

A satellite night view of Europe, showing the continent illuminated by city lights against a dark blue background. The lights are concentrated in major urban centers and along coastlines, creating a glowing pattern across the landmass.

# EUROPEAN EQUITIES

*PHILOSOPHY AND PROCESS*

**BAILLIE GIFFORD**

## REGULATORY INFORMATION

### IMPORTANT INFORMATION AND RISK FACTORS

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). Baillie Gifford & Co Limited is the OEICs' Authorised Corporate Director.

Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK Professional/Institutional clients only. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited is authorised and regulated by the FCA in the UK.

Persons resident or domiciled outwith the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest, and with their tax advisers for advice relevant to their own particular circumstances.

Baillie Gifford Investment Management (Europe) Limited provides investment management and advisory services to European (excluding UK) clients. It was incorporated in Ireland in May 2018 and is authorised by the Central Bank of Ireland. Through its MiFID passport, it has established Baillie Gifford Investment Management (Europe) Limited (Frankfurt Branch) to market its investment management and advisory services and distribute Baillie Gifford Worldwide Funds plc in Germany.

Baillie Gifford Investment Management (Europe) Limited is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co.

Baillie Gifford Investment Management (Shanghai) Limited 柏基投资管理(上海)有限公司 is wholly owned by Baillie Gifford Overseas Limited and may provide investment research to the Baillie Gifford Group pursuant to applicable laws. Baillie Gifford Investment Management (Shanghai) Limited 柏基投资管理(上海)有限公司 is incorporated in Shanghai in the People's Republic of China (PRC) as a wholly foreign-owned limited liability company under the Company Law of the PRC, the Foreign Investment Law of the PRC and its implementing rules, and other relevant laws and regulations of the PRC. Baillie Gifford Investment Management (Shanghai) Limited 柏基投资管理(上海)有限公司 is registered with the Shanghai Municipal Administration for Market Regulation, with a unified social credit code of 91310000MA1FL6KQ30, with its registered office at Unit 4203-04, One Museum Place, 669 Xin Zha Road, Jing An District, Shanghai 200041, China. Baillie Gifford Investment Management (Shanghai) Limited 柏基投资管理(上海)有限公司 is a registered Private Fund Manager with the Asset Management Association of China and manages private security investment fund in the PRC, with a registration code of P1071226.

### IMPORTANT INFORMATION HONG KONG

Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 is wholly owned by Baillie Gifford Overseas Limited, it holds a Type 1 and Type 2 licence from the SFC to market and distribute Baillie Gifford's range of collective investment schemes to professional investors in Hong Kong. Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 can be contacted at Room 3009-3010 One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. Telephone: +852 3756 5700.

### IMPORTANT INFORMATION SOUTH KOREA

Baillie Gifford Overseas Limited is licensed with the Financial Services Commission in South Korea as a cross border Discretionary Investment Manager and Non-discretionary Investment Adviser.

### IMPORTANT INFORMATION SOUTH AFRICA

Baillie Gifford Overseas is registered as a Foreign Financial Services Provider with the Financial Sector Conduct Authority in South Africa.

### IMPORTANT INFORMATION AUSTRALIA

This material is provided on the basis that you are a wholesale client as defined within s761G of the Corporations Act 2001 (Cth). Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth). It is exempt from the requirement to hold an Australian Financial Services License under the Corporations Act 2001 (Cth) in respect of these financial services provided to Australian wholesale clients. Baillie Gifford Overseas Limited is authorised and regulated by the Financial Conduct Authority under UK laws which differ from those applicable in Australia.

### IMPORTANT INFORMATION JAPAN

Mitsubishi UFJ Baillie Gifford Asset Management Limited ('MUBGAM') is a joint venture company between Mitsubishi UFJ Trust & Banking Corporation and Baillie Gifford Overseas Limited. MUBGAM is authorised and regulated by the Financial Conduct Authority.

**Calton Square, 1 Greenside Row, Edinburgh EH1 3AN  
Telephone +44 (0)131 275 2000 / [www.baillieghifford.com](http://www.baillieghifford.com)**

## **IMPORTANT INFORMATION CANADA**

Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America. Baillie Gifford Overseas Limited is registered as an Investment Adviser with the Securities & Exchange Commission in the United States of America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. Baillie Gifford Overseas Limited is regulated in Canada as a portfolio manager and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories. Baillie Gifford International LLC is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and territories. Baillie Gifford Investment Management (Europe) Limited ('BGE') relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec.

