Baillie Gifford™

UK growth: finding opportunities amid tariff turbulence

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How adaptable UK companies in growth-driving sectors can prosper over the long term despite international trade restrictions.

Leo Kelion (LK): Wealth creation is our number one priority. Growth is our core business. Those words aren't plucked from one of our investor reports, but in fact, belong to the UK Prime Minister. Sir Keir Starmer has been explicit. The nation's economic health hinges on a handful of high-growth sectors. They include advanced manufacturing, the creative industries, and firms leading the adoption of artificial intelligence and automation, among other digital technologies. Well, none of that is news to today's guest, who has long hunted in these grounds for the UK's most exceptional companies.

Welcome to Short Briefings on Long Term Thinking. I'm Leo Kelion, and I'm joined by Iain McCombie. He's head of our UK equity team and joint manager of the Baillie Gifford UK Growth Trust.

Additionally, Iain's one of the managers of our flagship Managed Fund. In this podcast, we'll discuss how his investments align with the UK government's priorities and what that could mean for you. But first, a reminder, as with all investments, your capital's at risk and your income is not guaranteed. Iain, welcome to the show.

Iain McCombie (IM): Hi, Leo.

LK: Iain, you've been with Baillie Gifford for about three decades, but unfathomably, this is your first appearance on Short Briefings. So can you tell us a little bit about yourself and specifically how you came to specialise in UK companies?

IM: I'm one of the classic BG lifers. I joined as an investment graduate 31 years ago. I'm slightly unusual in the fact that I qualified as a chartered accountant before I did that, and uniquely, probably, I took a pay cut to join Baillie Gifford. But the reason I did that was because I was really interested in investment, and I had a really good vibe about the culture here and that's why I've stayed ever since. So in terms of how I ended up in the UK. Well, as you know, graduate trainees start by rotating round. And I started off in the US. I went back to the UK. I went back to the US for a number of years. And then in ’99, they said, look, can you go back to the UK? And I said, fine. I had no expectation I was going to be there for the next 26 years, but here I am.

LK: And what is it about UK equities in particular that fascinates you?

IM: It’s a number of things, really, Leo. It’s your whole market. So in one sense, you can understand what’s going on around you, so you can sort of see what things are kind of working well, what things are not working well. But it’s also the fact you get tremendous access to management teams. And as you know at Baillie Gifford, we spend a lot of time trying to think about the companies, their prospects, but also how they operate themselves. And we do spend a lot of time visiting companies here. And obviously, it’s easier to do that when you’re in the UK.

LK: And you jointly manage the UK Growth Trust with Milena Mileva. How exactly does that work? Because presumably there’s times where you might not see eye to eye on a stock.

IM: That’s actually really important that we’re not two peas in a pod. We are very different kind of personalities. And Milena would probably say she’s the high growth investor and I’m probably more perhaps looking for cyclical [or steadier] growth businesses. But I think ultimately we’re both growth investors. And why that’s important is that we kind of look at the things from a slightly different angle. but actually not so different that we don’t understand each other and how we work. See what I think is a real strength is the fact that we’re working together, challenging each other, but also backing each other’s enthusiasm. So hopefully we get a portfolio with our best ideas in that.

LK: And you also have to take the Trust’s board view into account. From our listeners’ point of view, what’s the advantage of that arrangement?

IM: The board are separate from the management and therefore they’re independent and they’re trying to look after the best interests of the shareholders. But they’re also trying to work with the managers in terms of asking us what we’re doing, challenging us in a constructive way, but also in a penetrating way. But again, they are also trying to protect shareholders’ interests. So for example, The board put out an announcement earlier this year where they said they want to keep the discount of the Trust at a single-digit level. And I think it’s a great move. The share price has reacted well to it and we’ve been buying back stock to make sure that that discount does stay there. And I think that’s kind of a reassurance because that’s one of the big issues some people have had with investment trusts, that discounts kind of get wider.

