



**SCOTTISH
MORTGAGE**
INVESTMENT TRUST

Philosophy and Process

INVEST IN PROGRESS

Managed by

Baillie Gifford™

Important information and risk factors

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The Scottish Mortgage Investment Trust is a listed UK company, and is not authorised or regulated by the Financial Conduct Authority. The value of its shares, and any income from them, can fall as well as rise and investors may not get back the amount invested. A Key Information Document for the Trust is available by contacting us.

The specific risks associated with the funds include:

- The Trust invests in overseas securities, changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.
- Market values for securities which have become difficult to trade may not be readily available, and there can be no assurance that any value assigned to such securities will accurately reflect the price the Trust might receive upon their sale.
- The Trust invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

- Scottish Mortgage can borrow money to make further investments (sometimes known as “gearing” or “leverage”). The risk is that when this money is repaid by the Trust, the value of the investments may not be enough to cover the borrowing and interest costs, and the Trust will make a loss. If the Trust’s investments fall in value, any borrowings will increase the amount of this loss.
- The Trust has a significant exposure to private companies. The Trust’s risk could be increased as these assets may be more difficult to buy or sell, so changes in their prices may be greater.
- The Trust can make use of derivatives. The use of derivatives may impact on its performance.

The information and opinions expressed within this presentation are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Ltd and does not in any way constitute investment advice. This presentation does not constitute an offer or invitation to deal in securities.

All data is source Baillie Gifford & Co unless otherwise stated.

Past performance is not a guide to future returns.

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Trust information

Scottish Mortgage Investment Trust PLC is an investment trust listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

Trust aims

Scottish Mortgage Investment Trust PLC is a low cost investment trust that aims to maximise total returns from a focused and actively managed portfolio. It invests globally, looking for attractive growth businesses with the potential to provide strong returns and aims to achieve a greater return than the FTSE All-World Index (in sterling terms) over a five year rolling period.

Trust details

SEDOL	BLDYK61
ISIN	GB00BLDYK618
AIC Sector	Global
Benchmark	FTSE All-World Index (in sterling terms)
Launch Date	1909
Year End	31 March
AGM	June
Results Announced	May and November
Dividends Paid	July and November
Management Details	Baillie Gifford & Co Limited are appointed as investment managers and secretaries to the company. The management contract can be terminated at 6 months' notice
Annual Management Fee	Management Fee 0.30% on the first £4 billion and thereafter 0.25% of the remaining total assets less current liabilities (excluding short term borrowings for investment purposes), calculated and payable on a quarterly basis
Ongoing charges	0.32% (including the Annual Management Fee) 12 months as at 31 March 2022

Trust history

Scottish Mortgage was the first client of Baillie Gifford & Co and was formed in Edinburgh in 1909 under the name of 'The Straits Mortgage and Trust Company Limited'. The Straits referred to were the Straits of Malacca which divide Malaysia from Sumatra. The main objective of the Company was to invest in mortgages (with conversion rights into ordinary shares) on rubber estates in Malaysia and Sri Lanka, or Ceylon as was then the case. There had been a boom in rubber, peaking in 1909, as a result of demand for motor car tyres – the first of 15 million Model T Fords were produced from an assembly line in 1908. The first balance sheet showed subscribed capital of just over £50,000.

The narrow investment policy proved to be somewhat restrictive and within a few years the Company became a typically orthodox investment company with holdings in fixed interest securities and ordinary shares. Geographical focus was moved from South East Asia to include the United States as investment moved away from solely rubber interests. For example, in 1910 £1,000 of ordinary shares in Union Pacific Railroad Company were acquired. In recognition of the redirection of focus, the name was changed in 1913 to the more general title of 'The Scottish Mortgage and Trust Company Limited.'

Up until the Second World War there were a number of further issues of ordinary shares and issues of preference and debenture stocks and a substantial proportion of assets came to be invested overseas, particularly in the United States. In the Second World War, the American holdings were compulsorily bought by the British Government but as soon as post war regulations allowed, the policy of having a large proportion overseas was resumed.

By 1969 the Company's assets had grown to £54m and that year it was amalgamated with its sister companies: The Second Scottish Mortgage and Trust Company (formed in 1912 as The Scottish Canadian Mortgage Company Ltd.) and The

Scottish Capital Investment Company (formed in 1925). Scottish Mortgage Investment Trust is the largest conventional equity investment trust listed in the UK. It invests globally and the approach taken is to buy and hold strong growth businesses. It does not replicate regional indices and is not managed in a benchmark aware fashion.

Why choose this trust?

Long-term investment horizon

A genuinely long-term approach to investment is taken. One of the key questions concerns not just market potential now, but in five years' time or longer.

