

Investor Panel Discussion:

Managing risk in a more volatile investment world

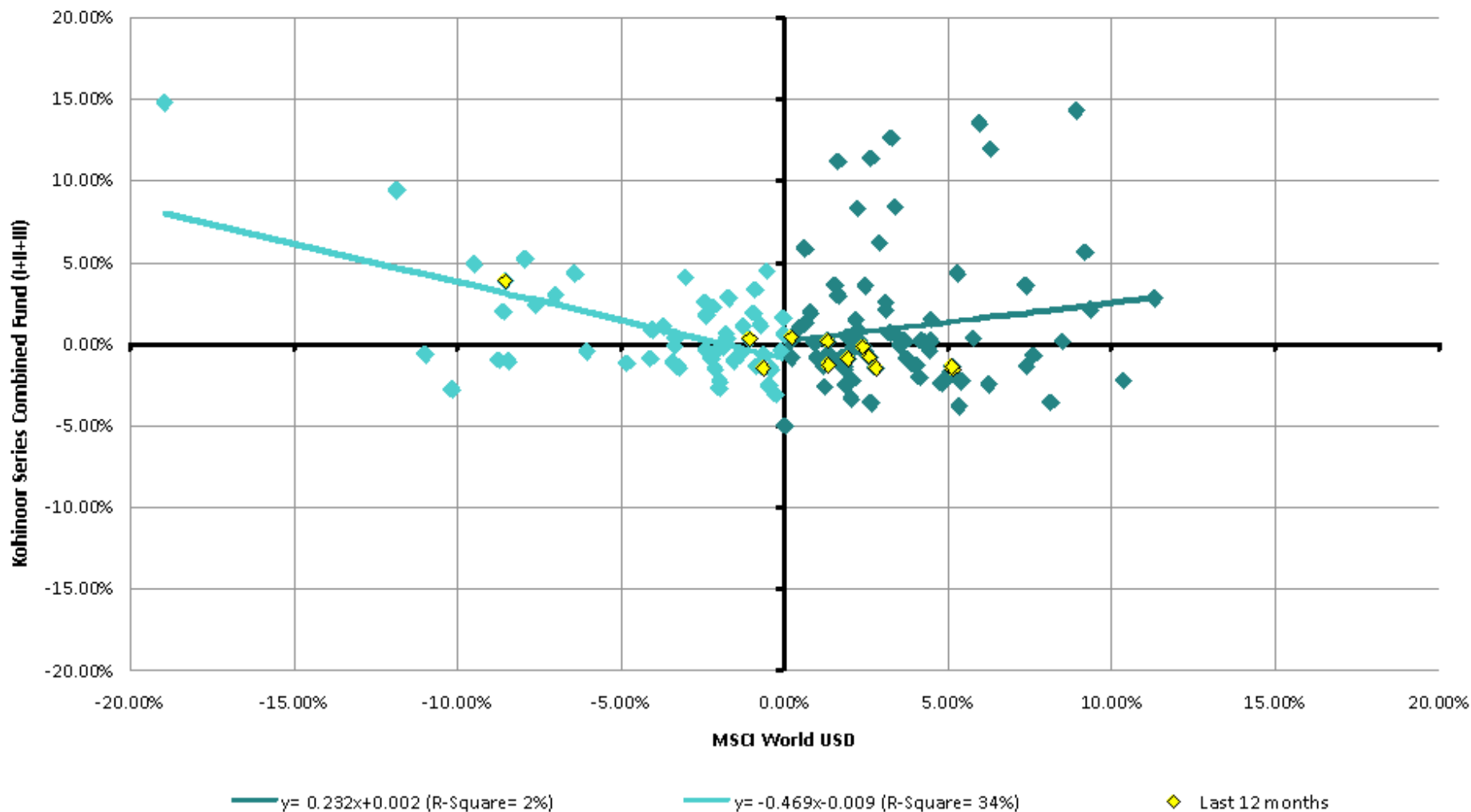
Moderator:

