

US EQUITY GROWTH STRATEGY

Investment manager, Tom Slater, discusses the Baillie Gifford US Equity Growth Strategy and reflects on its philosophy and the exciting opportunities ahead.

Your capital is at risk.

Tom Slater: US is the biggest and deepest market in the world. It's also the most innovative country on earth. It's created global success stories that are household names around the world, like Amazon, Disney, Apple, and Tesla. And America's visionary entrepreneurs continue to push the boundaries of what's possible, creating incredible long-term growth investing opportunities.

Contrary to popular belief, the US is a wonderfully inefficient market for long-term growth investors. Research shows that over the very long term, only a tiny proportion of exceptional growth companies drive most of the market return. So, we focus all our efforts on finding these future outliers and holding them as they grow.

We ignore the short-term noise of Wall Street and instead connect with founders, academics, and thought leaders to build a picture of what the world might look like in a decade, and which companies are going to get us there. The result is a concentrated, high conviction portfolio of exceptional US growth companies that are changing the world.

We then hold these companies for a long time to let their business progress drive your returns over the next decade.

We're excited about the ongoing digital transition of society. We're still at the beginning of a huge shift towards digitisation and cloud computing that's going to impact almost every area of our lives. It started in ecommerce and advertising over 20 years ago and continues to spread, into areas such as health care, media, finance, transport. Every industry will have a digital element to it in the future. And cloud computing is likely to underpin it all. The Cloud was only 17 per cent of business IT spending in 2021, a multi-trillion-dollar market, and there is every reason to think it could be 50 per cent in a few years, with a long way to go after that. There are enormous opportunities for forward-looking companies leading this transformation by providing the services and infrastructure upon which our future economies will be built.

The world is changing faster than Wall Street and conventional financial theory can keep up with. Plugging a strategy like ours into your portfolio gives you exposure to some of the most important companies of tomorrow, in the most important market in the world. It is a hedge against change as this unique portfolio of exceptional US growth companies is on the right side of disruption. We look forward to you joining us on the journey.



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