Global

The stock picking universe spans the globe. We produce far ranging high quality research and, by making judgements that go beyond local boundaries, we arrive at what we consider will be the best stock picking decisions for our clients.

The place where a company is listed does not always reflect where it actually makes its profits. Many companies are also increasingly global in their reach. Consequently, rather than allocating funds on a different regional basis, investments are chosen based on our best ideas on a global basis, reflecting economic reality.

Concentrated

The portfolio is relatively concentrated, consisting of around 90 equity investments with the largest 30 holdings tending to account for between 75–85% of the value of the assets.

Unconstrained

A pragmatic approach is taken to risk in the belief that it is crucial not to be tied by concerns over short-term relative performance. There are diversification guidelines to ensure the portfolio reflects ideas from a number of countries and sectors, but the focus is on stocks we really like rather than holding stocks in a particular country just because the benchmark says so.

Scottish Mortgage investment managers' core beliefs

Whilst fund managers spend much of their careers assessing the competitive advantage of companies, they are notoriously reluctant to perform any such analysis on themselves. The tendency is to cite recent performance as evidence of skill despite the luck, randomness and mean-reverting characteristics of such data. If this does not suffice then attention turns to a discussion of the high educational qualifications, hard work and exotic remuneration packages that the fund manager enjoys. Sometimes the procedural details of the investment process are outlined with heavy emphasis on risk controls. Little attention is given to either the distinctiveness of the approach or the strategic advantages the manager might enjoy in order to make imitation improbable. We think we should try to do better than this.

**We think about our
own business over
decades not quarters.**

1

We are long-term in our investment decisions. It is only over periods of at least five years that the competitive advantages and managerial excellence of companies becomes apparent. It is these characteristics that we want to identify and support. We own companies rather than rent shares. We do not regard ourselves as experts in forecasting the oscillations of economies or the mood swings of markets. Indeed we think that it is hard to excel in such areas as this is where so many market participants focus and where so little of the value of companies lies. Equally Baillie Gifford is more likely to possess competitive advantages for the good of shareholders when it adopts a long-term perspective. We have been a Scottish partnership since 1908. We think about our own business over decades not quarters. Such stability may not be exciting but it does encourage patience in this most impatient of industries. We only judge our investment performance over five year plus time horizons. In truth it takes at least a decade to provide adequate evidence of investment skill.

2

The investment management industry is ill-equipped to deal with the behavioural and emotional challenges inherent in today's capital markets. Our time frame and ownership structure help us to fight these dangers. We are besieged by news, data and opinion.





The bulk of this information is of little significance but it implores you to rapid and usually futile action. This can be particularly damaging at times of stress. Academic research argues that most individuals dislike financial losses twice as much as they take pleasure in gains. We fear that for fund managers this relationship is close to tenfold. Internal and external pressures make the avoidance of loss dominant. This is damaging in a portfolio context. We need to be willing to accept loss if there is an equal or greater chance of (almost) unlimited gain.

3

We are very dubious about the value of routine information. We have little confidence in quarterly earnings and none in the views of investment banks. We try to screen out rather than incorporate their noise. In contrast we think that the world offers joyous opportunities to hear views, perspectives and visions that are barely noticed by the markets. There is more in the investment world than the Financial Times or Wall Street Journal describe.

4

We are global in stock selection, asset allocation and attribution. We are active not passive – or far worse – index plus in stock selection. Holding sizes reflect the potential upside and its probability (or otherwise) rather than the combination of the market capitalisation and geographical location of the company and its headquarters. We do not have sufficient confidence in our top-down asset allocation skills to wish to override stock selection. We do not have enough confidence in our market timing abilities to wish to add or remove gearing at frequent intervals. We do, however, have strong conviction that our portfolio should be comparatively concentrated, and that it is of little use to shareholders to tinker around the edges of indices. We think this produces better investment results and it certainly makes us more committed shareholders in companies. We suspect that selecting stocks on the basis of the past (their

current market capitalisation) is a policy designed to protect the security of tenure of asset managers rather than to build the wealth of shareholders. Companies that are large and established tend to be internally complacent and inflexible. They are often vulnerable to assault by more ambitious and vibrant newcomers.

5

We are Growth stock investors. Such has been the preference for Value and the search to arbitrage away minor rating differentials that investors find it very hard to acknowledge the extraordinary growth rates and returns that can be found today. The growth that we are particularly interested in is of an explosive nature and often requires minimal fixed assets or indeed capital. We think of it as 'Growth at Unreasonable Prices' rather than the traditional discipline of 'Growth at a Reasonable Price'. We need to be willing to pay high multiples of immediate earnings because the scale of future potential and returns can be so dramatic. On the stocks that flourish the valuation will have turned out to be derisively low. On the others we will lose money.