LK: And by discount, you mean the value of all the stocks versus what the shares in the trusts are actually trading at?

IM: Exactly.

LK: OK. If we turn to the topic of today’s episode, the government in the UK has promised to kickstart growth, cut red tape and encourage long-term investment. For the companies that you invest in, what difference do you think its efforts might make?

IM: Look Leo, I'll believe it when I see it because it's one of the big problems that I've seen companies talk about in the last few years is the growing burden of doing business in the bureaucracy that you're seeing in the UK. So anything that the government is going to do to try and make that better is good news for not just our companies but for companies all over the UK. But my caveat, and I don't want to sound kind of negative right at the start of this podcast, Leo, is that this is hard to do because we've had a mentality at times of regulation, of let's pile on more things. And nobody's really thinking about, does this make sense or what about the burden for companies. And in fact, what we're getting is bigger and bigger rule books on different things. And in itself, one of these things doesn't make a big difference, but cumulatively, it does. So anything that's looking to actually reverse that, I think would be really good news.

LK: The other thing that UK companies now have to deal with is the tariffs from the US. How do you think that changes things?

IM: Yeah, well, I mean, obviously, we're just a couple of days after President Trump announced this. The shorthand answer is it's not good news for anyone, tariffs. The UK seems to have gotten off fairly lightly, but we haven't seen how other people retaliate and whether there's going to be more tit-for-tat. But the thing I would say, Leo, that is even more important than that is: how do management teams adjust to that uncertainty? If you think about the last few years, we've had Covid, we've had currency crises, we've had Brexit, lots of things that have hit companies. And good management teams adapt to that and look for opportunities too. So it's actually how you adapt to the changing circumstance. And that's where we spend a lot of time trying to understand companies, their long-term thinking and how adaptable are they.

LK: Well, that brings me to the point that even before we had the tariffs announced – and as you say, we still have to see how they play out – but even before they were announced, part of the reason the UK government was focusing so much on growth is that the economy wasn't doing so well. So how does that affect, how does the current climate affect the way that you invest as a long-term growth investor?

IM: The first thing to remember is that the UK stock market is not the UK economy. One of the great advantages and attractiveness of the UK stocks that we're picking is that they're often global businesses. They may be based in the UK, quoted in the UK, but they actually have operations all over the world. That means you can find areas of growth within that. But also, even within the UK economy, there are areas which are growing, whether it's just a pocket of the economy or somebody's come up with a business model that's taking market share and it's got an innovative product, and that's really attractive for us. So we're very much what we call bottom-up investors, which means we start from trying to find those individual ideas we think are attractive.

LK: I'd like to talk about some of the specific companies you invest in. As I alluded to at the start, the government's Invest 2035 strategy focuses on eight high-growth sectors, and I'd like to use them as a jumping-off point to look at your companies. If we start with advanced manufacturing, can you give me a standout example of a firm there that you've backed?

IM: The one that would fit the bill there is a company called Renishaw. The story of Renishaw goes back about 50 years to Concorde engines. The founder of Renishaw, who sadly passed away last year, he invented what they call a touch trigger probe, which allowed them to measure very accurately, which was needed for the Concorde. And that was really the base of Renishaw. It's a classic rags to riches story.

Their first factory was an old ice cream factory where they started. Now there are 5,000 people about 3,000 people in the UK, manufacturing sites, predominantly in the UK, but also elsewhere. And what they do is make these what they call metrology, which has nothing to do with weather. It's actually about measuring things very accurately. And they have equipment that allows you to do that. So for things like semiconductors or medical equipment, things that need absolutely, utterly precise kind of things, their equipment allows you to measure that. And that's why it's very valuable. And therefore, they're selling to some very high-tech areas.

LK: So they're selling into areas such as automation, are they?