Andrew Rozanov

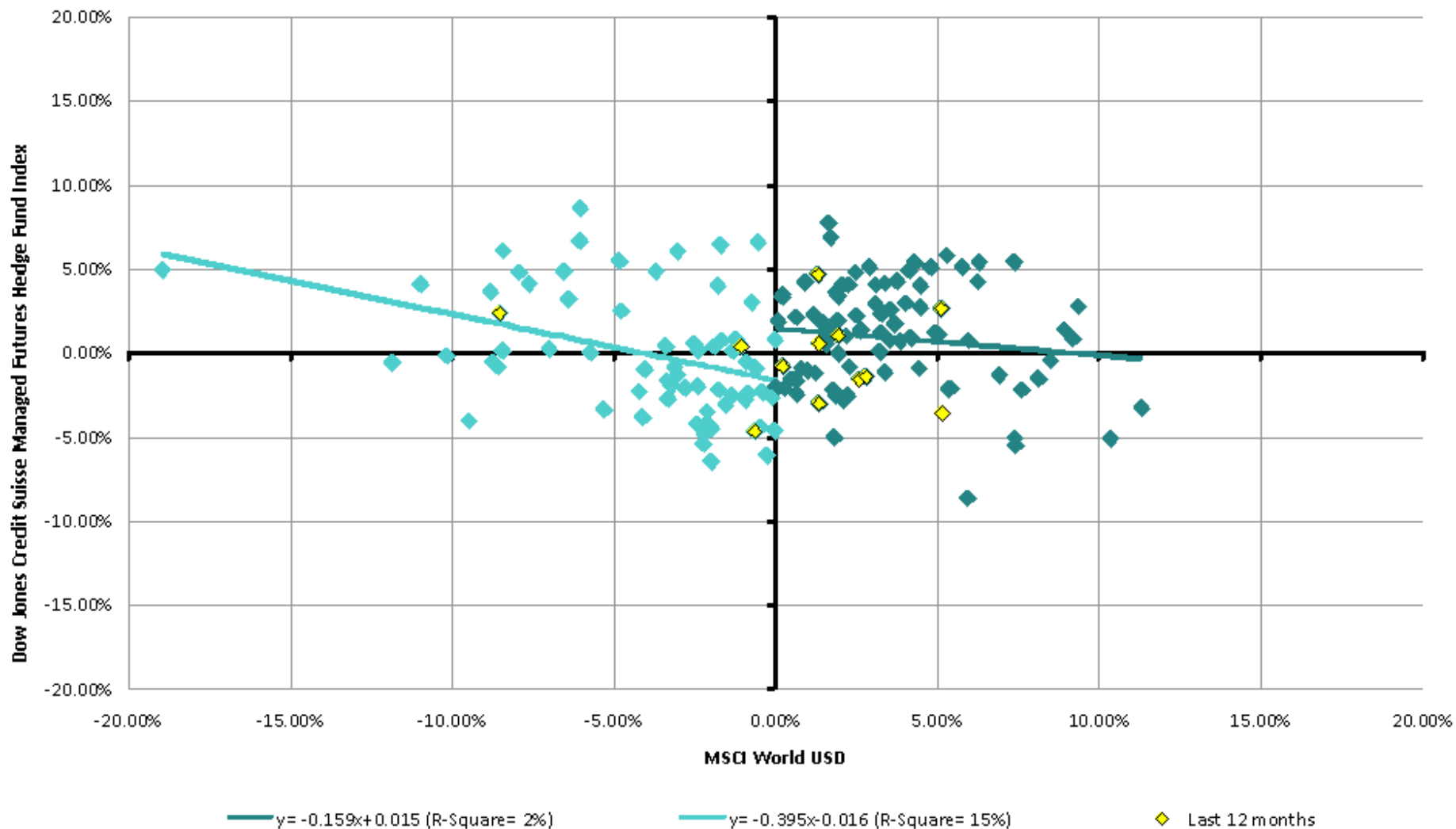
Panelists:

