

Discovery: our philosophy

January 2025

Investment manager, Douglas Brodie, discusses the Baillie Gifford Discovery Strategies and reflects on their philosophy and the exciting opportunities ahead.

Your capital is at risk.

Douglas Brodie: Welcome to the forefront of innovation. By investing in smaller companies, we're gaining access to businesses that are not just challenging the status quo, but are creating entirely new markets. These companies are the pioneers of progress, the architects of the future, and the potential large companies of tomorrow.

But the universe of smaller companies is vast. And the secret that no one talks about is that most fail to grow and scale. However, the select few that do possess the ambition, the innovation, and the competitive edge required to redefine their industries, they have the potential to go on to deliver significant outlier returns for investors. These are exactly the types of companies our Discovery Strategy is focused on. Delightfully, this part of the market is wonderfully inefficient, often overlooked and misunderstood, creating a unique opportunity for long-term investors. Within our discovery strategy, we aim to capitalise on this opportunity by investing with a radically different mindset. We invest with imagination, thinking in terms of probabilities, not certainties. We invest with fortitude, recognising that some companies will fail. And we invest with patience, understanding that exceptional progress takes time to deliver.

A key feature of our Discovery Strategy is its exposure to multiple structural growth themes. From the convergence of technology and science in reshaping healthcare, to the digitisation of enterprises, and the groundbreaking innovations in engineering. This portfolio is a testament to our belief in the transformative power of innovation. Grounded in a consistent and differentiated approach, our

Discovery Strategy invests not just in today's disruptors, but also in the creators of entirely new markets. We seek out ambitious innovators solving today's largest problems, and thus offer our clients the opportunity to invest in a unique portfolio of world-class growth companies. Join us and invest in the future.

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