IM: Absolutely. And one of the other things I didn't say, which I think is really interesting about Renishaw is most companies spend money on research and development, R&D. And in engineering, probably if you spend about 5 per cent, that's probably about pretty good. This company is spending almost triple that amount. So this is a business right from the start that has always spent a lot of money on research and development because they know they have to be at the cutting edge of these areas, looking for the best equipment, but also looking for new areas to use their probes and their measuring tools, because that's what was really needed.

LK: And one of the other cutting-edge areas they're involved in is 3D printing, isn't it? They take metallic powder and they have these huge industrial printers that can turn it into complex components. What's the growth case for that side of the business?

IM: Yeah, 3D printing is really interesting, Leo, because a few years ago it was a buzzword and it's all gone very quiet, you know, nobody talks about it now, whereas it's all about AI or whatever. But actually, underlying 3D printing is growing because there is a real advantage for it. And as you said, Renishaw makes equipment that allows people to print things. Now, the market itself makes a lot of sense. Why have a big manufacturing plant when you can just put this thing in anywhere? But as some people already started to point out, perhaps with tariffs, this could actually even accelerate that because you don't need to be in a certain country to export it. Maybe you can just actually put one of these bits of kit in the US, for example, and you don't have to have the tariffs. To be clear, 3D printing was already growing, but sometimes with things like these big shocks, there are threats, but there are also opportunities, and that might be one.

LK: Moving on to creative industries, Baillie Gifford is the biggest institutional investor in Games Workshop, which joined the FTSE 100 last year. For listeners who aren't familiar with battle cries like, for the emperor and blood for the blood god, can you tell us what it is that makes the company so special?

You sound like you've been in one of my team meetings where we chant these things. I think Games Workshop is another of our great success stories that's been very underappreciated in the UK. It's a fascinating business, Leo. It's a hobby, but in a way you can approach it in several different ways. It's a fantasy world with lots of miniature figures. And some people just love painting the figures and creating a little army, and that's it. That's the hobby for them. For others, it's doing that, but then playing the game with friends, and there are rule books for this, and people are doing that. There's also, you can do it online. So what you have then is a fanatical fan base, not just in the UK, but globally.

And that's what Games Workshop have been very successful at. This intellectual property that they've had for almost 30 years. People used to think it's just only teenage boys. It's girls play this game too, and even adults now. And frankly, people are going to get hooked to this game. And that's the real opportunity there because it's still a very underpenetrated market. And one of the reasons we were very slow to buy it for a number of years, because we were worried that kids are not going to do this. It's clear we're going to play video games. Why on earth are you going to have this old-fashioned hobby? It's almost the opposite. People are actually more interested in it now than they ever were before because it is a distraction or very different from the digital world.

They actually give some of their kits to schools and they've actually been reported that quite hyperactive classes suddenly become very quiet when people start painting these things because they become very fascinated and it's really good for kids' concentration.

LK: One of the things that's exciting about the company is that it's recently struck a deal with Amazon to turn one of its war game franchises into TV shows and possibly movies as well. Now, it took them years to agree that deal and I think they turned down other suitors previously. What does it tell us about the management team that they held out until they really felt that they got the terms right?

IM: It goes back to what I was saying earlier, Leo, that they have this very rich intellectual property, or IP, as we call it, and they are very protective of it. Amazon is obviously a much, much bigger company than Games Workshop, and you might say, well, if they come offering money and sort of options, you know, it's all great, let's take it. But that's not their mentality. They're trying to think genuinely long-term. And they can see the opportunity there, not just for the kind of short term, getting some money, but it's actually, will it create interest in the hobby? Will it bring more people into the hobby? But if you're going to do that, you've got to make sure that the production levels and the storylines and so on are true to that, because you can imagine with these very fanatical hobbyists, if they make a real mess of it, you could do a lot of damage to it. So that's why they've taken their time because they wanted to make sure that the editorial was respectful of that.

