

What is an actual investor?

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Baillie Gifford partner Stuart Dunbar revisits and explores what it means to be an *actual investor* – focusing not on speculation or flashing screens, but on backing the companies that drive genuine progress. He highlights why patience and long-term vision are essential to capturing lasting growth.

Stuart Dunbar: It's easy to forget that underneath the frenetic trading and breathless news alerts of stock markets, the financial system serves a much simpler and more important goal. It's there to direct capital into creating the goods and services that people want, improving living standards and finding better ways of doing things in the pursuit of profit.

In the long term, stock markets don't drive investment returns. Companies create them by harnessing progress in technology and developing business models that satisfy our needs more efficiently and cheaply.

Those that best capture these opportunities can rise in value, sometimes spectacularly. They drive economic growth. But in markets dominated by speculators – patience and an ability to see beyond the headlines is essential.

We call ourselves 'actual investors' because it's this real-world progress that interests us. We're not constantly buying and selling shares. We don't fixate on screens flashing numbers all day.

Instead, we spend time with academics, scientists, inspirational business leaders who deepen our understanding of how the world is changing and where the biggest opportunities lie. We build relationships with the companies that we think have the greatest promise, and we encourage management to grasp it by thinking long-term, with ambition and adaptability.

Only a few companies pass this test and enter our portfolios, and not all of them will work out. Our goal is to give you more than a fair share of those that do.