
SETTING THE FOUNDATIONS FOR LONG-TERM GROWTH

For more than five decades, Baillie Gifford has been serving charity, endowment and foundation clients, helping them to deliver strong returns. Rebecca Fenton and Anthony Dickson discuss the ways the firm's structure plays a role.

As with any investment, capital is at risk. Past performance is not a guide to future returns.

This communication was produced and approved in April 2023 and has not been updated subsequently. It represents views held at the time and may not reflect current thinking.

Baillie Gifford has been helping charities, endowments and foundations meet their investment objectives for over 50 years. Our first such client remains a client today. What's the secret?

Anthony Dickson (AD): The key to it all is that we are good at investment.

Baillie Gifford has been seeking the best opportunities for growth from around the world for our clients for over 100 years, and combining them into conviction-driven portfolios different to the market and those of any other manager.

And that's why it's not just Baillie Gifford's first charity client that remains a client today, our first-ever client is also with us today, over a century after they appointed us.

Rebecca Fenton (RF): Being good at investment isn't just about experience or our focus on growth, or even the scale of our organisation. The underlying factor to all of this, and really the foundation of our business is our partnership, which is wholly owned by people who work in the firm. And this gives us the stability, doesn't it, to be truly long-term in the way we invest, and this ties in with our charity clients' timeframes.

Now having that long-term horizon enables our investors to think differently and build deep relationships with the companies in which we invest.

The invaluable insight that this gives and the opportunity to support and encourage companies to drive change and make better decisions is what gives us the potential to really achieve those strong long-term returns.

AD: And this goes for long-term relationships with our clients too. It's important that we understand and invest in a way which meets their requirements.

In particular, our consideration of environmental, social and governance factors across our investments and our business practices helps us align closely with our clients, as well as being an essential ingredient of our investment approach.



RF: Absolutely, and that general alignment is really important. But also, meeting our clients specific requirements means understanding exactly what our clients want and what is important to them. Whether it's total returns, whether it's income, whether it's income growth ahead of inflation or a mix of all of these things.

AD: Yes, so the breadth of our expertise, and being able to meet those requirements, and the way we look after clients are both immensely important, starting with how we engage with charities about their objectives and any ethical requirements they may have, to going onto reporting on investment matters and sustainability.

And our clients know that their Baillie Gifford contacts are at the end of a phone.

RF: Absolutely, that's where we come in.

Charity clients appoint and stay with us because we can help them to achieve their investment objectives over time, ultimately supporting their organisation and their mission. It's a journey that take patience, expertise, and the right people behind you.

Baillie Gifford Global Alpha Growth Fund Annual Past Performance To 31 March each year (net %)

	2019	2020	2021	2022	2023
Class B-Acc	9.1	0.3	52.7	-5.2	-7.1
Target*	13.3	-4.3	42.4	15.2	1.1
IA Global Sector Average	9.0	-6.0	40.6	8.4	-2.7

Source: FE, StatPro, MSCI, total return in sterling.

*MSCI ACWI Index (in sterling) plus at least 2% per annum over rolling five-year periods

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The manager believes the above stated Target* is an appropriate benchmark given the investment policy of the Fund and the approach taken by the manager when investing. There is no guarantee that this objective will be achieved over any time period and actual investment returns may differ from this objective, particularly over shorter time periods. In addition, the manager believes an appropriate performance comparison for this Fund is the Investment Association Global Sector.

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