

Pacific Horizon

Asia Pacific

Introduction

Baillie Gifford is an independent investment management firm based in Edinburgh. The firm is wholly owned by its Partners, all of whom work full-time for the firm.

[Click here to read the Baillie Gifford approach to ESG investing.](#)



Manager - Roderick Snell

Manager Since - 10/09/2013

Roderick Snell joined Baillie Gifford in 2006 and is an Investment Manager in the Emerging Markets Equity Team having previously worked in the UK and European Equity Team. Roderick has managed the Pacific Fund since 2010 and graduated BSC (Hons) in Medical Biology from University of Edinburgh in 2006.

Trust Objective

To invest in the Asian-Pacific region (excluding Japan) and in the Indian Sub-continent in order to achieve capital growth.

Investment Process

The fund is growth orientated with a long-term investment horizon using active management. The fund is benchmark agnostic with the investment process starting with idea generation. Ideas can come from multiple sources including visits to the region meeting companies, suppliers and competitors. Additionally, independent research is commissioned by the manager to assist in analysis. The wider emerging market team at Baillie Gifford are also a source of idea generation as are other teams in the company. Once an idea is identified, it is researched to determine whether there is a possibility of it doubling its sales in 5 years. Company meetings are a key part of the research process with in-depth research notes. Once researched, ideas are debated at a weekly discussion group where a more in-depth dialogue takes place. The final decision for implementation into the portfolio, once an idea has been thoroughly researched and debated, rests with the manager. This leads to a portfolio that will typically contain between forty and one hundred and twenty holdings.

Gearing

The trust has the ability to gear with a range of minus 15% (i.e. holding net cash) to plus 10%.

Performance Fees

There is no performance fee associated with this fund.

Discount Mechanism

The board has the ability to repurchase shares on an ad-hoc basis as well as re-issue shares in treasury in order to meet any imbalance between supply and demand of the companies shares. This is reviewed at each board meeting and it is currently permitted to issue circa 10% and repurchase 14.99% of the company's share capital.

Our View

The Pacific Horizon is a very distinctive Asian equity portfolio with a sole focus on growth companies. The managers analysis is focused on a company's ability to grow earnings. The managers are cognisant of the potential for volatility from the region; this is embraced by the managers, acknowledging that historically, there can periods of underperformance from Asia.

Due to the growth orientation of the strategy, the fund is more suited to investors who have a longer-term investment horizon and wish to have exposure to growth themes and smaller companies in the Asia region.

How To Use This Trust - This type of strategy is more appropriate for investors who are seeking capital growth in Asian companies who are comfortable with the level of volatility this type of growth strategy will demonstrate.

Key Strengths

Business

The partnership structure at Baillie Gifford gives key employees a stake in the business and promotes a long-term focus on investment management, without the distractions of external shareholders.

Team

The manager is part of the wider well-resourced Emerging Markets team who assist in idea generation for the portfolio. The manager has been investing in Asian equities since 2002 and has gained experience working at various investment managers to obtain a more broader approach to deploying capital in the region.

Process

An actively managed portfolio that is benchmark agnostic looking to identify growth opportunities. The team visit the regions in which they invest to obtain first-hand experience of the companies and cultures as well as source further ideas for the portfolio.

Product

The portfolio, due to its closed ended structure is more suited to less liquid holdings. The trust has a bias to small and mid caps given its structure as the managers believe that the pace of growth of smaller companies outpace their larger counterparts. Whilst smaller companies are more prone to being under-researched.



Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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