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# ACTUAL INCOME

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Client relationship director Jan Oliver on the need to focus on the long-term and the importance of finding growing companies

Your capital is at risk.

**Jan Oliver:** For clients looking to generate a regular, consistent stream of investment income, we understand that their greatest fear is a lack of certainty and predictability. Given income can come in many forms, it's easy to lose sight of what matters.

The asset management industry has one core purpose: to deploy clients' capital into tangible, returns-generating activities.

Rather than focusing on long-term income, it's easy to be deceived by the mirage of current yield. A high-yielding bond or equity may seem appealing, appearing to offer a high level of income - but what if that bond defaults or the dividend is cut? Longevity is another risk we're very conscious of for clients. Without care, today's income can be eroded over time.

Instead, at Baillie Gifford, we prioritise durability. Each investment decision we make is based on our clear intention to provide long-term returns for our clients. We believe this is how investing should be, and we apply the same philosophy to income.

We seek to build portfolios with diverse sources of income based on a deep understanding of the characteristics of each individual investment.

In bonds, we are looking for resilience – which are the strongest companies and countries that can weather different economic challenges?

In equities and alternative assets, we believe that seeking income through a growth lens is the key – growing companies are best-placed to support rising dividend payments.

These different investments can produce a growing income to help to protect against inflation. By focusing on income sustainability, our aim is to ensure that income can last a lifetime.

Actual income can be dependable and resilient. It is produced by investing in the companies and countries which are prepared for the challenges of an ever-changing future.

Actual income means long-term income, not short-term yield.

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk. Past performance is not a guide to future returns.

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