. However, a number of issues around the U.K.'s withdrawal remain subject to further negotiation and the overall Article 50 withdrawal agreement will only come into effect once it is approved by the European Council and ratified by the European and U.K. Parliaments.

As a Fund's investments may be located in the U.K. or the EU, a Fund may as a result be affected by the events described above. The impact of such events on a Fund is difficult to predict but there may be detrimental implications for the value of certain of the Fund's investments, or its ability to enter into transactions or to value or realise such investments. This may be due to, among other things: (i) increased uncertainty and volatility in the U.K. and EU financial markets; (ii) fluctuations in the market value of GBP and of the U.K. and EU assets; (iii) fluctuations in exchange rates between GBP, the Euro and other currencies; (iv) increased illiquidity of investments located or listed within the U.K. or the EU; (v) the willingness of financial counterparties to enter into transactions, or the price at which they are prepared to transact in relation to the management of a Fund's investment, currency and other risks; and (vi) whether a U.K. UCITS fund remains an eligible collective investment scheme or an eligible master fund for an Irish feeder fund.

It is possible there will be more divergence between U.K. and EU regulations post-Brexit, limiting what cross-border activities can take place. The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant. ***Rating of Investment Risk***

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

### ***Exchange Traded Funds ("ETFs")***

A Fund may invest in ETFs, which are shares of publicly-traded unit investment trusts or open-end funds, that seek to track the performance and dividend yield of specific indices or companies in related industries. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, a Fund may bear, along with other shareholders of an ETF, its *pro rata* portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of a Fund and a Fund's expenses, Shareholders may also indirectly bear similar expenses of an ETF, which may have a material adverse effect on the performance of a Fund.

### ***Small-Cap Stocks***

A Fund may invest in smaller sized companies of a less seasoned nature. The securities of small-cap companies may pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The

equity securities of small-cap companies may not be traded in the volumes typical of mid- and large-cap companies that are listed on a large securities exchange and may be less liquid than large-cap companies. As a result of the less liquid nature of small-cap companies, a Fund may be required to dispose of such securities over a longer (and potentially less favourable) period of time than is required to dispose of the securities of larger, more established companies.

### ***Dilution Adjustment***

A dilution adjustment may be applied to the Net Asset Value per Share where there are net subscriptions or redemptions to cover the related costs of dealing (also known as swinging single pricing). Should an investor buy Shares when a Fund is expanding and sell when a Fund is contracting this may have an adverse impact on the return from his investment.

The level of the dilution adjustment is set by the Investment Manager based on prevailing market conditions. Where liquidity is restricted and trading in size in the portfolio's stocks results in significant movement in the prices of these stocks the Investment Manager may adjust the level of dilution adjustment to protect the interests of the ongoing investors in a Fund. Whether an adjustment may be necessary will depend upon the net movement into and out of a 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.

A consequence of this policy is that smaller transactions made on any day that there are large inflows or outflows will trade at a price incorporating a higher dilution adjustment and this may lead to increased dealing costs.

### ***Custody Risks***

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depositary will have no liability.

The Company is subject to a number of risks relating to the insolvency of the Depositary. The Company is subject to similar risks in the event of an insolvency of any sub-custodian with which any relevant securities are held or of any third party bank with which client money is held. In addition, the Company is subject to the risk that the cash held by the Depositary is not held in accordance with the contractual requirements.

### ***Information Security Risk***

Like other business enterprises, 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, "cyber-events"). Cyber-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 cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Company and the Shareholders, and cause a 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. A cyber-event may cause the Company, a 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 Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-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, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

## ***European Market Infrastructure Regulation***

A Fund may enter into OTC derivative contracts. EMIR establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations, bilateral risk management requirements and reporting requirements.

The potential implications of EMIR for the Funds include, without limitation, the following:

1. clearing obligation: certain standardised OTC derivative transactions are subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
2. risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Funds are required to put in place risk mitigation techniques, which include the collateralisation of all OTC derivatives. These may increase the cost to the Funds of pursuing their investment strategy (or hedging risks arising from their investment strategies); and
3. risk of sanction by the Central Bank in the event of non-compliance with the EMIR obligations.

## ***Risks Associated with Umbrella Cash Accounts***

The Umbrella Cash Accounts will operate in respect of the Company rather than a relevant Fund and the segregation of Shareholder Monies from the liabilities of Funds other than the relevant Fund to which the Shareholder Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Shareholder Monies) in full.

Monies attributable to other Funds within the Company will also be held in an Umbrella Cash Account. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of an Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to, the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

It is not expected that any interest will be paid on the amounts held in an Umbrella Cash Account. Any interest earned on the monies in an Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance on umbrella cash accounts is new and may be subject to change and further clarification.

## **FEES AND EXPENSES**

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company. These expenses may include the costs of: (i) maintaining the Company and the relevant Fund and registering the Company, the relevant Fund and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) management, administration, custodial, compliance and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company; (viii) auditing, tax, compliance and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees and expenses of paying agents, local representatives and similar agents, such fees and expenses to be charged at normal commercial rates; (xi) listing fee, if applicable; and (xii) other operating expenses.

For the avoidance of doubt, all fees and expenses referred to in this section of the Prospectus are exclusive of VAT or any other similar ad valorem sales tax which may be payable.

Where the Company invests in another collective investment scheme which is managed by the Investment Manager or its affiliates, the underlying collective investment scheme shall waive any subscription, conversion or redemption fees which it would normally charge. Where a commission is received by the Investment Manager or its affiliates by virtue of a Fund's investment in an underlying collective investment scheme, this commission shall be paid into the assets of a Fund. Where a commission is received by a feeder fund by virtue of a Fund's investment in a master fund and both of which are managed by the Investment Manager or its affiliates, this commission shall be paid into the assets of the feeder fund.

The Directors, the Depositary, the Administrator and the Investment Manager shall be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

All expenses relating to the establishment of the Company and each Fund have been borne by the Investment Manager.

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. Employees, partners and officers of the Investment Manager and its affiliates shall not receive a director's fee.

#### *Investment Management Fee*

Under the Investment Management Agreement, the Company shall pay to the Investment Manager a management and distribution fee at the aggregate annual rate in respect of the Funds as set out below.

**In addition to the reduced annual management and distribution fee rates offered in respect of Class F Shares for a limited period of time (described in more detail below), the Investment Manager may waive or reduce the management and distribution fee charged in respect of any Class of Shares for certain Shareholders at its sole discretion.** The investment management fee shall be calculated and accrued daily and paid quarterly in arrears. In addition, the Investment Manager shall be entitled to be reimbursed its reasonable disbursements and out-of-pocket expenses.

#### *Baillie Gifford Worldwide Japanese Fund*

Class A	:	1.5% of the Net Asset Value
Class B	:	0.6% of the Net Asset Value
Class C**	:	Nil

#### *Baillie Gifford Worldwide Positive Change Fund*

Class A	:	1.5% of the Net Asset Value
Class B	:	0.5% of the Net Asset Value
Class C**	:	Nil
Class F****	:	0.5% of the Net Asset Value

\*\* Class C Shares are only available to persons to whom the Investment Manager, associates of the Investment Manager or persons to whom the Investment Manager, or one of its associates, provides services under an investment management agreement or other agreement.

\*\*\*\* Class F Shares are only available for subscription at the discretion of the Investment Manager for a period of 36-months as detailed below or until the Net Asset Value of the relevant Fund reaches U.S. \$100 million, whichever is the earlier. Once the 36-month period has expired or the Net Asset Value of the relevant Fund reaches U.S. \$100 million Class F Shares in that Fund are only available to existing Shareholders who are already invested in the relevant Class F Shares. Until the expiration of either the 36-month period or the 12 months following the Dealing Day on which the Net Asset Value of the relevant Fund reaches U.S. \$100 million, whichever is the earlier, the management and distribution fee

payable by the Company to the Investment Manager in respect of the relevant Class F Shares shall be charged at half the annual rate specified above. Thereafter, the rate shall revert to the annual rate specified above for the relevant Class F Shares. The trigger for the commencement of the 36-month period referred to above is either the first subscription for, or conversion of Shares into, Class F Shares of the relevant Fund or the subscription for Shares in any other Share class of the relevant Fund at the reduced rate specified below. Details of when the Net Asset Value of the relevant Fund reaches U.S. \$100 million or details of the expiry of the relevant 36-month period, as applicable, shall be available from the Administrator and/or the Investment Manager upon request.

<b>Fund</b>	<b>Applicable reduced annual management and distribution fee rate for a limited period of time</b>	<b>Availability period for subscriptions by new investors for Class F Shares</b>
Baillie Gifford Worldwide Positive Change Fund	0.25% of the Net Asset Value	12-month or 36-month availability period not triggered as at date of this Prospectus.

**The information contained in the table above relating to the availability period for subscriptions for Class F Shares is correct as at the date of this Prospectus but more up-to-date information on this shall be available from the Administrator and/or the Investment Manager upon request.**

#### *Administrator's Fee*

The Administrator shall be entitled to receive, out of the assets of each Fund, an administration fee accrued daily and payable monthly in arrears, of up to 0.04 per cent. per annum of the Net Asset Value of each Fund.

#### *Depositary's Fee*

The Depositary shall be entitled to receive, out of the assets of each Fund, a trustee fee accrued daily and payable monthly in arrears, of 0.015 per cent. per annum of the Net Asset Value of each Fund.

The Depositary will also receive from each Fund a custodial fee of up to 0.5 per cent. of the value of the assets held, depending on the market in question and subject to the overall custodial fee not exceeding 0.5 per cent. of the Net Asset Value of each Fund. Such fees shall accrue daily and be paid monthly in arrears. The Depositary shall also be entitled to receive transaction charges and all sub-custodian charges will be recovered by the Depositary from the Company as they are incurred by the relevant sub-custodian. All such charges shall be at normal commercial rates. The Depositary is also entitled to reimbursement of all reasonable and properly incurred out-of-pocket expenses incurred for the benefit of the Company.

## **ADMINISTRATION OF THE COMPANY**

### **Determination of Net Asset Value**

The Administrator shall determine the Net Asset Value per Share of each class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Articles.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value attributable to each class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a class, adjusted

to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. Expenses or fees or charges not attributable to a particular class may be allocated amongst the classes based on their respective Net Asset Value or any other reasonable basis approved by the Depositary having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a class will be charged to that class. In the event that classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that class.

“Class Expenses” means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of class specific hedging transactions (if any) are borne solely by the relevant class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the nearest four decimal places.

In determining the value of the assets of a Fund, each investment listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day, provided that the value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Directors and approved for such purpose by the Depositary which may be the Investment Manager. Neither the Investment Manager, nor the Administrator, shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary, which may be the Investment Manager. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract, at least monthly, and to close out the transaction at the request of the Company at fair value. The Company may choose to value over-the-counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. The Company must value over-the-counter derivatives on a daily basis. Where the Company values over-the-counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over-the-counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means, provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty

valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over-the-counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations as of the close of business on the Dealing Day.