6

We believe that it is our first duty to shareholders to limit fees. Both the investment management fee (0.30% on the first £4 billion of assets, and 0.25% thereafter and ongoing charges ratio (0.32% as at 31 March 2022) are low by comparative standards but at least adequate in absolute terms. We think that the malign impact of high fees is frequently underestimated. The difference between an ongoing charges ratio of 0.32% and one of 1.5% may not appear great but if the perspective is altered to think of costs as a percentage of expected annual returns then the contrast becomes obvious. If annual returns average 10% then this is the difference between removing approximately 3% or 15% of your returns each year. Nor do we believe in a performance fee. Usually it undermines investment performance. It increases pressure and narrows perspective.

Addendum – Evolution of core beliefs

Our stated Core Beliefs still accurately captures how we approach investment. In 2018 we updated it for the developments in our thinking and evolution of our investment philosophy over recent years. What follows is an addendum.

We are optimists. In a world where limiting volatility and avoiding downside is the dominant investor mentality, we focus unashamedly on the drivers and implications of corporate success. Limiting volatility can make sense for an overall investment portfolio but we doubt the benefits of using equities to meet this objective. The asymmetric payoff structure (you can make far more if you're right about a stock than you can lose if you're wrong) is the fundamental attraction of investing in equity markets. Whilst we have long believed in the impact of a small number of exceptional companies, even we are surprised by how narrowly returns have been shown to extend within the market. Our own research demonstrates that in the past thirty years approximately five per cent. of stocks have returned at least five-fold in any five-year period. Over longer time horizons, this power law is even more dramatic. Academic work on the past ninety years of US data shows that over half of the excess return from equities came from just 90 companies¹. Investors enjoy little (if any) reward for taking the risk of owning the median stock in the market. Instead it is the outsized impact of a small number of exceptional companies that dominate the payoff structure.

We are determined to own
the most promising growth
companies in the world.

¹ Source: Bessembinder, Hendrik, Do Stocks Outperform Treasury Bills? (November, 2017).

Stock market wealth creation is defined as an accumulation of value (inclusive of reinvested dividends) in excess of the value that would have been obtained had the invested capital earned one-month treasury bill interest rates. Reading the data: The data includes all 25,967 CRSP common stocks (25,332 companies) from 1926 to 2016. Beyond the best-performing 1,092 companies, an additional 9,579 (37.8%) created positive wealth over their lifetimes, just offset by the wealth destruction of the remaining 14,661 (57.9% of total) firms. The implication is that just 4.3% of firms collectively account for all of the net wealth creation in the US stock market since 1926.

In this context we have defined our core task more narrowly: to identify companies that have sufficient opportunity to deliver such outlying returns and to own them for long enough without interference so that the return accrues to our shareholders. We previously noted our investment time horizon to be at least five years. In practice, for businesses where our conviction has remained steadfast and our difference from the market view is clear, we have held the shares for far longer.

Whilst listed equity markets currently remain the principle focus of our investments, the nature of capital markets has changed and our search for outliers has moved with it. Some of our most successful investee companies have benefited from (and indeed created) new growth models with dramatically lower financing requirements than has been the case historically. Access to online distribution has grown the addressable market for breakthrough businesses by an order of magnitude. The ability to harness third party infrastructure has drastically reduced the capital intensity of growth. This has made new companies less dependent on external financing. As a consequence, their boardrooms are not dominated by early financial investors looking to realise their gains and these companies are remaining private longer. They are being selective about their shareholders and they are reluctant to accept the burdens that accompany public status.

We are determined to own the most promising Growth companies in the world. To maintain our opportunity set we have expanded our operations in private markets. This has little impact on our investment process. Access to fluctuating daily quotations for our holdings is more often a distraction than an advantage for a fund with permanent capital. We are preoccupied with company fundamentals and increasingly indifferent to a company's private or public status. As access to the most promising private companies is dependent on relationships and reputation our task becomes more important, as it is much harder for our shareholders to invest directly. Our scale and commitment to low costs allows us to do this without changing our fee structure.


As we make these investments we are providing more primary capital to businesses and directly funding investment in future economic growth. The role of public equity markets in providing such investment capital has diminished. Declining holding periods and frenzied speculation around newsflow is the norm. More insidiously, the demand for immediate returns pressures companies to pay out their cashflows to shareholders rather than investing in their future. Professional management teams incentivised to maximise share prices have been happy to oblige, resulting in a declining proportion of cash flow being devoted to research and development or capital expenditure across the market. Such investments are needed more than ever in a world that is experiencing rapid change. Our holdings in public markets are heavily focused on companies whose ownership or management structure allows them to ignore such demands.

