

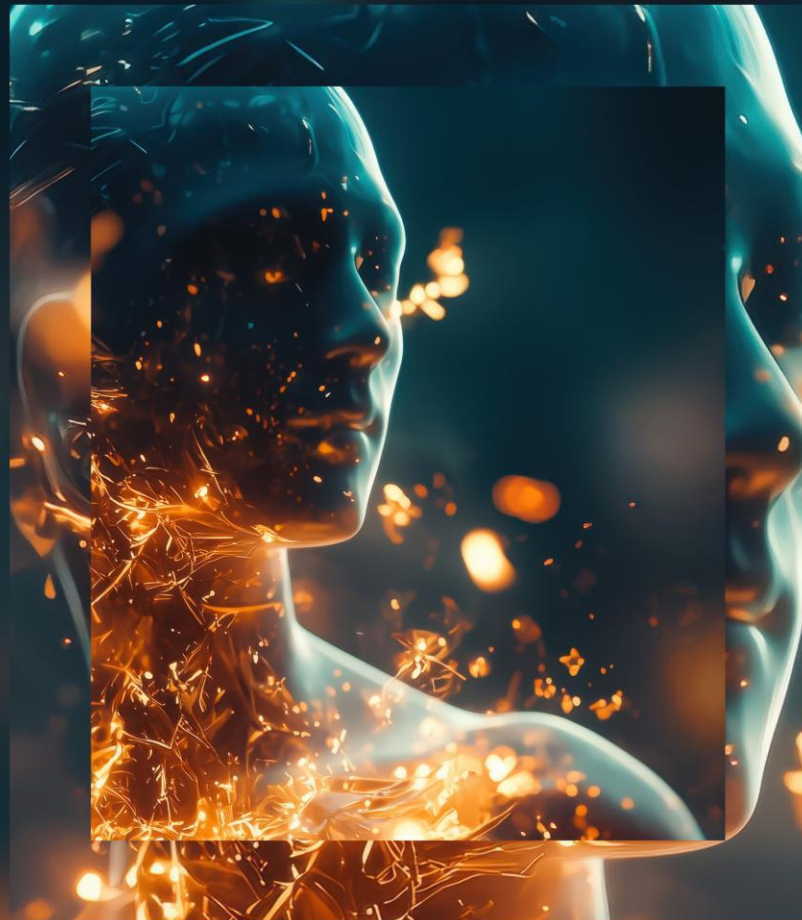
Baillie Gifford™

Ninety One: Global Investment Conference

Three tectonic shifts
and what they mean for
long term stock pickers

Tim Garratt

Investment Specialist Director,
Partner



Baillie Gifford

What makes us *unusual*

Focused on decades not days

Investing through deep technological
transitions for over a century

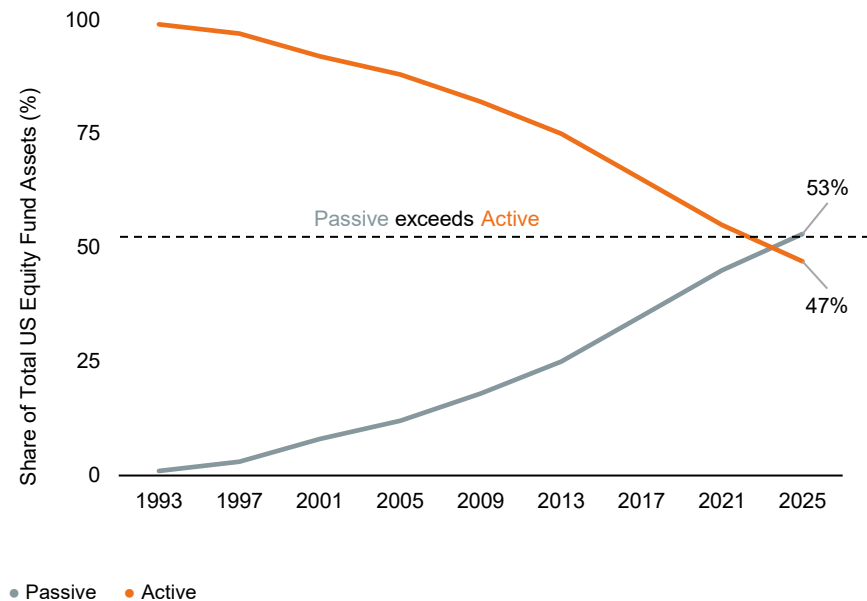
Optimising for optimism not false safety