LK: So we've discussed advanced manufacturing and the creative industries. I want to move on to a third high-growth sector, digital and technologies. The government and the governor of the Bank of England in particular have highlighted that AI could play a major role in the economy in the future. And you invest in one of the UK's leading artificial intelligence companies, Wayve. They're involved in self-driving cars, aren't they? Can you tell us a bit about them?

IM: The interesting thing about Wayve is it's a private business, so it's not quoted on the stock market. And it's also a very early-stage business in the sense that it's got no customers yet. The problem that they're trying to solve is autonomous driving. Most companies that have been trying to tackle this have actually run into problems. And the reason is that they are using very simplistic terms, what I call rule-based way of doing it. So for example, the car's driving along. If you walk in front of it, the rule will say, well, you know, you hit the brakes. Pretty simple, really. But then that's fine for a nice, simple, you know, American highway where there's virtually nobody there. But in more crowded streets and where there's lots of things going on, they kind of struggle. And it's almost like, you know, what am I doing here?

And it kind of freezes. Now, what Wayve does is something very different. So what it does, it gets data. So they have, for example, vans with Ocado. They have cameras on these vans, and they're just taking data to see how the driver reacts to different things. You know, suddenly you jump out and somebody else jumps out or jumps back in again. How do I react to that? And it takes that data and it learns from that. saying, OK, well, how would I react to if Iain and Leo kind of jumped out together onto the street? And it's much more smart in that respect.

So it's kind of trying to be more flexible, which is using AI rather than saying it's a rule book. And my colleague, Milena, has been on that, been driven around literally Camden High Street a couple of times using the Wayve technology. And she said the first time it was pretty impressive. But the second time, in about an hour of driving, the human that was there to kind of make sure just to override it only had to intervene a couple of times in the whole hour, which is pretty impressive. Now, Tesla are the only other player we know of that are really trying to do the same type of thing. But Wayve was run by one of the kind of foremost experts in this area. We've got some very powerful backers now after we initially bought our holdings. So they've now got the cash to keep investing in this technology. The key now is whether they can get car companies to sign up to it. But we'll see, but we're hopeful that they will because we think this is a way to crack the problem.

LK: There's an argument, though, that Wayve is the exception rather than the rule. The UK lacks tech giants like Amazon and Meta and Microsoft. And indeed, one of the companies that we did have, Arm, has been sold abroad. In that light, does that constrain the number of companies that you have to invest in in this sector?

IM: You're right to point that out. One of the weaknesses of the UK stock market, if you want to put it, is not having these big tech giants that the US has. On the other hand, there is a positive in the sense of you have to actually use those technologies. And there are plenty of companies in the UK where you can actually do that. Take an example, there's a business we own in the portfolio called Kainos, which is actually based in Belfast originally. It has two businesses. One is it implements a HR human resources software called Workday, and it's one of the top implementers, not just in the UK, but globally. It's one of the few players that Workday allow to implement in the US because they're seen as such a good business, which is a pretty good endorsement of Kainos. But the other business that Kainos uses, where it does software for the public sector, both local government and central government, And there are uses of technology and using of AI.

One of their key customers is the DVLA, which is the driving licence. So if you're wanting this car you're kind of quite interested in buying, Leo, you type it in now and it'll say whether it's got a valid MOT or not. They've helped power that system behind that. But what's really interesting about MOTs is something they've done with using AI. For a mechanic carrying an MOT, if your car has got a problem, they have to kind of look at a manual. And there's a very big manual about it to try and say, OK, for this particular car, what you have to check is this. It's quite laborious for the mechanic. Now, what Kainos have done now is basically allow the mechanic to type in saying, right, this is the car, this is the problem. And the AI, I think, immediately goes to the right page and says, right, this is what you have to do. That's a real good use of AI because what it means is that the mechanic doesn't waste a lot of time having to try and find that piece of information that he requires. It's found for him immediately.