Whilst we expressed our scepticism of the value of routine information in our original document, we didn't articulate where more useful counsel might lie or suggest that we ought to play our part in ensuring its existence. Some of you may have attended the book festivals we sponsor or read some of the shortlisted titles for the Baillie Gifford Prize for Non-fiction. We have invested in supporting interesting authors and sought to enhance our investment thinking with their insight. We have built relationships with academics and universities. We are funding research which we hope will inform our long run thinking on companies. At the same time, our time horizon is facilitating a different type of relationship with the management teams with whom we invest. They find little of value or interest in the endless cycle of quarterly updates.

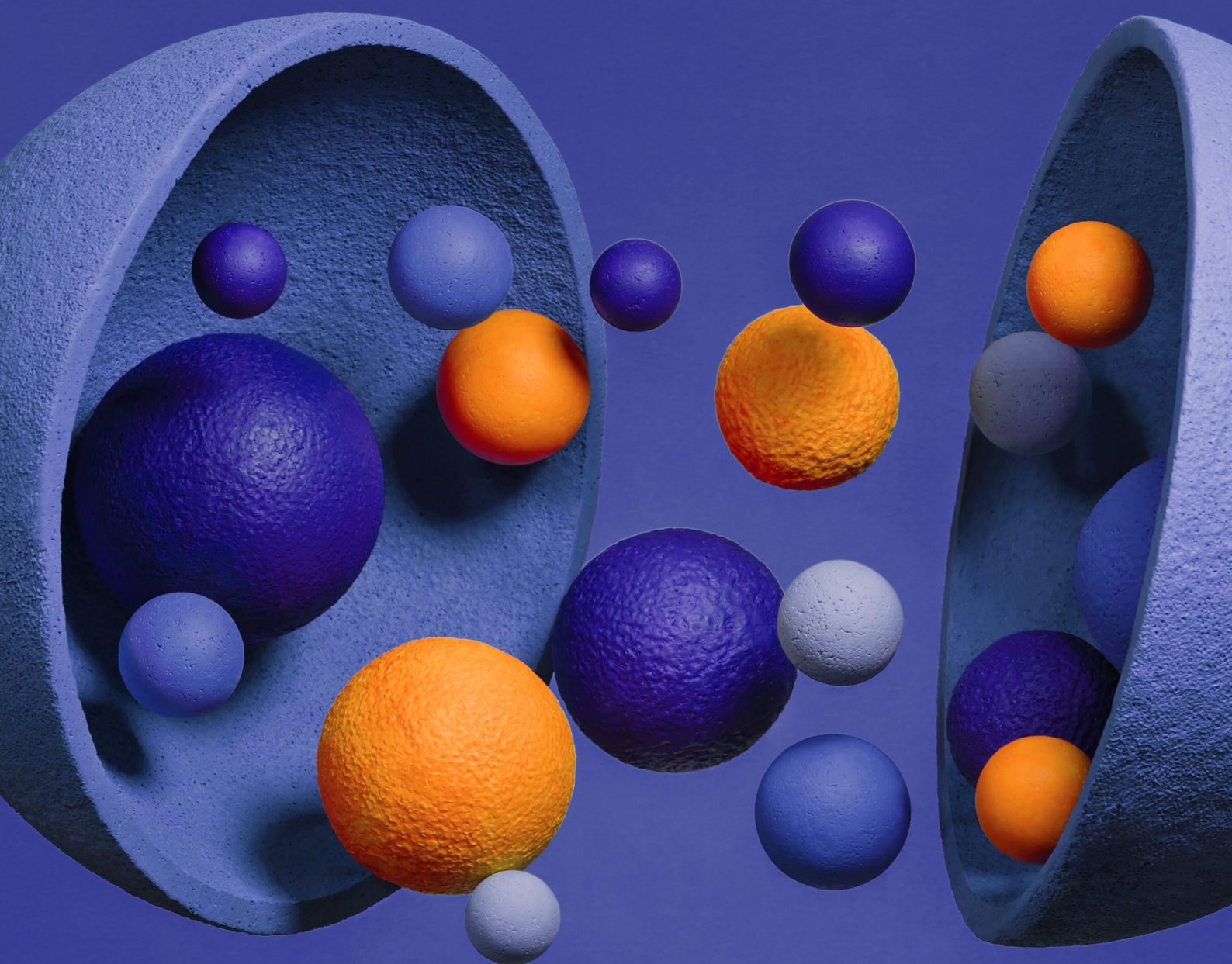
They delight in having less frequent and more in-depth discussion about the longer-term development of their business. Getting to listen to the entrepreneurs and visionaries that have built some of these outstandingly successful franchises is a hugely valuable input to our investment approach. In turn, this is challenging us to re-evaluate our long-held belief that there