The Funds may apply an amortised cost method of valuation to highly rated instruments with a residual maturity not exceeding 3 months. The amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.

The Directors, with the approval of the Depositary, may adjust the Net Asset Value per Share where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Directors and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

### **Application for Shares**

Applicants should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any U.S. Person or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares and that the investor will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any U.S. Person or in the U.S. or to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation. Please see the section entitled "Selling Restrictions" on page ii for further information.

Application forms for Shares may be obtained from the Administrator. Eligible investors who have forwarded the completed application form and provided satisfactory proof of identification to the Administrator before the Trade Cut-Off Time will be entitled to purchase Shares.

Once an application for Shares has been received by the Administrator, it is irrevocable and binding on the investor. An application for Shares may be cancelled or modified only at the discretion of the Company having received a written request for cancellation or modification from the relevant investor prior to the Trade Cut-Off Time. Any application received by the Administrator after the Trade Cut-Off Time shall be held in abeyance and shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), decide to accept an application received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

Before subscribing for Shares an investor will be required to complete a declaration (included in the application form) as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners.

Initial subscriptions may be made by way of signed original application form or by way of faxed application form. In the case of a faxed application form the signed original application form and all supporting anti-money laundering documentation must be promptly received. No additional subscriptions, transfers of Shares or redemption payments may be made until the original application form and all anti-money laundering documentation has been received from the investor and all anti-money laundering procedures have been carried out to the satisfaction of the Company and its delegates.

Subscriptions for Shares must be made in the named currency of the Class. However, in exceptional circumstances and by prior agreement with the Administrator and the Company, subscriptions may be made in a currency that is not the named currency of the Class but will be converted into the named

currency of the Class at the rate of exchange available to the Administrator and the costs of conversion shall be deducted from the subscription monies which will then be invested in Shares.

Investors must transmit cleared funds representing the subscription monies by wire instructions to the relevant accounts set out in the application form so that the monies are received in the Company's account by the Administrator for value before 10 a.m. on the relevant Settlement Date. In certain circumstances, the Company may deem it appropriate to require that cleared funds representing the subscription monies are received in the Company's account by the Administrator by the Trade Cut-Off Time. In circumstances where cleared funds representing the subscription monies are required to be paid by the Trade Cut-Off Time, investors will be notified of this requirement by the Company. If payment for a subscription is not received by 10 a.m. on the relevant Settlement Date (or by the Trade Cut-Off Time, as appropriate), any shares issued may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In the application form, investors accept full responsibility for and fully indemnify and hold harmless each of the Company, the Investment Manager, the Administrator and the Depositary (each, a "Fund Party") on demand in respect of any claims, demands, proceedings, liabilities, damages, losses, costs, charges and expenses directly or indirectly suffered or incurred by each Fund Party if either: (a) cleared funds are not received in the Company's account by the Administrator by 10 a.m. on the relevant Settlement Date (or by the Trade Cut-Off Time, as appropriate); and/or (b) the cleared funds received in the Company's account by the Administrator by 10 a.m. on the relevant Settlement Date (or by the Trade Cut-Off Time, as appropriate) are less than the cleared funds required in accordance with the Company's or its agent's instructions. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

The Company may issue fractional shares rounded to four decimal places. Fractional shares shall not carry any voting rights.

The Company reserves the right to reject an application for Shares.

Applications for Shares by in specie transfer may be made by agreement with the Investment Manager on a case-by-case basis and subject to the approval of the Depositary. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders of the Company. In such cases the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

### **Anti-Money Laundering Procedures**

The Administrator reserves the right, working in conjunction with the designated anti-money laundering reporting officer of the Company to reject any application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares or a Shareholder. Where an application for Shares or additional subscription is rejected, the subscription monies shall be returned to the applicant without interest. It is acknowledged that the Company, the Investment Manager and the Administrator shall be held harmless by the applicant, transferee or Shareholder (as appropriate) against any loss arising as a result of the failure to process an initial subscription application, subsequent additional subscription, transfer of Shares or a redemption request if such information as has been requested by the Administrator has not been provided.

Measures aimed at the prevention of money laundering and terrorist financing may require an applicant or transferee of Shares or Shareholder to provide verification of identity to the Administrator (whether in relation to themselves or persons connected with them). The Administrator will notify applicants, transferees and Shareholders if additional proof of identity is required. Where documentation is supplied all documents are sent at the applicant's, transferee's or Shareholder's own risk and the Company, the Investment Manager and the Administrator are not liable for any lost documentation. By way of example, an individual may be required to produce a copy of a passport or identification card together with evidence of the person's address, such as a utility bill or bank statement. In the case of corporate entities, this may require production of a certified copy of the certificate of incorporation (and



any change of name), bye-laws, memorandum and articles of association (or equivalent) and the names, dates of birth and addresses of all directors and beneficial owners. The Administrator may use electronic checking services, which may keep a record of those checks, in order to satisfy anti-money laundering and anti-terrorist financing requirements at any time.

Initial subscription applications, subsequent additional subscriptions and transfers of Shares cannot be accepted or processed and redemption proceeds and distribution payments cannot be released until the signed original application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing have been received by the Administrator and all anti-money laundering and anti-terrorist financing procedures have been completed satisfactorily. Each Shareholder must notify the Administrator in writing of any change in the information contained in or accompanying the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

### **Subsequent Subscriptions**

Subsequent subscriptions (i.e. subsequent to an initial subscription for Shares within a Fund) may be made by submitting an application form to the Administrator by the Trade Cut-Off Time in writing, by fax or such other means, for example, electronically, in accordance with the requirements of the Central Bank. Subscription requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), decide to accept a subscription request received by the Administrator after the Trade Cut-Off Time, but before the Valuation Point.

Subsequent faxed or electronic subscription requests may be processed without a requirement to submit original documentation.

Amendments to a Shareholder's registration details and payment instruction will only be effected on receipt of original documentation.

### **Subscription Price**

During the Initial Offer Period, the initial subscription price per Share of each Fund shall be the Initial Offer Price. Following the close of the Initial Offer Period, the subscription price per Share shall be the Net Asset Value per Share determined on a Dealing Day. Typically, the Initial Offer Period of a Class of Shares ends following the receipt by the Company of the initial subscription.

Shares will be issued at the Net Asset Value per Share as determined on the Dealing Day on which the Share is deemed to be issued.

### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares shall be in registered form. The Administrator shall not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection upon reasonable notice at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

### **Redemption Requests**

Shares may be redeemed on a Dealing Day by submitting a signed redemption form to the Administrator by the Trade Cut-Off Time. The redemption request may be in writing, by fax or such other means, for example, electronically, in accordance with the requirements of the Central Bank.

In the case of redemption requests, payment will only be made to the account of record.

Redemption requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by

the Directors) decide to accept a redemption request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

If redemption requests on any Dealing Day exceed 10 per cent. of the Net Asset Value of a Fund, the Company may defer the excess redemption requests to subsequent Dealing Days and shall redeem such Shares rateably. Any deferred redemption requests shall be treated in priority to any redemption requests received for subsequent Dealing Days, subject to the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" below.

### **Redemption Price**

Shares shall be redeemed at the applicable Net Asset Value per Share obtaining on the Dealing Day on which the redemption is effected. The Company may, at the discretion of the Directors, apply a dilution adjustment where there are net redemptions in order to cover the costs of dealing.

All payments of redemption monies shall normally be made within 3 Business Days of the Dealing Day on which the redemption is effected but in any event within 10 Business Days of the Trade Cut-Off Time by which the redemption request is received. The redemption proceeds shall be sent by wire transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application form. Redemption proceeds cannot be released until the signed original application form and all documents required in connection with the obligation to prevent money laundering and terrorist financing have been received by the Administrator and all anti-money laundering and anti-terrorist financing procedures have been completed satisfactorily.

At the discretion of the Company and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary. Where a redemption request represents 5 per cent. or more of the Shares of a Fund, the Company may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. At the request of the Shareholder making such redemption request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

Where a Fund invests in corporate bonds it will be affected by the current conditions in corporate bond markets. The lower level of liquidity in these markets generally makes the prices of corporate bonds more volatile and more difficult to establish accurately. In addition the lower level of liquidity may significantly affect the ability of bond portfolio managers to buy and sell the underlying investments at reasonable cost and to efficiently handle inflows and outflows. As a consequence of this, where large redemption requests are made on a Dealing Day, there is a greater likelihood that these will be settled by way of in specie payments, rather than in cash.

### **Dilution Adjustment**

In calculating the Net Asset Value per Share, the Company may, at its discretion, on any Dealing Day when there are net subscriptions or net redemptions adjust the Net Asset Value per Share by applying a dilution adjustment to cover actual dealing costs and to preserve the value of the underlying assets of the relevant Fund. The purpose of the anti-dilution adjustment is to protect existing Shareholders from bearing the costs of subscriptions, redemptions or conversions and it is not operated with the intention of deriving a profit for the Company, the Investment Manager or any other party. The level of the dilution adjustment is set by the Investment Manager based on prevailing market conditions (see the section entitled "Dilution Adjustment" on page 50).

### **Mandatory Redemption of Shares**

If a repurchase causes a Shareholder's holding in the Company to fall below the Minimum Holding, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Company shall

notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares to non-U.S. Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a U.S. Person or other person if the holding of the Shares by such person is unlawful or, in the opinion of the Directors, the holding might result in the Company or the Shareholders as a whole incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company or the Shareholders as a whole might not otherwise suffer or incur.

### **Transfer of Shares**

All transfers of Shares shall be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee, together with the account number and the ISIN code of the transferor, where applicable. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the original form must be submitted to the Administrator. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in any of the Funds, the transferee must complete an application form and comply with the relevant anti-money laundering and anti-terrorist financing procedures. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the transferor or transferee would hold less than the Minimum Holding, or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any calendar year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration that the proposed transferee is not a U.S. Person and that upon transfer the Shares will not be held by or for the account of any U.S. Person.

### **Withholdings and Deductions**

The Company may be required to account for tax on any distribution or the value of the Shares redeemed or transferred at the applicable rate unless it has received from the recipient, redeemer or transferor a declaration in the prescribed form confirming that the Shareholder is not a Shareholder in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a recipient, redeemer or transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares or to implement a redemption request until it receives a declaration as to the redeemer's, transferor's or transferee's (as appropriate) residency or status in the form prescribed by the Revenue Commissioners.

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class on giving notice to the Administrator in such form as the Administrator may require, provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by

arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{A \times (B - [TC]) \times C}{D}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the redemption price of the Shares to be converted;
- C = the currency conversion factor (if any) as determined by the Directors;
- D = the issue price of Shares in the new Fund on the relevant Dealing Day; and
- TC = the transaction charge (redemption charge) incurred in connection with the proposed transaction which shall not in any event exceed 5 per cent. of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Directors, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted.