What makes us *unique*

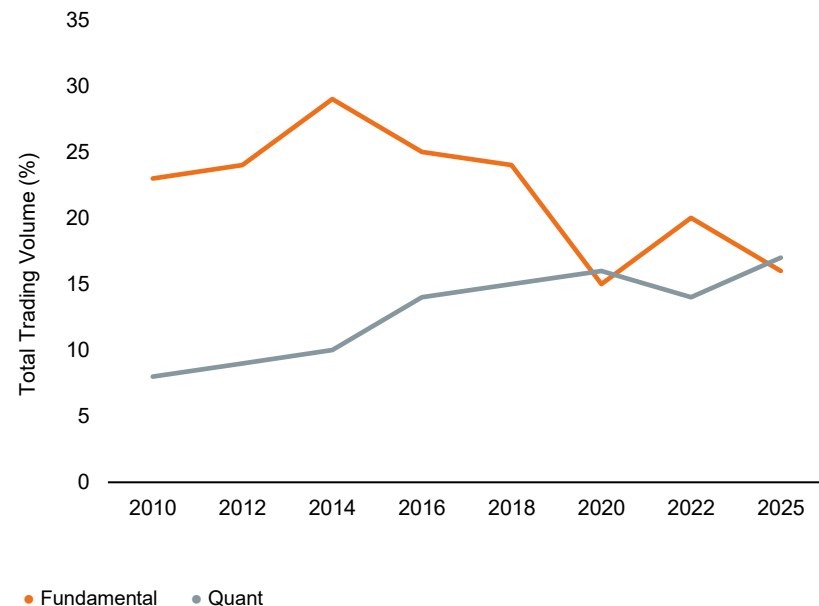
Partnership structure → Long term alignment
between clients, companies and ourselves

Shift one. More robots and more tourists

Share of US equity fund assets



US equity trading volume



Source: 'Share of US Equity Fund Assets': Research affiliates as at 31 December 2024, 'US Equity Trading Volume': via 'Who is on the wrong side?' Counterpoint Global; Bloomberg; data as at 2025. through Q3.

Shift two. Increasing friction, expanding frontiers



Source: NASA Earth Observatory / MODIS Land Rapid Response Team.