is no opportunity for informational advantage in markets. Such inputs seem largely neglected in a world where 'colour on the quarter's numbers' is the main preoccupation of so-called investors. For instance, we first invested in Alibaba back in 2012 as a private company. Through our patient ownership and ongoing support, we have earned the opportunity to speak with the company's senior management. We believe the growth of the Chinese consumer economy is a transformational force in the global economy and there is no one better placed to help us understand its implications.

Dialogue with management is a valuable input but the relationship extends in both directions. The investment management industry has ceded much of its role in the governance of companies to the vested interests of activist investors. We must do better. Ensuring strong governance and engaging with our holdings on matters of substance is our responsibility. More than that, it is essential if we are to be seen as attractive shareholders by our investee companies and if we are to maximise the returns we can generate on your behalf.



Our time horizon is facilitating a different type of relationship with the management teams with whom we invest. They find little of value or interest in the endless cycle of quarterly updates.



Scottish Mortgage portfolio construction

Philosophy

We are bottom up, active investors. Our aim is to invest in companies that enjoy sustainable competitive advantages in their industries and which are capable of growing earnings and cash flows at a faster rate than the market average. This is based on our belief that share prices ultimately follow earnings and that a concentrated portfolio of companies capable of above average growth will, over time, deliver above average investment returns.

Process

Tom Slater and Lawrence Burns use the following broad set of questions when analysing companies for the portfolio. These are broadly:

Industry background

- Is there sufficient potential to allow a sizeable increase in sales for the next five years?
- What happens then?

Competitive advantage

- What is your long-term competitive advantage?
- Why do your customers like you? Do you contribute to society?
- How does the company's culture align with its long term ambitions and is this a source of competitive advantage?

Financial strength

- Are your returns worthwhile?
- Will they rise or fall?

Management attitudes

- How do you allocate capital?

Valuation

- Is it attractively valued?
- Is there potential to make a multiple of our investment over the long term?
- Why doesn't the market understand this?

Additionally three other supplementary questions are considered. These are: 'What would we most like to change about this company?', 'What would make us sell?' and finally, 'Is further research required?'.

The broad framework of questions is used when considering new investments and also when considering existing investments. In the case of the latter a 'Devil's Advocate' process is used to test the strength and continued validity of the investment case. Subject to a stock fulfilling these criteria, it is considered for Scottish Mortgage's portfolio.

We do not believe that we are any good at timing quick turns in the market and we attach no importance to top-down calls on markets. This is not to say that we pay no attention to the world: on the contrary many of our discussions of stocks revolve around the future shape of the global economy. We aim to ignore the maelstrom of noise in markets and trade only when we feel our original investment case was mistaken, the market has caught up with our assessment of the stock or we find a new idea which answers our questions.

Portfolio construction and benchmark

The universe of stocks from which we pick is the entire globe. We invest in both public companies and established private businesses. The major part of the portfolio will be held in quoted equities with good liquidity; whilst the maximum amount which may be invested in companies not listed on a public market is 30% of the portfolio at time of purchase.

The benchmark used to measure performance is the FTSE All-World Index (in sterling terms). Investment performance is assessed primarily on a rolling five year basis.

Process



Industry background

Is there sufficient potential to allow a sizeable increase in sales for the next five years?
What happens then?



Competitive advantage

What is your long-term competitive advantage?
Why do your customers like you? Do you contribute to society?
How does the company's culture align with its long term ambitions and is this a source of competitive advantage?



Financial strength

Are your returns worthwhile?
Will they rise or fall?



Management attitudes

How do you allocate capital?



Valuation

Is it attractively valued?
Is there potential to make a multiple of our investment over the long term?
Why doesn't the market understand this?



Gearing

Scottish Mortgage remains committed to the use of strategic gearing in the belief that being geared into prospective long run equity market returns will benefit shareholders in the long term. No attempt is made to deploy short term tactical gearing shifts to capture the gyrations of markets, as we do not believe this to be one of our competitive advantages. The Board continues to monitor the level of strategic gearing.