### **Umbrella Cash Accounts**

Cash account arrangements will be put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to subscription and/or redemption collection accounts. The following is a description of how such cash account arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Shareholder Monies will be held in a single Umbrella Cash Account for each currency in which a Share class is denominated. The assets in the Umbrella Cash Accounts will be assets of the Company.

Subscription monies received by a Fund in advance of the issue of Shares will be held in an Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the relevant Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in an Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in an Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies.

Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist financing legislation, the redemption and dividend payments will be retained in an Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see "Risks Associated with Umbrella Cash Accounts" in the section "Risk Factors" in this Prospectus.

### **Excessive Trading**

Investment in a Fund is intended for medium to long-term purposes only. A Fund will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses and adversely affect investment returns for all Shareholders, including medium to long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion request) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse to effect a subscription (or execute a conversion request) if the Investment Manager believes it would be unable to invest the money effectively in accordance with the relevant Fund's investment policies or the Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Company's excessive trading policy are not deemed accepted by the Company and may be cancelled or revoked by the Company on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of medium to long term investors and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in the Company or in a Fund in accordance with their own investment mandate or investment strategies. The Company will seek to balance the interests of such investors in a way that is consistent with the interests of medium to long-term investors but no assurance can be given that the Company will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Company, where possible from the reports provided by the Administrator to assist in the analysis, will endeavour to monitor "round trips". A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

### **Portfolio Holdings Information Policy**

The Company 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. Less than one month old full portfolio breakdown ("Confidential Portfolio Information") may also be made available to Shareholders, prospective shareholders and service providers (each a "Recipient") on request from the Investment Manager. 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 Fund's portfolio. Neither the Company nor the Investment Manager makes 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.

### **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described below, the Net Asset Value per Share shall be made public at the office of the Administrator on each Dealing Day. In addition, the Net Asset Value per Share shall be published on the Business Day immediately succeeding each Dealing Day on the internet address [www.bailliegifford.com](http://www.bailliegifford.com). Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale, conversion or redemption of Shares in the Company or any Fund during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Company;
- (iii) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (iv) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (v) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (vi) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;
- (vii) upon the service on the Shareholders of a notice to consider a resolution to wind up the Company or close a Fund;
- (viii) upon the occurrence of an event causing the Company to enter into liquidation; or
- (ix) during any period when the Directors consider it to be in the interests of the Company or a Fund.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the details of the relevant Shares from the register of Shareholders. A suspension of subscriptions may be made at any time prior to the entry of the details of the relevant Shares on the register of Shareholders.

Any such suspension shall be notified immediately to the Central Bank. Where possible, all reasonable

steps will be taken to bring a period of suspension to an end as soon as possible.

## **Data Protection Notice**

Prospective investors should note that by completing the application form they have provided personal information, which may constitute “personal data” within the meaning of the Irish Data Protection Acts 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive) (together, the “Data Protection Legislation”).

Investors’ personal data will be used by the Company for the following purposes:

- to manage and administer an investor’s holding in the Company and any related accounts on an ongoing basis in accordance with the contract between the investor and the Company;
- to comply with legal and regulatory obligations applicable to the investor and the Company from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders’ personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard; and
- to record the telephone calls from investors, shareholders and other individuals to the Fund and its agents and service providers for record-keeping, security, quality assurance and training purposes.

Investors’ personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Investors’ personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the Company is required to ensure that such processing of investors’ personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is “Privacy Shield” certified, if appropriate. For more information on the means of transfer of investors’ data or a copy of the relevant safeguards, please contact the Company Secretary, Bradwell Limited, at 10 Earlsfort Terrace, Dublin 2, Ireland.

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company;
- the right to data portability of personal data held by the Company; and
- the right to request restriction of the processing of personal data held by the Company; and
- the right to object to processing of personal data by the Company.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Company to discharge these rights, for example because of the structure of the Company or the manner in which the Shareholder holds Shares in a Fund. Investors may make a request to the Company to exercise these rights by contacting the Company Secretary, Bradwell Limited, at 10 Earlsfort Terrace, Dublin 2, Ireland.

Please note that personal data may be retained by the Company for the duration of an investor's investment and afterwards in accordance with the Company's legal and regulatory obligations, including but not limited to the Company's record retention policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact the Company Secretary, Bradwell Limited, at 10 Earlsfort Terrace, Dublin 2, Ireland. Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

## **MANAGEMENT AND ADMINISTRATION**

### **The Board of Directors**

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Investment Manager and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the Company from being managed in the best interests of its Shareholders. The conduct of the Company's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the Company.

#### ***Gavin Scott (Chairperson)***

Gavin Scott (British) graduated MA (Hons) in Economics from the University of Edinburgh in 2000. Prior to joining Baillie Gifford in 2007, he worked at Old Mutual Asset Managers as an analyst on the UK small and mid cap team and at Cazenove as an analyst on their North American team. He has specific responsibility for European and Middle Eastern clients in his capacity as a client service director in the Baillie Gifford clients department and is a CFA charterholder.

#### ***Brian Collins***

Brian Collins (Irish) previously served as Managing Director of Bank of Ireland Securities Services from 1996 to 2004. From 1992 to 1996, he served as Managing Director of Bank of Ireland International Finance, a Division of Bank of Ireland Corporate Banking responsible for a range of relationships in the UK, USA, Europe and the Far East. From 1986 to 1992, he served as General Manager and Managing Director of Bank of Ireland's Hong Kong businesses, engaged in Treasury, Corporate, Trade Finance and general representative activities in the region. He currently serves as a non-executive director of a number of Irish companies.

#### ***Alastair Maclean***

Alastair Maclean is qualified as a lawyer in Scotland, England & Wales and Ireland having graduated from the University of Edinburgh in 1995 with an LLB (Hons) degree in law and Diploma in Legal Practice. He was admitted as a member of the Securities Institute, is a member of the relevant law societies and a writer to the Signet. Prior to joining Baillie Gifford he was a corporate and financial services partner at Maclay Murray & Spens LLP and subsequently Deputy Chief Executive and Chief Operating Officer of the City of Edinburgh Council and Lothian Pension Fund.



### ***Derek McGowan***

Derek McGowan (British) is a director with Baillie Gifford & Co Ltd, the authorised corporate director of Baillie Gifford's UK OEICs. He qualified as a chartered accountant with KPMG and joined Baillie Gifford in 1994. He is registered as an approved person with the FCA and holds a BA (Hons) from Heriot-Watt University.

### ***Christopher Murphy***

Christopher Murphy (British) graduated with BA (Hons) in Business Economics from Durham University in 1999 and was admitted to the Institute of Chartered Accountants England and Wales (ICAEW) in 2003. After more than ten years of accountancy and corporate finance experience, gained both in the UK and Australia, Chris joined Baillie Gifford in June 2010 and is a director within the Clients Department. He is a Multi Asset Product Specialist.

### ***Ronan Walsh***

Ronan Walsh (Irish) was a partner in the law firm of Arthur Cox in Dublin from 1981 to 2009, specialising in corporate law, with a particular emphasis on corporate finance and financial services. Mr. Walsh is a non-executive director of a number of Irish companies. Mr. Walsh was educated at Trinity College, Dublin and qualified as a solicitor in 1975.

The Company Secretary is Bradwell Limited.

The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent. or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

### **The Investment Manager**

The Investment Manager and Distributor for both European and non-European countries is Baillie Gifford Investment Management (Europe) Limited. Baillie Gifford Investment Management (Europe) Limited is authorised and regulated by the Central Bank. Baillie Gifford entities, including Baillie Gifford Investment Management (Europe) Limited, had total assets under management of approximately £177,603.3 million as at 31 March 2018.

The Investment Management and Distribution Agreement between the Company and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the Company's assets. The Investment Management and Distribution Agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Investment Management and Distribution Agreement forthwith by notice in writing to the other party if at any time: (i) the other party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or Scotland, if appropriate, or

if a receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or if (ii) the Investment Manager ceases to be permitted to act as investment manager in relation to the Company; or if (iii) the other party commits any material breach of the Investment Management and Distribution Agreement and shall not have remedied such breach (if capable of remedy) within thirty days of notice requiring the same to be remedied; or if (iv) an examiner, administrator or similar person is appointed to the other party. Furthermore, the Investment Manager may terminate the Investment Management and Distribution Agreement with immediate effect on written notice to the Company, if so required by a competent regulatory authority.

The Company shall indemnify the Investment Manager against any direct liabilities, costs, expenses (including reasonable legal and professional fees), taxes, imposts, penalties, fines and levies which the Investment Manager directly incurs or to which the Investment Manager is directly subjected other than as a result of the negligence, recklessness, wilful default, bad faith or fraud of the Investment Manager in the performance of its obligations and duties under the Investment Management and Distribution Agreement or breach of the Investment Management and Distribution Agreement by the Investment Manager.

BGE may delegate the investment management function to a sub-investment manager. The Investment Manager shall pay the fees of any sub-investment manager out of its own fee. Details of the appointment of any sub-investment manager shall be provided to Shareholders on request.

The Investment Manager has also been appointed by the Company to act as a distributor of the Shares. The Investment Manager may appoint sub-distributors to distribute Shares.

Details of the target market for each of the Funds determined by the Investment Manager to address obligations that will apply to the Investment Manager in its role as distributor of the Shares under MIFID II are set out in Schedule VI of this Prospectus.

### **The Administrator**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed to act as administrator of the Company pursuant to the Administration Agreement. The Administrator was incorporated in Ireland as a limited liability company on 29 March, 1995. The principal activity of the Administrator is to act as administrator of collective investment schemes. The Administrator is responsible for the administration of the Company, including the calculation of the Net Asset Value.

The Administration Agreement provides that the Administrator shall administer the Company in accordance with the laws of Ireland (including the UCITS Rules), the Memorandum and Articles of Association and the provisions of this Prospectus. The Administrator will also act as registrar and transfer agent of the Company. The Administration Agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party. Either party may at any time terminate the Administration Agreement by notice in writing to the other party in the event that: (i) the other party goes into liquidation (except for a voluntary liquidation for the purposes of reconstitution or amalgamation upon terms previously approved in writing by the non-defaulting party) or an examiner or receiver is appointed to the other party or on the happening of a like event; or (ii) the other party commits a material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 30 days of notice requiring it to be remedied; or (iii) either party is no longer permitted to act in its current capacity under any applicable laws; or (iv) the Depositary ceases to be engaged as depositary of the Company.

The Administrator shall not be liable for any losses, damages or expenses suffered by the Company or any Shareholder in connection with the performance by the Administrator of its obligations and duties under the Administration Agreement, except a loss, damage or expense resulting from the negligence, fraud, wilful default, recklessness or bad faith of the Administrator in the performance of its obligations and duties under the Administration Agreement. The Company and the Administrator have agreed to indemnify each other and hold the other harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) resulting from any act, omission, error or delay or any claim, demand, action or suit, in connection with or arising out of performance of its obligations and duties under the Administration Agreement, not resulting from the negligence, fraud,

wilful default, recklessness or bad faith of the other party in the performance of such obligations and duties.