Mike Brooks
Christoph Gort
Tarik H. Dalton
Luke Dixon

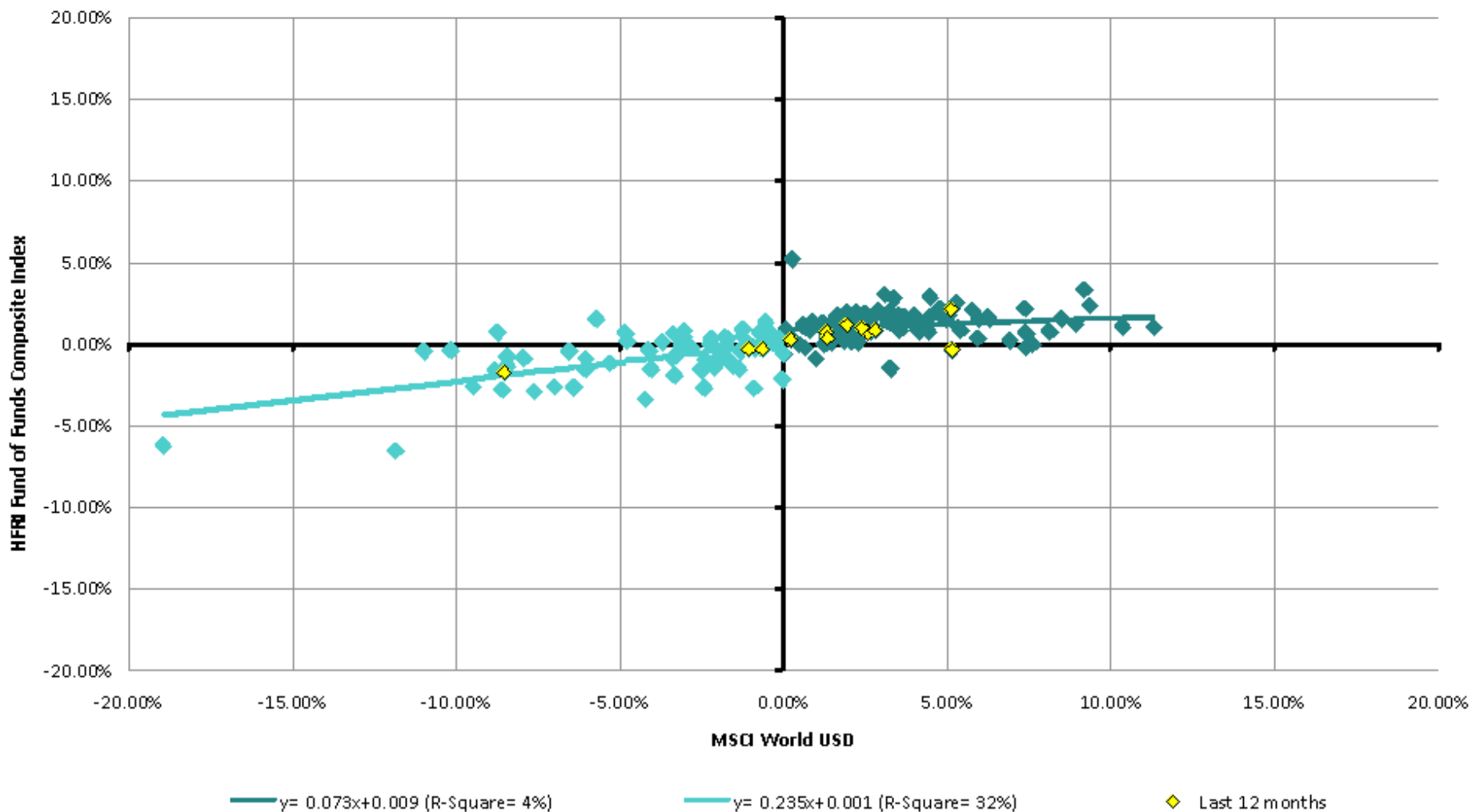
Monthly Returns of a Long Volatility Fund vs MSCI World Index since 2002