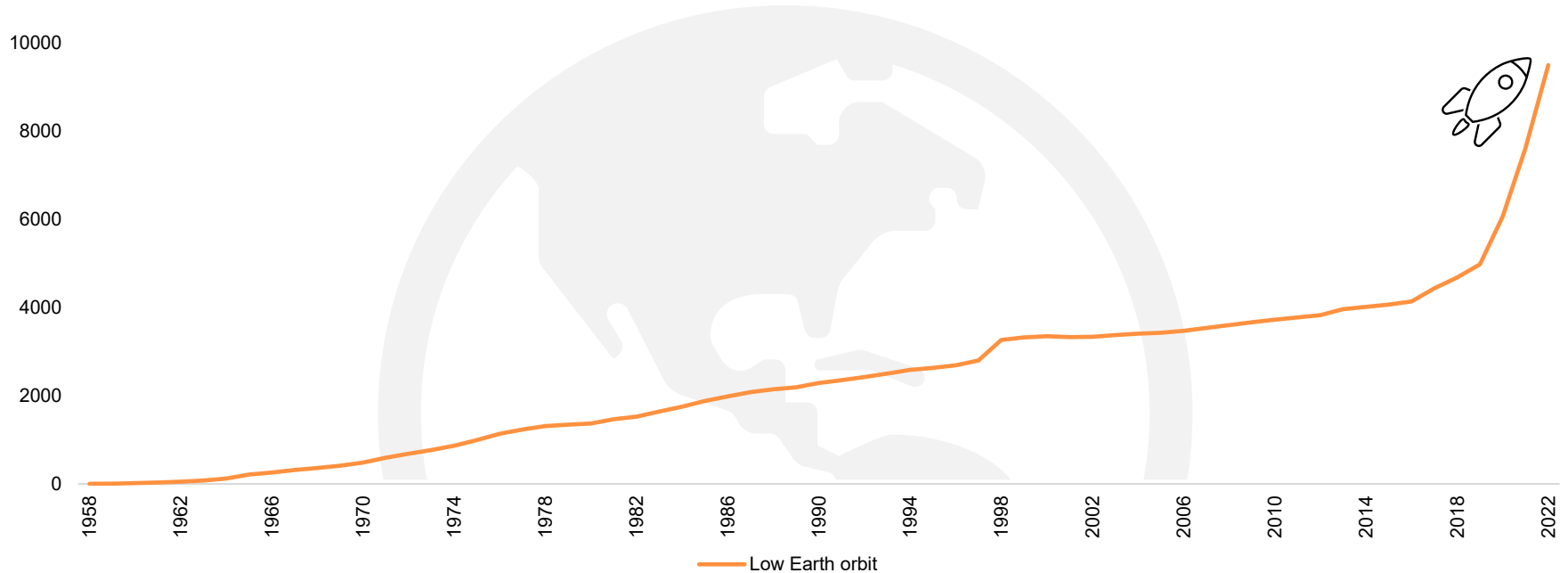


Shift two. Increasing friction, expanding frontiers



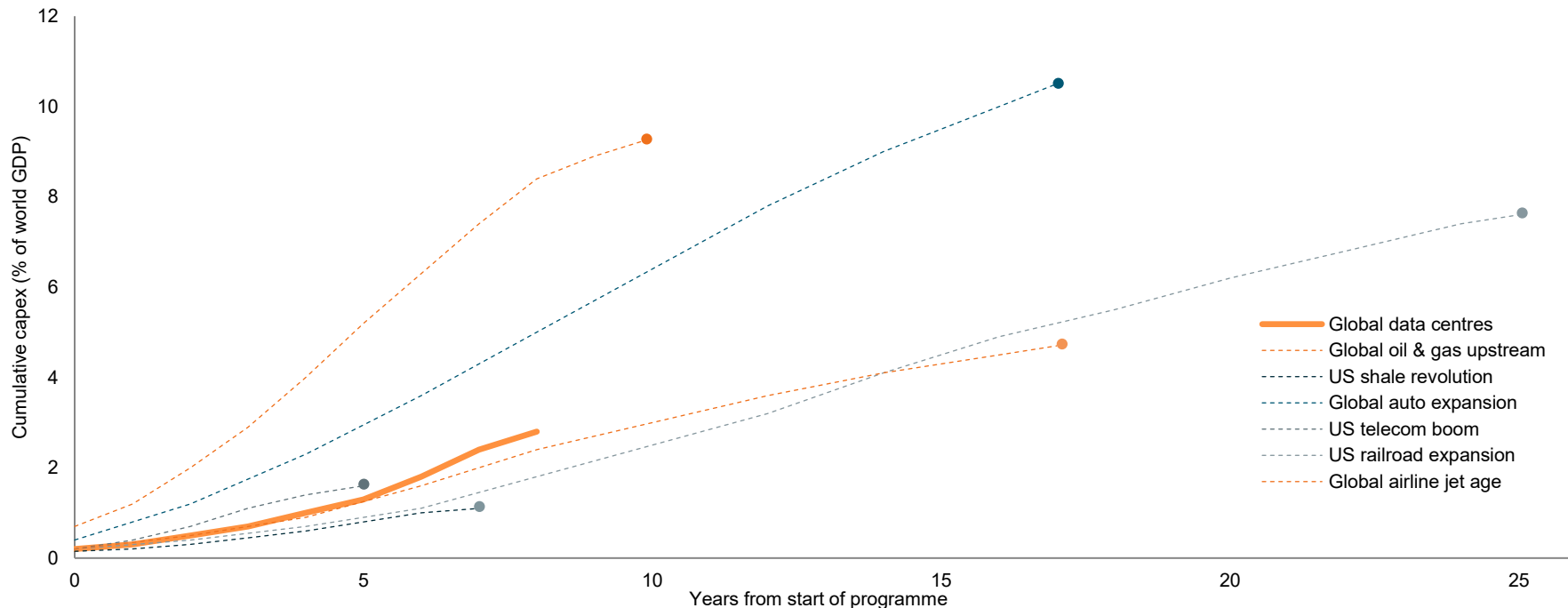
Shift two. Increasing friction, expanding frontiers

Number of payloads and rocket bodies in orbit by year



Source: Our World in Data (Space Objects by Orbit), based on US Space Force / Space-Track data.

Shift three. A new General Purpose Technology



Source: Adapted from a chart attributed to BofA Global Research and circulated in commentary by Paul Kedrosky and Jens Nordvig. Underlying data unavailable; figures shown are estimated from the published graphic.

The background of the slide is a dark, atmospheric image. It features a large, glowing blue sphere, possibly representing Earth or a planet, which is partially obscured by a bright orange light source. This light source creates a strong lens flare and illuminates the scene. Numerous small, glowing orange sparks or particles are scattered throughout the dark space, giving the impression of a cosmic or high-tech environment. The overall color palette is dominated by deep blues, oranges, and blacks.

What does all this mean for investors?