## **The Depositary**

Brown Brothers Harriman Trustee Services (Ireland) Limited has been appointed to act as Depositary pursuant to the Depositary Agreement. The Depositary was incorporated in Ireland as a limited liability company on 29 March, 1995. The Depositary is a subsidiary of Brown Brothers Harriman & Co. and has issued share capital in excess of U.S. \$1.5 million. The principal activity of the Depositary is to act as depositary and trustee of collective investment schemes.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary has the power to delegate certain of its depositary functions. In general, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Company's assets to sub-custodians. The list of sub-custodians appointed by the Depositary as at the date of this Prospectus is set out in Schedule V. The use of particular sub-custodians will depend on the markets in which the Company invests.

The Depositary must exercise due skill, care and diligence in the discharge of its duties.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to perform its obligations under the Directive and the Depositary Agreement. The liability of the Depositary will not be affected by the fact that it has delegated a third party certain of its safekeeping functions in respect of the Company's assets. The Depositary shall exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of delegates and sub-delegates.

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another depositary service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors from the Depositary on request.

The Depositary Agreement may be terminated by either the Depositary or the Company giving not less than 90 days' written notice to the other party. Either party may terminate the Depositary Agreement immediately by notice in writing to the other party in the event that: (i) a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party fails to remedy a material breach of the Depositary Agreement within 30 days of being required to do so; or (iii) if the Depositary is no longer permitted to act as depositary or trustee by the Central Bank. The Depositary shall continue in office until a successor is appointed. If no successor depositary is appointed within 90 days of the service of notice of termination, an extraordinary general meeting shall be convened at which a special resolution to wind up the Company shall be considered so that Shares may be redeemed

or a liquidator appointed who shall wind up the Company and as soon as possible thereafter the Company shall apply to the Central Bank to revoke the Company's authorisation whereupon the Depositary's appointment shall terminate. In such case, the Depositary's appointment shall not terminate until revocation of the Company's authorisation by the Central Bank.

### **Paying Agents/Sub-Distributors**

The Directors, the Investment Manager or their duly authorised delegates may appoint such paying agents, sub-distributors and local representatives as may be required to facilitate the authorisation or registration of the Company and/or the marketing of any of its Shares in any jurisdictions.

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to/from the Administrator or the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of the Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of such paying agents will be borne by the Fund.

BGO is appointed by the Investment Manager and Distributor to act as sub distributor of the Shares in jurisdictions outside of the EU. Baillie Gifford Asia (Hong Kong) Limited, a private limited liability company incorporated in Hong Kong with registered number 2229826 and whose registered office is situated at One International Finance Centre, One Harbour View Street, Central, Hong Kong ("BGA(HK)"), is appointed by BGO to act as a sub-distributor of the Shares 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.

## **TAXATION**

**The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

## Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

### *Chargeable Event*

Although the Company is not chargeable to Irish tax on its income and gains, Irish tax (at rates ranging from 25 per cent. to 60 per cent.) can arise on the happening of a “**chargeable event**” in the Company. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm’s length bargain, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company

indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

### *Irish Courts Service*

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Irish Court is applied to acquire Shares in the Company, the Irish Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an “**Exempt Irish Resident**”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Asset Management Agency;

- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

### **Taxation of Irish Resident Shareholders**

#### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25 per cent.

### *Deemed Disposals*

A deemed disposal of Shares will occur on each and every eighth anniversary of the acquisition of Shares in the Company held by Irish Resident Shareholders who are not Exempt Irish Residents. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10 per cent. or more of the Net Asset Value of the relevant Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10 per cent. of the Net Asset Value of the relevant Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent. (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25 per cent.). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

### *Residual Irish Tax Liability*

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25 per cent. (or 41 per cent. if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25 per cent. has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25 per cent. should be available.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.



However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

### **Residence**

In general, Shareholders in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

#### ***Individual Investors***

##### *Test of Residence*

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he/she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

##### *Test of Ordinary Residence*

If an individual has been resident for the three previous tax years then the individual will be deemed "ordinarily resident" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

#### ***Trust Investors***

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

#### ***Corporate Investors***

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a "relevant territory", being a Member State or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory, and the Company's central management and control is located outside of Ireland (however this exception does not apply where the Company's place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the Company would thus not be regarded as tax-resident in any jurisdiction); ; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

### **Disposal of Shares and Irish Capital Acquisitions Tax**

#### **(a) Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

#### **(b) Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax, provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

### **German Tax Information**

The Baillie Gifford Worldwide Japanese Fund will continuously invest at least 51 per cent. of its net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018) and therefore

ensure its eligibility for the partial tax exemption as an equity fund according to sec. 2 para 6 German Investment Tax Act for German resident investors.

### **The Foreign Account Tax Compliance Act (FATCA)**

The provisions of FATCA are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions ("**FFIs**") to foreign tax authorities who will then provide the information to the IRS.

The Company may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent. with respect to certain U.S. source income (including dividends and interest) and, after 31 December 2018, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to an FFI.

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If a Shareholder causes (directly or indirectly) the Company to suffer a withholding for or on account of FATCA ("**FATCA Deduction**") or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

### **The OECD Common Reporting Standard**

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("**CRS**"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("**AEOI**") which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders. The Company may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders refusing to provide the requisite information to the Company may be reported to the Irish tax authorities or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

## **Investment Undertaking Reporting**

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address, date of birth (if on record) and the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the investment number associated with and the value of the Shares held by the Shareholder. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or

Shareholders whose Shares are held in a recognised clearing system.

## **GENERAL**

### **Remuneration Policy**

The Company has adopted a remuneration policy as required by the UCITS Regulations (the "Remuneration Policy"). The Remuneration Policy seeks to be consistent with, and promote, sound and effective risk management and is designed to discourage risk-taking by the Company which is inconsistent with the risk profiles of the Funds. The Remuneration Policy applies to those categories of staff of the Company whose professional activities have a material impact on the risk profile of the Company or the Funds ("Identified Staff"). As at the date of this Prospectus, the Identified Staff comprise the Directors. While certain Directors are paid a fixed annual fee for their services to the Company, Directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as a Director. Due to the size and internal organisation of the Company and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Company. Any fee arrangements with Directors of the Company shall be subject to the approval of the Board of Directors. Please see the section entitled "Fees and Expenses" for details of the fees and expenses payable to the Directors. Further information on the current remuneration policy of the Company, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at <https://www.bailliegifford.com/about-us/literature-library/legal/baillie-gifford-worldwide-funds-plc-remuneration-policy/>. A paper copy of this information is available free of charge upon request from the Investment Manager.

### **Class Actions**

If the Company becomes aware of a class action involving investments held by any Fund, it may take action with respect to such class action, including, without limitation, participation in litigation at its inception or filing proofs of claim following settlement. Any court ordered or settlement funds derived from such a class action will inure to the benefit of the relevant Fund and therefore the Shareholders of such Fund at the time the monies are received.

### **Conflicts of Interest**

The Directors, Investment Manager, the Depositary and the Administrator may from time to time act as directors, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. Such other funds and accounts may pay higher or lower fees than a Fund or performance-based fees for such services. The Investment Manager and affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any

such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each will, at all times, have regard in such event to its obligations to the Company and the Funds and will ensure that such conflicts are resolved fairly.

In addition, any of the Directors, the Investment Manager or the Depositary, the delegates or sub-delegates of the Depositary (excluding any non-group company sub-depositaries appointed by the Depositary) and any associated or group company of the Depositary or a delegate or sub-delegate of the Depositary (excluding any non-group company sub-depositaries appointed by the Depositary) may deal, as principal or agent, with the Company in respect of the assets of a Fund, provided that such dealings are conducted at arm's length. Transactions must be in the best interests of Shareholders.

Dealings will be deemed to have been conducted at arm's length if: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, are satisfied are negotiated at arm's length and are in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

Conflicts of interest may arise as a result of transactions in FDI. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Investment Manager and its affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of or share with the Company or inform the Company of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients.

The Investment Manager may assist the Administrator with valuing certain securities held by a Fund. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Fund. Consequently, a conflict of interest could arise between its interest and those of a Fund. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the Company and the Funds and will ensure that such a conflict is resolved fairly and on a basis consistent with the best interests of the Shareholders.

The Company has policies designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest, and when they cannot be avoided, that the Funds and their shareholders are fairly treated.

The Company has policies designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or any other consideration relevant to the execution of the order. Any research services provided by a broker to the Investment Manager will be paid for by the Investment Manager.

Information about the Funds' execution policies are available to Shareholders at no charge upon request.

## **The Share Capital**

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to the currency equivalent of €500 billion divided into an unspecified number of Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. On incorporation, the Company issued Subscriber Shares to the value of EUR 300,000 and has since redeemed all but two of these Shares. One Subscriber Share is currently held by the Investment Manager and the other is held by Baillie Gifford & Co Limited. The Subscriber Shares do not participate in the assets of any Fund. The Company will at all times have a minimum issued share capital to the value of EUR 300,000.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any class of Shares from time to time, provided that shareholders in that class shall first have been notified by the Company that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of the holders of the Shares, by value, represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

## **The Funds and Segregation of Liability**

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

## **Termination**

All of the Shares in the Company or all of the Shares in a Fund or class may be redeemed by the Company in the following circumstances:

- (i) a majority of votes cast at a general meeting of the Company or the relevant Fund or class, as appropriate, approves the redemption of the Shares;
- (ii) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the Company or the Fund or the class, as appropriate, that all of the Shares of the Company, the Fund or the class, as the case may be, shall be redeemed by the Company; or
- (iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder, the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator, the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

## **Meetings**

All general meetings of the Company or of a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be 2 persons present in person or by proxy. 21 clear days' notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75 per cent. or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by 5 Shareholders or by Shareholders holding 10 per cent. or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.



## **Reports**

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders within 4 months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the Company shall send to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 30 September in each year. Unaudited half-yearly accounts shall be made up to 31 March in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent to each Shareholder, or will be sent on request to any potential investors, and will be made available for inspection at the registered office of the Company.

## **Shareholder Complaints**

Shareholders may file any complaints about the Company or a Fund free of charge at the registered office of the Company. Information regarding the Company's complaints procedures are available to Shareholders free of charge upon request.

## **Miscellaneous**

- (i) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iii) Mr. McGowan, Mr. Murphy and Mr. Scott are partners, officers or employees of the Investment Manager or of companies or partnerships affiliated to the Investment Manager.
- (iv) Neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.
- (v) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (vi) Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (vii) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

**Material Contracts**

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are material:

- (a) The Investment Management and Distribution Agreement;
- (b) The Depositary Agreement; and
- (c) The Administration Agreement.

**Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company:

- (a) the certificate of incorporation and Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above; and
- (c) the UCITS Rules.