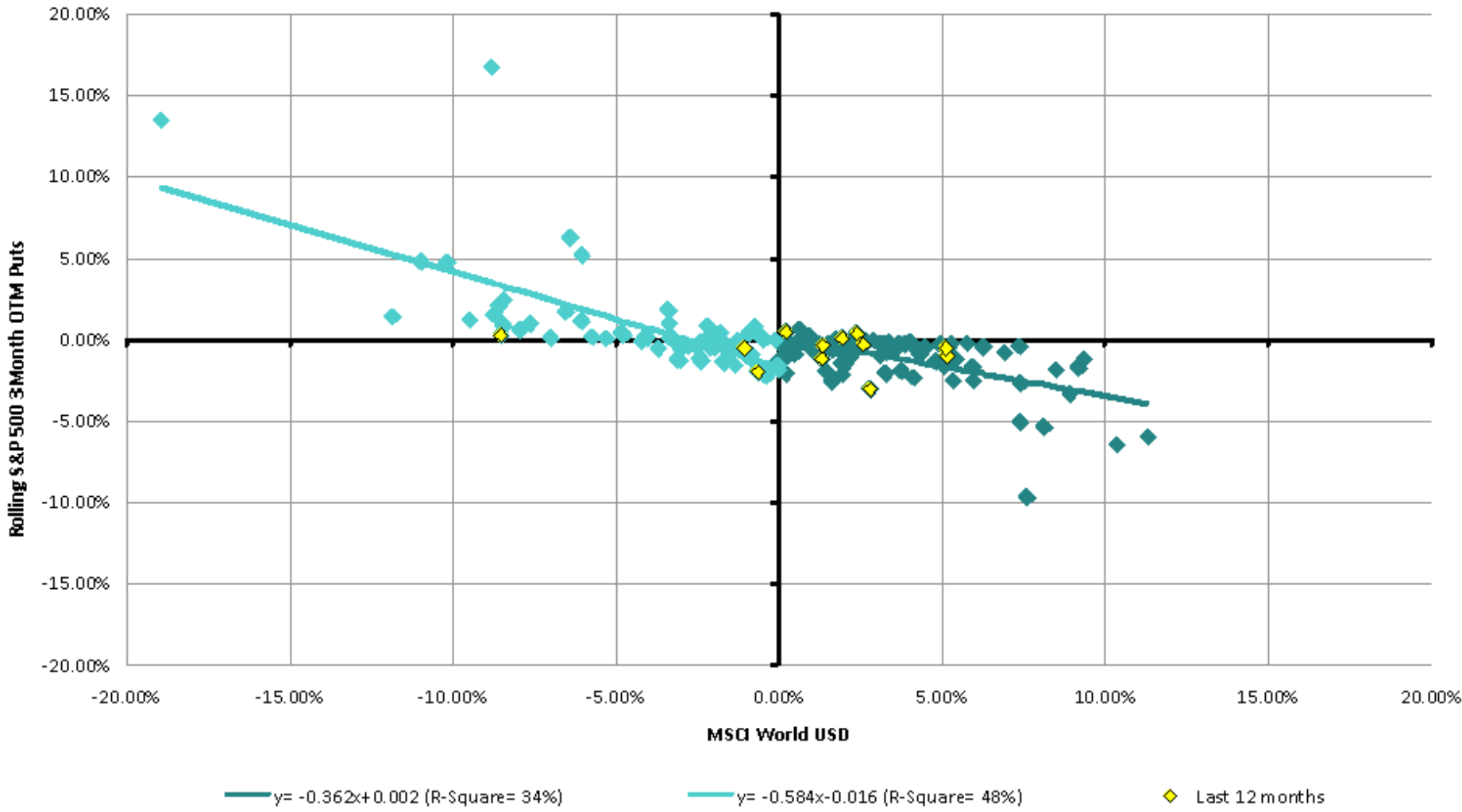
Monthly Returns of DJCS Managed Futures Index vs MSCI World since 2000