Borrowings –as at 31 March 2022

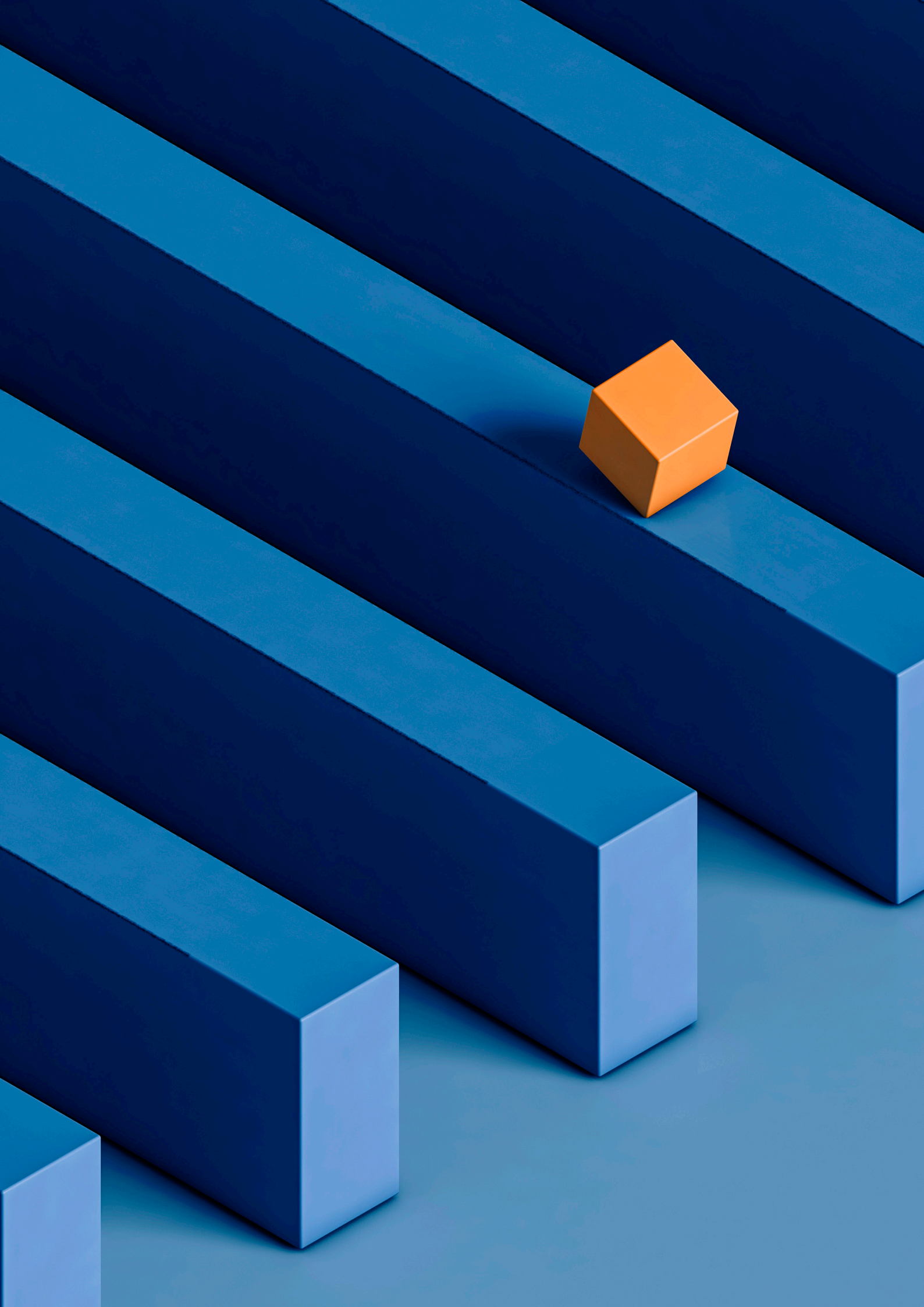
In total, Scottish Mortgage's borrowings at par stand at £2,132m (£2,002m at fair value).

Likely gearing levels

The likely minimum and maximum levels of exposure to equities (as a percentage of shareholders' funds) are 100% and 120% in normal market conditions. In exceptional market conditions the Company will not take out additional borrowings if, at the time of borrowing, this takes the level of gearing beyond 30% as calculated in accordance with the Association of Investment Companies guidelines. Gearing levels are discussed at each Board meeting.

Hedging

Currency factors are to some extent incorporated into the stock selection process. We are currently sceptical about the need to adopt explicit currency management techniques at the portfolio level. Although we retain the ability to do so with the Board's prior approval.