## **IMPORTANT INFORMATION OMAN**

Baillie Gifford Overseas Limited ('BGO') neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently, BGO is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. No authorization, licence or approval has been received from the Capital Market Authority of Oman or any other regulatory authority in Oman, to provide such advice or service within Oman. BGO does not solicit business in Oman and does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. The recipient of this document represents that it is a financial institution or a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that its officers/ employees have such experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

## **IMPORTANT INFORMATION QATAR**

This strategy is only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved. This does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents, or consultants in connection with the addressee's consideration thereof). Baillie Gifford Overseas Limited has not been and will not be registered with Qatar Central Bank or under any laws of the State of Qatar. No transactions will be concluded in your jurisdiction and any inquiries regarding the strategy should be made to Baillie Gifford.

## **IMPORTANT INFORMATION ISRAEL**

Baillie Gifford Overseas is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the Advice Law) and does not carry insurance pursuant to the Advice Law. This document is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

## **POTENTIAL FOR PROFIT AND LOSS**

All investment strategies have the potential for profit and loss.

This document contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

All information is sourced from Baillie Gifford & Co. and is current unless otherwise stated.

# CONTENTS

<b>Investment Philosophy</b>	5
<b>Investment Process</b>	6
<b>Portfolio Construction</b>	8
<b>Risk</b>	9
<b>Europe Ex UK Strategy</b>	10
<b>Pan European Strategy</b>	11
<b>Baillie Gifford</b>	12
<b>Team Biographies</b>	14



# INVESTMENT PHILOSOPHY

## EUROPEAN EQUITIES

*We aim to create value for our clients and society by finding and owning Europe's outliers.*

To generate remarkable returns over time we strongly believe that our investment philosophy and process needs to break from convention. Since the inception of our first European equities strategy in 1985 we have been working on this very task. We have always believed that being longer-term than most and being truly active would tip the odds of outperforming in our favour

Now however, we also have a much greater understanding of the hidden asymmetry in equity markets. Wealth creation and outperformance are not generated by lots of slightly better-than-average companies; they are generated by a very small number of special companies that go on to produce huge returns over long-periods of time. These are the outliers we are looking for.

They endure and prosper thanks to attractive growth opportunities and unique corporate cultures that translate into strong competitive advantages. They are mostly owned or managed by entrepreneurial founders, families or other inside owners, who tend to focus more on sustainability and protecting the interests of employees and customers.

Our philosophy and process has evolved over time to give ourselves the best chance of finding these outliers, and to own them for the long-term. We need to think in decades rather than quarters; we need differentiated sources of insight; we need to think about what might go right rather than wrong; and we need to have the right corporate culture that encourages and supports our way of thinking.

## LONG TERM

We believe great businesses can be structurally mispriced as the market often underestimates their durability and attractiveness. At the same time, most investors have a time horizon that is far too short to fully appreciate the potential of outstanding businesses; they are neither willing nor able to align themselves with the timescale of achievement of great businesses. Capturing significant upside requires the adoption of a long-term mindset: we must think about companies, their progress and opportunities, not in months and quarters but in years and decades. We must have the courage and conviction to own businesses through thick and thin. While in aggregate our average holding period will typically be between five and ten years, implying a portfolio turnover of 10–20%, we are likely to hold individual companies for a much longer period.

## GROWTH

We are looking for each company we invest in to have the potential to at least double in value on a five-year view. Our analysis shows this is correlated with earnings growth rather than a change in valuation. For that reason, we focus on companies that have large, structural growth opportunities, and that are capable of reinvesting at high rates of return as a result of strong competitive advantages.