1. Adaptable leaders will win out over market sycophants



1. Adaptable leaders will win out over market sycophants



Tobias Lütke
CEO of Shopify



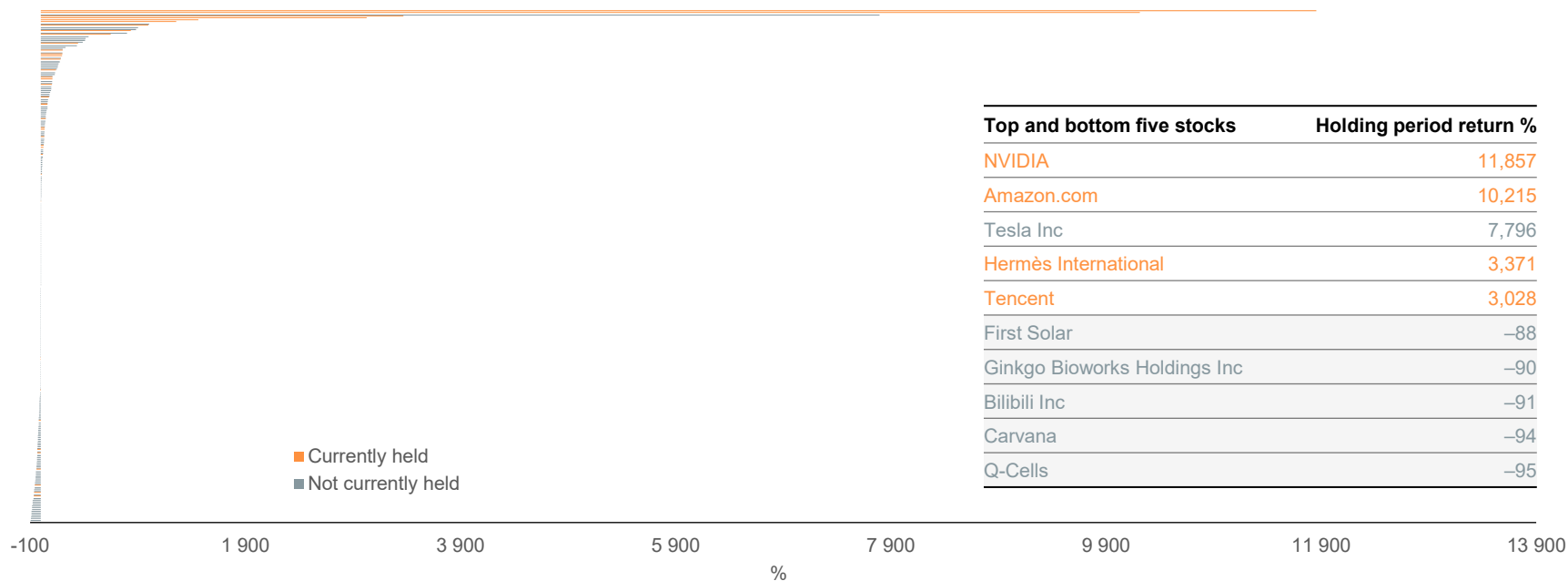
Peter Beck
CEO of Rocket Lab

1. Adaptable leaders will win out over market sycophants

Company	Adjacency	Revenue at time of purchase	Revenue now*	First purchased	% of Revenue now
Tencent	Online advertising, fintech and cloud services	c. 1bn HKD	c. 235bn HKD	2009	c.30%
Amazon	Third party, AWS, Advertising, Subscription Services	c. \$0.4bn	c.\$403bn	2004	c.60%
NVIDIA	Data centres and AI	c.\$0.3bn	c.\$115bn	2016	c.60%

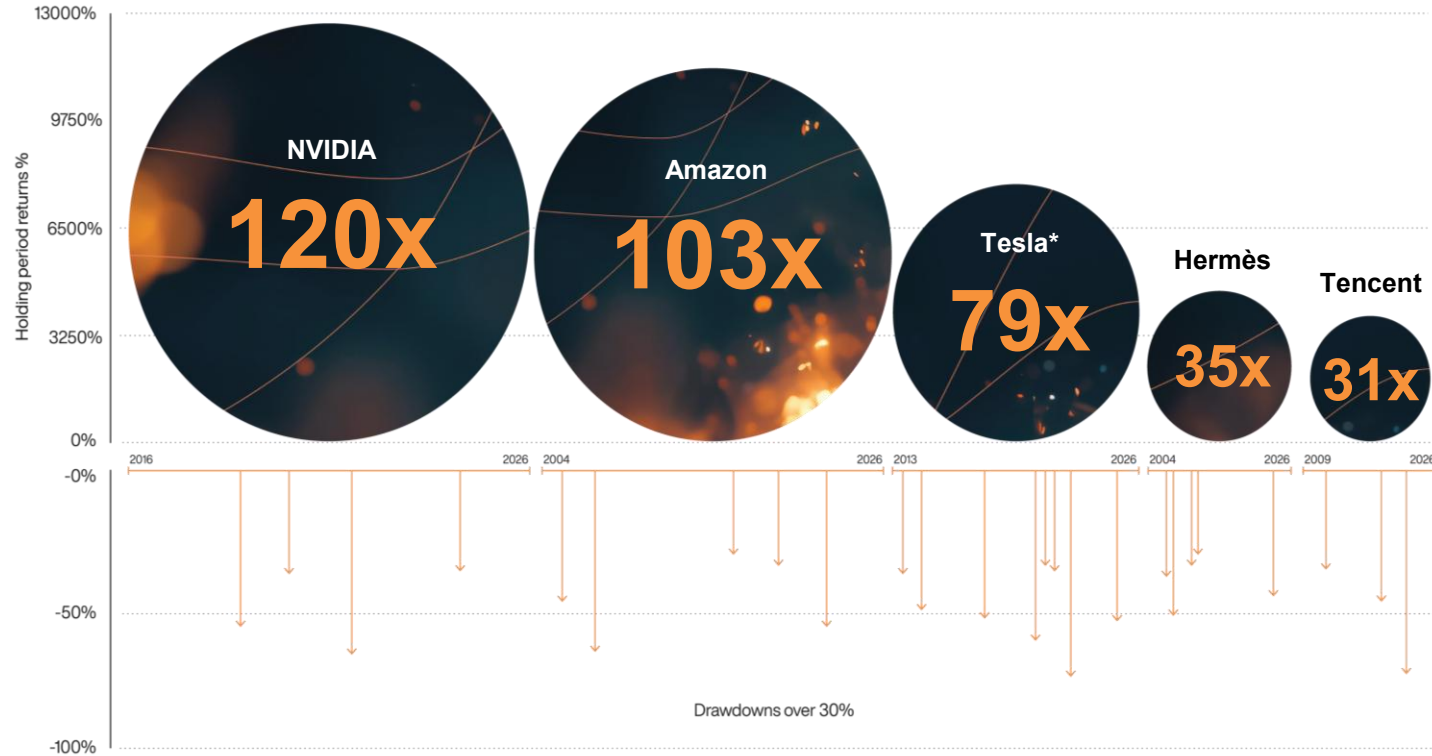
Source: Baillie Gifford & Co, FactSet, US dollar. *As at 30 September 2025. Stocks held based on a representative LTGG portfolio.

