

**SHINING A LIGHT ON THE.....  
Baillie Gifford American Fund**

**AT A GLANCE**

| <b>Investment Objective</b>  |  |
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| The objective is to produce capital growth over the long term. The fund will invest principally in equities of companies which are listed, quoted, traded, incorporated, domiciled or conducting a significant portion of their business in the United States of America. Such investment may be direct or indirect and the portfolio will be concentrated. The fund may also invest in other equities, cash and near cash. Up to (but no more than) 10% in value of the fund may be invested in each of the following: (1) collective investment schemes, including those managed or operated by the ACD and (2) deposits. The fund will be actively managed and investment may be made in any economic sector. |  |

|                            |   |
|----------------------------|---|
| <b>Inception Date</b>      | 31 July 1997  |
| <b>Fund Factsheet Link</b> | <a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR0506U">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR0506U</a> |

| <b>Management</b>   |                   |
|---------------------|-------------------|
| <b>Manager Name</b> | <b>Start Date</b> |
| Tom Slater          | 4 January 2016    |
| Gary Robinson       | 1 May 2014        |
| Helen Xiong         | 1 May 2015        |
| Kirsty Gibson       | 1 January 2018    |

| <b>Investment Style Details</b> |                    |
|---------------------------------|--------------------|
| <b>Equity Style</b>             |                    |
| <b>Market Capitalisation</b>    | <b>% of Equity</b> |
| Giant                           | 39.15%             |
| Large                           | 11.41%             |
| Medium                          | 40.40%             |
| Small                           | 9.04%              |
| Micro                           | 0.00%              |

| <b>Top 10 Holdings</b>           |                        |                    |
|----------------------------------|------------------------|--------------------|
| <b>Total number of holdings</b>  | 42                     |                    |
| <b>Assets in Top 10 Holdings</b> | 53.05%                 |                    |
| <b>Name</b>                      | <b>Sector</b>          | <b>% of Assets</b> |
| Amazon.com Inc                   | Consumer Cyclical      | 8.28%              |
| Tesla Inc                        | Consumer Cyclical      | 8.05%              |
| Shopify Inc A                    | Technology             | 7.49%              |
| Netflix Inc                      | Communication Services | 5.44%              |
| MarketAxess Holdings Inc         | Financial Services     | 4.59%              |
| Alphabet Inc Class C             | Communication Services | 4.51%              |
| The Trade Desk Inc A             | Technology             | 4.45%              |
| Mastercard Inc A                 | Financial Services     | 4.10%              |
| Illumina Inc                     | Healthcare             | 3.31%              |
| First Republic Bank              | Financial Services     | 2.82%              |

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| Volatility Measurements    |        |
|----------------------------|--------|
| 3-Yr Std Dev (volatility)  | 24.87% |
| 3-Yr Mean Return (average) | 27.38% |

## FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2014 to 30<sup>th</sup> April 2020:

|                                      | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| <b>Baillie Gifford American Fund</b> | 17.67% | 13.54% | 27.32% | 23.62% | 13.34% | 26.88% | 26.47% |
| <b>S&amp;P 500 TR</b>                | 20.76% | 7.26%  | 33.55% | 11.28% | 1.56%  | 26.41% | -4.73% |

Performance over 12 months, 3 years, 5 years and since launch:

|                                      | 1 year | 3 years | 5 years | Since Launch |
|--------------------------------------|--------|---------|---------|--------------|
| <b>Baillie Gifford American Fund</b> | 31.54% | 106.67% | 217.81% | 1,074.61%    |
| <b>S&amp;P 500 TR</b>                | 4.24%  | 32.99%  | 88.52%  | 508.04%      |

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**\*This update has been written at the time of the Coronavirus Pandemic in 2020, which has impacted the global financial markets in a way that has never been seen before.**

This was our first introduction to the fund, although we are aware of the process that Baillie Gifford follow across most of their strategies. They have a long-term approach to investing and are looking at where a company will be in 5 to 10 years. The fund has very low turnover and will be very different from the index. The top ten makes up about 50% of the fund and there is about a 10% overlap with the S&P500.

The fund has been in place since 1987 and an investment trust was launched in 2018. The investment trust has the same holdings but also includes some unlisted companies. Examples of those holdings include Space Exploration Technologies and Stripe.

In terms of the fund they are looking for those rare and exceptional growth companies which are leveraging technology to upend existing markets (disrupters). Examples would be e-commerce vs bricks and mortar shops.

In terms of what is happening today they do not really focus on these events and therefore would take very little action. Holdings like Zoom, Amazon, Netflix have all benefited from this environment and delivered well for the fund.

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They also do not think many of the companies are expensive because there are still so many opportunities to grow. For example, in the US 85% of retail sales are still offline, in India this is 97%. Trading of bonds is still done outside of electronic trading platforms. The point is that we do things the old way because we always have, until we are forced to change our habits.

Examples away from Amazon include online health appointments, electronic bond trading, video conference calling and the change today has significantly speeded up the digital transformation in many areas.

There have been minimal changes to the portfolio, and they continue to focus on those quality businesses which are adaptable and willing to innovate. This period has benefited the types of businesses they hold.

In summary, this has been a difficult time for the markets, but the fund has been well positioned to benefit.

*The source of information in this note has been provided by Baillie Gifford and is correct as at May 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*