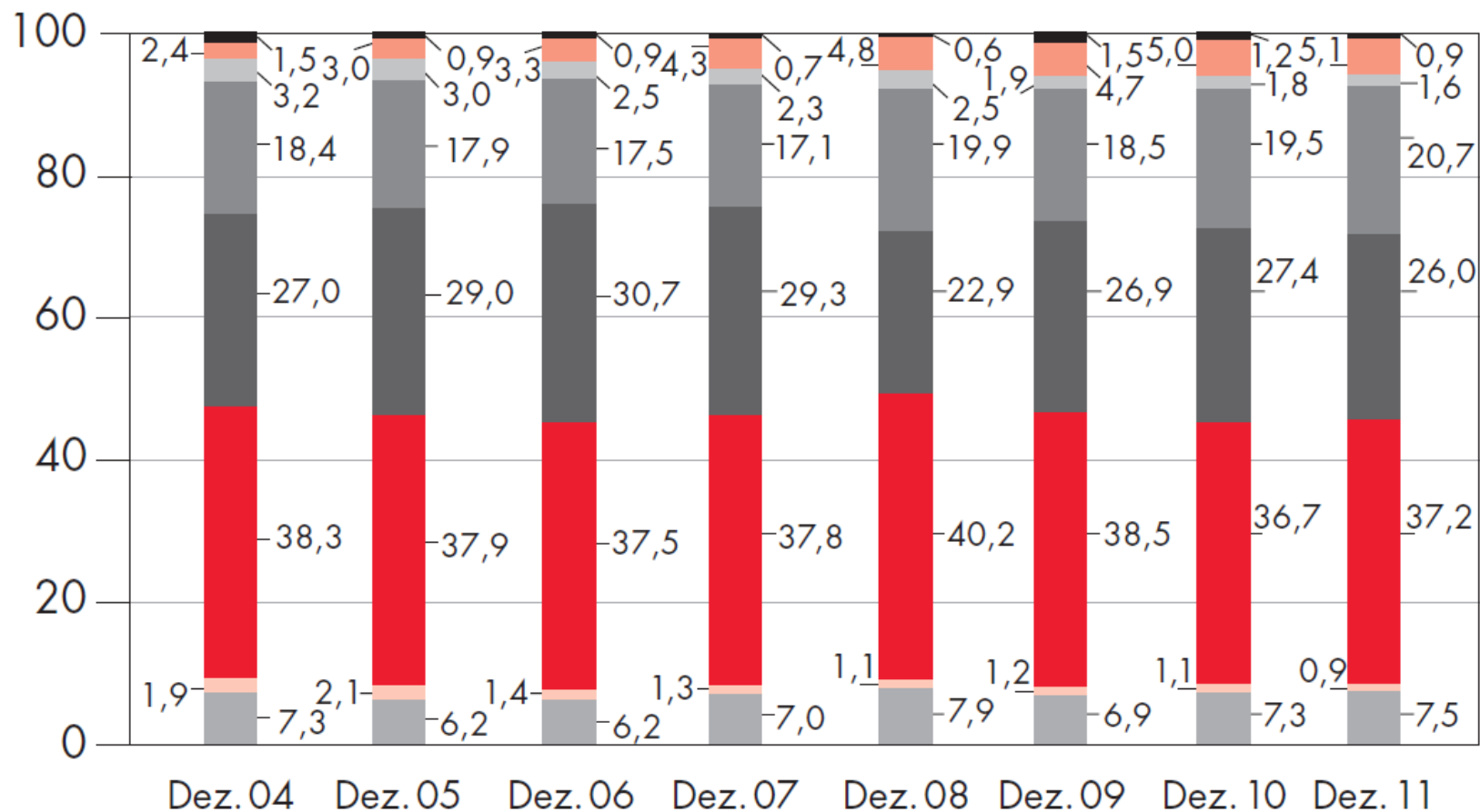
Monthly Returns of HFRI FoF Composite Index vs MSCI World Index since 2000