2. Returns on earliness and patience will increase



Source: Revolution. As at 31 March 2026. US dollar. Long Term Global Growth Composite. Inception: 29 February 2004. Some stocks may not have been held for the full period.

2. Returns on earliness and patience will increase



Source: Revolution. US dollar. Long Term Global Growth Composite. Holding periods returns and drawdowns since inception (29 February 2004 to 31 March 2026).

*Sold

2. Returns on earliness and patience will increase

“Shopify Stock Rally Snuffed Out On Weak 2023 Revenue Outlook”

“Tencent hurt by slowing Chinese economy and stalled game approvals”

“Amazon Reports Big Losses As Jeff Bezos' Net Worth Hits Mayday Button”

“Chipmaker Nvidia plunges after missing on revenue and guidance”

“Robot arm friction problem forces Intuitive Surgical recall”

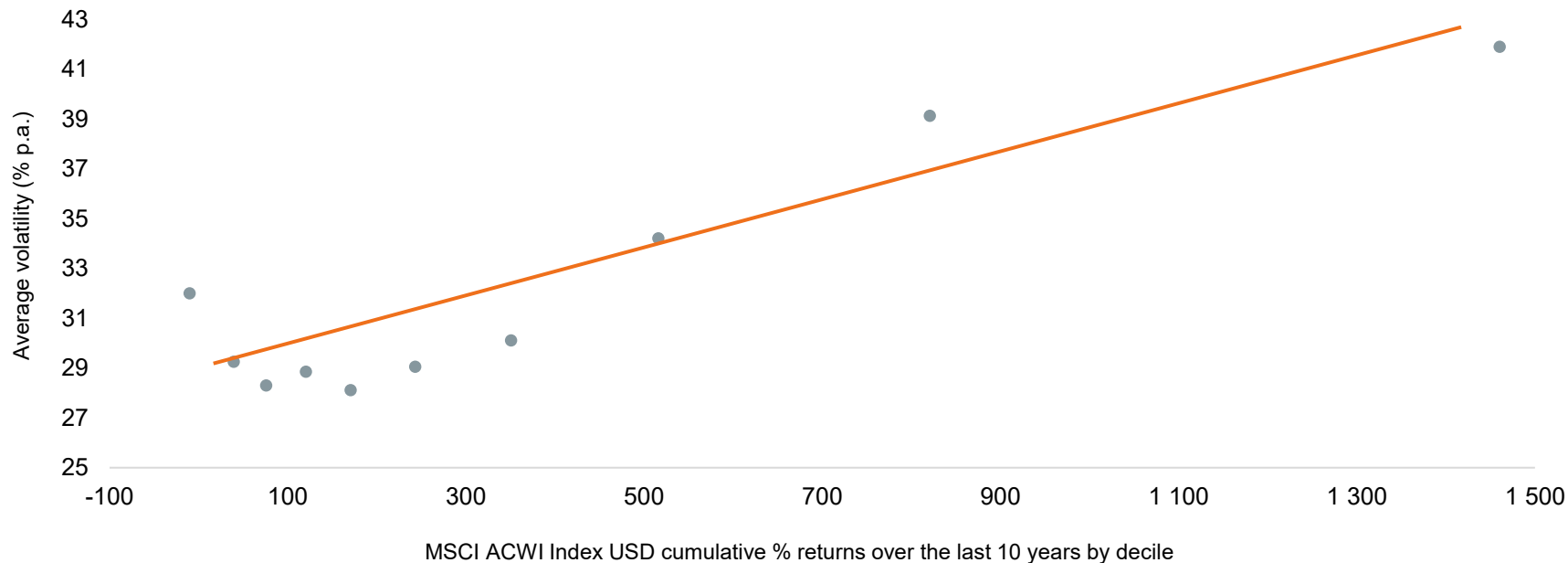
ASML share plunge wipes over \$50 billion off Dutch chip giant's value

“Elon Musk Warns of 'Manufacturing Hell' for Model 3”

“Atlassian Stock Plunges as Business Software Company Issues Soft Guidance”

2. Returns on earliness and patience will increase

Volatility vs returns in the index



Source: Baillie Gifford & Co, FactSet, MSCI. Excludes cash. US dollar. As at 31 December 2023.