Copies of the Memorandum and Articles of Association of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

## SCHEDULE I

### Classes of Shares

#### Baillie Gifford Worldwide Positive Change Fund<sup>1</sup>

Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding
Class A EUR Income	EUR	No	€10	€250,000	Nil	€250,000
Class A EUR Accumulation	EUR	No	€10	€250,000	Nil	€250,000
Class A USD Income	USD	No	\$10	\$250,000	Nil	\$250,000
Class A USD Accumulation	USD	No	\$10	\$250,000	Nil	\$250,000
Class A SEK Income	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000
Class A SEK Accumulation	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000
Class A CNY Income	CNY	No	CNY 100	CNY 2,500,000	Nil	CNY 2,500,000
Class A CNY Accumulation	CNY	No	CNY 100	CNY 2,500,000	Nil	CNY 2,500,000
Class B EUR Income	EUR	No	€10	€15,000	Nil	€15,000
Class B EUR Accumulation	EUR	No	€10	€15,000	Nil	€15,000
Class B USD Income	USD	No	\$10	\$20,000	Nil	\$20,000
Class B USD Accumulation	USD	No	\$10	\$20,000	Nil	\$20,000
Class B JPY Income	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000
Class B JPY Accumulation	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000
Class B DKK Income	DKK	No	DKK100	DKK 100,000	Nil	DKK 100,000
Class B DKK Accumulation	DKK	No	DKK100	DKK 100,000	Nil	DKK 100,000
Class B CHF Income	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000
Class B CHF Accumulation	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000
Class B SGD Income	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000
Class B SGD Accumulation	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000
Class B AUD Income	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000
Class B AUD Accumulation	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000
Class B CAD Income	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000
Class B CAD Accumulation	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000
Class B GBP Income	GBP	No	£10	£10,000	Nil	£10,000
Class B GBP Accumulation	GBP	No	£10	£10,000	Nil	£10,000
Class B HKD Income	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000
Class B HKD Accumulation	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000
Class B NOK Income	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000

<sup>1</sup> Classes of Shares of this Fund are not in issue.

Class B NOK Accumulation	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000
Class B SEK Income	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000
Class B SEK Accumulation	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000
Class B NZD Income	NZD	No	\$10	\$20,000	Nil	\$20,000
Class B NZD Accumulation	NZD	No	\$10	\$20,000	Nil	\$20,000
Class B CNY Income	CNY	No	CNY 100	CNY 100,000	Nil	CNY 100,000
Class B CNY Accumulation	CNY	No	CNY 100	CNY 100,000	Nil	CNY 100,000
Class C EUR Income **	EUR	No	€10	€250,000	Nil	€250,000
Class C EUR Accumulation **	EUR	No	€10	€250,000	Nil	€250,000
Class C USD Income **	USD	No	\$10	\$250,000	Nil	\$250,000
Class C USD Accumulation **	USD	No	\$10	\$250,000	Nil	\$250,000
Class C JPY Income **	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000
Class C JPY Accumulation **	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000
Class C DKK Income **	DKK	No	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000
Class C DKK Accumulation **	DKK	No	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000
Class C CHF Income **	CHF	No	CHF 10	CHF 300,000	Nil	CHF 300,000
Class C CHF Accumulation **	CHF	No	CHF 10	CHF 300,000	Nil	CHF 300,000
Class C SGD Income **	SGD	No	SGD 10	SGD 250,000	Nil	SGD 250,000
Class C SGD Accumulation **	SGD	No	SGD 10	SGD 250,000	Nil	SGD 250,000
Class C AUD Income **	AUD	No	AUD10	AUD250,000	Nil	AUD250,000
Class C AUD Accumulation **	AUD	No	AUD10	AUD250,000	Nil	AUD250,000
Class C CAD Income **	CAD	No	CAD 10	CAD 250,000	Nil	CAD 250,000
Class C CAD Accumulation **	CAD	No	CAD 10	CAD 250,000	Nil	CAD 250,000
Class C GBP Income **	GBP	No	£10	£250,000	Nil	£250,000
Class C GBP Accumulation **	GBP	No	£10	£250,000	Nil	£250,000
Class C HKD Income **	HKD	No	HKD 100	HKD2,500,000	Nil	HKD 2,500,000
Class C HKD Accumulation **	HKD	No	HKD 100	HKD 2,500,000	Nil	HKD 2,500,000
Class C NOK Income **	NOK	No	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000
Class C NOK Accumulation **	NOK	No	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000
Class C SEK Income **	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000
Class C SEK Accumulation **	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000
Class C NZD Income	NZD	No	\$10	\$250,000	Nil	\$250,000
Class C NZD Accumulation	NZD	No	\$10	\$250,000	Nil	\$250,000
Class F EUR Income *****	EUR	No	€10	€15,000	Nil	€15,000
Class F EUR Accumulation *****	EUR	No	€10	€15,000	Nil	€15,000

Class F USD Income *****	USD	No	\$10	\$20,000	Nil	\$20,000
Class F USD Accumulation *****	USD	No	\$10	\$20,000	Nil	\$20,000
Class F JPY Income *****	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000
Class F JPY Accumulation *****	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000
Class F DKK Income *****	DKK	No	DKK100	DKK 100,000	Nil	DKK 100,000
Class F DKK Accumulation *****	DKK	No	DKK100	DKK 100,000	Nil	DKK 100,000
Class F CHF Income *****	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000
Class F CHF Accumulation *****	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000
Class F SGD Income *****	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000
Class F SGD Accumulation *****	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000
Class F AUD Income *****	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000
Class F AUD Accumulation *****	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000
Class F CAD Income *****	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000
Class F CAD Accumulation *****	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000
Class F GBP Income *****	GBP	No	£10	£10,000	Nil	£10,000
Class F GBP Accumulation *****	GBP	No	£10	£10,000	Nil	£10,000
Class F HKD Income *****	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000
Class F HKD Accumulation *****	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000
Class F NOK Income *****	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000
Class F NOK Accumulation *****	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000
Class F SEK Income *****	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000
Class F SEK Accumulation *****	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000
Class F NZD Income *****	NZD	No	\$10	\$20,000	Nil	\$20,000
Class F NZD Accumulation *****	NZD	No	\$10	\$20,000	Nil	\$20,000

### Baillie Gifford Worldwide Japanese Fund

Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding	Status *
Class A EUR Income	EUR	No	€10	€250,000	Nil	€250,000	New
Class A EUR Accumulation	EUR	No	€10	€250,000	Nil	€250,000	Funded
Class A EUR Income (Hedged)	EUR	Yes	€10	€250,000	Nil	€250,000	Funded
Class A EUR Accumulation (Hedged)	EUR	Yes	€10	€250,000	Nil	€250,000	New
Class A GBP Income	GBP	No	£10	£250,000	Nil	£250,000	New
Class A GBP Accumulation	GBP	No	£10	£250,000	Nil	£250,000	New
Class A GBP Income (Hedged)	GBP	Yes	£10	£250,000	Nil	£250,000	New
Class A GBP Accumulation (Hedged)	GBP	Yes	£10	£250,000	Nil	£250,000	New
Class A USD Income	USD	No	\$10	\$250,000	Nil	\$250,000	New
Class A USD Accumulation	USD	No	\$10	\$250,000	Nil	\$250,000	New
Class A USD Income (Hedged)	USD	Yes	\$10	\$250,000	Nil	\$250,000	New
Class A USD Accumulation (Hedged)	USD	Yes	\$10	\$250,000	Nil	\$250,000	New
Class A SEK Income	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	New
Class A SEK Accumulation	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	Funded
Class A JPY Income	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000	New
Class A JPY Accumulation	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000	New
Class B EUR Income	EUR	No	€10	€15,000	Nil	€15,000	New
Class B EUR Accumulation	EUR	No	€10	€15,000	Nil	€15,000	Funded
Class B EUR Income (Hedged)	EUR	Yes	€10	€15,000	Nil	€15,000	New
Class B EUR Accumulation (Hedged)	EUR	Yes	€10	€15,000	Nil	€15,000	Funded
Class B USD Income	USD	No	\$10	\$20,000	Nil	\$20,000	New
Class B USD Accumulation	USD	No	\$10	\$20,000	Nil	\$20,000	Funded
Class B USD Income (Hedged)	USD	Yes	\$10	\$20,000	Nil	\$20,000	New
Class B USD Accumulation (Hedged)	USD	Yes	\$10	\$20,000	Nil	\$20,000	Funded
Class B JPY Income	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000	New
Class B JPY Accumulation	JPY	No	JPY 1,000	JPY 2,000,000	Nil	JPY 2,000,000	Funded
Class B NOK Income	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000	New

Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding	Status *
Class B NOK Accumulation	NOK	No	NOK 100	NOK 110,000	Nil	NOK 110,000	New
Class B NOK Income (Hedged)	NOK	Yes	NOK 100	NOK 110,000	Nil	NOK 110,000	New
Class B NOK Accumulation (Hedged)	NOK	Yes	NOK 100	NOK 110,000	Nil	NOK 110,000	New
Class B SEK Income	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000	New
Class B SEK Accumulation	SEK	No	SEK 100	SEK 120,000	Nil	SEK 120,000	New
Class B SEK Income (Hedged)	SEK	Yes	SEK 100	SEK 120,000	Nil	SEK 120,000	New
Class B SEK Accumulation (Hedged)	SEK	Yes	SEK 100	SEK 120,000	Nil	SEK 120,000	New
Class B DKK Income	DKK	No	DKK 100	DKK 100,000	Nil	DKK 100,000	New
Class B DKK Accumulation	DKK	No	DKK 100	DKK 100,000	Nil	DKK 100,000	New
Class B DKK Income (Hedged)	DKK	Yes	DKK 100	DKK 100,000	Nil	DKK 100,000	New
Class B DKK Accumulation (Hedged)	DKK	Yes	DKK 100	DKK 100,000	Nil	DKK 100,000	New
Class B CHF Income	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000	New
Class B CHF Accumulation	CHF	No	CHF 10	CHF 20,000	Nil	CHF 20,000	New
Class B CHF Income (Hedged)	CHF	Yes	CHF 10	CHF 20,000	Nil	CHF 20,000	New
Class B CHF Accumulation (Hedged)	CHF	Yes	CHF 10	CHF 20,000	Nil	CHF 20,000	New
Class B GBP Income	GBP	No	£10	£10,000	Nil	£10,000	New
Class B GBP Accumulation	GBP	No	£10	£10,000	Nil	£10,000	New
Class B GBP Income (Hedged)	GBP	Yes	£10	£10,000	Nil	£10,000	New
Class B GBP Accumulation (Hedged)	GBP	Yes	£10	£10,000	Nil	£10,000	Funded
Class B AUD Income	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000	New
Class B AUD Accumulation	AUD	No	AUD 10	AUD 20,000	Nil	AUD 20,000	New
Class B AUD Income (Hedged)	AUD	Yes	AUD 10	AUD 20,000	Nil	AUD 20,000	New
Class B AUD Accumulation (Hedged)	AUD	Yes	AUD 10	AUD 20,000	Nil	AUD 20,000	New
Class B CAD Income	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000	New
Class B CAD Accumulation	CAD	No	CAD 10	CAD 20,000	Nil	CAD 20,000	New
Class B CAD Income (Hedged)	CAD	Yes	CAD 10	CAD 20,000	Nil	CAD 20,000	New
Class B CAD Accumulation (Hedged)	CAD	Yes	CAD 10	CAD 20,000	Nil	CAD 20,000	New

Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding	Status *
Class B HKD Income	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000	New
Class B HKD Accumulation	HKD	No	HKD 100	HKD 150,000	Nil	HKD 150,000	New
Class B HKD Income (Hedged)	HKD	Yes	HKD 100	HKD 150,000	Nil	HKD 150,000	New
Class B HKD Accumulation (Hedged)	HKD	Yes	HKD 100	HKD 150,000	Nil	HKD 150,000	New
Class B SGD Income	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000	New
Class B SGD Accumulation	SGD	No	SGD 10	SGD 20,000	Nil	SGD 20,000	New
Class B SGD Income (Hedged)	SGD	Yes	SGD 10	SGD 20,000	Nil	SGD 20,000	New
Class B SGD Accumulation (Hedged)	SGD	Yes	SGD 10	SGD 20,000	Nil	SGD 20,000	New
Class B NZD Income	NZD	No	\$10	\$20,000	Nil	\$20,000	New
Class B NZD Accumulation	NZD	No	\$10	\$20,000	Nil	\$20,000	New
Class B NZD Income (Hedged)	NZD	Yes	\$10	\$20,000	Nil	\$20,000	New
Class B NZD Accumulation (Hedged)	NZD	Yes	\$10	\$20,000	Nil	\$20,000	New
Class C EUR Income **	EUR	No	€10	€250,000	Nil	€250,000	New
Class C EUR Accumulation **	EUR	No	€10	€250,000	Nil	€250,000	New
Class C EUR Income (Hedged) **	EUR	Yes	€10	€250,000	Nil	€250,000	New
Class C EUR Accumulation (Hedged) **	EUR	Yes	€10	€250,000	Nil	€250,000	New
Class C USD Income **	USD	No	\$10	\$250,000	Nil	\$250,000	New
Class C USD Accumulation **	USD	No	\$10	\$250,000	Nil	\$250,000	Funded
Class C USD Income (Hedged) **	USD	Yes	\$10	\$250,000	Nil	\$250,000	New
Class C USD Accumulation (Hedged) **	USD	Yes	\$10	\$250,000	Nil	\$250,000	New
Class C GBP Income **	GBP	No	£10	£250,000	Nil	£250,000	New
Class C GBP Accumulation **	GBP	No	£10	£250,000	Nil	£250,000	Funded
Class C GBP Income (Hedged) **	GBP	Yes	£10	£250,000	Nil	£250,000	New
Class C GBP Accumulation (Hedged) **	GBP	Yes	£10	£250,000	Nil	£250,000	New
Class C JPY Income **	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000	New
Class C JPY Accumulation **	JPY	No	JPY 1,000	JPY 30,000,000	Nil	JPY 30,000,000	New
Class C NOK Income **	NOK	No	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000	New
Class C NOK Accumulation **	NOK	No	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000	New



Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding	Status *
Class C NOK Income (Hedged) **	NOK	Yes	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000	New
Class C NOK Accumulation (Hedged) **	NOK	Yes	NOK 100	NOK 2,500,000	Nil	NOK 2,500,000	New
Class C SEK Income **	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	New
Class C SEK Accumulation **	SEK	No	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	New
Class C SEK Income (Hedged) **	SEK	Yes	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	New
Class C SEK Accumulation (Hedged) **	SEK	Yes	SEK 100	SEK 2,500,000	Nil	SEK 2,500,000	New
Class C DKK Income **	DKK	No	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000	New
Class C DKK Accumulation **	DKK	No	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000	New
Class C DKK Income (Hedged) **	DKK	Yes	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000	New
Class C DKK Accumulation (Hedged) **	DKK	Yes	DKK 100	DKK 1,850,000	Nil	DKK 1,850,000	New
Class C CHF Accumulation **	CHF	No	CHF 10	CHF 300,000	Nil	CHF 300,000	New
Class C CHF Income **	CHF	No	CHF 10	CHF 300,000	Nil	CHF 300,000	New
Class C CHF Accumulation (Hedged) **	CHF	Yes	CHF 10	CHF 300,000	Nil	CHF 300,000	New
Class C CHF Income (Hedged) **	CHF	Yes	CHF 10	CHF 300,000	Nil	CHF 300,000	New
Class C AUD Income **	AUD	No	AUD10	AUD250,000	Nil	AUD250,000	New
Class C AUD Accumulation **	AUD	No	AUD10	AUD250,000	Nil	AUD250,000	New
Class C AUD Income (Hedged) **	AUD	Yes	AUD10	AUD250,000	Nil	AUD250,000	New
Class C AUD Accumulation (Hedged) **	AUD	Yes	AUD10	AUD250,000	Nil	AUD250,000	New
Class C CAD Income **	CAD	No	CAD 10	CAD 250,000	Nil	CAD 250,000	New
Class C CAD Accumulation **	CAD	No	CAD 10	CAD 250,000	Nil	CAD 250,000	New
Class C CAD Income (Hedged) **	CAD	Yes	CAD 10	CAD 250,000	Nil	CAD 250,000	New
Class C CAD Accumulation (Hedged) **	CAD	Yes	CAD 10	CAD 250,000	Nil	CAD 250,000	New
Class C HKD Income **	HKD	No	HKD 100	HKD2,500,000	Nil	HKD 2,500,000	New
Class C HKD Accumulation **	HKD	No	HKD 100	HKD 2,500,000	Nil	HKD 2,500,000	New
Class C HKD Income (Hedged) **	HKD	Yes	HKD 100	HKD2,500,000	Nil	HKD 2,500,000	New
Class C HKD Accumulation (Hedged) **	HKD	Yes	HKD 100	HKD 2,500,000	Nil	HKD 2,500,000	New
Class C SGD Income **	SGD	No	SGD 10	SGD 250,000	Nil	SGD 250,000	New
Class C SGD	SGD	No	SGD 10	SGD 250,000	Nil	SGD 250,000	New

Share class	Share class base currency	Hedged currency class	Initial Offer Price	Minimum initial investment	Minimum subsequent investment	Minimum Holding	Status *
Accumulation **							
Class C SGD Income (Hedged) **	SGD	Yes	SGD 10	SGD 250,000	Nil	SGD 250,000	New
Class C SGD Accumulation (Hedged) **	SGD	Yes	SGD 10	SGD 250,000	Nil	SGD 250,000	New
Class C NZD Income	NZD	No	\$10	\$250,000	Nil	\$250,000	New
Class C NZD Accumulation	NZD	No	\$10	\$250,000	Nil	\$250,000	New
Class C NZD Income (Hedged)	NZD	Yes	\$10	\$250,000	Nil	\$250,000	New
Class C NZD Accumulation (Hedged)	NZD	Yes	\$10	\$250,000	Nil	\$250,000	New

\* This column specifies "**New**" where a Class is not in issue, "**Funded**" where a Class is in issue, and "**Extended**" where a Class has been offered, the Initial Offer Period has commenced and is continuing but no Shares are in issue.

\*\* Class C Shares are only available to persons to whom the Investment Manager, associates of the Investment Manager or persons to whom the Investment Manager, or one of its associates, provides services under an investment management agreement or other agreement.

\*\*\*\* Minimum initial investment and minimum holding amounts for all Share Classes denominated in currencies other than Euro are the relevant currency denomination of the Share Class equivalent to €300,000 in respect of Class B Shares, or €40,000,000 in respect of Class C Shares, as determined by Investment Manager on the Dealing Day on which the Shares are deemed to be issued.

\*\*\*\*\* Class F Shares are only available on the terms set out in the section of this Prospectus entitled "Investment Management Fee".

## SCHEDULE II

### The Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of a Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities (including, without limitation, off-exchange derivative instruments and other over-the-counter securities), a Fund will only invest in securities listed or traded on a stock exchange or market which meets the regulatory criteria (regulated, operating regularly, be recognised and open to the public) and which is listed in this Prospectus. These exchanges and markets are listed in accordance with the requirements of the Central Bank. The Central Bank does not issue a list of approved stock exchanges or markets. A Regulated Market shall comprise any stock exchange in a Member State, any stock exchange in a member state of the EEA and any stock exchange in the U.S.A., Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, Switzerland or the UK (in the event the UK is no longer a Member State), which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges; or any stock exchange or market included in the following list:

- (i) the market organised by the International Securities Markets Association, the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York, the over-the-counter market in the United States conducted by primary dealers and secondary dealers which are regulated by the U.S. Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation), the market conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)", the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange, the French Market for Titres de Creance Negociable (over-the-counter market in negotiable debt instruments); NASDAQ; EASDAQ (EASDAQ is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges); the over-the-counter market in Canadian Government Bonds regulated by the Investment Industry Regulatory Organisation of Canada; the over-the-counter market for treasury bonds and bills in the Republic of Serbia;

- (ii) the following exchanges:

#### **Americas**

<i>Argentina</i>	B&MA (Bolsa Y Mercados Argentinos)
<i>Brazil</i>	BM&F Bovespa S.A.
<i>Canada</i>	Montreal Exchange and TSX Ventures Exchange and the Government of Canada Bond Market
<i>Chile</i>	Santiago Stock Exchange
<i>Colombia</i>	Bolsa de Valores de Colombia, Mercado Electronico Colombiano (MEC)
<i>Mexico</i>	Mexican Stock Exchange
<i>Peru</i>	Bolsa de Valores de Lima
<i>USA</i>	NYSE Arca, the American, New York and Philadelphia Stock Exchanges: NASDAQ the "Over-the-Counter" Bulletin Board operated by NASD

#### **Europe**

<i>Channel Islands</i>	Channel Islands Securities Exchange (CISE)
<i>Russia</i>	Moscow Exchange MICEX-RTS (solely in relation to securities that are traded on level 1 or level 2 of the relevant exchange)
<i>Switzerland</i>	SIX Swiss Exchange, ICMA
<i>Turkey</i>	Istanbul Stock Exchange

#### **Middle East**

<i>Egypt</i>	The Egyptian Exchange
<i>Israel</i>	Tel Aviv Stock Exchange

*Qatar* Qatar Stock Exchange  
*United Arab Emirates* Dubai Financial Market

**Africa**

*Ghana* The Ghana Stock Exchange  
*Kenya* Nairobi Securities Exchange  
*South Africa* JSE Securities Exchange, Bond Exchange of South Africa Ltd  
*Uganda* Uganda Securities Exchange

