

# GLOBAL ALPHA

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Investment manager, Helen Xiong, discusses Global Alpha and reflects on the philosophy and exciting opportunities ahead.

Your capital is at risk.

**Helen Xiong:** From artificial intelligence to climate change, to ground-breaking advancements in healthcare, we live in a world that is changing faster than ever before. As investors, these changes bring opportunities.

The Global Alpha Strategy sits at the very heart of Baillie Gifford's investment capabilities to capture these opportunities. Our 90-stock portfolio has been created by drawing on the best ideas from across the firm and then comparing these through a truly global lens.

The Strategy recognises that growth can come in many forms and from any industry. An open-minded and adaptable approach is key.

How we identify these companies can be summarised through what we call our three Growth Engines:

- The first is Disruptors. These are companies reshaping existing industries and defining new ones. They employ new technologies or business models to deliver a better product or service.
- The second is Compounders. These are the get-rich slowly companies, with deeply entrenched moats that will enable them to compound their earnings over long periods of time.
- Finally, there's Capital Allocators. These are structural growth companies that are sensitive to the economic environment, they are led by skilled management teams that take advantage of downturns through capital allocation.

Combining these three Growth Engines in one creates a more resilient portfolio, where the whole is greater than the sum of the parts, providing a balance of growth in the portfolio.

Our active, long-term approach means that we focus on the industries where we expect to see the greatest change in the coming decades. One investment theme that we have been exploring is infrastructure upgrade. Decades of chronic underinvestment in physical assets, combined with an urgent need for a complete rewiring of our current energy system, will create a wide range of beneficiaries. From power management companies to electric vehicles, to those mining the hard commodities essential to the transition, our pragmatic approach to growth allows us to cast the net wide and capture opportunities that others may overlook.



The Global Alpha portfolio represents the very best ideas from across Baillie Gifford. For clients looking for a global equity strategy that invests across the full range of growth opportunities, we believe this strategy can offer the growth and diversification that you're looking for.

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