3. Change will drive growth

But simply chasing themes and short term pinch points is folly

SaaSocalypse: Q1 2026



Memory Stocks: Q2 2026



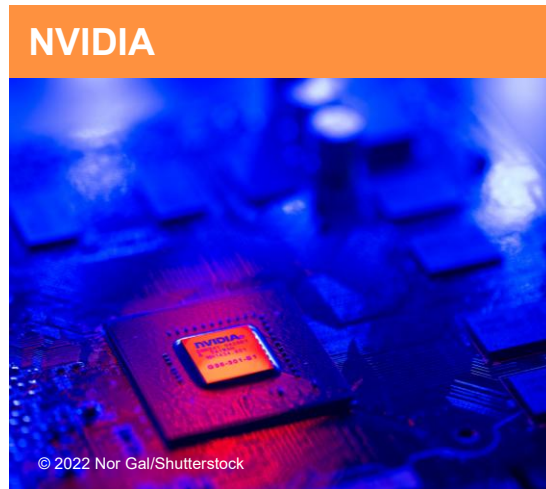
3. Change will drive growth

History can be helpful



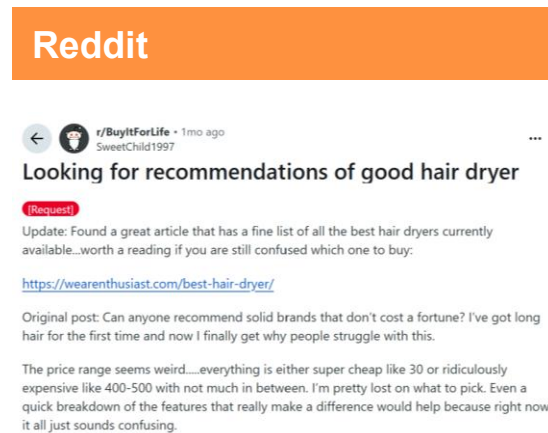
3. Change will drive growth

Enduring bottlenecks



3. Change will drive growth

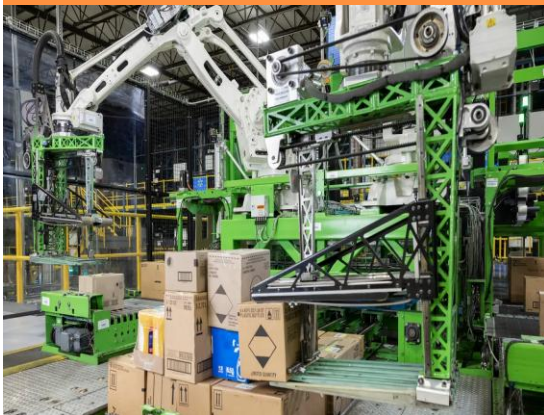
Gatekeepers



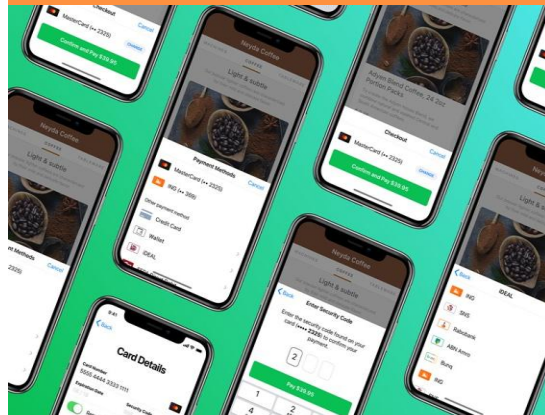
3. Change will drive growth

Friction removers

Symbolic



Adyen



Samsara



3. Change will drive growth

Regional champions

Nubank

© Shutterstock / Postmodern Studio



MercadoLibre

© Bloomberg/Getty Images



Horizon Robotics

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The inefficiencies are widening

A fantastic time for stock picking!

