
LONG-TERMISM

Investment Manager Kate Fox on why thinking beyond the next few years is fundamental to Baillie Gifford, from supporting companies and clients to the future of the partnership itself.

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk.

This communication was produced and approved in December 2022 and has not been updated subsequently. It represents views held at the time of filming and may not reflect current thinking.

Kate Fox: Having a long-term approach to investing isn't speculating what share prices might do over the next few months or even over the next year. It's considering what changes might be occurring over the next decade and the role that companies are playing in enabling and driving that change. It's focusing on what those changes will mean for a company's ability to grow its earnings over a meaningful period of time, not over the next quarter.

In practice, this means using a range of sources of information and engaging with a wide variety of people to help us think about big societal shifts, emerging and converging technologies and evolving business models.

When we engage with management teams, we want to understand their long-term vision and their ability to adapt, not what operating margins will be in the next few months. We then support these management teams to invest in their companies' future.

Long-termism isn't limited to our investment process. It's also relevant to developing deep client relationships, our longest relationship dating back to 1909. Building long-lasting relationships can help us understand our clients' changing needs and maximise our chances of delivering excellent outcomes on their behalf. And long-termism extends to how we manage the business and invest in our people, our processes and our systems.

The long-term vision that we hold across the business is enabled by our ownership structure. Being independent, private and wholly owned by working partners means that we aren't distracted by short-term external shareholders who might have profit-maximising motivations, or be inclined to shift focus to a changing backdrop.

As a partner of the firm, I want to be able to pass this company on to the next generation of partners in an even better place than it is now. This means thinking about the long term in everything I do.



Important information and risk factors

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