Monthly Returns of Rolling S&P 500 3M Put Strategy vs MSCI World since 2000



Anteile in %



■ Liquide Mittel

■ Obligationen

■ Hypotheken

■ Anlagen beim Arbeitgeber

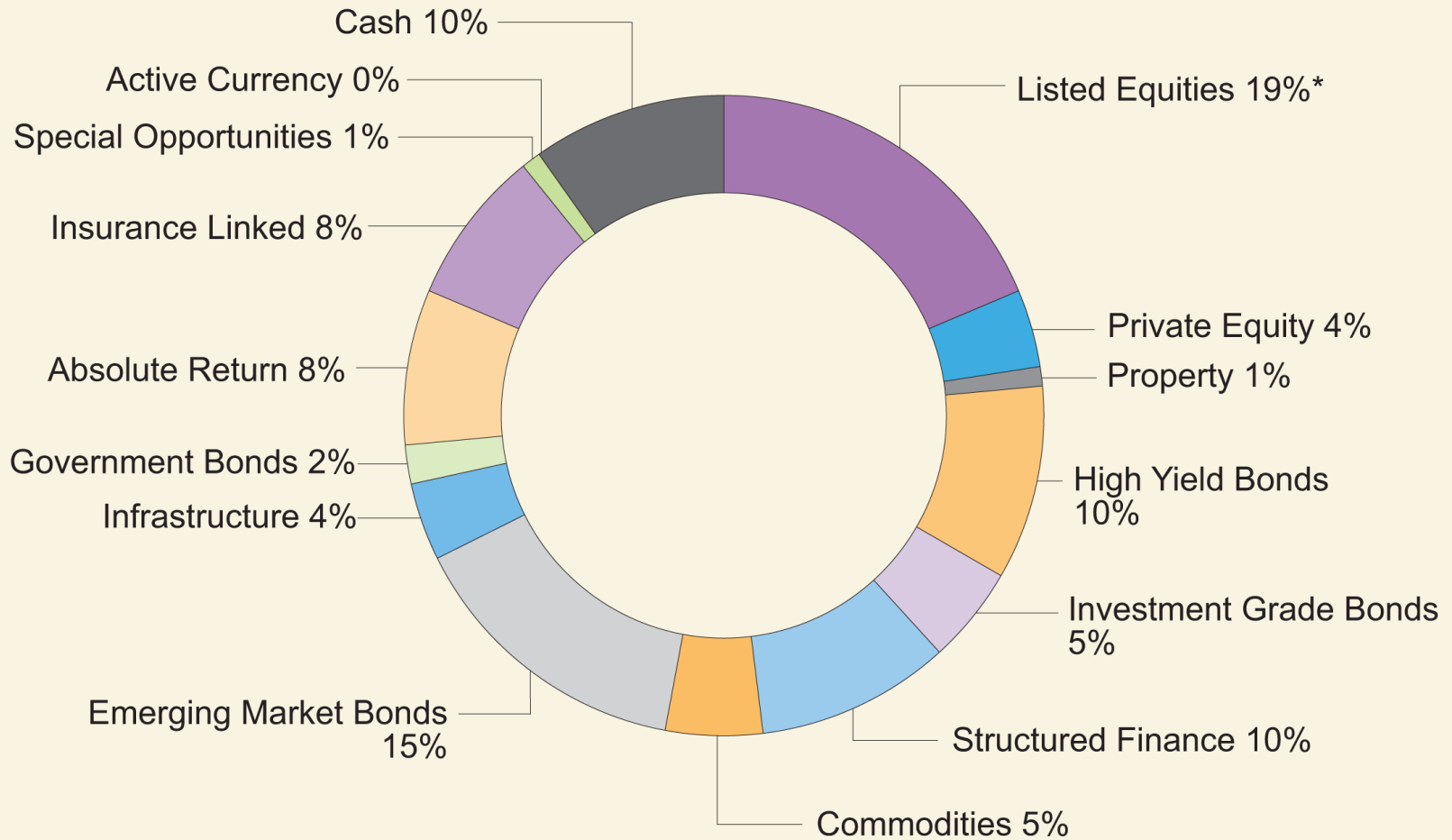
■ Aktien

■ Alternative Anlagen

■ Immobilien

■ Übrige

Baillie Gifford Diversified Growth Fund



BG Diversified Growth Fund, as at 31st March 2013. Total may not sum due to rounding.