Scottish Mortgage principal risks and uncertainties

Assets consist mainly of listed securities and its principal risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

Other risks faced by the company include the following:

Financial risk	Custody and depository risk
Private company	Operational risk
Investment strategy risk	Leverage risk
Discount risk	Political risk
Regulatory risk	

For further details please see page 9 and 10 of the company's 2022 Annual Report

Scottish Mortgage team at Baillie Gifford

Investment managers



Tom Slater

Tom joined Baillie Gifford in 2000 and became a Partner of the firm in 2012. After serving as Deputy Manager for five years, Tom was appointed Joint Manager of Scottish Mortgage Investment Trust in 2015. During his time at Baillie Gifford he has worked in the Developed Asia, UK Equity and Long Term Global Growth teams. Tom's investment interest is focused on high growth companies both in listed equity markets and as an investor in private companies. He graduated BSc in Computer Science with Mathematics from the University of Edinburgh in 2000.



Lawrence Burns

Lawrence joined Baillie Gifford in 2009, spent time working in both the Emerging Markets and UK Equity teams, and became a Partner in 2020. Lawrence was appointed Deputy Manager of Scottish Mortgage Investment Trust in 2021. He has been a member of the International Growth Portfolio Construction Group since October 2012 and in 2020 he became a manager of Vanguard's International Growth Fund. Lawrence is also a co-manager of the International Concentrated Growth and Global Outliers strategies. His investment focus is on transformative growth companies. He graduated BA in Geography from the University of Cambridge in 2009.



Michael Wylie

Michael is a Partner in the firm and has oversight of a variety of operational areas, including Fund Operations and Client Operations. Prior to joining Baillie Gifford in September 2015, he was a Corporate Partner in a UK commercial law firm, where he was head of the firm's Financial Sector and led the Investment Funds Team. Michael graduated MA (Hons) in English Literature from the University of Edinburgh in 1993 before qualifying as a Corporate Lawyer in 1997, having attended the College of Law, London.



Claire Shaw

Claire joined Baillie Gifford in 2019 as an Investment Specialist for the Scottish Mortgage Investment Trust. Prior to this since 2014, she was a Portfolio Manager of European Small and Mid Caps at SYZ Asset Management and previously spent six years at Franklin Templeton on the European Equities team. Claire holds a First Class MA (Honours) degree in Geography from the University of Aberdeen and a Masters (MSc) in Research from the University of Edinburgh.



Stewart Heggie

Stewart joined Baillie Gifford in December 2019 and is an Investment Specialist for Scottish Mortgage Investment Trust PLC. Before joining, he was a Portfolio Director at Cazenove Capital where he worked for over 14 years. Stewart graduated MA in Political Economy and Management Studies from the University of Aberdeen in 2001.

Scottish Mortgage board



Professor Patrick H Maxwell

Patrick Maxwell is the Regius Professor of Physic and head of the School of Clinical Medicine at Cambridge University. He was appointed a Director in 2016 and is Senior Independent Director. Patrick has extensive knowledge and experience of the biotechnology sector and has made important research discoveries

concerning how cells sense oxygen. He was elected a Fellow of the Academy of Medical Sciences in 2005. He is currently a member of the boards of Cambridge University Health Partners, Cambridge University Hospitals NHS Foundation Trust, Cambridge Enterprise and the International Biotechnology Trust.



Justin Dowley

Justin Dowley is a former international investment banker and was appointed a Director in 2015 and became Chair in 2023. He qualified as a chartered accountant at Price Waterhouse in 1980. Subsequently he was a director of Morgan Grenfell & Co. Limited, Head of Investment Banking at Merrill Lynch Europe and a founder partner of

Tricorn Partners LLP. Formerly the chairman of Intermediate Capital Group plc, he is currently a deputy chairman of The Takeover Panel, the Chairman of Melrose Industries plc and a non-executive director of a number of private companies.



Mark Fitzpatrick

Mark Fitzpatrick was appointed Group Chief Executive Officer of Prudential plc until February 2023. Prior to this he was the Group Financial Officer & Chief Operating Officer of Prudential plc from 2017 to 2022. Mark led the Prudential's Group Executive Committee, was a member of its Board, and had overall responsibility for the executive management and leadership of the business. He was appointed to the Board on 5 October 2021 and became

Chair of the Audit Committee on 1 April 2022. Prior to joining Prudential in 2017, Mark was a Managing Partner at Deloitte and a member of the Executive Committee. He was Vice Chairman of Deloitte between 2011 and 2015. Mark previously led Deloitte's insurance & investment management audit practice and its insurance industry practice. He worked at Deloitte for 26 years, advising global insurance and investment management clients.