I think over time that means that you'll be able to do more MOTs in an hour because basically you're not wasting lots of time flicking through a book. That hopefully will mean also in the longer term that there'll be more slots available for you, Leo, when you're trying to book your MOT. Now, these are small things, you might think, but that's what progress is all about. It makes life easier for everyone and that's why you can invest in companies like Kainos.

LK: And if we stick with the theme of driving, one of your larger holdings is Auto Trader. And I noticed it describes itself as one of the UK's biggest technology companies. That might surprise some of our listeners who wouldn't necessarily think of it being a tech company. Can you explain why it is?

IM: There's probably a few of us who can remember going to WHSmith and picking up your Auto Trader magazine and you're probably saying, where is it now? Well, the Auto Trader magazine is long gone. It's all digital. It's a fascinating business because, in a sense, it works both for the consumer and for the car dealer. So for a consumer, if you're looking for an exotic kind of colour, let's say it's a purple BMW or something like that, you might go round a few second-hand car sites in Edinburgh, but it's unlikely to find it. Whereas now, if you're willing to go anywhere in the UK, there might be one in, say, Swansea. And that's great for you because you can find exactly the car that you want. Now on the other side, for the car dealer, that's great too because maybe there's not many people in Swansea who want that purple BMW, but you, Leo in Edinburgh, want it. And that's great for him because it opens up his market that perhaps wasn't there before.

And it's the second-hand car dealers that pay for it. Because for them, this is a key part of their business because they make money by shifting metal, ie selling the cars. They want them off the forecourt as quickly as they can. So if that dealer in Swansea can get that purchase from somebody in Edinburgh, that's good for them because that means it's off their books and then they can invest in more inventory and that's how things move on.

Another thing I haven't talked about is their dominance of this market. Auto Trader is 11 times bigger than the number two player. And it's 14 times bigger than the number three player. That is dominance. But what they're also trying to do is to grow their market. One thing they identified is that for people wanting to buy a second-hand car, one of the frustrations is actually being able to get finance for it.

So what they've been doing is allowing people to get pre-approval. So, they'll make a very small cut from that. And that's what you like, management teams that are trying to grow the market and look around the corner and see something that other people didn't see before. That's exciting.

LK: Iain, let's talk about a final one of the prioritised high-growth sectors, financial services. The government has said that the industry is both one of the UK's largest and most productive and I know you've found it a particularly fruitful hunting ground for growth companies. Can you talk us through some of your picks?

IM: What we like are businesses that are going to grow and therefore, for example, we have very little exposure to banks and things like that because we just don't think they have long-term growth potential. On the other hand, if you take a business like Wise, which is a transfer payments business for foreign currency, one of the dirty secrets of banks is how much money they make out of foreign exchange. If you've ever gone to a travel exchange and the spreads between your buying and selling of Euros and something at the airport, it's huge. Banks do that all the time for both consumers and for businesses. Wise is trying to disrupt that by making it a tighter spread. Ultimately, once you start using Wise, why would you not? Because your banks cannot match their rates. So therefore, it creates that virtuous circle. And therefore, the more liquidity they get also, it means they can allow better rates for their customers. So that's the kind of business that's growing.

Another business we really like is a company called AJ Bell, which is a wealth management platform. Their proposition is very much about having good service at a very low fee, and much lower than the number one player in the market, Hargreaves Lansdowne. And they have been growing much faster than most other players in the market because they have that sweet spot of good technology, a good proposition, and very attractive fees. And as, bluntly, people are being forced to save more for the long term, and that's one of the big problems for not just the UK, but in most other markets. AJ Bell, I think, is really well-positioned for that.

LK: You also invest in the fintech Experian, which is one of the biggest gatherers of data about consumer debt. It's one of these companies that exemplifies one of the things you were talking about earlier in having strong sales both in the UK and internationally. But the really interesting thing about this is all the data that it's gathering. That's got to offer huge opportunities in this age of AI where everybody wants the most data that they can get, right?