*Reflects effective exposure in portfolio, including futures positions. Cash adjusted accordingly.



What is the role of volatility strategies in your portfolio?

- 1 - It's essentially a risk premium: We are typically short volatility
- 2 - It's one of our relative value hedge fund allocations (i.e., vol arb)
- 3 - It's a hedge for our equity portfolio / overall portfolio: We are typically long volatility
- 4 - We don't have any volatility strategies in our portfolio

What is the role of volatility strategies in your portfolio?

- | | |
|--|----|
| 1 - It's essentially a risk premium:
We are typically short volatility | 0% |
| 2 - It's one of our relative value hedge
fund allocations (i.e., vol arb) | 0% |
| 3 - It's a hedge for our equity portfolio/
overall portfolio: We are typically long
volatility | 0% |
| 4 - We don't have any volatility
strategies in our portfolio | 0% |

In which part of your portfolio do you house your volatility investments / where does the allocation come from?



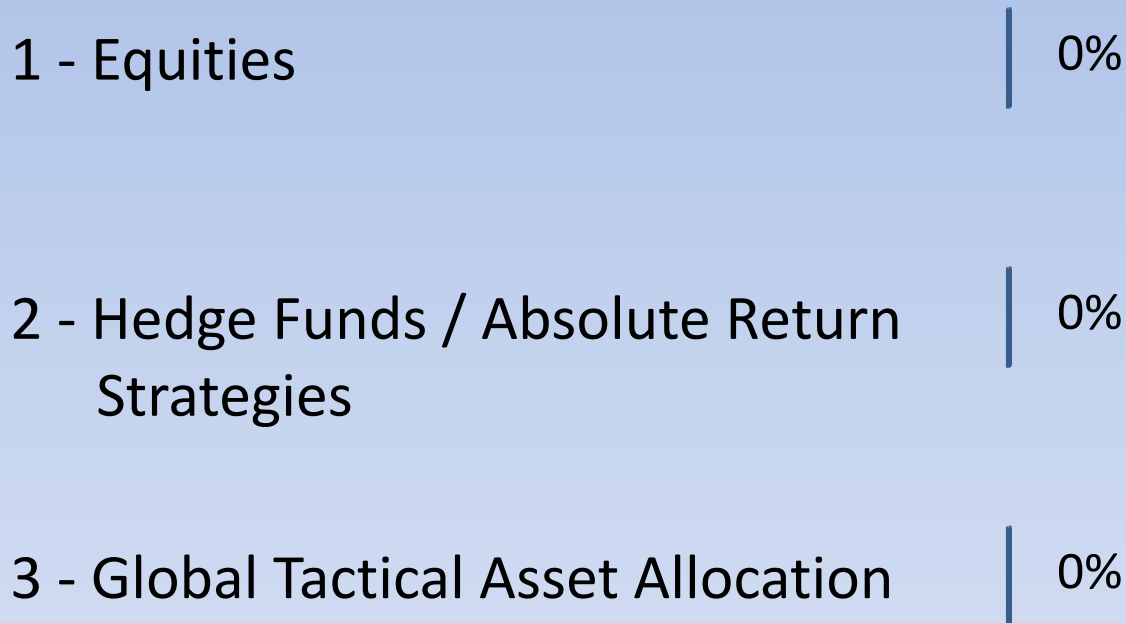
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1 - Equities

2 - Hedge Funds / Absolute Return Strategies

3 - Global Tactical Asset Allocation

In which part of your portfolio do you house your volatility investments / where does the allocation come from?





What do you think is the main drawback of volatility strategies?

- 1 - Cost (e.g., negative carry in good years)
- 2 - Complexity (e.g., too difficult to explain to the Board)
- 3 - Implementation challenges (e.g., internal capacity and governance)

What do you think is the main drawback of volatility strategies?

1 - Cost (e.g., negative carry in good years)

0%

2 - Complexity (e.g., too difficult to explain to the Board)

0%

3 - Implementation challenges (e.g., internal capacity and governance)

0%