## OPTIMISM

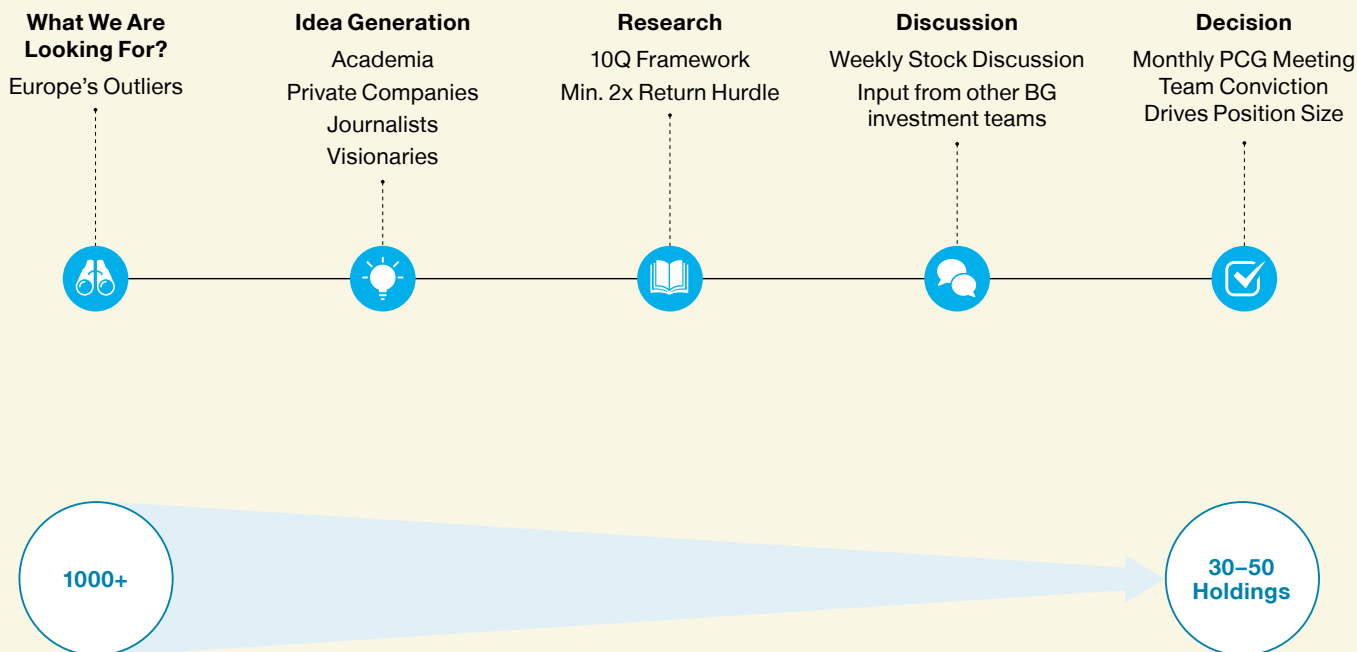
Thinking creatively and optimistically are critical underpinnings if we are aiming to invest in Europe's outliers. We need to think about what can go right, rather than what can go wrong in an investment case. We

need to be willing to embrace uncertainty and recognise that we will make mistakes. We need to recognise that returns in equity markets are asymmetric, with the maximum loss capped to the initial stake and the upside unbounded. For our portfolios, returns are determined less by the occasional, and inevitable mistakes, but by those very successful investments. As humans, we are programmed to dislike losses far more than we enjoy gains. However, we know that stock market returns are highly skewed, with overall returns dominated by a small subset of outliers. We must guard against this cognitive bias and remain resolute in our pursuit of investing in Europe's great growth companies.

## BOTTOM-UP APPROACH

We believe investors spend too much time worrying about top-down, macroeconomic considerations which are highly unpredictable and out with their control. We are bottom-up stock pickers and approach investing with the view to become a long-term owner in a select number of fundamentally attractive businesses. We devote our time and energy to gaining a deep understanding of what drives success in business in general, and in the case of specific companies. We seek out differentiated sources of information to enable us to gain differentiated insights.

# INVESTMENT PROCESS



## OUR PROCESS

We think it is neither productive nor lucrative for us to cover the whole universe of companies we could theoretically invest in. Instead, we have a clear idea of what we are looking for and aim to be disciplined in our pursuit of identifying Europe's great growth companies. Rather than conducting superficial research on a large number of investment opportunities, we perform in-depth analysis on a small number of companies. We are wary of replacing or diluting our existing holdings simply in the name of doing something new.

Our 10-question research framework sits at the heart of our investment process and helps focus our attention on those factors which we believe are most associated with potential outliers.