IM: Leo, you've mentioned data several times on that question, and that is the key point of it. Because what it's telling you is, are you, for example, Leo, a good credit risk or not? And for the bank or the consumer finance company or just a consumer company that's potentially going to lend you money, whether you are a good credit risk matters a lot to them. And what Experian have been very good at is collecting that data, to have that, because very few people can do that. But then, also, understand what we need to do is create tools for people to interrogate that data, because people might be looking at different risk profiles. Somebody who's very conservative might say, you're a good credit risk, but you're not the top one for them. But for other people, you're perfect for us. It depends on what you are looking for as a lender. But it all comes back to that data and you still need to interrogate that data set.

And it's not just about banks, it's consumer companies and consumer finance companies. You just have to look at technology businesses and Apple or things like that. People are borrowing money to buy an iPad or anything like that. These companies are using credit checking to see, well, should I lend it to you or not? That's the attractiveness of it, is that they have the underlying data, and obviously, they carefully manage that because, for obvious reasons, you cannot allow that to be compromised.

LK: Beyond the Invest 2035 strategy, the government's growth plans also include an ambition for 1.5 million new homes, including several new towns. Now, past governments have made promises in this area and failed to live up to them. But assuming that Labour does make some headway, how might that benefit your portfolio?

IM: Not in the way you might think. We don't actually own any housebuilders. But we own a business, one of our biggest positions in the portfolio, called Volution. Now, Volution make heating and ventilation products. Now, you might think, what's that got to do with anything? Well, two things. One is that we need clean air. There was a very tragic case a couple of years ago where a child died in council housing because of very poor ventilation. There was mould. The child was inhaling that and unfortunately died. And that led to a real kick up the backside for councils led by the government saying, look, you've got to do something about this. This is not good. And people are spending a lot more money on proper ventilation, better ventilation. And Volution is one of the top players in the UK for that.

But to your question, the real key thing is new home building, where the legislation has been tightening up in terms of the quality of the ventilation that has to be in a new home. And what is really striking, Leo, is that you've hinted that we're building the fewest new homes we've ever done for like donkey's years, but actually, Volution's profits in new homes and their sales there have been going up. Why? Well, because the house builder is having to put in this much more expensive kit to comply with the new legislation. So the exciting thing for Volution is, what do you think is going to happen if we start building more homes? More volume, and they still have to build these expensive pieces of kit into the homes. So I think they're really well-positioned for that. This is a great long-term story here because the legislation, not just in the UK, but in all the other markets, same way, it's all about better ventilation, better air quality in homes, and these guys are a massive beneficiary of that.

LK: Iain, we've covered a lot of ground. I wonder if you can pull some of these strings together. For those in the audience who are excited about the opportunity of UK growth companies, what's the benefit of investing in an active fund like yours rather than a passive index tracker?

IM: What you can see with our portfolio, if you look at our top 10 holdings, and we've talked about a number of those stocks in the portfolio already, they are exciting growth businesses. And what we're trying to do is invest in businesses with that long-term growth potential, because that power of compounding will work for you as a shareholder. And therefore, it looks very different from the benchmark. We don't have big holdings and big pharma. We don't have any of the domestic banks in our portfolios. So it looks very different. Now, in the short run, that has been difficult for us because growth has been out of favour and there's been a flight to safety. And that's kind of hurt us in the last few years. But we still think in a long-term view and with our long-term track record is actually share prices follow fundamentals. So you want to own a portfolio with companies with very strong fundamentals and management teams that can really exploit those potentially attractive fundamentals. And I think this portfolio has got that.

LK: Iain, before we finish, one of the things I like to do is ask our guests what they're reading or have recently finished, because I think it gives a great insight into some of the influences that they have. So what's new on your nightstand?