**Asia**

*Australia* ASX Ltd, Australian Securities Exchange  
*China* Shanghai Stock Exchange, Shenzhen Stock Exchange and Chinese Interbank Bond Market  
*Hong Kong* Hong Kong Exchanges  
*India* National Stock Exchange, The Mumbai Stock Exchange  
*Indonesia* Indonesia Stock Exchange  
*Japan* The Tokyo, Osaka and Nagoya Stock Exchanges, Jasdaq Securities Exchange and JASDAQ Neo  
*Korea* Korea Exchange  
*Malaysia* Bursa Malaysia Berhad and Malaysian Government Bond OTC Market  
*New Zealand* New Zealand Stock Exchange  
*Pakistan* Karachi Stock Exchange  
*Philippines* The Philippine Stock Exchange  
*Singapore* Singapore Exchange  
*Taiwan* Taiwan Stock Exchange and GreTai Securities Market  
*Thailand* The Stock Exchange of Thailand (SET)

(iii) for investments in financial derivative instruments:

- (A) all derivative markets approved in a member state of the EEA, the market organised by the International Capital Securities Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers \_and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation); the market conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)"; the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Industry Regulatory Association of Canada and all futures and options exchanges in a Member State or a member state of the EEA; and
- (B) American Stock Exchange, Australian Securities Exchange, ASX Limited, Sydney Futures Exchange, Bolsa Mexicana de Valores, Commodity Exchange Inc, Coffee, Sugar and Cocoa Exchange, Chicago Board of Trade, Chicago Board Options Exchange and Futures Exchange, Chicago Mercantile Exchange, CME Group Inc, Copenhagen Stock Exchange (including FUTOP), European Options Exchange, Eurex Deutschland, Eurex Switzerland, Euronext Amsterdam, Financiel Termijnmarkt Amsterdam, Finnish Options Market, International Securities Market Association, International Monetary Market; OMX Exchange Helsinki, Hong Kong Stock Exchange, Hong Kong Futures Exchange, Hong Kong Exchanges, Kansas City Board of Trade, Korean Stock Exchange, Korean Futures Exchange, Financial Futures and Options Exchange, Euronext Paris, MEFF Renta Fija, Marche a Terme des International de France, Marche des options Negociables de Paris (MONEP), MEFF Renta Variable, Montreal Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New

Zealand Futures and Options Exchange, OMLX The London Securities and Derivatives Exchange Ltd., OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, ICE Futures Europe, The National Association of Securities Dealers Automated Quotations System (NASDAQ), Tokyo Stock Exchange, Tokyo International Financial Futures Exchange, TSX Group Exchange, Brazilian Mercantile & Futures Exchange.

## SCHEDULE III

### Investment Restrictions applicable to the Funds

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a Regulated Market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of alternative investment funds ("AIFs").
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10 per cent. of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p><u>Recently Issued Transferable Securities</u></p> <p>(1) Subject to paragraph (2), a Fund shall not invest any more than 10 per cent. of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.</p> <p>(2) Paragraph (1) does not apply to an investment by a Fund in U.S. securities known as Rule 144A securities, provided that:</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e., they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</p>
<b>2.3</b>	A Fund may invest no more than 10 per cent. of Net Asset Value in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5 per cent. is less than 40 per cent.
<b>2.4</b>	The limit of 10 per cent. (in 2.3) is raised to 25 per cent. in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5 per cent. of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent. of the Net Asset Value of the Fund. A Fund will not avail of this without the prior approval of the Central Bank.
<b>2.5</b>	The limit of 10 per cent. (in 2.3) is raised to 35 per cent. if the transferable securities or

	money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40 per cent. referred to in 2.3.
<b>2.7</b>	<p>Cash booked in accounts and held as ancillary liquidity shall not exceed:</p> <p>(a) 10 per cent. of the Net Asset Value of the Fund; or</p> <p>(b) where the cash is booked in an account with the Depositary, 20% per cent. of the Net Asset Value of the Fund.</p>
<b>2.8</b>	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5 per cent. of Net Asset Value.</p> <p>This limit is raised to 10 per cent. in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of Net Asset Value:</p> <p>(i) investments in transferable securities or money market instruments;</p> <p>(ii) deposits; and/or</p> <p>(iii) counterparty risk exposures arising from OTC derivatives transactions.</p>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 per cent. of Net Asset Value.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 per cent. of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>A Fund may invest up to 100 per cent. of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the</p>

	<p>Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, Straight A Funding LLC and issues backed by the full faith and credit of the U.S. government.</p> <p>The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30 per cent. of Net Asset Value.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A Fund may not invest more than 20 per cent. of Net Asset Value in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30 per cent. of Net Asset Value.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent. of Net Asset Value in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, the Company, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the Company shall ensure that the relevant commission is paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20 per cent. of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35 per cent., and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, Irish collective asset-management vehicle ("ICAV") or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10 per cent. of the non-voting shares of any single issuing body;</li> <li>(ii) 10 per cent. of the debt securities of any single issuing body;</li> <li>(iii) 25 per cent. of the units of any single CIS;</li> <li>(iv) 10 per cent. of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by</li> </ul>



	<p>a Member State or its local authorities;</p> <p>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</p> <p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and</p> <p>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <p>(i) transferable securities;</p> <p>(ii) money market instruments<sup>2</sup>;</p> <p>(iii) units of investment funds; or</p> <p>(iv) financial derivative instruments.</p>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ("FDIs")</b>
<b>6.1</b>	A Fund's global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant

<sup>2</sup> Any short selling of money market instruments by a Fund is prohibited.

	with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/guidance. (This provision does not apply in the case of index-based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
<b>6.3</b>	A Fund may invest in FDIs dealt in over-the-counter (OTC), provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

## **SCHEDULE IV**

### **Investment Techniques and Instruments**

A Fund may use derivative instruments traded on an organised exchange and on over-the-counter markets, whether such instruments are used for investment purposes or the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

#### **Financial Derivative Instruments**

##### **Permitted financial derivative instruments ("FDI")**

1. The Company shall only invest assets of a Fund in an FDI if:
  - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
  - 1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;
  - 1.3 the FDI does not cause the Fund to diverge from its investment objectives;
  - 1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.
2. The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
  - 2.1 they are sufficiently diversified, in that the following criteria are fulfilled:
    - (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
    - (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
    - (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
  - 2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
    - (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
    - (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
    - (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
  - 2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:

- (a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
- (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - 3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - 3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - 3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.
5. Where the Company enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

#### **OTC FDI**

6. The Company shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:
  - 6.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;
  - 6.2 an investment firm authorised in accordance with MiFID; or
  - 6.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
7. Where a counterparty within paragraphs 6.2 or 6.3:
  - 7.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

- 7.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 7.1 this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
8. Where an OTC FDI referred to in paragraph 6 is subject to a novation, the counterparty after the novation must be:
- 8.1 an entity that is within any of the categories set out in paragraph 6; or
- 8.2 a central counterparty that is:
- (a) authorised or recognised under EMIR; or
- (b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
- (A) by the SEC as a clearing agency; or
- (B) by the Commodity Futures Trading Commission as a derivatives clearing organisation.
9. 9.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 9.2.
- 9.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:
- (a) the Company shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;
- (b) the Company may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;
- (c) the Company may take account of collateral received by the FDI in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.
10. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

### **Issuer concentration limits**

11. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the Company shall:
- 11.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;
- 11.2 include exposures created through the reinvestment of collateral; and
- 11.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:

- 12.1 shall be calculated in accordance with paragraph 13; and
- 12.2 shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.
- 13. For the purposes of paragraph 12:
  - 13.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;
  - 13.2 the Company shall calculate the position exposure of the Fund using the commitment approach or the VaR approach as a result of default by the issuer approach, whichever is greater; and
  - 13.3 the Company shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.
- 14. Paragraph 12 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.
- 15. Collateral received must at all times meet with the requirements set out in paragraphs 30 to 38 below.
- 16. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
- 17. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

### **Cover requirements**

- 18. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Company shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
- 19. The Company shall ensure that, at all times:
  - 19.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;
  - 19.2 the risk management process of the Company includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;
  - 19.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 20.
- 20. The conditions to which paragraph 19.3 refers are:
  - 20.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;
  - 20.2 in the case of an FDI that requires physical delivery of the underlying asset, either:

- (a) the asset must at all times be held by a Fund; or
- (b) where either or both of the conditions in paragraphs 21.1 and 21.2 applies, the Fund must cover the exposure with sufficient liquid assets.

21. The conditions to which paragraph 20.2(b) refers are:

- 21.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;
- 21.2
  - (a) the exposure can be covered without the need to hold the underlying assets;
  - (b) the specific FDI is addressed in the risk management process; and
  - (c) details of the exposure are provided in the prospectus.

In this regard, please note that in the case of the instruments referred to in the section entitled "Investment Techniques and Instruments", the Company considers that from time to time the exposure may be covered with sufficient liquid assets.

### **Risk management process and reporting**

22. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of Part 2 of the Central Bank Regulations. The initial filing is required to include information in relation to:

- 22.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
- 22.2 details of the underlying risks;
- 22.3 relevant quantitative limits and how these will be monitored and enforced; and
- 22.4 methods for estimating risks.

23. 23.1 The Company shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.

23.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 23.1.

- 23.3
  - (a) No proposed amendment to which the Bank has objected under paragraph 23.2 shall be made to the risk management process of a Fund.
  - (b) Where the Central Bank has objected under paragraph 23.2 to the making of a proposed amendment to the risk management process of a Fund.

The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

24. The Company must submit a report to the Central Bank on the Funds' FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

## **Calculation of global exposure**

- 25. The Company shall ensure that in the case of each Fund, at all times:
  - 25.1 the Fund complies with the limits on global exposure;
  - 25.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and
  - 25.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

## **Efficient Portfolio Management**

### **Portfolio Management Techniques**

- 26. The Company shall only use efficient portfolio management techniques and instruments for the purposes of Regulation 69(2) of the UCITS Regulations where same are in the best interests of the relevant Fund.
- 27. The Company shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.
- 28. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - 28.1 they are economically appropriate in that they are realised in a cost-effective way;
  - 28.2 they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulations 70 and 71 of the UCITS Regulations; and
  - 28.3 their risks are adequately captured by the risk management process of the Fund.
- 29. Repurchase/reverse repurchase agreements and securities lending (i.e., efficient portfolio management techniques) may only be effected in accordance with normal market practice.

## **Collateral**

- 30. The Company shall ensure, in engaging in efficient portfolio management techniques and instruments, that:
  - 30.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;
  - 30.2 such techniques comply with the criteria set down in paragraph 24(2) of the Central Bank Regulations;



30.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 31.

31. The conditions for the receipt of collateral by a Fund, to which paragraph 30 refers, are:

31.1 **Liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.

31.2 **Valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

31.3 **Issuer credit quality:** Collateral received should be of high quality. The Company shall ensure that:

(a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

(b) where an issuer is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Company without delay.

31.4 **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it would not display a high correlation with the performance of the counterparty.

