

**Keane, John**

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**From:** Fenelon, Kevin <Kevin.Fenelon@bailliegifford.com>  
**Sent:** Tuesday, August 05, 2014 10:44 AM  
**To:** Keane, John  
**Subject:** RE: Baillie Gifford Overseas Limited – Russia sanctions

Hi John, good morning, good to hear from you and thanks for the question.

Just for the record you hold two Russian stocks in your portfolio, with weightings at last night's close as follows:

Magnit (food retailer): 0.61% - we actually added a little to this holding at end March/early April.  
Mail.ru (internet stock): 0.34% - no recent trading in this stock.  
Total: 0.95%

As you can see the holdings are quite modest so neither stock has had a noteworthy impact on portfolio returns.

Neither of these stocks are on the sanctions list, at least at the moment, but were sanctions to be introduced that impacted either or both of Mail.ru and Magnit then we would consider those in the context of the long term investment case.

More broadly, from an equity perspective not a huge amount has changed thus far as a result of the sanctions imposed on Russian companies, although obviously the restrictions on new debt or new equity issuance might have some operational impact on certain energy and financial companies for example. Of course, this could all change and harsher sanctions may follow, but this is a very uncertain area. Meanwhile our internal Legal team is taking various steps to ensure that we comply with the sanctions regime.

I hope this covers your question but please let me know if you would like further detail.

Best wishes

Kevin.

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**From:** Keane, John [mailto:KEANE@coj.net]  
**Sent:** 05 August 2014 14:57  
**To:** Fenelon, Kevin  
**Subject:** RE: Baillie Gifford Overseas Limited – Russia sanctions

Good morning. Any impact on our holdings due to the international sanctions imposed on Russia recently?

*John Keane*

John Keane  
Executive Director-Administrator

Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, FL 32202-3616  
(904) 255-7373 FAX (904) 353-8837

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**From:** Fenelon, Kevin [<mailto:Kevin.Fenelon@bailliegifford.com>]  
**Sent:** Friday, July 11, 2014 9:05 AM  
**To:** Keane, John  
**Subject:** RE: Baillie Gifford Overseas Limited – Important Documentation

Thanks John, you too.

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**From:** Keane, John [<mailto:KEANE@coj.net>]  
**Sent:** 11 July 2014 13:49  
**To:** Fenelon, Kevin  
**Subject:** RE: Baillie Gifford Overseas Limited – Important Documentation

Received, many thanks. Enjoy the weekend.

*John Keane*

John Keane  
Executive Director-Administrator  
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One West Adams Street, Suite 100  
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**From:** Fenelon, Kevin [<mailto:Kevin.Fenelon@bailliegifford.com>]  
**Sent:** Friday, July 11, 2014 6:24 AM  
**To:** Keane, John  
**Cc:** Murray, Andrew  
**Subject:** Baillie Gifford Overseas Limited – Important Documentation

Hi John

I tried to send you a zip file with some annual documentation that we produce, relating to the portfolio we manage on your behalf, as follows:

- Our Report on Internal Controls (AAF 01/06) for the year to 30<sup>th</sup> April 2014 and related Important Notice;

- Information on our Order Execution Policy, following its annual review and update as of June 2014;
- A copy of our Trading Procedures and Control Processes document, updated to June 2014

Unfortunately I have received a message that the attachment to my e mail has been quarantined. I have therefore attached the files as PDFs rather than a zip file to this e mail. Please let me know if you have trouble viewing these.

I trust that these documents are self-explanatory and clear, but should you have any questions please do not hesitate to get in touch.

Best wishes

Kevin.

*Kevin Fenelon  
Client Service Director  
Baillie Gifford Overseas Ltd  
Calton Square  
Edinburgh EH1 3AN  
Direct Tel: +44 131 275 2793*

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**Keane, John**

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**From:** Mimi Brucaj <MBrucaj@silchester.com>  
**Sent:** Tuesday, August 05, 2014 10:05 AM  
**To:** Keane, John  
**Subject:** RE: Russian sanctions

Hi John-

The exposure of the Silchester Portfolio to problems in Ukraine and the most recent round of international sanctions against Russia is expected to be very minimal. The Portfolio has a holding in Fortum (a Finnish energy and heat producer that has some assets and sales in Russia), E.on (a German producer and distributor of electricity that is partially generated from imported Russian gas), Royal Dutch Shell (which has oil and gas production building up in Sakhalin Island, a large Russian Island in the North Pacific Ocean). Singapore Airlines (that may have additional costs diverting flights around Ukraine) and Kuoni (a business and holiday travel company with some clients in Russia and Scandinavia), all of which could be affected in a small way. In each case the effect of sanctions would be very small - typically less than 1% of the company's assets or earnings and any change of prospects will have already been reflected in share prices. However, market confidence is likely to be affected by political consequences of possible sanctions or embargos and sentiment could affect currencies. Naturally Silchester could be attracted to rotate into any situation where there was a share price fall but where Silchester felt there was only minimal or no impact on normalised earning power.

Let me know if you have any questions.

Kind regards,

Mimi

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Mimi Brucaj  
Silchester International Investors  
780 Third Avenue, 42nd Floor  
New York, NY 10017  
212.377.3757 (P)  
212.376.7555 (F)

-----Original Message-----

**From:** Keane, John [<mailto:KEANE@coj.net>]  
**Sent:** Tuesday, August 05, 2014 9:24 AM  
**To:** Mimi Brucaj  
**Subject:** RE: Russian sanctions

What steps to protect our assets, if any are required, have you/are you taken in light of the recent international sanctions?

John Keane

John Keane

Executive Director-Administrator  
Police and Fire Pension Fund  
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