IM: I've just finished a book called Spies, which is a history of the espionage war between East and West over 100 plus years, probably since the end of the First World War. There's a number of fascinating things about it. One is some things never change. Somebody was writing an intelligent report almost over 100 years ago about what was happening in Russia and so on. Nothing much changes in one respect. I think the second thing it does is often the truth is stranger than fiction. I'm sure some people have read, you know, things like Le Carré and all these types of things where, actually, the truth can actually be even more bizarre. Some really amazing stories about heroism and competence, treachery and so on, which are hard to believe. But then I think the third thing is that long-term espionage is not going away, it's always there. Some of the companies we're talking about, having intellectual property is very valuable and that's why they spend a lot of time protecting it because it is very valuable and that's why other people want it. So actually that's one of the other lessons I took out of it.

LK: So that book was Spies by Calder Walton. Iain, I'm curious, more broadly, do you think your interest in history informs the work that you do as a long-term investor?

IM: I think it is very useful, not in the sense of getting obsessed about it. I'm more of the Mark Twain, you know, history doesn't repeat, but it rhymes. You can look for patterns and trends. What people are often, I think, vulnerable at is almost just looking at the last 10 years and thinking, well, that's history. But what you often have to do is look at a much longer run of that and see what makes sense. And I think that's the thing that we do, and that's why looking at history can be useful. The other point is history teaches you to be an optimist, that even though the terrible things have happened, backing the human spirit, backing human ingenuity, that's what buying equities is all about. And actually, in the long run, you're right to do that.

LK: Iain, it's been fascinating chatting to you. Thank you so much for coming on the podcast.

IM: Thank you, Leo.

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And I hope you enjoyed listening to this UK growth-focused conversation too. You can find links to the companies and book Iain discussed in our show notes, and we've also shared details of a recent webinar Iain presented and a profile of one of his holdings, Creo Medical. If you haven't already done so, please do subscribe via Spotify or any other podcast app to know when the next episode is live. And you can also watch a video edition of the show via our website or on YouTube. But for now, listeners, I look forward to briefing you again next time.

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Summary:
Which UK growth firms have the greatest long-term potential? Prime Minister Sir Keir Starmer has pledged to "turbocharge" his government's growth strategy after the US's introduction of new tariffs. It promises to prioritise a handful of growth-driving sectors, including advanced manufacturing, the creative industries and 'digital and technologies'. Our head of UK equity, Iain McCombie, has already invested in leading companies in each of these fields. In this episode, he discusses their ambitious growth plans, the importance of adaptability and why he remains confident of delivering strong long-term returns despite the trade restrictions.

Background:
Iain McCombie is a partner in Baillie Gifford, our head of UK equity and joint investment manager of the Baillie Gifford UK Growth Trust. He also jointly manages our flagship Managed Fund.
In this episode, he discusses a selection of his portfolio companies that align with the growth-driving sectors the UK government promises to prioritise in its Invest 2035 strategy. These holdings include:

- the engineering company Renishaw, which specialises in measuring and manufacturing systems providing high accuracy and precision to customers including the semiconductor industry
- the wargame miniatures maker Games Workshop, which is embarking on a TV and movie deal with Amazon
- the self-driving car software developer Wayve, which signed a deal with Nissan to use its technology shortly after we recorded this episode
- the financial services company Experian, whose vast collection of consumer debt data could become more valuable as artificial intelligence opens the door to new uses

In addition, McCombie discusses how the government's ambitious housebuilding targets could benefit Volution Group, whose ventilation products defend against dampness and mould, and the reason why his passion for history has taught him to be an optimist.

Resources:

Baillie Gifford UK Growth Trust

Investing in the UK's best growth companies (webinar)

Creo Medical: at the spearhead of surgery

UK Growth Trust: a 2024 perspective

Calder Walton: *Spies – the epic intelligence war between East and West*

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Companies mentioned include:
[AJ Bell]
[Auto Trader]
[Experian]
[Games Workshop]
[Kainos]
[Renishaw]
[Volution Group]
[Wayve]
[Wise]

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