## GROWTH

We prefer companies that are ambitious in what they want to achieve. We seek to own companies which reinvest their capital aggressively to pursue large, structural growth opportunities. This may take the form of investing in organic or acquisitive growth.

1. What is the five-year growth potential?
2. What about the next ten years and beyond?

## EDGE

Growth is meaningless if the business does not possess a durable competitive advantage. It is in the search for enduring corporate excellence that we spend most of our time, analysing companies to learn more about their culture and to deepen our understanding of the elusive elements that combine to make up a company's competitive edge. There is no magic recipe, but we believe that by diligently practicing the art of business analysis we can dramatically improve our odds of success.

3. Does the company have a special culture?
4. How sustainable is its competitive position?
5. Are returns attractive and improving?

## ALIGNMENT

Great businesses achieve the rare feat of aligning the interests of its most important stakeholders: its customers, its employees, its executives, its owners and, ultimately, society at large. Alignment creates the ability for a business to endure. We believe that a long-term mindset is a crucial prerequisite for aligning interests. Adopting a long-term view entails resisting the temptation to maximise short-term profits at the expense of one or more groups of stakeholders. More specifically, it also means that the people running the company behave like owners. It should thus come as little surprise that we expect the majority of our portfolio to consist of companies with a long-term inside owner.

6. Are management and stakeholders well-aligned?
7. How does it contribute to society?

## RETURN

We believe that to outperform over long periods of time, it is necessary to build a portfolio that has the potential to produce asymmetric returns. Not only do we look at the probability of an investment to at least double over five years but also consider what might happen if the investment thesis really works out.

8. How likely is a 2x return over five years?
9. How might we make more than this?
10. Why doesn't the market appreciate this?

## ALTERNATIVE SOURCES OF INSIGHT

The majority of research carried out at Baillie Gifford is conducted internally with most investors hired from university and trained by us. Our investors come from a variety of academic disciplines, deliberately not limited to the obvious economic or financial backgrounds of many investors. We believe in diversity of viewpoint, and spend most time focusing on the

fundamental long-term opportunities that really impact investments rather than the minutiae of financial accounts. We find that training our own investors is the best way to bring this philosophy to bear across the firm.

We also use external research where we believe it will be useful to complement the internal research that we carry out. Finding alternative sources of information via external research is an important part of our investment process as it contributes directly to building a view of the world that is differentiated from the market – and therefore more likely to deliver returns for our clients. As such, our use of traditional sell-side broker research is relatively limited. Instead, we utilise a wide range of resources to secure alternative sources of information: from hosting industry experts in our offices, to sponsorship of the Edinburgh book festival to tasking freelance journalists with researching particular topics.

In addition, an area of growing importance to us is academic sponsorship. We now spend a significant amount of money supporting programmes at UK universities, including a Genomics studentship, a dementia research fund and a PhD for 3D printing. We have established partnerships with Delft University in the Netherlands, where they assist our thinking in innovative areas like robotics and drones. We have also been enjoying an expanding relationship with the Santa Fe Institute, which is dedicated to the multidisciplinary study of the fundamental principles of complex adaptive systems, as well as with Arizona State University, where the work of Hendrik Bessembinder has been of particular interest to us. This work has been useful in driving forward our own thinking on the asymmetry of long-term stock returns and our ambition to access the outlier stocks on behalf of our clients.



# PORTFOLIO CONSTRUCTION

Our investment universe is defined as those companies with a market cap greater than £1 billion. This provides an opportunity set of around 1,000 companies. However, in reality we don't attempt to cover the entire ground – our performance will be driven by what we do own rather than what we do not.

We apply our 10 Question Stock Research Framework to both the research of new ideas and the review of existing investments. This ensures consistency and allows us to cut through the noise that is one of the principal challenges in most analytical tasks today.

The European Equity Team is the primary source of European company research within Baillie Gifford. All members of the team undertake fundamental company research reflecting our view that stock selection based on original research is our main opportunity to add value. The three members of the team with direct responsibility for managing our specialist European strategies are Stephen Paice, Moritz Sitte and Chris Davies.

Each week, the team comes together to discuss its recently completed research reports on European companies. This provides the opportunity to discuss, support and challenge each other and is a central tenet of our research process.

