

# Edinburgh Worldwide Investment Trust

Global Smaller Companies

## Introduction

Edinburgh Worldwide Investment Trust invests in smaller companies across the globe. The team seek to find smaller companies which are able to navigate changing economic conditions and have the ability to disrupt established peers. The trust invests in both listed and private companies and is not forced to sell companies which have successfully outgrown the small cap designation.



[Click here to read the Baillie Gifford approach to ESG investing.](#)

**Manager - Douglas Brodie, Svetlana Viteva, Luke Ward**

**Manager Since - 27/01/2014**

Douglas joined Baillie Gifford in 2001 and became a partner in 2015. He is head of the Discovery Team and has led the strategy since its inception. He is Co-Manager of the Edinburgh Worldwide Investment Trust. He graduated BSc in Molecular Biology and Biochemistry from the University of Durham in 1997 and attained a DPhil in Molecular Immunology from the University of Oxford in 2001.

Svetlana is an investment manager in the Discovery Team and is a Co-Manager for the Edinburgh Worldwide Investment Trust. She graduated with a BA in Economics and a BA in Business Administration from the American University in Bulgaria in 2008, and an MSc in Investment Analysis in 2009 and a PhD in Accounting and Finance in 2012, both from the University of Stirling.

Luke is an investment manager in the Private Companies Team and a co-manager for the Edinburgh Worldwide Investment Trust. He joined Baillie Gifford in 2012 and, prior to joining the Private Companies Team in 2024, was an investment manager in the Discovery Team. Luke graduated from the University of Edinburgh in 2012 with an MEng (Hons) in Mechanical Engineering.

## Trust Objective

The trust aims for capital growth from a global portfolio of smaller companies which are believed to offer long-term growth potential (over at least five years).

## Investment Process

Understanding the fundamentals of smaller companies, through their bottom-up research, and their potential for growth is where the managers believe they have an advantage as a lack of research in this area compared to larger companies leads to inefficiencies. Efforts are focused on those companies which are nimble enough to navigate changing economic conditions and that have the ability to disrupt established, more bureaucratic peers. These companies will often be founder led and have an ability to innovate.

The trust's focus is on the long-term drivers of earnings. The managers believe analyst horizons are not long enough as they often focus on less than five years. The team will extend the investment horizon and judge the opportunity set on three key areas: the size and scope of the growth opportunity, the ability of a company to take advantage of this opportunity, and analysis of the return profile of an investment in the investee business. A key focus is any change in the market back drop and how a company adapts to change, this could be at a sector level or in the wider macro backdrop.

A qualitative screen reduces the universe from some 30,000 companies to around 500 with the final portfolio comprising 60 to 100 holdings, thereby ensuring diversification and reflecting the smaller company remit and the volatility this area of the market can exhibit. Additionally, a minimum of six countries and 15 industries will be represented in the trust further spreading the risk.

## Gearing

Gearing is agreed by the board and managers to be in a range of +5% to +15%, although it can be up to 30% of shareholders' funds.

## Performance Fees

The trust does not charge a performance fee.

## Discount Mechanism

The board have authority to buy back shares and seek to do so when the discount is substantial in absolute terms and relative to its peers.

## Our View

The closed end nature of the trust suits the managers' process to look at young companies which are dynamic and may be operating in nascent markets with less analyst coverage. Additionally, the ability to invest in private companies has allowed the managers to take advantage of opportunities in space exploration, biotechnology and quantum computing.

The trust is ideally placed for those seeking growth from smaller companies across the globe, being mindful that periods of underperformance may occur when markets favour less risk.

**How to Use This Trust:** This investment trust is suitable for a client with a higher risk appetite, as a satellite holding, with the longer term time horizon in mind. It will have a distinct growth bias.

**Key Strengths**

**Business**

The partnership structure at Baillie Gifford gives key employees a stake in the business and promotes a long-term focus on investment management, without the distractions of external shareholders.

**Team**

Douglas Brodie is Head of the Global Discovery team, who are dedicated to small cap management. The team is focussed on finding disruptive, high growth small cap companies.

**Process**

The team follow a differentiated process that focusses on the long-term growth prospects of companies. The trust has a high active share and low turnover.

**Product**

The trust’s tiering of fees has helped keep its fee low as it has grown. It has a global remit with an emphasis on the next generation of leaders and will often run winners from small cap to large cap.



**Important Notice**

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