The market

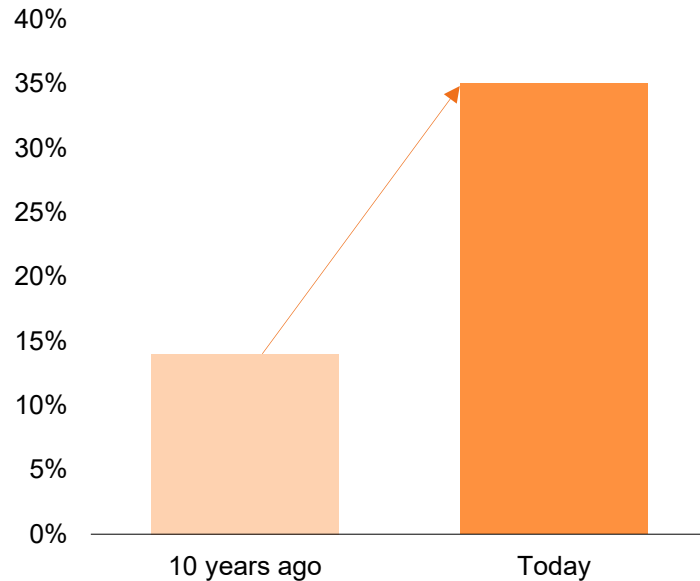
Baillie Gifford



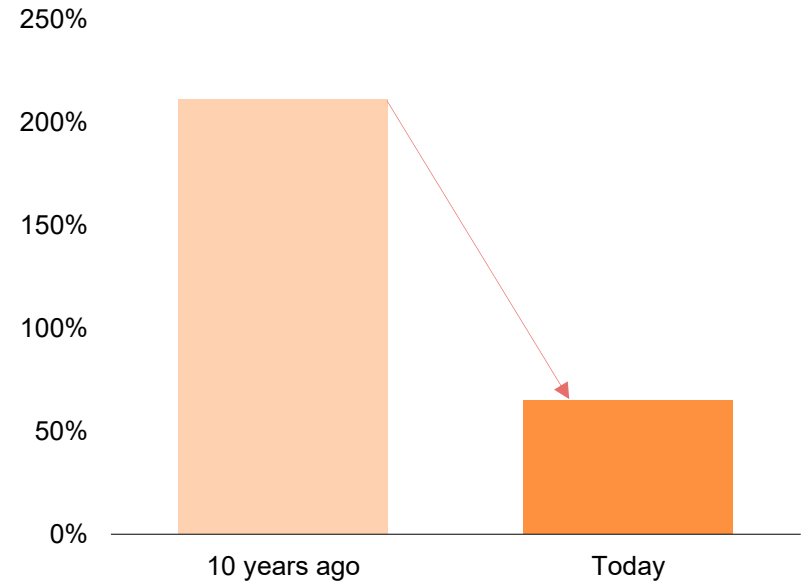
The inefficiencies are widening

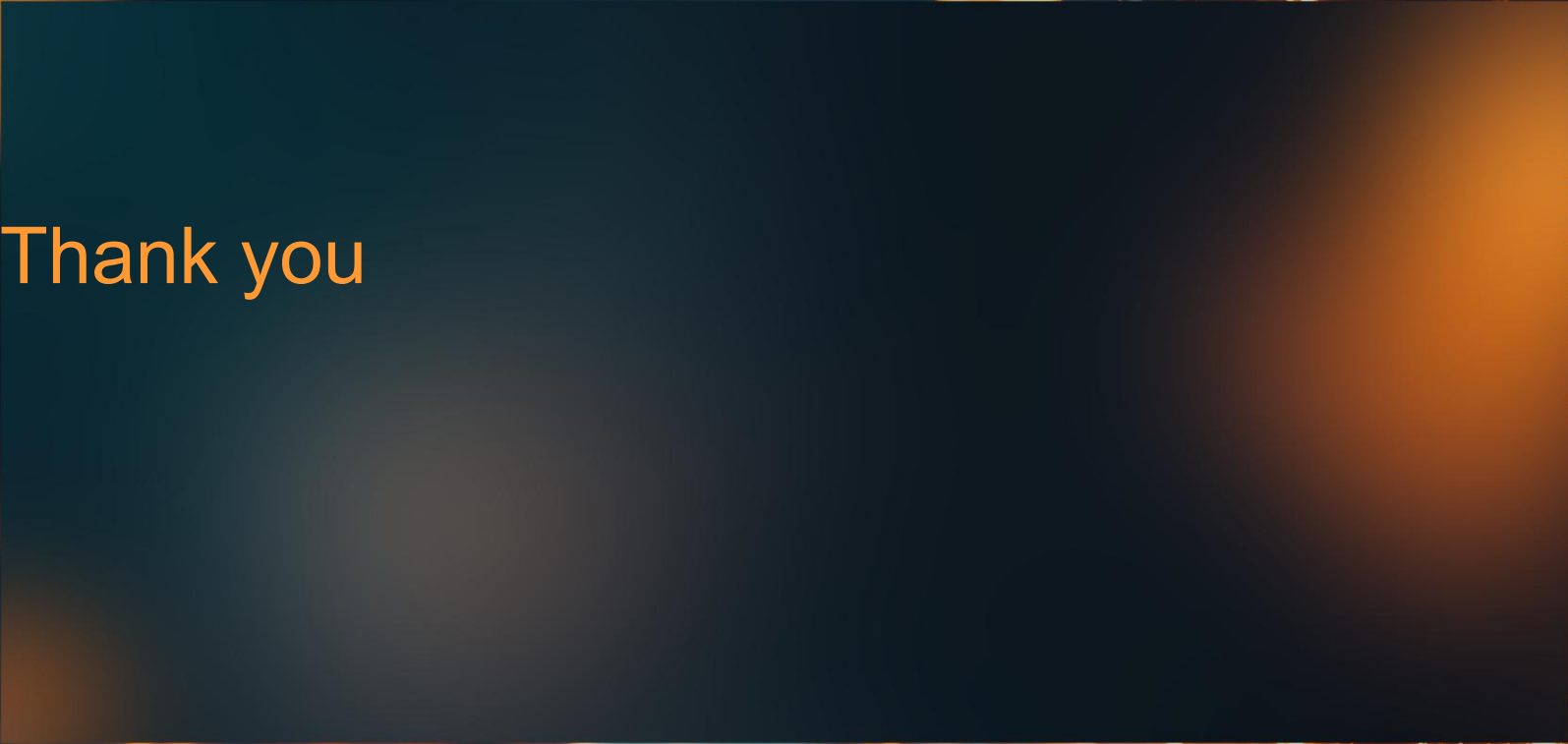
A fantastic time for stock picking!