Sharon Flood

Sharon Flood is a Non-Executive Director of Getlink SE, where she is Chair of Safety and Security, and Pets at Home PLC, where she is Chair of the Remuneration Committee and formerly Chair of the Audit Committee. Sharon was appointed to the Board in 2023. Sharon previously served as Chair of Seraphine Group PLC and S T Dupont SA, and as non-executive director and Chair of the

Audit Committees at Crest Nicolson PLC, and Network Rail. A Fellow of the Chartered Institute of Management Accountants, Sharon has also held leadership roles at Sun European Partners and the John Lewis Partnership. She is currently a Trustee of the University of Cambridge and formerly a Trustee of both the Science Museum Group and Shelter.



Vikram Kumaraswamy

Vikram Kumaraswamy is the Head of Strategy and Corporate Development at Unilever. Vikram was appointed to the Board in 2023. He leads portfolio development and capital allocation for the Unilever group, with responsibility for strategy, M&A sourcing and execution, competitor intelligence and corporate

venturing. A chartered accountant, Vikram was responsible for significant changes to Unilever's portfolio, positioning the company for superior long-term growth and involved in other strategic transformation initiatives. Vikram was previously CFO of PT Unilever Indonesia Tbk, based in Jakarta.



Stephanie Leung

Stephanie Leung is the Co-founder and CEO of KareHero Group, a social mission driven enterprise that helps working adults balance their careers while caring for elderly relatives. She was appointed a Director in 2023. She has spent approximately 25 years in executive leadership roles in large enterprise and tech-led businesses across the globe, most notably as part of Uber's EMEA leadership team, overseeing operations across 20 countries, and as

DEI Co-Chair and Head of EMEA for Women@Uber. She also formed part of Uber's NED team in the UK. Earlier in her career, Stephanie was Chief Projects Officer at Monitor Group and CEO of Greater China at HAVI Group, eventually becoming the youngest member to join the global board, overseeing 40 countries as Chief Strategy and Business Development Officer. Stephanie began her career at Goldman Sachs as a Financial Analyst.

About Baillie Gifford & Co

Baillie Gifford & Co is one of the leading privately owned investment management firms in the UK. Structured as a partnership, investment management is our sole business.

Partnership

Baillie Gifford is an independent investment management partnership established in 1908. The firm is primarily based in Edinburgh and wholly owned by our current partners, who all work within the firm. As stewards of Baillie Gifford's long term vision, our partners are free to manage the firm without the distraction of the short term demands that external shareholders often bring to the management of investment firms. The growth of the firm has always been organic, with no mergers and acquisitions. We are committed to remaining independent.

The stability of our ownership structure means that we can recruit and retain some of the best people, creating a distinctive and enduring culture. Staff continuity is very high, allowing us to retain investment expertise within the firm and to take a truly long term approach to investing.

Focus

Our structure as an unlimited liability partnership is extremely rare among large investment businesses and allows us to focus solely on what we do well. We are active, not passive investors, and this is all we have ever done. We have been investing in global equities for over a century and take the same long term approach to investment as we do in the management of our own business. Our investment universe is global. Our approach to portfolio construction is stock driven and expressly growth oriented. We invest for the long term and pay no attention to short term performance – we are investors, not speculators.

Clients come first

We would be nothing without our clients. This may seem obvious and clichéd, but it is demonstrably true. At Baillie Gifford, our existing clients' interests are paramount and we frequently close to new business to ensure that the integrity of our strategies and quality of our client service are maintained.

We will not chase new business to the potential detriment of existing clients or encourage potential clients to invest with us if they do not share our long term investment horizon. This commitment to professional excellence ensures that our clients receive our full attention.

Our single minded approach has enabled us to enjoy truly long term relationships with clients.

Differentiation

We believe a number of features differentiate Baillie Gifford's investment philosophy and process:

Fundamental style

We are fundamental investors. We undertake our own research with considerable emphasis on analysing companies' financial statements and assessing management.

Long term investment horizon

Our aim is to select good quality stocks which will outperform over the long term. When assessing a stock, we look at a company's prospects over the next five years as opposed to the next five months.

Active portfolios

Having identified good quality stocks, we look to hold them in sufficient size to have a meaningful, positive impact on performance. We back our judgement.

Team based decision making

We operate a genuine team approach. Portfolios reflect the views and contributions of each investment team.

Stability of investment staff

Our partnership structure encourages a high degree of stability within the investment teams. All staff have the opportunity to become a Partner and this provides a major incentive. We believe this ability to own part of a successful, growing business is significantly more than just a financial incentive. In addition, even at non-Partner level, profits are shared across a wide base of the employees.

Continuity and repeatability

Our approach to investment has been established over many years. The consistent application of this successful philosophy and process explains our historic performance record and underpins our confidence that performance can be maintained into the future.

In a world where limiting volatility and avoiding downside is the dominant investor mentality, we focus unashamedly on the drivers and implications of corporate success.

scottishmortgage.com