The team does not operate in a vacuum: many other investors in Baillie Gifford's investment department undertake research into European companies for potential inclusion in global portfolios. We also have a dedicated Private Companies investment team, which provides a window into the emerging opportunities and threats from the private markets. This provides a fertile ground for collaboration, debate and sharing of ideas, creating an excellent environment for making better investment decisions.

In addition, we have a dedicated Governance and Sustainability Team that is responsible for Corporate Governance and Responsible Investment, which physically sits alongside the investment teams ensuring easy and regular dialogue. An analyst within this team is a dedicated specialist for the European equities team and is responsible for working collaboratively with the investment managers, providing ESG research reports that both challenge and contribute to the investment decision making process.

## BUYING

Operating as a team does not mean that we require consensus for a new holding to be bought. Instead we believe it is crucial for us to back individual enthusiasm. This allows controversial ideas to get into the portfolio. In our experience, it is often these types of investments that end up providing asymmetric returns. At the same time, it is our overall conviction and enthusiasm which determine holding sizes; this ensures we are investing in the most attractive investment opportunities.

## SELLING

We continually monitor the companies we own, and we will sell or reduce if we believe that the company's opportunity has shrunk, or its execution has deteriorated. We rarely make complete sales on valuation grounds alone. Rather, a rise in the valuation might cause us to reduce the size of our holding. We believe valuation is a much shorter-term consideration than the quality of a business and that our willingness to own successful businesses has underpinned the performance we have generated for our clients over the long term.

The end result of our portfolio construction process is a concentrated portfolio of companies, with exceptional growth characteristics and differentiated corporate cultures that will enable them to execute on their opportunity over the very long-term.

## CONCLUSION

We are excited about the task at hand: to identify Europe's great growth companies and to own them for the long haul. We regard this as a challenging endeavour. It demands a truly long-term mindset, above all the ability and willingness to own a business through thick and thin. It also requires the courage to be different. We must rely on our own, in-depth research to direct our decision making, rather than looking to the sell-side, the latest fad or the benchmark index for guidance. Finally, we must support each other and be intellectually honest with ourselves and with each other. These are the prerequisites for becoming the best investors that we can be.





# RISK

To outperform a benchmark an investor has to differ from it, so we set out to be different and at times unconventional. Benchmarks are not risk free and we therefore do not believe that tracking error captures meaningful investment risks. Our approach to risk is pragmatic and we don't believe in a universal solution. We believe that permanent loss of capital is the most important risk to any portfolio, over and above model-based risk measures and historic share price behaviour. We seek to ensure that portfolios are sufficiently diversified and managed in accordance with guidelines, whilst at the same time accurately reflecting the team's investment convictions.

We consider the following key areas of risk:

## FUNDAMENTAL RISK

Our first line of defence is rigorous stock analysis. New buy ideas are subject to thorough review by the European Equity Team. The investment case for all holdings is constantly re-examined, with input from a plurality of Baillie Gifford research teams. We will tolerate uncertainty in an investment case and embrace the possibility that any individual investment may have a wide range of outcomes.

## PORTFOLIO RISK

We seek to maintain an appropriate level of diversification at the overall portfolio level in order to reduce risk and have established portfolio risk guidelines which are formally reviewed on a regular basis. The investment managers take the overall portfolio context into account when considering any buy or sell ideas that result from the weekly stock review. Our aim is to assess the real risks within the portfolio through forward-looking and open-minded debate, rather than relying solely on backward-looking risk models.

## INDEPENDENT OVERSIGHT

We have an independent Investment Risk, Analytics and Research Team which uses a range of tools to carry out in depth reviews and analysis of portfolio risk on a regular basis. The team reports formally every quarter to the investment managers, Client Service Team and our Investment Risk Committee (IRC). Their work includes analysis of portfolio construction, investment decision making and delivered performance, as well as more traditional measures such as tracking error and volatility. The team make use of third party systems including statistical risk models provided by SunGard APT and Style Research. The team is experienced in assessing the methodology and limitations of these tools, as well as interpreting output in such a way that is relevant for the strategy, particularly in different market conditions. Further analysis, beyond the scope of traditional model based measures, is carried out on a regular basis to provide a broader view of sources of risk and thematic exposures within portfolios.

# EUROPE EX UK STRATEGY

Launched in 1989, our Europe ex UK strategy is a concentrated portfolio of Europe's (excluding the UK) great growth companies. The strategy is managed by a Portfolio Construction Group (PCG) of Stephen Paice, Moritz Sitte and Chris Davies.