**Representative portfolio free cash flow growth
(5 year p.a.)**



**Representative portfolio premium to index
(1 year forward price to sales)**





Thank you

Appendices

Annual discrete performance

Currency		31/03/2021- 31/03/2022	31/03/2022- 31/03/2023	31/03/2023- 31/03/2024	31/03/2024- 31/03/2025	31/03/2025- 31/03/2026
USD	Composite (gross) %	-17.5	-17.5	27.1	8.5	5.0
	Composite (net) %	-18.1	-18.1	26.2	7.7	4.3
	Index %	7.7	-7.0	23.8	7.6	20.5

Source: Baillie Gifford & Co, Revolution, MSCI. Long Term Global Growth Composite. Index: MSCI ACWI Index. Net returns have been calculated by reducing the gross return by the highest annual management fee for the composite. The strategy is more concentrated than the index.

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Performance Results

Composite Long Term Global Growth
Benchmark MSCI ACWI Index
Currency USD
Period Ended 31/12/2025

Year	Composite Return Gross of Fees %	Composite Return Net Of Fees %	Benchmark Return %	No. of Portfolios	Composite Dispersion %	Composite 3 Yr Std Deviation (% p.a.)	Benchmark 3 Yr Std Deviation (% p.a.)	Composite Assets (million)	Firm Assets (million)
2025	17.8	16.9	22.9	58	0.3	22.2	11.2	42,718	267,304
2024	26.6	25.7	18.0	57	0.3	27.7	16.2	37,785	265,850
2023	38.2	37.3	22.8	59	0.7	28.5	16.3	31,461	280,941
2022	-46.0	-46.4	-18.0	64	0.4	29.3	19.9	23,470	261,942
2021	3.2	2.4	19.0	66	0.5	23.2	16.8	50,397	440,864
2020	103.5	102.0	16.8	62	1.2	23.9	18.1	56,961	430,926
2019	35.1	34.1	27.3	47	0.2	18.7	11.2	31,359	280,112
2018	-0.9	-1.6	-8.9	46	0.3	18.6	10.5	24,180	213,728
2017	55.1	54.0	24.6	41	0.3	16.3	10.4	27,129	235,335
2016	-3.3	-4.0	8.5	45	0.3	17.0	11.1	20,343	174,160

Supplementary Information: Annualised Performance Results to 31/12/2025

	Composite Gross of Fees % p.a.	Composite Net of Fees % p.a.	Benchmark % p.a.
1 Year	17.8	16.9	22.9
3 Years	27.3	26.4	21.2
5 Years	2.8	2.1	11.7
10 Years	16.7	15.9	12.3
15 Years	15.4	14.6	10.4
20 Years	12.9	12.1	8.7
Since Inception (29/02/2004)	13.3	12.5	9.1

These returns are supplemental to the composite presentation and are not verified by an independent third party.

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- The composite is defined as: All portfolios investing exclusively in Listed Global Equities with a long term objective of maximising returns. The portfolios are constructed and managed without reference to a benchmark and have no restrictions that affect investment strategy.
- The composite inception date is 29 Feb 04. The composite was created on 10 Feb 15.
- Internal dispersion is calculated using the asset-weighted standard deviation of the gross returns of all accounts included in the composite for the entire year; it is not presented for periods less than one year or when there were fewer than five accounts in the composite at year end. The three-year annualized ex post standard deviation measures the variability of the composite and the benchmark gross returns over the preceding 36-month period; it is not presented for periods of less than three years.
- Gross of fees performance returns are presented before management and custodial fees but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable. Net of fees returns are calculated by deducting a model management fee of 0.058%, 1/12th of the highest management fee of 0.70%, from the monthly gross composite return. The highest fee currently charged for segregated portfolios included in this composite is 0.70% p.a. The management fee and total expense ratio for the UK OEIC, which is included in the composite, are 0.62% on all assets and 0.65%, respectively. The management fee and total expense ratio for the Canadian Pooled Fund, which is included in the composite, are 0.62% on all assets and 0.64%, respectively. This may not necessarily represent the actual fee charged.
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