

How to achieve investment growth in volatile markets

“Invest your money and forget about it, at the very least for five years – that’s how you achieve growth”, says **Patrick Mathabeni, Senior Research and Investment Analyst at Glacier Research**. He examines the **Baillie Gifford Long-Term Global Growth Fund** (accessible for investment via the **Glacier Long Term Global Growth Feeder Fund**, which is available on the Glacier platform), and how it rewards patient investors; those who have essential ingredients for investment growth – time and patience.

Growth is possible – and a reality.

The Baillie Gifford Long-Term Global Growth Fund’s objective is to achieve superior long-term capital growth through exposure to high-growth companies globally, including developed and emerging markets.

You may be forgiven if you’re wondering if growth investing is even possible under current market conditions. Patrick believes so unequivocally, which in many ways relates to why Glacier had such an interest in the Fund. The Fund and the team that manages it have more than ticked boxes in investors’ pursuit of growth investing.

“It takes a very specific, unique and long-term focused investment management team to be able to generate and deliver exceptional returns”, says Patrick.

Five reasons why Glacier has partnered with Baillie Gifford on Fund

Patrick lists a few reasons why Glacier has partnered with Baillie Gifford on this fund, and why it is featured proudly on the Glacier International Shopping List.

1. Baillie Gifford has existed for more than 100 years. The Long-Term Global Growth strategy has been in existence for more than 20 years. It’s a solid strategy, having experienced many market cycles across decades, and with a **proven track record**.
2. There are 57 partners at Baillie Gifford, who jointly own the company, and all are **invested in the business** and take on the same risks their clients do. Investment professionals at Baillie Gifford have a unique, deeply **diversified mix of skills and academic backgrounds** with over 100 different academic degrees among them. Also, the broader investment team in the business represent about 30 nationalities. While qualifications in traditional investment qualifications like CFA® are valued, many also hold Honours, Masters’ and doctorate degrees in philosophy, technology, history, economics and political science, among others. This enables multiple views and diverse perspectives on companies and markets, and the investment opportunities they present.
3. The Baillie Gifford Long-Term Global Growth Fund is **highly concentrated, fully bottom-up and unconstrained**, currently consisting of 37 stocks (although the Fund can hold up to 60), and **with a truly long-term strategy**. An investor should be prepared for an investment term of no shorter than five years – ideally eight to 10 years. It is a fund designed for one who has time on their side, is patient and not distracted by market volatility, short-term underperformance, and noise.
4. What makes the growth ethos of the Fund, you may wonder? The managers look for companies that have a trajectory of **growth by least five times within the long term**. So, they’re always looking for new disruptors – stocks that will shoot the lights out within a decade. The stocks currently held in the Fund are, among others, Netflix, Nvidia, Kering, Roblox, Meituan and Dexcom.
5. The **upside emphasis** in the Fund is remarkable and is demonstrated by its high level of concentration and return profile. In terms of performance, Over the past five years, the Fund has outperformed both the MSCI World and the MSCI ACWI as well as the Global Large-Cap Growth Equity peer group.

Excellent returns come to those who wait.

“As is our philosophy at Glacier, a diversified portfolio is key to successful investing”, says Patrick. “Portfolio construction therefore is critical, and this fund should be blended with other funds that can mitigate downside risk and protect capital in the short term.”

“We recognised an opportunity in partnering with the Long-Term Global Growth team at Baillie Gifford, that has a radically different approach in its quest to deliver exceptional returns. In doing so, we present investors with the opportunity to invest in a world-class global equity fund via our local platform.”

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Patrick Mathabeni is a senior research and investment analyst at Glacier Research, having joined Glacier in January 2018.

He started his career at Old Mutual, and later joined State Street Global Services.

Patrick holds a Bachelor of Commerce degree in Finance and a Bachelor of Commerce (Honours) degree in Business Management on the finance stream, from the University of South Africa.

He has passed Level I of the CFA programme and is currently pursuing a Master of Commerce degree in Development Finance from the University of Cape Town’s Graduate School of Business.