In order to ensure appropriate liquidity, the strategy invests across the market cap spectrum down to a guideline minimum of £1bn. The strategy aims to achieve a targeted outperformance above benchmark of at least 2% per annum over rolling 5 year periods.

## PORTFOLIO CHARACTERISTICS

Performance target*	+2–3% p.a.
Time horizon	5 years
Annual turnover <sup>†</sup>	<20%
Active share <sup>†</sup>	>70%
Representative benchmark	MSCI Europe ex UK
Number of Holdings	30–50
Maximum stock position	10%
Minimum effective number of stocks	20
Minimum effective number of industries	5

\*The performance objective stated is in no way guaranteed. The performance target is aspirational and is not used for the purpose of determining or constraining the composition of the fund's portfolio. Performance may vary between segregated accounts and pooled funds in different jurisdictions as each structure will bear a different set of costs. A single performance target may not be appropriate for all vehicles in all jurisdictions and for this reason our fund specific materials will often refer to 'material' outperformance of a benchmark. †All characteristics reflect our typical portfolio positioning and should be considered only as guidelines. The portfolio may not be managed within all such guidelines all of the time, unless otherwise agreed with individual clients.



# PAN EUROPEAN STRATEGY

Launched in 2013, our Pan European strategy is a concentrated portfolio of Europe's great growth companies. The strategy is managed by a Portfolio Construction Group (PCG) of Stephen Paice, Moritz Sitte and Chris Davies.

In order to ensure appropriate liquidity, the strategy invests across the market cap spectrum down to a guideline minimum of €1bn. The strategy aims to achieve a targeted outperformance above benchmark of at least 2% per annum over rolling 5 year periods.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERLAY

### SECTOR/PRODUCT SCREEN

The Pan European strategy will not invest in any company which directly or through its controlled entities derives more than 10 per cent of their annual revenues from the production or sale of tobacco, weapons, thermal coal or tar sands.

### BUSINESS CONDUCT SCREEN

The strategy will assess equities against the widely recognised and endorsed ten principles of the United Nations Global Compact for business which cover areas including human rights, labour rights, environmental safeguard and combating bribery and corruption.

The strategy uses a variety of third party data sources (such as Sustainalytics, MSCI and the Norges Bank exclusion list) and additional research from the dedicated Governance and Sustainability analyst to identify companies which should be excluded because of the above factors.

### PORTFOLIO CHARACTERISTICS

Style	Growth
Representative Benchmark	MSCI Europe
Performance target	+2–3% p.a.
Time horizon	5 years
No of holdings <sup>†</sup>	30–50
Annual turnover <sup>†</sup>	<20%
Active share <sup>†</sup>	>75%
Max stock position	10%
Minimum effective number of stocks	20
Minimum effective number of industries	5

<sup>†</sup>All characteristics reflect our typical portfolio positioning and should be considered only as guidelines. The portfolio may not be managed within all such guidelines all of the time, unless otherwise agreed with individual clients.

The performance objective stated is in no way guaranteed. The performance target is aspirational and is not used for the purpose of determining or constraining the composition of the fund's portfolio. Performance may vary between segregated accounts and pooled funds in different jurisdictions as each structure will bear a different set of costs. A single performance target may not be appropriate for all vehicles in all jurisdictions and for this reason our fund specific materials will often refer to 'material' outperformance of a benchmark.

# BAILLIE GIFFORD

*Baillie Gifford was founded in 1908 in Edinburgh where it continues to have its headquarters and is an investment partnership, wholly owned by the people who invest for and look after our clients. Through each successive generation of partners our sole focus on generating superior long-term investment results for our clients has been the bedrock of our growth.*



## **PARTNERSHIP DEFINES US**

Our structure allows us to put our clients' needs first rather than dance to the tune of external shareholders. It brings stability and a long-term time frame to everything we do in our business, whether choosing the best investments for our clients' portfolios or continually investing in the firm and developing our people.

Partnership also brings independence, allowing us to be truly active investors. Our portfolios are shaped by where the best investment opportunities lie, rather than where the index dictates. We encourage personal responsibility, creating a strong culture of inquisitiveness, debate and respectful trust in which our investors are nurtured, and thrive.