31.5 **Diversification (asset concentration):**

(a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent. of the Net Asset Value of the Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent. limit of exposure to a single issuer.

(b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30 per cent. of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20 per cent. of its Net Asset Value shall be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan

Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, Straight A Funding LLC and issues backed by the full faith and credit of the U.S. government..

- 31.6 **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
32. The Company shall ensure that the Fund's risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
33. Where a Fund receives collateral on a title transfer basis, the Company shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
34. The Company shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
35. Where the Company invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
- 35.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;
- 35.2 a high-quality government bond;
- 35.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
- 35.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).
36. Where the Company invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
37. The Company shall ensure that, where a Fund receives collateral for at least 30 per cent. of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:
- 37.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- 37.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- 37.3 the reporting frequency and the threshold(s) for limits and losses; and
- 37.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.
38. The Company shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Company shall

take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Company shall document the haircut policy and the Company shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.

39. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Company on behalf of a Fund:
  - 39.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and
  - 39.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
40. The Company shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

#### **Repurchase and reverse repurchase agreements**

41. Where the Company enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.
42. In circumstances in which cash is, by virtue of the obligation under paragraph 41 recallable at any time on a mark-to-market basis, the Company shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
43. Where the Company enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
44. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.

## SCHEDULE V

### List of Sub-Custodians

As at the date of this Prospectus, the Depositary has appointed the following sub-custodians:

MARKET	SUB-CUSTODIAN
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRALIA	NATIONAL AUSTRALIA BANK
AUSTRIA	DEUTSCHE BANK AG
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL*	CITIBANK, N.A. SÃO PAULO
BRAZIL*	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
CANADA	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
CHILE*	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA*	CHINA CONSTRUCTION BANK CORPORATION
CHINA*	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.
CHINA*	DEUTSCHE BANK (CHINA) CO., LTD., SHANGHAI BRANCH** <b>USE OF THIS SUBCUSTODIAN IS RESTRICTED.**</b>
CHINA*	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
CHINA*	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CHINA*	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA*	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A.

CROATIA*	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZACNI SLOZKA FOR CITIBANK, N.A.
DENMARK	NORDEA DANMARK, FILIAL AF NORDEA BANK AB (PUBL), SVERIGE
DENMARK	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
EGYPT*	CITIBANK, N.A. - CAIRO BRANCH
EGYPT*	HSBC BANK EGYPT S.A.E. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ESTONIA	SWEDBANK AS FOR NORDEA BANK AB (PUBL)
FINLAND	NORDEA BANK AB (PUBL), FINNISH BRANCH
FINLAND	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
FRANCE	BNP PARIBAS SECURITIES SERVICES
FRANCE	CACEIS BANK
FRANCE	DEUTSCHE BANK AG, AMSTERDAM BRANCH
GERMANY	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
GERMANY	DEUTSCHE BANK AG
GHANA*	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
GREECE	HSBC FRANCE, ATHENS BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK, N.A.
HUNGARY	UNICREDIT BANK HUNGARY ZRT. FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT S.P.A.
ICELAND*	LANDSBANKINN HF.
INDIA*	CITIBANK, N.A. - MUMBAI BRANCH
INDIA*	DEUTSCHE BANK AG - MUMBAI BRANCH
INDIA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) – INDIA BRANCH
INDONESIA	CITIBANK, N.A. - JAKARTA BRANCH
INDONESIA	STANDARD CHARTERED BANK, INDONESIA BRANCH
IRELAND	CITIBANK, N.A. - LONDON BRANCH
ISRAEL	BANK HAPOALIM BM
ISRAEL	CITIBANK, N.A., ISRAEL BRANCH
ITALY	BNP PARIBAS SECURITIES SERVICES – MILAN BRANCH
ITALY	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
IVORY COAST*	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK

JAPAN	MIZUHO BANK LTD
JAPAN	MUFG BANK, LTD.
JAPAN	SUMITOMO MITSUI BANKING CORPORATION
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - JAPAN BRANCH
JORDAN*	STANDARD CHARTERED BANK, JORDAN BRANCH
KAZAKHSTAN*	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LATVIA	"SWEDBANK" AS FOR NORDEA BANK AB (PUBL)
LITHUANIA	"SWEDBANK" AB FOR NORDEA BANK AB (PUBL)
LUXEMBOURG	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH*** <b>UTILIZED FOR MUTUAL FUND HOLDINGS ONLY.***</b>
MALAYSIA*	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
MALAYSIA*	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) – MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
MEXICO	BANCO SANTANDER (MEXICO) S.A. FOR BANCO SANTANDER, S.A. AND BANCO SANTANDER (MEXICO) S.A.
MOROCCO	CITIBANK MAGHREB S.A. FOR CITIBANK, N.A.
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS SECURITIES SERVICES
NETHERLANDS	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) – NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	NORDEA BANK AB (PUBL), FILIAL I NORGE
NORWAY	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
OMAN*	HSBC BANK OMAN SAOG FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.

PHILIPPINES*	STANDARD CHARTERED BANK – PHILIPPINES BRANCH
PHILIPPINES*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) – PHILIPPINES BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
POLAND	BANK POLSKA KASA OPIEKI SA
POLAND	ING BANK SLASKI S.A. FOR ING BANK N.V.
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR*	HSBC BANK MIDDLE EAST LTD – QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN – SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA AND THE SAUDI BRITISH BANK (SABB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
SINGAPORE	DBS BANK LTD.
SINGAPORE	STANDARD CHARTERED BANK – SINGAPORE BRANCH
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOCKA ZAHRANICNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKA SLOVENIJA DD AND UNICREDIT S.P.A.
SOUTH AFRICA	SOCIÉTÉ GÉNÉRALE JOHANNESBURG BRANCH
SOUTH AFRICA	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
SOUTH KOREA*	KEB HANA BANK
SOUTH KOREA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANCH
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
SPAIN	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
SPAIN	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
SRI LANKA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
SWAZILAND*	STANDARD BANK SWAZILAND LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
SWEDEN	NORDEA BANK AB (PUBL)
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE (SWITZERLAND) LTD.

SWITZERLAND	UBS SWITZERLAND AG
TAIWAN*	BANK OF TAIWAN
TAIWAN*	HSBC BANK (TAIWAN) LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
TAIWAN*	JP MORGAN CHASE BANK, N.A., TAIPEI BRANCH** <i>USE OF THIS SUBCUSTODIAN IS RESTRICTED.**</i>
TAIWAN*	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) – THAILAND BRANCH
THAILAND*	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
TRANSNATIONAL (CLEARSTREAM)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TRANSNATIONAL (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TUNISIA*	UNION INTERNATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
TURKEY	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH
UNITED KINGDOM	HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ZAMBIA*	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE*	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK

\* In these markets, cash held by clients is a deposit obligation of the subcustodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.



## **SCHEDULE VI**

### **Target Market Information**

#### **Baillie Gifford Worldwide Japanese Fund**

Scheme type : UCITS fund vehicle  
Non-complex

This Fund is suitable for all investors seeking a fund that aims to deliver growth with a long investment time horizon as a core or component of a portfolio of investments. The Fund will allow ready access to the investment. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be compatible for investors outside the target market.

#### **Baillie Gifford Worldwide Positive Change Fund**

Scheme type : UCITS fund vehicle  
Non-complex

This Fund is suitable for all investors seeking a fund with a focus on delivering positive change that aims to deliver growth with a long investment time horizon as a core or component of a portfolio of investments. The Fund will allow ready access to the investment. The investor should be prepared to bear losses. This Fund is compatible for mass market distribution. This Fund may not be compatible for investors outside the target market.

**COUNTRY SUPPLEMENT**  
**ADDITIONAL INFORMATION FOR NON-QUALIFIED INVESTORS IN SWITZERLAND**

**This Supplement dated 1 February 2019 is supplemental to, forms part of and should be read in conjunction with the prospectus for Baillie Gifford Worldwide Funds plc (the "Company") dated 1 February 2019, as amended from time to time (the "Prospectus").**

*Terms used herein shall have the meanings attributed to them in the Prospectus.*

The Company may offer and distribute Shares in the following sub-funds (the "Funds") to non-qualified investors in Switzerland:

- Baillie Gifford Worldwide Japanese Fund;
- Baillie Gifford Worldwide Positive Change Fund.

The following information is provided in connection with the Company's offering of Shares in Switzerland:

**1. REPRESENTATIVE**

The representative of the Fund in Switzerland (the "**Representative**") is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel.: + 41 (0)22 705 11 78. The Representative is a limited liability company incorporated under the laws of Switzerland, registered in the Canton of Geneva commercial register under number CHE-110.159.625, and authorised by FINMA to act as a Swiss representative pursuant to art. 13 and 123 CISA, which is entitled to represent and distribute foreign collective investment schemes in Switzerland, pursuant to art. 119 et seqq. CISA.

**2. PAYING AGENT**

The paying agent of the Fund in Switzerland is Banque Cantonale de Genève, 17, quai de l'Ile, 1204 Geneva, Switzerland.

**3. PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

The Extract Prospectus and Key Investor Information Documents for Switzerland, Memorandum and Articles of Association as well as the extract annual and semi-annual reports may be obtained free of charge from the Representative in Switzerland.

**4. PUBLICATIONS**

Publications concerning the Fund are made in Switzerland on [www.fundinfo.com](http://www.fundinfo.com).

Each time Shares are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published for all Share classes on [www.fundinfo.com](http://www.fundinfo.com). Prices must be published on a daily basis.

**5. PAYMENT OF RETROCESSIONS AND REBATES**

**a. Retrocessions**

The Investment Manager and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares in and from Switzerland. This remuneration may be deemed payment for the following services in particular:

- marketing and distribution activities in Switzerland;
- maintaining appropriate investor records and documentation in compliance with applicable laws and regulations;

- general liaison with investors including dealing with queries and complaints and forwarding the same to the Company;
- providing Company documentation in respect of the Funds to investors (including annual and semi-annual reports, constitutional documentation, material contracts, the Prospectus and Key Investor Information Documents);
- distribution of marketing material and offering documentation to prospective investors in accordance with applicable laws and regulations;
- providing investment advice to prospective investors in accordance with applicable laws and regulations; and
- undertaking due diligence of investors, anti-money laundering and "Know Your Client" checks in line with legal and regulatory requirements.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing Shares to the investors concerned.

#### b. Rebates

In the case of distribution activity in and from Switzerland, the Investment Manager and its agents may pay, upon request, rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that

- they are paid from fees received by the Investment Manager and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria; and
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Investment Manager are as follows:

- the volume subscribed by the investor or the total volume they hold in the Company or, where applicable, in the product range of the promoter.

At the request of an investor, the Investment Manager must disclose the amounts of such rebates free of charge.

## 6. PLACE OF PERFORMANCE AND JURISDICTION

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the Representative.

For further information on fees and expenses please refer to the section "Fees and Expenses" in the Prospectus.

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The Directors of Baillie Gifford Worldwide Funds plc whose names appear in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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