## **OUR INVESTMENT APPROACH**

### **CURIOS ABOUT THE WORLD**

The best investment ideas spring from analysis of future possibilities, not short-term probabilities. We set no barriers to the imagination of our investors, encouraging fresh perspectives and the use of diverse sources of information.

### **FUNDAMENTALLY DRIVEN**

The world is complex. We believe that the way to generate long-term returns for our clients is to focus on the deceptively simple task of identifying and investing in those companies which have the potential to grow at a faster rate, on a more sustainable basis, than their peers.

We conduct rigorous qualitative research to establish whether prospective investments have the competitive, financial and strategic advantage to deliver on that potential.

### **COLLABORATIVE RESEARCH**

We like to share. Investment ideas are discussed and debated across our investment teams, from those of the most junior analysts to partners of the firm. We are always looking for that novel insight, offbeat observation or penetrating challenge to help round out the investment case and enhance our collective knowledge. There are no enduring right answers in investment, so we never stop asking questions.



### **PERSPECTIVE MATTERS**

Companies increasingly operate in a global environment – it is not sufficient to consider investment opportunities in isolation: we also need to understand their competitive position and underlying attractiveness against their international peers. Being primarily based in a single location lets us ensure that investors have a global perspective by occasionally moving individuals between our investment teams: we value breadth of perspective and experience over excessive specialisation.

### **CLIENTS COME FIRST**

Baillie Gifford is solely an investment management company, and for equity portfolios we focus entirely on long-only investments. We close our investment strategies to new clients before we gain too many assets to reasonably manage, and we keep our business simple so that we can focus on investment activities rather than administration. Client relationships are handled by our highly experienced Clients Department who oversee all aspects of delivering our services to clients, ensuring that investment managers are free to concentrate on investment issues.

# TEAM BIOGRAPHIES

EUROPEAN EQUITIES TEAM



**Stephen Paice**

Stephen is Head of the European Equity Team and a member of the Pan European Portfolio Construction Group. He joined Baillie Gifford in 2005 and spent time in the US, UK Smaller Companies and Japanese Equities Teams. Stephen graduated BSc (Hons) in Financial Mathematics in 2005.



**Chris Davies**

Chris joined Baillie Gifford in 2012 and is an Investment Manager in the Europe Team. He graduated BA (Hons) in Music from the University of Oxford in 2009 and went on to gain an MMus in Music Performance from the Royal Welsh School of Music and Drama in 2010 and an MSc in Music, Mind and Brain from Goldsmiths College in 2011.



**Moritz Sitte**

Moritz joined Baillie Gifford in September 2010 and is an Investment Manager in the European Equity Team. He graduated BSc in Business Administration from the University of Regensburg, Germany in 2009 where he took part in the Honours Elite Degree Programme. Moritz then went on to complete an MSc in Finance and Investment from the University of Edinburgh in 2010.



**Josie Bentley**

Josie is an Investment Manager in the European Equity Team and a member of the Global Stewardship Portfolio Construction Group. She joined Baillie Gifford in 2016 and spent time in the International Growth, UK Equity and High Yield Bond Teams. Josie started her career in London, working as a global board analyst at Russell Reynolds Associates. Josie graduated MA (Oxon) in Music from the University of Oxford in 2014.



**Minahil Naveed**

Minahil is an Investment Analyst in the Emerging Markets Team. She joined Baillie Gifford in 2019, after completing her MPhil in Development Studies at the University of Cambridge. Minahil graduated magna cum laude from Bryn Mawr College in 2017.



**Adrien Levacic**

Adrien is an Investment Analyst in the European Equity Team having joined Baillie Gifford in 2020 under the Investment Research Graduate Programme. He completed a MSc in Mathematical and Theoretical Physics at the University of Oxford in 2019 and previously earned a BSc in Physics at Nagoya University, both as an academic merit scholar.



**George Blacksell**

George joined the Governance and Sustainability Team as an Analyst (Research and Engagement) in September 2019. Prior to Baillie Gifford, he was a Consultant at Corporate Citizenship where he supported a range of companies to measure, manage and disclose performance against Environmental, Social and Governance factors. George graduated from the University of Cambridge in 2012 with a degree in Land Economy (Environment, Law & Economics).



